

Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Friday, March 12, 2010 1:53 PM
To: 'Bob Asher'
Cc: Jerry Fanning
Subject: RE: Dagger Draw Gas System

Bob,

The work plan submitted for remediation of the referenced release site is approved with the following conditions/stipulations:

- Like approval by BLM
- Delineation of BTEX and TPH in the area labeled "Draw" or where delineation has not been completed.
- Notify OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.

Please be advised that NMOCD approval does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Sincerely,

Mike Bratcher
NMOCD District 2
575-748-1283 Ext. 108

From: Bob Asher [mailto:BobA@yatespetroleum.com]
Sent: Friday, March 12, 2010 10:09 AM
To: Bratcher, Mike, EMNRD
Cc: Jerry Fanning
Subject: Dagger Draw Gas System

Mike,

Per our meeting on Friday, March 12, 2010, the NMOCD is accepting the submitted work plan for the Dagger Draw Gas System and that excavation work can start as soon as a contractor is scheduled.

Thank you.

Robert Asher

Yates Petroleum Corporation

boba@yatespetroleum.com

575-748-4217 (Office)

575-365-4021 (Cell)

575-748-4662 (Fax)

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Corrected Copy

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 October 10, 2003
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Agave Energy Company	OGRID Number 147831	Contact Robert Asher
Address 104 S. 4 TH Street, Artesia, NM 88210		Telephone No. 505-748-1471
Facility Name Dagger Draw Gas System	API Number	Facility Type Pipeline
Surface Owner Federal	Mineral Owner Federal	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	24	19S	24E					Eddy

Latitude 32.63987 Longitude 104.54762

NATURE OF RELEASE

Type of Release Oil & Produced Water	Volume of Release 40 B/O & 10 B/PW	Volume Recovered 38 B/O & 7 B/PW
Source of Release PVC Pipe Line	Date and Hour of Occurrence 12/16/2006 AM	Date and Hour of Discovery 12/16/2006 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD Artesia	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 12/16/2009, PM (Voicecall & E-mail)	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*

Pressure buildup caused 12" PVC Gas line to fail, possible bad collar. Shut in line and called for vacuum trucks to recover oil & produced water. Crew called to begin repairs and clean up.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 20' X 10' (line failure area), total area of 750' X 10'. Standing fluids were picked up, crews repaired line and microblaze applied to impacted surface area. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides results for documentation). If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. **Depth to Ground Water: >100' (approximately 322', Section 26, T19S-R24E, New Mexico Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0.**

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: Robert Asher	Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: boba@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Tuesday, December 29, 2009	Phone: 505-748-4217	

* Attach Additional Sheets If Necessary



New Mexico Office of the State Engineer Wells with Well Log Information

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

POD Number	Sub	Use	County	Source	6416.4	Sec	Tw's	Ring	X	Y	Start Date	Finish Date	Date	Log File	Depth	Depth
RA 04727	basin	STK	ED	Shallow	1	2	26	19S	24E	541594	3611184*	11/6/1962	11/23/1962	11/08/1962	364	322

(in feet)

Record Count: 1

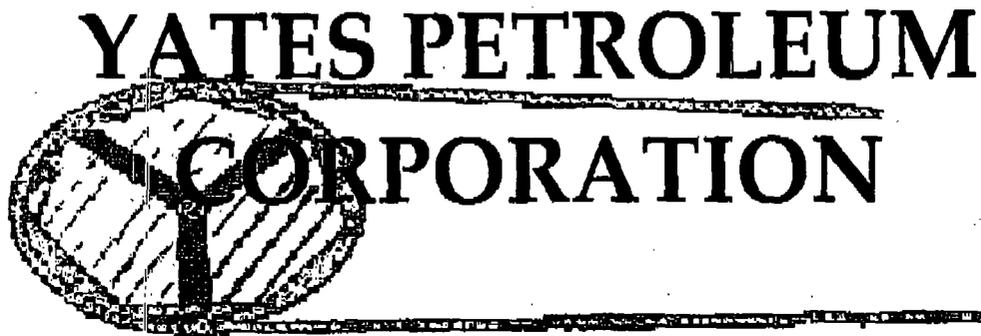
PLSS Search:

