



BREAKS, SPILLS AND LEAKS REPORT

Person Reporting J.L. OLDS

Time Reported: 8:30 A.M am/pr

Person Reported to (Field Supervisor) JOE PALMA

Time Reported: 8:45 A.M. am/pr

Environmental Notification Coordinator _____

Time Reported: _____ am/pr

1. LOCATION:

Name of well or facility: LIVINGSTON RIDGE GAS LINE B.S. TNK AT LOST TNK LEASE

Location 660 FSL & 1980 FWL Section 36 TOWNSHIP 21S Range R31E Eddy County

Surface Owner: _____ Mineral Owner: Fee Federal State

2. TIME OF INCIDENT:

Date: 2/5/2016

Time: 8:00 A.M. am/pm

3. SOURCE AND CAUSE: TANK OVERFLOW

4. TYPE OF DISCHARGE

Crude Oil Condensate Produced Water Gas Other _____

5. QUANTITY:

Estimated Volumes Discharged: 10 Barrels of Oil 0 Barrels of Water

Barrels of _____

0 MCF Gas

Estimated Volumes Recovered: 8 Barrels of Oil 0 Barrels of Water

Barrels of _____

6. SITE CHARACTERISTICS:

Weather Conditions: DRY/COOL Soil Type and Condition: SAND

Distance & Direction to fresh water wells or watercourse: _____

Secondary Containment type & condition: _____

Miscellaneous: OIL SPILL CONFINED TO IMMEDIATE AREA EAST SIDE OF TANK

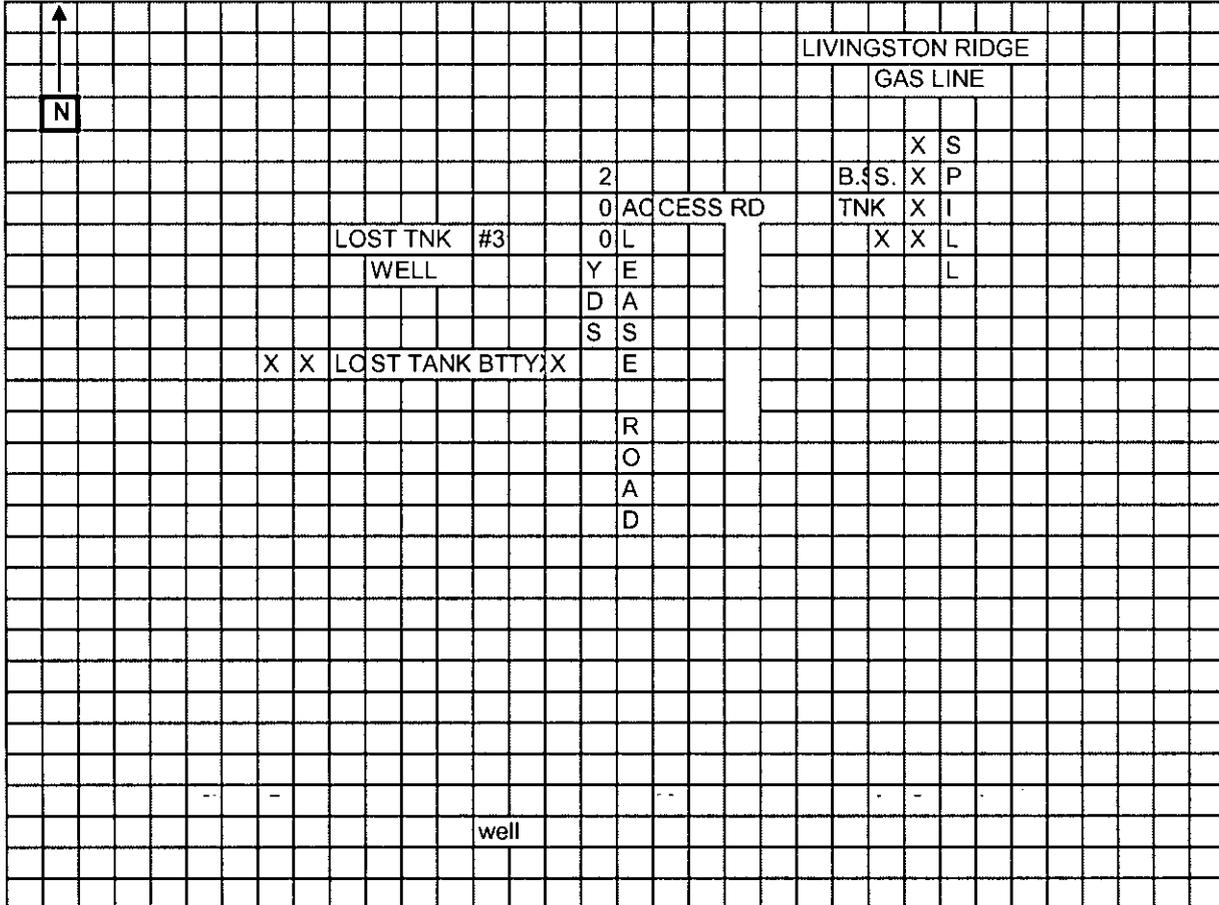
7. IMMEDIATE CORRECTIVE ACTION:

