

NM OIL CONSERVATION
ARTESIA DISTRICT

FEB 09 2017

Form C-141
Revised August 8, 2011

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

RECEIVED to appropriate District Office in
accordance with 19.15.29 NMAC.

FAB 1704752226 Release Notification and Corrective Action

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company: Lucid Energy Delaware 708107		Contact Kerry Egan	
Address 326 West Quay Artesia, NM 88210		Telephone No. 575 513-8988	
Facility Name: Pauline 8" Poly line		Facility Type: Pipeline ROW	
Surface Owner: BLM		Mineral Owner	API No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	28	23S	31E					EDDY

Latitude 32.280744 Longitude -103.787038

NATURE OF RELEASE

Type of Release: Natural Gas	Volume of Release: Unknown, estimated less than <500MCF gas and <5bbls liquid	Volume Recovered: None
Source of Release: Leaking flange in the line.	Date and Hour of Occurrence: Prior to 1/27/2017	Date and Hour of Discovery: 1/27/2017 9:00AM
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.	

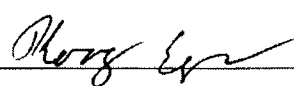

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* The source of the leak was found to be a buried metal flange along the pipeline. The gasket within the flange apparently corroded and resulted in the leak. Upon discovery of a potential leak, and confirmation that the leak was in fact on Lucid's line (and not one of the four other lines in the immediate vicinity of the leak) our employees shut-in and blew down the line. The offending flange along with a section of pipe on either side, was removed and replaced with a welded stitch of poly line. The soil along the ROW has been excavated and samples have been collected.

Describe Area Affected and Cleanup Action Taken.*

The leaking flange is located at a junction with four other lines (three DCP Midstream lines, and one EOG-Y line) which made the identification of whose line was at fault difficult. It wasn't until the lines were excavated that Lucid confirmed the leak was on our line. The area adjacent to the leak has noticeably less dense vegetation than the surrounding land, but we believe this is due to the fact that the multiple pipeline ROWs are driven on, and not a result of the gas leak. The top soil around the leak has no noticeable staining or strong odor, indicating substantial contamination. As the lines were excavated, minor soil discoloration/staining was found around the pipe. Approximately 50' of ROW was excavated in order to uncover the lines and make necessary repairs. Soil samples have been collected from the excavation, and soil piles to determine the extent of contamination. Results show detectable contamination levels in the immediate area of the leak. Agave will excavate a 20' x 10' area around the leaking flange and collect subsequent samples.

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		Approved by Environmental Specialist 	
Title: Environmental Tech	Approval Date: 2/10/17	Expiration Date: N/A	
E-mail Address: KEgan@agaveenergy.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 2/8/2017	Phone: 575 810-6021		

* Attach Additional Sheets If Necessary

2RP-4120

Bratcher, Mike, EMNRD

From: Kerry Egan <KEgan@agaveenergy.com>
Sent: Thursday, February 9, 2017 1:59 PM
To: Bratcher, Mike, EMNRD; Weaver, Crystal, EMNRD
Subject: Lucid Energy Delaware: Release Notification
Attachments: 2017Feb9_Pauline8''_Notification.pdf

Mike and Crystal,

I'm writing to provide the notification documentation for a release in Sec 28, T23S-R31E, Eddy County. The release occurred from a buried flange along an 8" poly gas line. The leak has been repaired, and initial soil samples show contamination to be localized around the failed flange. Lucid will proceed with excavation and delineation sampling.

Please review the attached documentation and let me know if you have any questions.

Thanks,
Kerry Egan
Environmental Technician



326 W. Quay
Artesia, NM Office: (575) 810-6021 | Cell: (575) 513-8988
Kegan@agaveenergy.com | www.lucid-energy.com

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