

**NM OIL CONSERVATION  
ARTESIA DISTRICT**

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

JUN 18 2015

Form C-141  
Revised August 8, 2011

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**RECEIVED** to appropriate District Office in  
accordance with 19.15.29 NMAC.

**Release Notification and Corrective Action**

**OPERATOR** X Initial Report Final Report

Name of Company	Agave Energy Company	147831	Contact	Kerry Egan
Address	326 West Quay Artesia, NM 88210		Telephone No.	575 513-8988
Facility Name	Larue Compressor Station		Facility Type	Compressor Station

Surface Owner:	BLM	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
SE/NW	3	20S	24E					EDDY

Latitude 32.6056 Longitude -104.5787

**NATURE OF RELEASE**

Type of Release: Natural Gas, possibly minor amounts of liquids.	Volume of Release: Unknown volume of gas, <5 bbls of liquids	Volume Recovered: N/A
Source of Release: Open-ended line connected to backpressure valve on a separator.	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 6/15/2015 8:30AM
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.	

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*  
The source of contamination was found to be a line that was connected to a backpressure valve on a horizontal separator. Any time the separator would pressure up and the backpressure valve open, a small amount of gas would be released. Additionally, a minor amount of liquid was released in the same manner.  
Upon discovery the lines to the separator were shut in, and the separator taken out of service until engineering changes can prevent further releases.

Describe Area Affected and Cleanup Action Taken.\*  
The total area of contaminated soil is approximately 20 feet long by 10 feet wide by 2 feet deep. The contaminated soil will be excavated and disposed of at an OCD approved landfill/landfarm.

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: <i>Kerry Egan</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Kerry Egan	Signed By: <i>[Signature]</i>	
Title: Eng Tech	Approval Date: <i>6/26/15</i>	Expiration Date: <i>N/A</i>
E-mail Address: KEgan@agaveenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>6/18/15</i> Phone: 575 748-4555	<b>Remediation per O.C.D. Rules &amp; Guidelines</b>	

\* Attach Additional Sheets If Necessary

**SUBMIT REMEDIATION PROPOSAL NO LATER THAN:** *7/30/15* *2RP-3071*

## Bratcher, Mike, EMNRD

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**From:** Kerry Egan <kegan@agaveenergy.com>  
**Sent:** Thursday, June 18, 2015 10:59 AM  
**To:** Bratcher, Mike, EMNRD  
**Subject:** Initial Spill Notification  
**Attachments:** agavecopier@agave.com\_20150618\_102500.pdf

Mike,

I'm writing to report a small spill at one of our compressor stations. On Monday 6/15/2015 a release was reported to myself of a small area of contamination at our Larue Compressor Station ( SE/NW Sec 3 T20S R24E). Upon further discovery the source of the release was a line connected to a backpressure valve on a separator at the station. Whenever the vessel would overpressure, the valve would open, releasing a minor amount of gas, and a very small amount of liquid. This resulted in the soil contamination. The affected area was in a part of the station that is not readily visible, nor inspected regularly, and therefore we don't have an accurate estimate of how long the release had been occurring. The apparent affected area is approximately 20 ft long by 10 ft wide by 2 ft deep. Based on the area and extent of contamination we do not believe more than 50MCF of gas or 5 bbls of liquid have been released, but because we are unsure of the exact totals of material released, we are treating this as a reportable spill. Agave's remediation plan is to excavate the contaminated soil, dispose of this material at an OCD permitted landfill/landfarm, and refill with clean soil.

Please let me know if you have any questions regarding this matter.

Thanks,  
Kerry Egan  
Engineering Technician



Agave Energy Company  
326 West Quay  
Artesia, NM 88210  
575-748-4469 direct | 575-513-8988 cell  
[kegan@agaveenergy.com](mailto:kegan@agaveenergy.com) | [www.agaveenergy.com](http://www.agaveenergy.com)

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