Action and time taken to control incident: SHUT VALVES, CALL FOREMAN

BREAKS, SPILLS AND LEAKS REPORT

8. SITE ASSESMENT

Exact Location of Spill: (sketch)



Horizontal Extent: 10 X 25 Estimated Vertical Extent: 4 INCHES feet / inches

Degree of Contamination: Highly Contaminated/Saturated _____
 Unsaturated _____

9. REMEDIAL ACTION:

Excavate, and landfarm on location _____

Excavate, remove and replace _____

Treat in place _____



Hall Environmental Analysis Laboratory
4901 Hawkins NE
Albuquerque, NM 87109
TEL: 505-345-3975 FAX: 505-345-4107
Website: www.hallenvironmental.com

February 18, 2016

Chase Settle

Yates Petroleum Corporation

105 South Fourth Street

Artesia, NM 88210

TEL: (575) 748-4111

FAX

RE: Livingston Ridge Gas System

OrderNo.: 1602538

Dear Chase Settle:

Hall Environmental Analysis Laboratory received 2 sample(s) on 2/12/2016 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. To access our accredited tests please go to www.hallenvironmental.com or the state specific web sites. In order to properly interpret your results it is imperative that you review this report in its entirety. See the sample checklist and/or the Chain of Custody for information regarding the sample receipt temperature and preservation. Data qualifiers or a narrative will be provided if the sample analysis or analytical quality control parameters require a flag. When necessary, data qualifiers are provided on both the sample analysis report and the QC summary report, both sections should be reviewed. All samples are reported, as received, unless otherwise indicated. Lab measurement of analytes considered field parameters that require analysis within 15 minutes of sampling such as pH and residual chlorine are qualified as being analyzed outside of the recommended holding time.

Please don't hesitate to contact HEAL for any additional information or clarifications.

ADHS Cert #AZ0682 -- NMED-DWB Cert #NM9425 -- NMED-Micro Cert #NM0190

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy Freeman', is written over a white background.

Andy Freeman

Laboratory Manager

4901 Hawkins NE

Albuquerque, NM 87109

Hall Environmental Analysis Laboratory, Inc.

CLIENT: Yates Petroleum Corporation **Client Sample ID:** S1-1'
Project: Livingston Ridge Gas System **Collection Date:** 2/8/2016 2:15:00 PM
Lab ID: 1602538-001 **Matrix:** SOIL **Received Date:** 2/12/2016 9:35:00 AM

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed	Batch
EPA METHOD 8015M/D: DIESEL RANGE ORGANICS							Analyst: KJH
Diesel Range Organics (DRO)	ND	9.6		mg/Kg	1	2/16/2016 1:50:57 PM	23734
Surr: DNOP	88.8	70-130		%Rec	1	2/16/2016 1:50:57 PM	23734
EPA METHOD 8015D: GASOLINE RANGE							Analyst: NSB
Gasoline Range Organics (GRO)	ND	4.9		mg/Kg	1	2/15/2016 5:41:41 PM	23710
Surr: BFB	94.0	66.2-112		%Rec	1	2/15/2016 5:41:41 PM	23710
EPA METHOD 8021B: VOLATILES							Analyst: NSB
Benzene	ND	0.049		mg/Kg	1	2/15/2016 5:41:41 PM	23710
Toluene	ND	0.049		mg/Kg	1	2/15/2016 5:41:41 PM	23710
Ethylbenzene	ND	0.049		mg/Kg	1	2/15/2016 5:41:41 PM	23710
Xylenes, Total	ND	0.097		mg/Kg	1	2/15/2016 5:41:41 PM	23710
Surr: 4-Bromofluorobenzene	113	80-120		%Rec	1	2/15/2016 5:41:41 PM	23710

