

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

OPERATOR

☐ Initial Report ☒ Final Report

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

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

LOCATION OF RELEASE

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|-------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|
| 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

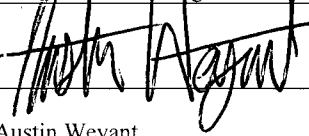
| | | |
|--|---|--|
| Type of Release : Natural Gas And Produced water | Volume of Release Unknown | Volume Recovered 30bbl |
| Source of Release Natural Gas gathering line break | Date and Hour of Occurrence 3/17/13 1:00am | Date and Hour of Discovery 3/18/13 6:30am |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <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. | |

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| If a Watercourse was Impacted, Describe Fully.* | <div>RECEIVED JUN 26 2013 NMOCD ARTESIA</div> |
|---|--|

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| 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 |
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| 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 was removed and sent to CRI for disposal 6 samples were taken (BTEX, Cl-, TPH) all below thresholds. |
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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: | | |
| Title: Eng Tech | Approval Date: | Expiration Date: | |
| E-mail Address: awayant@yatespetroleum.com | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: 6/26/13 | Phone: 575 748-4555 | | |

* Attach Additional Sheets If Necessary