

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

NM OIL CONSERVATION
ARTESIA DISTRICT
FEB 27 2015
Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.
RECEIVED

Form C-141
Revised August 8, 2011

PAB1506955093

Release Notification and Corrective Action

NAB1506955408

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	Agave 4 inch Poly Line	Facility Type	Natural Gas Gathering Line

Surface Owner: Yates Petroleum Corp.	Mineral Owner	API No.
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LOCATION OF RELEASE

Unit Letter	Section 32	Township 18S	Range 26E	Feet from the 380'	North/South Line South	Feet from the 190'	East/West Line West	County Eddy
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Latitude 32.698371N Longitude -104.412037W

NATURE OF RELEASE

Type of Release: Natural Gas leak and pipeline liquids	Volume of Release: <200MCF; <2bbls oil	Volume Recovered: None
Source of Release: Ruptured 4" poly line	Date and Hour of Occurrence: 2/13/15 2:00PM	Date and Hour of Discovery 2/13/15 2:00PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input 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.* Producer didn't shut-in one well, producing into a shut-in line, causing over-pressurization. The high pressure caused the above ground poly line to rupture, releasing gas. Immediately upon discovery the well was shut-in to prevent further release of gas.

Describe Area Affected and Cleanup Action Taken.*

The release of gas caused a fine spray of pipeline liquids on the adjacent Concho well pad. The pad was scraped to collect any contamination, and the area surrounding the rupture was excavated to ensure removal of contamination. Contaminated soil was disposed of, and clean fill material was brought to the location.

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: <u>Kerry Egan</u>		OIL CONSERVATION DIVISION	
Printed Name: Kerry Egan		Signed By <u>M. L. Escamilla</u> Approved by Environmental Specialist:	
Title: Eng Tech		Approval Date: <u>3/10/15</u>	Expiration Date: <u>N/A</u>
E-mail Address: KEgan@yatespetroleum.com		Conditions of Approval:	
Date: <u>8/27/15</u> Phone: 575 748-4555		Remediation per O.C.D. Rules & Guidelines SUBMIT REMEDIATION PROPOSAL NO LATER THAN: <u>4/10/15</u>	

Attached ☐

* Attach Additional Sheets If Necessary

2RP-2877