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

Qualifiers:	*	Value exceeds Maximum Contaminant Level.	B	Analyte detected in the associated Method Blank
	D	Sample Diluted Due to Matrix	E	Value above quantitation range
	H	Holding times for preparation or analysis exceeded	J	Analyte detected below quantitation limits
	ND	Not Detected at the Reporting Limit	P	Sample pH Not In Range
	R	RPD outside accepted recovery limits	RL	Reporting Detection Limit
	S	% Recovery outside of range due to dilution or matrix	W	Sample container temperature is out of limit as specified

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1602538
18-Feb-16

Client: Yates Petroleum Corporation
Project: Livingston Ridge Gas System

Sample ID	MB-23734	SampType:	MBLK	TestCode:	EPA Method 8015M/D: Diesel Range Organics					
Client ID:	PBS	Batch ID:	23734	RunNo:	32179					
Prep Date:	2/15/2016	Analysis Date:	2/16/2016	SeqNo:	983681	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Diesel Range Organics (DRO)	ND	10								
Surr: DNOP	9.6		10.00		95.7	70	130			

Sample ID	MB-23739	SampType:	MBLK	TestCode:	EPA Method 8015M/D: Diesel Range Organics					
Client ID:	PBS	Batch ID:	23739	RunNo:	32179					
Prep Date:	2/15/2016	Analysis Date:	2/16/2016	SeqNo:	983682	Units:	%Rec			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Surr: DNOP	8.7		10.00		87.1	70	130			

Sample ID	LCS-23734	SampType:	LCS	TestCode:	EPA Method 8015M/D: Diesel Range Organics					
Client ID:	LCSS	Batch ID:	23734	RunNo:	32179					
Prep Date:	2/15/2016	Analysis Date:	2/16/2016	SeqNo:	983683	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Diesel Range Organics (DRO)	54	10	50.00	0	108	65.8	136			
Surr: DNOP	5.3		5.000		106	70	130			

Sample ID	LCS-23739	SampType:	LCS	TestCode:	EPA Method 8015M/D: Diesel Range Organics					
Client ID:	LCSS	Batch ID:	23739	RunNo:	32179					
Prep Date:	2/15/2016	Analysis Date:	2/16/2016	SeqNo:	983684	Units:	%Rec			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Surr: DNOP	4.9		5.000		97.5	70	130			

Sample ID	MB-23771	SampType:	MBLK	TestCode:	EPA Method 8015M/D: Diesel Range Organics					
Client ID:	PBS	Batch ID:	23771	RunNo:	32179					
Prep Date:	2/17/2016	Analysis Date:	2/17/2016	SeqNo:	984150	Units:	%Rec			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Surr: DNOP	7.3		10.00		73.4	70	130			

Sample ID	LCS-23771	SampType:	LCS	TestCode:	EPA Method 8015M/D: Diesel Range Organics					
Client ID:	LCSS	Batch ID:	23771	RunNo:	32179					
Prep Date:	2/17/2016	Analysis Date:	2/17/2016	SeqNo:	984152	Units:	%Rec			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Surr: DNOP	3.7		5.000		73.3	70	130			

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit
- W Sample container temperature is out of limit as specified

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1602538

18-Feb-16

Client: Yates Petroleum Corporation

Project: Livingston Ridge Gas System

Sample ID	MB-23710	SampType:	MBLK	TestCode:	EPA Method 8015D: Gasoline Range					
Client ID:	PBS	Batch ID:	23710	RunNo:	32139					
Prep Date:	2/12/2016	Analysis Date:	2/15/2016	SeqNo:	982929	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organics (GRO)	ND	5.0								
Surr: BFB	940		1000		94.0	66.2	112			

Sample ID	LCS-23710	SampType:	LCS	TestCode:	EPA Method 8015D: Gasoline Range					
Client ID:	LCSS	Batch ID:	23710	RunNo:	32139					
Prep Date:	2/12/2016	Analysis Date:	2/15/2016	SeqNo:	982930	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organics (GRO)	25	5.0	25.00	0	101	79.6	122			
Surr: BFB	1000		1000		100	66.2	112			

Sample ID	MB-23733	SampType:	MBLK	TestCode:	EPA Method 8015D: Gasoline Range					
Client ID:	PBS	Batch ID:	23733	RunNo:	32174					
Prep Date:	2/15/2016	Analysis Date:	2/16/2016	SeqNo:	983808	Units:	%Rec			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Surr: BFB	950		1000		94.5	66.2	112			

