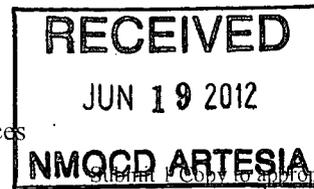


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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



Form C-141  
Revised August 8, 2011  
Submit a Copy to appropriate District Office in accordance with 19.15.29 NMAC.

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report     Final Report

Name of Company	Agave Energy Company	Contact	Austin Weyant
Address	105 South Fourth Street	Telephone No.	575 748-4555
Facility Name	Cohiba BPY #1	Facility Type	Well

Surface Owner	NM State	Mineral Owner		API No.	30-015-33999
---------------	----------	---------------	--	---------	--------------

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C NM NW	1	25S	27E					EDDY

Latitude 32.16466 Longitude -104.14999

**NATURE OF RELEASE**

Type of Release	Produced Water	Volume of Release	5-20bbl	Volume Recovered	20bbl
Source of Release	Disposal Line 8" poly	Date and Hour of Occurrence	3:00pm 4/26/12	Date and Hour of Discovery	3:00pm 4/26/12
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.\*  
The Track Hoe operator was removing dirt from the side of a trench and nicked the 8" poly disposal line with the track hoe bucket causing a gash and the subsequent release. The valve was shut at the well (Cohiba BPY State) stopping the flow of produced water. A vacuum truck was used to remove the produced water from the affected soil and to pull down the remainder in the poly line. Three soil samples taken in the trench in a randomized delineated plot.

Describe Area Affected and Cleanup Action Taken.\*  
A small area inside the 10ftX4ft trench was affected (see attached photo) by the release. The line was shut in, repaired and a vacuum truck remove all fluid and contaminated soil.

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:		<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Austin Weyant		Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Engineer Tech	Approval Date: 2/13/15	Expiration Date: N/A	
E-mail Address: aweyant@yatespetroleum.com	Conditions of Approval: <i>Final</i>		Attached <input type="checkbox"/>
Date: 5/10/12	Phone: 575-748-4555		

\* Attach Additional Sheets If Necessary

2RP-1149

## Bratcher, Mike, EMNRD

---

**From:** Austin Weyant [AWeyant@yatespetroleum.com]  
**Sent:** Tuesday, June 19, 2012 10:40 AM  
**To:** Bratcher, Mike, EMNRD  
**Subject:** Cohiba BPY #1 C141 Final  
**Attachments:** C-141finalcohiba.pdf; H201079 AGAVE.pdf

Mr. Bratcher,

Agave Energy reported a release at the following location:

Cohiba BPY State #1  
Section 1, Township 25 South, Range 27 East  
Eddy County  
Date of Release: 4/26/12  
Approximately 0 barrels of oil were released 0 barrels recovered  
Approximately 5 barrels of produced water were released 20 barrels recovered from the trench and pipeline  
Cause of release has been isolated and repairs are completed  
Vacuum truck has recovered standing fluids and contaminated soil  
Attached is the C-141 final, Lab Results

If you should have any questions please feel free to contact me at the number below

Austin Weyant  
Agave Energy Company  
[aweyant@yatespetroleum.com](mailto:aweyant@yatespetroleum.com)  
575.748.4469 O  
575.513.8988 C  
575.748.4275 F



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

---

May 30, 2012

AUSTIN WEYANT  
AGAVE ENERGY COMPANY  
105 S. 4TH STREET  
ARTESIA, NM 88210

RE: COHIBA BPY

Enclosed are the results of analyses for samples received by the laboratory on 05/15/12 10:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (\*). For a complete list on accredited analytes and matrices visit the TCEQ website at [www.tceq.texas.gov/field/qa/lab\\_accred\\_certif.html](http://www.tceq.texas.gov/field/qa/lab_accred_certif.html).

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Celey D. Keene".