Section(s): 13, 14, 23, 24, Township: 19S Range: 24E
25, 26

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

12/29/09 10:19 AM



FACSIMILE TRANSMITTAL SHEET

TO: Mike Bratcher	FROM: Robert Asher
FAX NUMBER: 9-748-9720	DATE: Tuesday, December 29, 2009
COMPANY: NMOCD	TOTAL NO. OF PAGES INCLUDING COVER: 3
RE: C-141; Dagger Draw Gas System Gas Line (Agave)	NOTES/COMMENTS: Initial Report (12/16/2009 Release), Corrected Original

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

ADDITIONAL NOTES & COMMENTS:

Call me if you have any questions, 575-748-4217.

Thank you.

Robert Asher

Environmental Regulatory Department

105 SOUTH FOURTH STREET • ARTESIA, NEW MEXICO 88210-2118
PHONE: 575-748-4217 (DIRECT) • FAX: 575-748-4662

Bratcher, Mike, EMNRD

From: Bob Asher [BobA@yatespetroleum.com]
Sent: Tuesday, December 29, 2009 2:37 PM
To: Bratcher, Mike, EMNRD
Subject: C-141, Dagger Draw Gas System

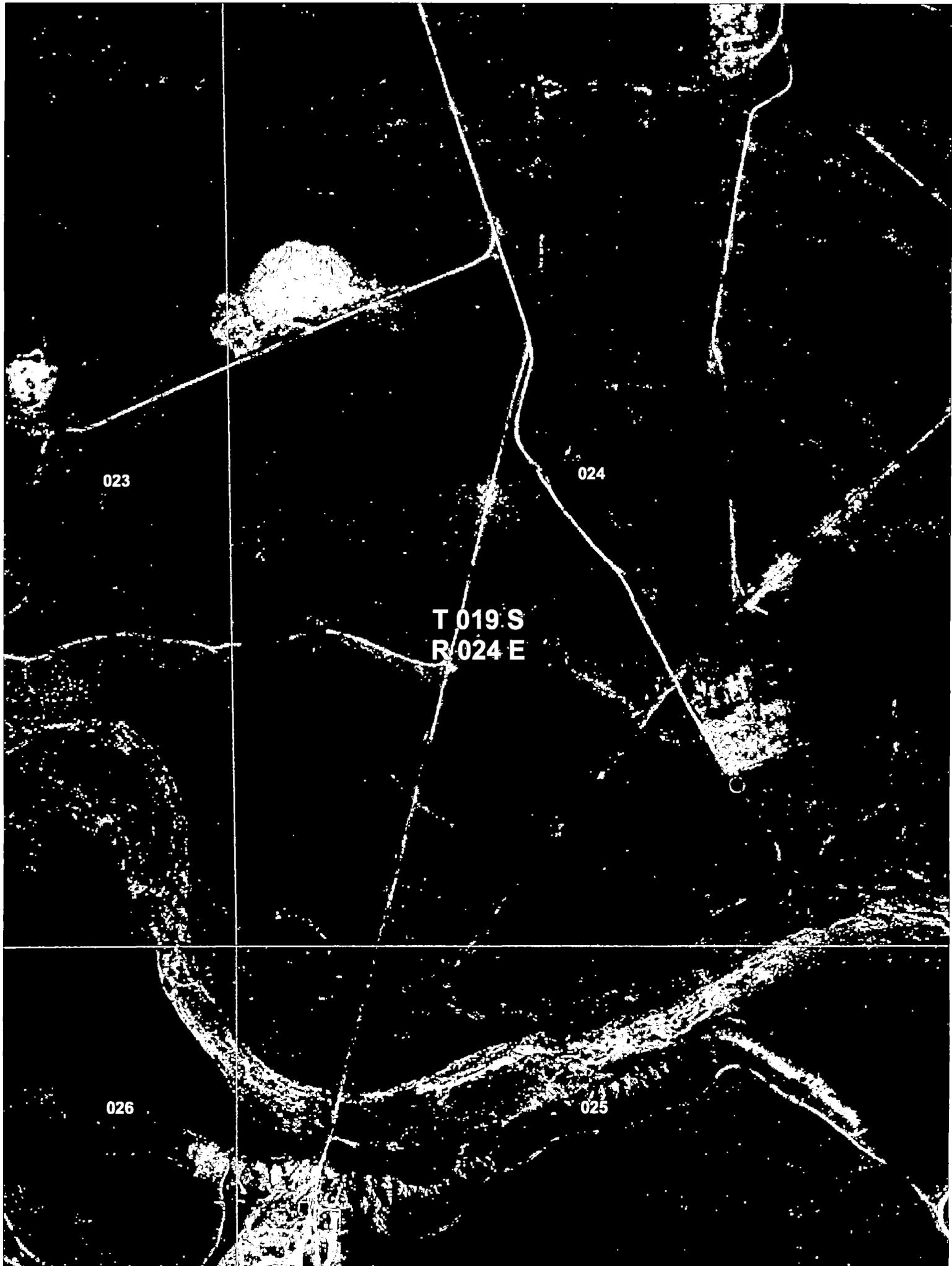
I noticed an error on the legal description and will refax corrected original.

