

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

NM OIL CONSERVATION
ARTESIA DISTRICT

MAR 26 2015

Form C-141
Revised August 8, 2011

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

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

RECEIVED

FAB1509055131
OAB1509055A38

Release Notification and Corrective Action

OPERATOR

X Initial Report Final Report

Name of Company	Agave Energy Company	Contact	Mr. Kerry Egan
Address	105 South 4 th Street Artesia, NM 88210	Telephone No.	575 513-8988
Facility Name:	Palo Duro Gas Plant	Facility Type:	Gas Plant

Surface Owner:	State of NM	Mineral Owner		API No.	
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LOCATION OF RELEASE

Unit Letter	Section 35	Township 23S	Range 27E	Feet from the	North/South Line	Feet from the	East/West Line	County: Eddy
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Latitude: 32.260629 Longitude: -104.152847

NATURE OF RELEASE

Type of Release : Amine and used amine	Volume of Release : <5bbls of Amine	Volume Recovered: N/A
Source of Release: Skid Drains and Sump	Date and Hour of Occurrence: Unknown (historic contamination)	Date and Hour of Discovery: 3/18/15 10:00AM
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? 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.*

A sump, that acts as the collection point for the amine skid drains, overflowed in the past releasing an unknown quantity of extremely diluted amine and used amine onto the surrounding ground. The overflow is believed to have been caused, at least in part, by precipitation. During rain events the skid fills up, sending water and any fluid contained in the skid to the sump. The sump itself sits in a relative depression, which allowed additional rain water to accumulate in and around it. All of this excess water was filling the sump faster than the current pump could drain it. The pad at the location is composed of extremely hard packed clay containing dirt, which prevented contamination from migrating vertically, but caused it to spread out horizontally. Subsequent precipitation brought the contamination back to the surface through the gravel in several spots.

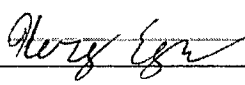
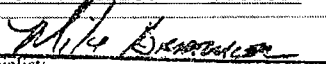
Agave is currently looking at making changes to the sump, the skid drains, and installing additional pumps to keep from overflowing the sump.

Describe Area Affected and Cleanup Action Taken.*

Based on initial observations of the location, the maximum area potentially affected is approximately 30' by 40'. Initial digging at the location indicates contamination is deepest directly adjacent around the sump, but doesn't appear to be more than a foot in depth. At further distance, the contaminated water appears to have ran through the gravel, but only contaminated the top several inches of pad material.

Agave now has a continuously operating pump at the sump to prevent subsequent overflows. We are looking at various alternatives for eliminating the sump altogether.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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:  Approved by Environmental Specialist:	
Title: Engineering Tech		Approval Date: 3/31/15	Expiration Date: N/A
E-mail Address: KEgan@yatespetroleum.com		Conditions of Approval:	
Date: 3/25/15 Phone: 575 748-4555		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

Remediation per O.C.D. Rules & Guidelines

SUBMIT REMEDIATION PROPOSAL NO
LATER THAN: 4/30/16

2RP. 2927

Bratcher, Mike, EMNRD

From: Kerry Egan <kegan@agaveenergy.com>
Sent: Thursday, March 26, 2015 1:12 PM
To: Bratcher, Mike, EMNRD
Subject: C141 Submission
Attachments: 2015Mar26_C141_SiteWorkPlan.pdf

Mike,

I wanted to make sure and email you the electronic copy of this initial C141 notification. I would like to stop by the office and discuss this documentation. If there is a time that would work best for you please let me know.

Thanks,
Kerry Egan
Engineering Tech
Agave Energy Company
KEgan@agaveenergy.com
Cell: (575) 513-8988
Office: (575) 748-4469

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