Celey D. Keene  
Lab Director/Quality Manager

**Analytical Results For:**AGAVE ENERGY COMPANY  
105 S. 4TH STREET  
ARTESIA NM, 88210Project: COHIBA BPY  
Project Number: NONE GIVEN  
Project Manager: AUSTIN WEYANT  
Fax To: (575) 748-4275Reported:  
30-May-12 16:19

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SAMPLE 1	H201079-01	Soil	11-May-12 17:00	15-May-12 10:00
SAMPLE 2	H201079-02	Soil	11-May-12 17:00	15-May-12 10:00
SAMPLE 3	H201079-03	Soil	11-May-12 17:00	15-May-12 10:00

Cardinal Laboratories

\* = Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

**Analytical Results For:**

 AGAVE ENERGY COMPANY  
 105 S. 4TH STREET  
 ARTESIA NM, 88210

 Project: COHIBA BPY  
 Project Number: NONE GIVEN  
 Project Manager: AUSTIN WEYANT  
 Fax To: (575) 748-4275

 Reported:  
 30-May-12 16:19

**SAMPLE 1**  
**H201079-01 (Soil)**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----------------	-------	----------	-------	---------	----------	--------	-------

**Cardinal Laboratories**
**Inorganic Compounds**

Alkalinity, Bicarbonate	58.6	5.00	mg/kg	1	2052903	HM	25-May-12	310.1M	
Alkalinity, Carbonate	ND	0.00	mg/kg	1	2052903	HM	25-May-12	310.1M	
Chloride	1470	16.0	mg/kg	4	2051501	AP	15-May-12	4500-Cl-B	
Sulfate	1660	10.0	mg/kg	1	2051809	AP	18-May-12	375.4	
Alkalinity, Total*	48.0	4.00	mg/kg	1	2052903	HM	25-May-12	310.1M	

Cardinal Laboratories

\* = Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

**Analytical Results For:**

 AGAVE ENERGY COMPANY  
 105 S. 4TH STREET  
 ARTESIA NM, 88210

 Project: COHIBA BPY  
 Project Number: NONE GIVEN  
 Project Manager: AUSTIN WEYANT  
 Fax To: (575) 748-4275

 Reported:  
 30-May-12 16:19

**SAMPLE 2**  
**H201079-02 (Soil)**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----------------	-------	----------	-------	---------	----------	--------	-------

**Cardinal Laboratories**
**Inorganic Compounds**

Alkalinity, Bicarbonate	63.4	5.00	mg/kg	1	2052903	HM	25-May-12	310.1M	
Alkalinity, Carbonate	ND	0.00	mg/kg	1	2052903	HM	25-May-12	310.1M	
Chloride	64.0	16.0	mg/kg	4	2051501	AP	15-May-12	4500-CI-B	
Sulfate	1850	10.0	mg/kg	1	2051809	AP	18-May-12	375.4	
Alkalinity, Total*	52.0	4.00	mg/kg	1	2052903	HM	25-May-12	310.1M	

Cardinal Laboratories

\* = Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

**Analytical Results For:**

 AGAVE ENERGY COMPANY  
 105 S. 4TH STREET  
 ARTESIA NM, 88210

 Project: COHIBA BPY  
 Project Number: NONE GIVEN  
 Project Manager: AUSTIN WEYANT  
 Fax To: (575) 748-4275

 Reported:  
 30-May-12 16:19

**SAMPLE 3**  
**H201079-03 (Soil)**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----------------	-------	----------	-------	---------	----------	--------	-------

**Cardinal Laboratories**
**Inorganic Compounds**

Alkalinity, Bicarbonate	53.7	5.00	mg/kg	1	2052903	HM	25-May-12	310.1M	
Alkalinity, Carbonate	ND	0.00	mg/kg	1	2052903	HM	25-May-12	310.1M	
Chloride	48.0	16.0	mg/kg	4	2051501	AP	15-May-12	4500-CI-B	
Sulfate	1620	10.0	mg/kg	1	2051809	AP	18-May-12	375.4	
Alkalinity, Total*	44.0	4.00	mg/kg	1	2052903	HM	25-May-12	310.1M	

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

**Analytical Results For:**

 AGAVE ENERGY COMPANY  
 105 S. 4TH STREET  
 ARTESIA NM, 88210

 Project: COHIBA BPY  
 Project Number: NONE GIVEN  
 Project Manager: AUSTIN WEYANT  
 Fax To: (575) 748-4275

 Reported:  
 30-May-12 16:19

**Inorganic Compounds - Quality Control**
**Cardinal Laboratories**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
---------	--------	-----------------	-------	-------------	---------------	------	-------------	-----	-----------	-------

