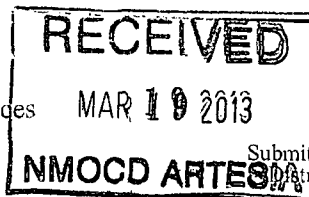


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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



Form C-141
Revised October 10, 2003
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

nJMW 1320537050

OPERATOR

X Initial Report ☐ Final Report

Name of Company - Agave Energy Company 147831	Contact Austin Weyant
Address 105 South Fourth St	Telephone No. 575 748-4555
Facility Name Marshal 6" PVC	Facility Type Well Gathering line

Surface Owner BLM	Mineral Owner	Lease No.
-------------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section 25	Township 19S	Range 24E	Feet from the	North/South Line	Feet from the	East/West Line	County EDDY
-------------	------------	--------------	-----------	---------------	------------------	---------------	----------------	-------------

Latitude N32.6368 Longitude W104.5501

NATURE OF RELEASE

Type of Release : Natural Gas And Produced water	Volume of Release Unknown	Volume Recovered 30bbl
Source of Release Natural Gas gathering line break	Date and Hour of Occurrence 3/17/13 1:00am	Date and Hour of Discovery 3/18/13 6:30am
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No X Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A 6" PVC natural gas gathering line rupture at a "T" causing a release of natural gas. The rupture also damaged a produced water line in the same Right Of Way causing a release of produced water
All affected lines were shut in a vacuum truck was used to remove any recovered liquid. The area was fenced to prevent any damage to livestock

Describe Area Affected and Cleanup Action Taken.*

A affected area of 282 feet long and 98 feet wide depth is from 1' - in some locations to 7' in the ROW at the intersection of two gathering line (ROW)
All affected soil will be removed and sent to CRI for disposal samples will be taken (BTX, Cl-, TPH)

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: Austin Weyant	Approved by District Supervisor:	Signed By
Title: Eng Tech	Approval Date JUL 24 2013	Expiration Date:
E-mail Address: awayant@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 3/19/13 Phone: 575 748-4555	Remediation per OCD Rule & Guidelines, & like approval by BLM. SUBMIT REMEDIATION PROPOSAL NO LATER THAN:	

* Attach Additional Sheets If Necessary

fJMW 1320536600
iJMW 1320549216

August 24, 2013

2RP-1741