Thank you



Robert Asher
Yates Petroleum Corporation
boba@yatespetroleum.com
575-748-4217 (Office)
575-365-4021 (Cell)
575-748-4662 (Fax)

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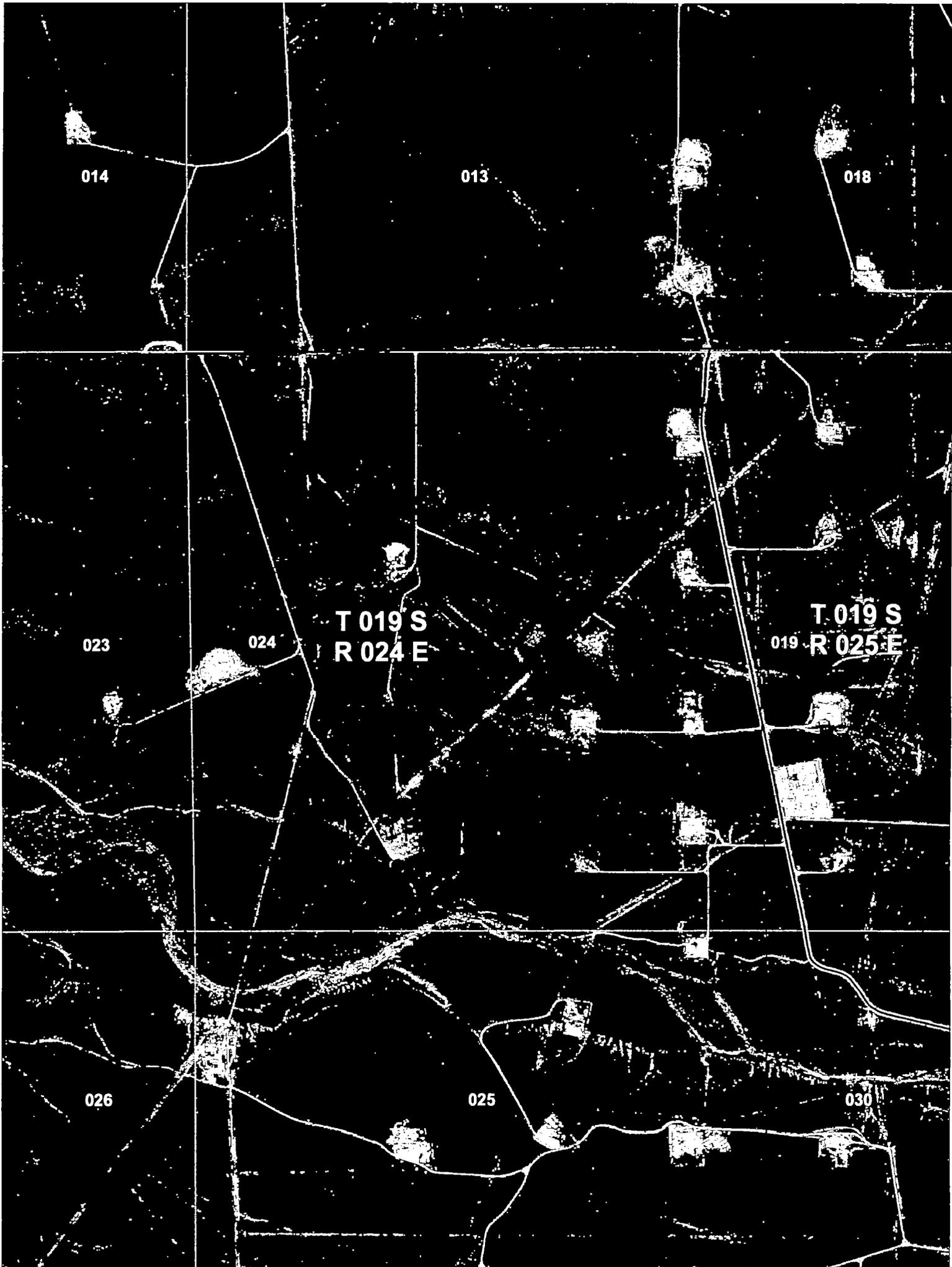
023

