

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

NM OIL CONSERVATION

ARTESIA DISTRICT

NOV 20 2014

Form C-141
Revised August 8, 2011

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.

RECEIVED

MLB 1433052774

Release Notification and Corrective Action

MLB 1433052969

OPERATOR

X Initial Report Final Report

Name of Company	Agave Energy Company	147831	Contact	Mr. Kerry Egan
Address	105 South 4 th Street	Artesia, NM 88210	Telephone No.	575 513-8988
Facility Name:	Dagger Draw Gas System		Facility Type:	Pipeline ROW

Surface Owner:	Howell Ranch	Mineral Owner		API No.	
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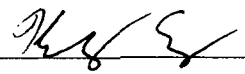
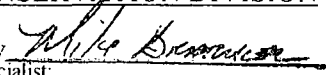
LOCATION OF RELEASE

Unit Letter	Section 12	Township 19S	Range 24E	Feet from the	North/South Line	Feet from the	East/West Line	County: Eddy
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Latitude: 32.672680N Longitude: -104.542442W

NATURE OF RELEASE

Type of Release : Natural Gas and Pipeline Liquids	Volume of Release : Unknown	Volume Recovered: N/A
Source of Release: Natural Gas Pipeline	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 10:00AM 11/14/14
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Notification was provided to Justin C. Riggs, Regulatory Project Manager, Army Corps of Engineers.	
By Whom? K. Egan (Agave Energy), Lucas Middleton (Souder, Miller, and Associates)	Date and Hour? First attempt made Friday 11/14/14. Confirmation of notification, Monday 11/17/14 10:40AM.	
Was a Watercourse Reached? x Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Unknown	
If a Watercourse was Impacted, Describe Fully.* Immediately north of where the pipeline Right of Way crosses Four Mile Draw, on the north bank, pipeline failure caused the release of gas, along with an unknown amount of pipeline liquids. Heavy rains in the area over the past several years, may have increased the migration of residual contamination through the soil profile and into the draw.		
Describe Cause of Problem and Remedial Action Taken.* Exact manner of pipeline failure remains unknown at this point. The pipeline has been blown-down and will remain out of service.		
Describe Area Affected and Cleanup Action Taken.* An area approximately 45 yards by 25 yards, on the north side of Four Mile Draw, along the right of way exhibits sparse and dying vegetation. At this point, the extent of subsurface contamination has yet to be determined. Agave Energy Company is currently coordinating with the Army Corps of Engineers, contractors, and the land owner to develop a plan for site cleanup. The gas lines are out of service and will remain so indefinitely. Initial samples have been collected and sent for analysis. Clean up at the site has yet to begin.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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	Signed By  Approved by Environmental Specialist:	
Title: Engineering Tech	Approval Date: 11/26/14	Expiration Date: N/A
E-mail Address: KEgan@yatespetroleum.com	Conditions of Approval: Remediation per NMOC Rules & Guidelines	Attached <input type="checkbox"/>
Date: 11/17/14	Phone: 575 748-4555	

* Attach Additional Sheets If Necessary

MLB 1433053966
MLB 1433054075

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