Sample ID	LCS-23733	SampType:	LCS	TestCode:	EPA Method 8015D: Gasoline Range					
Client ID:	LCSS	Batch ID:	23733	RunNo:	32174					
Prep Date:	2/15/2016	Analysis Date:	2/16/2016	SeqNo:	983809	Units:	%Rec			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Surr: BFB	990		1000		99.5	66.2	112			

Sample ID	MB-23727	SampType:	MBLK	TestCode:	EPA Method 8015D: Gasoline Range					
Client ID:	PBS	Batch ID:	23727	RunNo:	32174					
Prep Date:	2/15/2016	Analysis Date:	2/16/2016	SeqNo:	983818	Units:	%Rec			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Surr: BFB	920		1000		91.5	66.2	112			

Sample ID	LCS-23727	SampType:	LCS	TestCode:	EPA Method 8015D: Gasoline Range					
Client ID:	LCSS	Batch ID:	23727	RunNo:	32174					
Prep Date:	2/15/2016	Analysis Date:	2/16/2016	SeqNo:	983819	Units:	%Rec			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Surr: BFB	1000		1000		101	66.2	112			

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit
- W Sample container temperature is out of limit as specified

Client ID:	PBS	Batch ID:	23727	RunNo:	32174					
Prep Date:	2/15/2016	Analysis Date:	2/16/2016	SeqNo:	983846	Units:	%Rec			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Surr: 4-Bromofluorobenzene	1.1		1.000		111	80	120			

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit
- W Sample container temperature is out of limit as specified



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
<u>C 02636</u>			ED	1	1	2	18	21S	31E	611244	3594810*	801		
<u>C 02727</u>			ED	3	1	1	33	21S	31E	613716	3589809*	913		
<u>C 02949 EXPL</u>			ED	1	1	4	34	21S	31E	616140	3589231*	970		
<u>C 02953 EXPL</u>			ED	1	3	1	16	21S	31E	613662	3594434*		630	
<u>C 03003</u>			ED	3	1	3	31	21S	31E	610511	3588970*	650		
<u>C 03233 EXPLORE</u>			ED	4	4	4	20	21S	31E	613489	3591816*	566		

Average Depth to Water: **630 feet**
 Minimum Depth: **630 feet**
 Maximum Depth: **630 feet**

Record Count: 6

PLSS Search:

Section(s): 1-36

Township: 21S

Range: 31E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87412
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

NM OIL CONSERVATION
ARTESIA DISTRICT

RECEIVED
FEB 18 2016

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report X Final Report

Name of Company	Agave Energy Company	Contact	Kerry Egan
Address	326 West Quay Artesia, NM 88210	Telephone No.	575 513-8988
Facility Name:	Livingston Ridge Pipeline	Facility Type:	Pipeline ROW

Surface Owner:	State of NM	Mineral Owner		API No.	
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	36	21S	31E					EDDY

Latitude 32.430210 Longitude -103.731708

NATURE OF RELEASE

Type of Release: Pipeline liquids, natural gas	Volume of Release: 10 bbl of oil/condensate, and a minor amount of gas (<50mcf)	Volume Recovered: 8 bbl of oil/condensate
Source of Release: It was believed to have been caused by a tank overflow, but the exact cause is still under investigation.	Date and Hour of Occurrence: 2/5/16 8:00AM	Date and Hour of Discovery: 2/5/16 8:30AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

On 2/5/16 a Yates Petroleum Corporation reported a release of approximately 10 bbls from a pipeline drip tank. YPC personnel handled the initial response, which included shutting in the separator that fed the tank and having a vac truck remove 8 bbls of liquid from the ground. YPC personnel also scraped the surface contamination up, and collected the initial samples for the location.

Describe Area Affected and Cleanup Action Taken.*

The affected area is approximately 10' x 25' to the east of the tank. The reported depth of contamination was 4". After all free standing liquids were removed from the surface, YPC removed the contaminated soil.

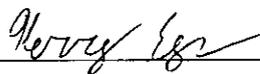
Samples show no remaining contamination at the location, and the site ranking is 0. As such, Agave is requesting closure of this spill.

Distance to nearest water course: The Pecos River is 20 miles southwest.

Depth to groundwater: 630 ft

In a well head protection area: No

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 		OIL CONSERVATION DIVISION	
Printed Name: Kerry Egan		Approved by Environmental Specialist:	
Title: Eng Tech	Approval Date:	Expiration Date:	
E-mail Address: KEgan@agaveenergy.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 2/18/16	Phone: 575 748-4555		