024

T 019 S
R 024 E

026

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014

013

018

023

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T 019 S
R 024 E

T 019 S
019 R 025 E

026

025

030

ALLISON CQ FEDERAL #008
ALLISON CQ FEDERAL #008

LEHMAN FEDERAL COM #011

LEHMAN FEDERAL COM #011

MOLLY QD COM #001
MOLLY QD COM #002
MOLLY QD COM #002

014

013

018

MOLLY QD COM #001

NDDUP #033

LODEWICK A COM #003

NDDUP #055

EE 24 FEDERAL #003
LODEWICK A COM #003

NDDUP #057

RODEN GD FEDERAL #003

RODEN GD FEDERAL #003

EE 24 FEDERAL #003

EE 24 FEDERAL #001

023

024

019

T 019 S
R 024 E

T 019 S
R 025 E

RODEN GD FEDERAL #001
RODEN GD FEDERAL #001

DD 24 FEDERAL #004

NDDUP #080

DD 24 FEDERAL #003

RODEN GD FEDERAL #005

RODEN GD FEDERAL #005

DD 24 FEDERAL #001

DD 24 FEDERAL #001

DD 24 FEDERAL #003

DD 24 FEDERAL #003

NDDUP #081
NDDUP #082

DD 25 FEDERAL #003

DD 25 FEDERAL #003

DAGGER DRAW 30N COM #001

DD 25 FEDERAL #004

026

PARISH IV COM #006

025

PARISH IV COM #003

