

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 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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: Catclaw Battery	Facility Type: Production Facility/Tank Battery
Surface Owner: State of NM	Mineral Owner
API No.	

LOCATION OF RELEASE

Unit Letter	Section 2	Township 20S	Range 24E	Feet from the	North/South Line	Feet from the	East/West Line	County EDDY
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Latitude 32.604793 Longitude -104.552002

NATURE OF RELEASE

Type of Release: Condensate, natural gas	Volume of Release: 5-7 bbls of condensate. Incidental gas: < 50mcf	Volume Recovered: 2-3 bbls of liquids
Source of Release: Blow-down valve	Date and Hour of Occurrence: 10/28/16 4:30PM	Date and Hour of Discovery: 10/28/16 4:30PM
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.* A 12" steel main gathering line had been blown down for maintenance and upgrades for several weeks. On Friday 10/28/16 afternoon Agave pipeline personnel were completing work to bring this line back into service, and to return the production locations back to service. During this process a blow down valve on Agave's meter run located within YPC/EOG's Catclaw Battery, was mistakenly left open. When the gathering lateral was pressured up, a small volume of liquids, estimated to be no more than 5-7 bbls of line condensate, along with an incidental amount of gas, was released from this valve. Agave personnel were close to the battery when the release was occurred and were able to take immediate action to shut the line in, and prevent further release. A vacuum truck working at a separate location nearby was able to be called in immediately, to recover as much liquid as possible (2-3 bbls was ultimately recovered).

Describe Area Affected and Cleanup Action Taken.*

The liquids were contained from spreading out horizontally by the caliche berm that the meter run is located in. The total area is approximately 40' x 15' by no more than 4"-6" in depth. Due to the release being located on YPC/EOG's facility, Agave will not attempt to remediate on site. Rather we will excavate the contaminated soil and dispose of it at an NMOCD landfill. Clean fill material will be brought in to replace the material removed, and rebuild the section of the caliche berm that was removed during clean up.

Updated 11/7/16

The contaminated material within the bermed area was shoveled out and disposed of. Soil samples were taken from the excavation, and analyses show that contamination levels are below the RRAL for this site. Upon approval for closure Agave will bring in clean caliche to replace what was excavated.

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: <i>Heather Patterson</i>	
Title: Engineering Tech	Approval Date: 12/13/2016	Expiration Date: N/A
E-mail Address: KEgan@agaveenergy.com	Conditions of Approval: FINAL	Attached <input type="checkbox"/>

Date: 12/6/2016

Phone: 575 810-6020

* Attach Additional Sheets If Necessary