

NM OIL CONSERVATION

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

ARTESIA DISTRICT
MAR 10 2015

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.

RECEIVED

FAB1506942572

Release Notification and Corrective Action

NAB1506942905

OPERATOR

X Initial Report 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	Dagger ZW Pipeline ROW	Facility Type	Pipeline ROW

Surface Owner: R. Houghtaling	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
L	30	19S	25E					EDDY

Latitude 32.631487 Longitude -104.529270

NATURE OF RELEASE

Type of Release: Natural Gas, possibly pipeline liquids	Volume of Release: Approximately 5bbls of pipeline liquids	Volume Recovered: Approximately 5bbls
Source of Release: PVC Natural Gas and Produced Water lines	Date and Hour of Occurrence: 3/3/15 9:00AM	Date and Hour of Discovery: 3/3/15 9:00AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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.*

During work on the 6" PVC water line, a release of pipeline liquids occurred, totaling less than 5 bbls. While continuing work on the project, evidence of a historic leak and resulting contamination was found. This leak is believed to have occurred due to buried dresser sleeves and or other connections on a section of 6" PVC gas line and the adjacent 6" PVC water line.

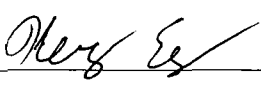

Describe Area Affected and Cleanup Action Taken.*

The area affected by the release of pipeline liquids was approximately 3' x 12' within an excavation roughly 4'-6' below grade. The liquids and affected soil were promptly recovered/excavated to prevent the spread of contamination.

The historic contamination was found around the buried pipe, at a depth of 4'-6'. The maximum horizontal extent is estimated to be 20' x 30', excavation is ongoing to ensure that all contaminated soil is removed. The 6" PVC water line has been replaced with the new poly line, and the 6" PVC gas has been permanently removed from service.

All excavated soil showing signs of contamination is being remediated in place or on site.

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	Signed By: 	
Title: Eng Tech	Approval Date: 3/10/15	Expiration Date: N/A
E-mail Address: KEgan@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 3/10/15	Remediation per O.C.D. Rules & Guidelines	
Phone: 575 748-4555	SUBMIT REMEDIATION PROPOSAL NO	

* Attach Additional Sheets If Necessary

LATER THAN: 4/10/15

2RP-2876