**Batch 2051501 - General Prep - Wet Chem**

<b>Blank (2051501-BLK1)</b>										
					Prepared: 14-May-12 Analyzed: 15-May-12					
Chloride	ND	16.0	mg/kg							
<b>LCS (2051501-BS1)</b>										
					Prepared: 14-May-12 Analyzed: 15-May-12					
Chloride	416	16.0	mg/kg	400		104	80-120			
<b>LCS Dup (2051501-BSD1)</b>										
					Prepared: 14-May-12 Analyzed: 15-May-12					
Chloride	464	16.0	mg/kg	400		116	80-120	10.9	20	
<b>Duplicate (2051501-DUP1)</b>										
			<b>Source: H201076-04</b>		Prepared: 14-May-12 Analyzed: 15-May-12					
Chloride	224	16.0	mg/kg		208			7.41	20	
<b>Matrix Spike (2051501-MS1)</b>										
			<b>Source: H201076-04</b>		Prepared: 14-May-12 Analyzed: 15-May-12					
Chloride	592	16.0	mg/kg	400	208	96.0	80-120			

**Batch 2051809 - General Prep - Wet Chem**

<b>Blank (2051809-BLK1)</b>										
					Prepared & Analyzed: 18-May-12					
Sulfate	ND	10.0	mg/kg							
<b>LCS (2051809-BS1)</b>										
					Prepared & Analyzed: 18-May-12					
Sulfate	21.2	10.0	mg/kg	20.0		106	80-120			
<b>LCS Dup (2051809-BSD1)</b>										
					Prepared & Analyzed: 18-May-12					
Sulfate	20.8	10.0	mg/kg	20.0		104	80-120	1.86	20	
<b>Duplicate (2051809-DUP1)</b>										
			<b>Source: H201079-01</b>		Prepared & Analyzed: 18-May-12					
Sulfate	1890	10.0	mg/kg		1660			12.5	20	

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

**Analytical Results For:**

AGAVE ENERGY COMPANY 105 S. 4TH STREET ARTESIA NM, 88210	Project: COHIBA BPY Project Number: NONE GIVEN Project Manager: AUSTIN WEYANT Fax To: (575) 748-4275	Reported: 30-May-12 16:19
--	---	------------------------------

**Inorganic Compounds - Quality Control**
**Cardinal Laboratories**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
<b>Batch 2051809 - General Prep - Wet Chem</b>										
<b>Matrix Spike (2051809-MS1)</b>		<b>Source: H201079-01</b>			<b>Prepared &amp; Analyzed: 18-May-12</b>					
Sulfate	2160	10.0	mg/kg	20.0	1660	NR	70-130			
<b>Batch 2052903 - General Prep - Wet Chem</b>										
<b>Blank (2052903-BLK1)</b>		<b>Prepared &amp; Analyzed: 25-May-12</b>								
Alkalinity, Carbonate	ND	0.00	mg/kg							
Alkalinity, Bicarbonate	ND	5.00	mg/kg							
Alkalinity, Total	ND	4.00	mg/kg							
<b>LCS (2052903-BS1)</b>		<b>Prepared &amp; Analyzed: 25-May-12</b>								
Alkalinity, Carbonate	ND	0.00	mg/kg				80-120			
Alkalinity, Bicarbonate	137	5.00	mg/kg				80-120			
Alkalinity, Total	112	4.00	mg/kg	100		112	80-120			
<b>LCS Dup (2052903-BSD1)</b>		<b>Prepared &amp; Analyzed: 25-May-12</b>								
Alkalinity, Carbonate	ND	0.00	mg/kg				80-120		20	
Alkalinity, Bicarbonate	137	5.00	mg/kg				80-120	0.00	20	
Alkalinity, Total	112	4.00	mg/kg	100		112	80-120	0.00	20	
<b>Duplicate (2052903-DUP1)</b>		<b>Source: H201079-01</b>			<b>Prepared &amp; Analyzed: 25-May-12</b>					
Alkalinity, Carbonate	ND	0.00	mg/kg		0.00					20
Alkalinity, Bicarbonate	58.6	5.00	mg/kg		58.6			0.00	20	
Alkalinity, Total	48.0	4.00	mg/kg		48.0			0.00	20	
<b>Matrix Spike (2052903-MS1)</b>		<b>Source: H201079-01</b>			<b>Prepared &amp; Analyzed: 25-May-12</b>					
Alkalinity, Carbonate	ND	0.00	mg/kg		0.00		70-130			
Alkalinity, Bicarbonate	156	5.00	mg/kg		58.6		70-130			
Alkalinity, Total	128	4.00	mg/kg	100	48.0	80.0	70-130			

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

**Notes and Definitions**

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

---

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



---

Celey D. Keene, Lab Director/Quality Manager