DD 25 FEDERAL #002

DD 25 FEDERAL #001

030

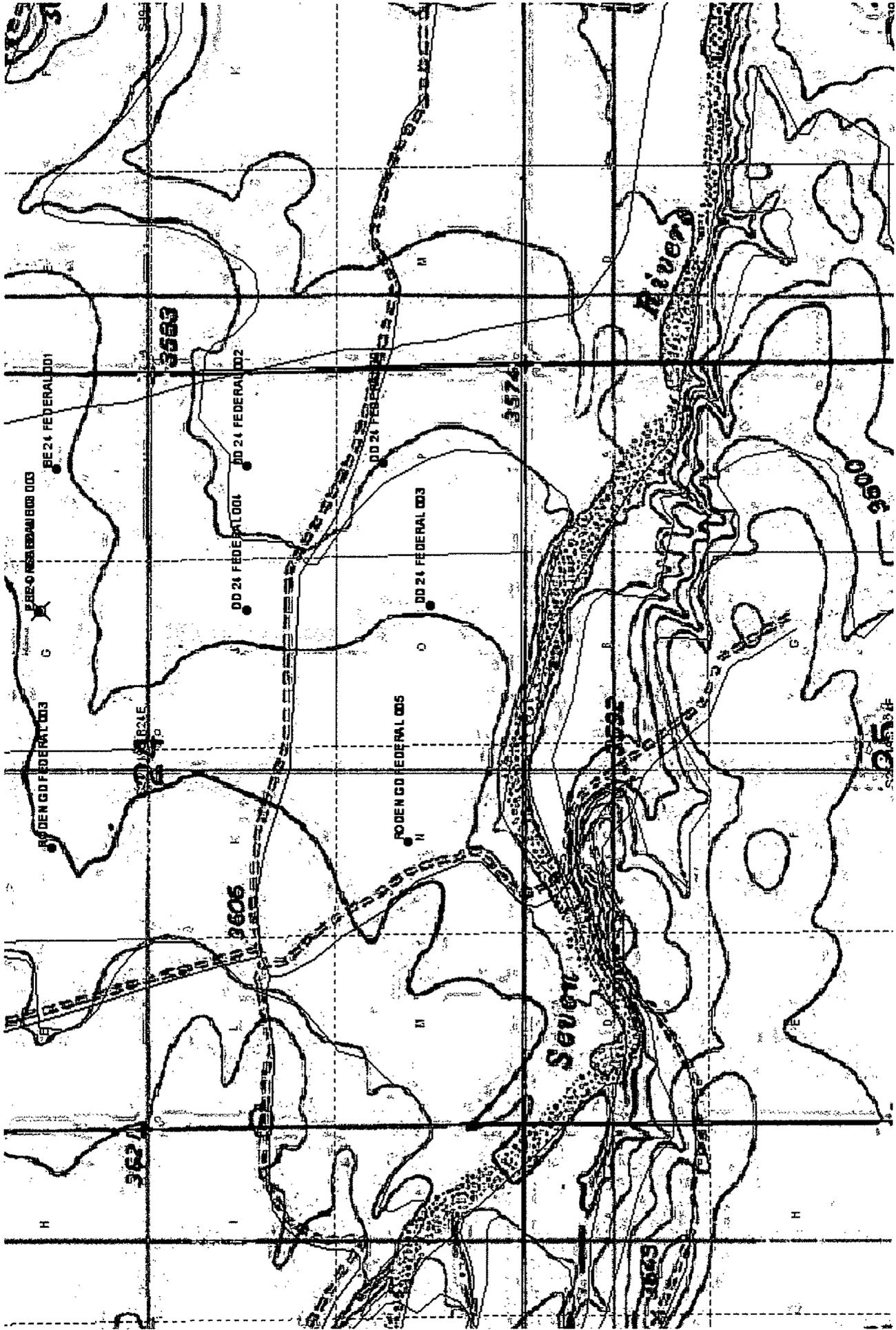
NDDUP #106

RODEN GD FEDERAL #002
RODEN GD FEDERAL #002

PINCUSHION AHN #002
DAGGER ZW #002

NDDUP #127

AGAVE 12/16/2009 Release



M-24-19s-24e Point of release: 32.64007 x 104.54840

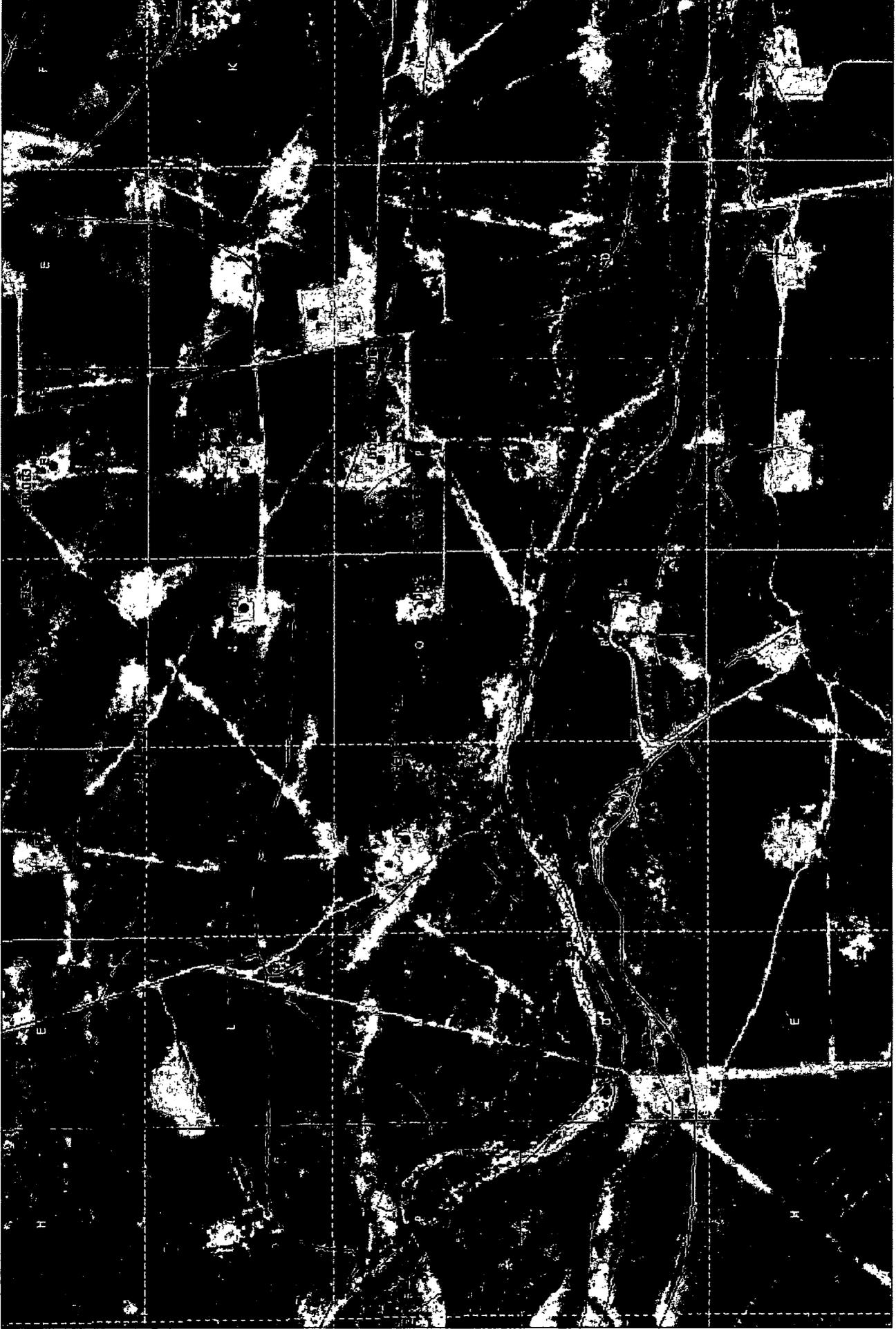
mlb

1/6/2010 4:11:19 PM



Oil Conservation Division

AGAVE 12/16/06 Release



M-24-19s-24e Point of release: 32.64007 x 104.54806

mlb

1/6/2010 4:14:48 PM



Oil Conservation Division