

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage  
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Agave Energy Company  
ADDRESS: 105 South Fourth Street Artesia, NM 88210  
CONTACT PARTY: Paul Ragsdale PHONE: 505-748-4520
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Paul Ragsdale TITLE: Vice President

SIGNATURE: *Paul Ragsdale* DATE: 11-26-01

\* If the information required under Sections VI, VIII, X, and XI above has been pre  
Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No. 12812 Exhibit No. 1  
Submitted by:  
**AGAVE ENERGY COMPANY**

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Di

### III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

### XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

---

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

**C-108**  
**Application For Authorization To Inject**  
**Agave Energy Company**  
**Metropolis 'AZL' State Com #1**  
**Sec. 36-18S-25E Unit K**  
**Eddy County, New Mexico**

- I. The purpose of completing this well is to make a disposal well for produced Canyon water and acid gas consisting of H<sub>2</sub>S and CO<sub>2</sub> into the Devonian and Ellenburger.
- II. Operator: Agave Energy Company  
105 South Fourth Street  
Artesia, NM 88210  
(505) 748-4555
- III. Well Data: See Attachment A
- IV. This is not an expansion of an existing project
- V. See attached map, Attachment B
- VI. No wells within the area of review penetrate the proposed injection zone.
- VII.
  - 1. Proposed average daily injection volume approximately 10,000 BWPD.
  - 2. This will be a closed system.
  - 3. Proposed average injection pressure: unknown  
Proposed maximum injection pressure: 1995 psi
  - 4. Sources of injected water would be produced water from the Canyon.  
(Attachment C)
  - 5. See Attachment C, for gas analysis.
- VIII. The proposed injection interval is open hole from 9900' to TD.
- IX. The proposed disposal interval may be acidized with 7-1/2% HCL acid, or 12-3 HF acid.
- X. Logs were filed at your office when the well was drilled.

- XI. 2 windmills exist within one-mile radius of the subject location.
- XII. Agave Energy Company has examined geologic and engineering data and has found that there is no evidence of faulting in the proposed interval.
- XIII. Proof of Notice
  - A. Certified letters sent to the surface owner and offset operators attached (Attachment D)
  - B. Copy of legal advertisement attached. (Attachment E)
- XIV. Certification is signed.

**Agave Energy Company**  
**Metropolis 'AZL' State Com #1**  
**Sec. 36-18S-25E Unit K**

Attachment A

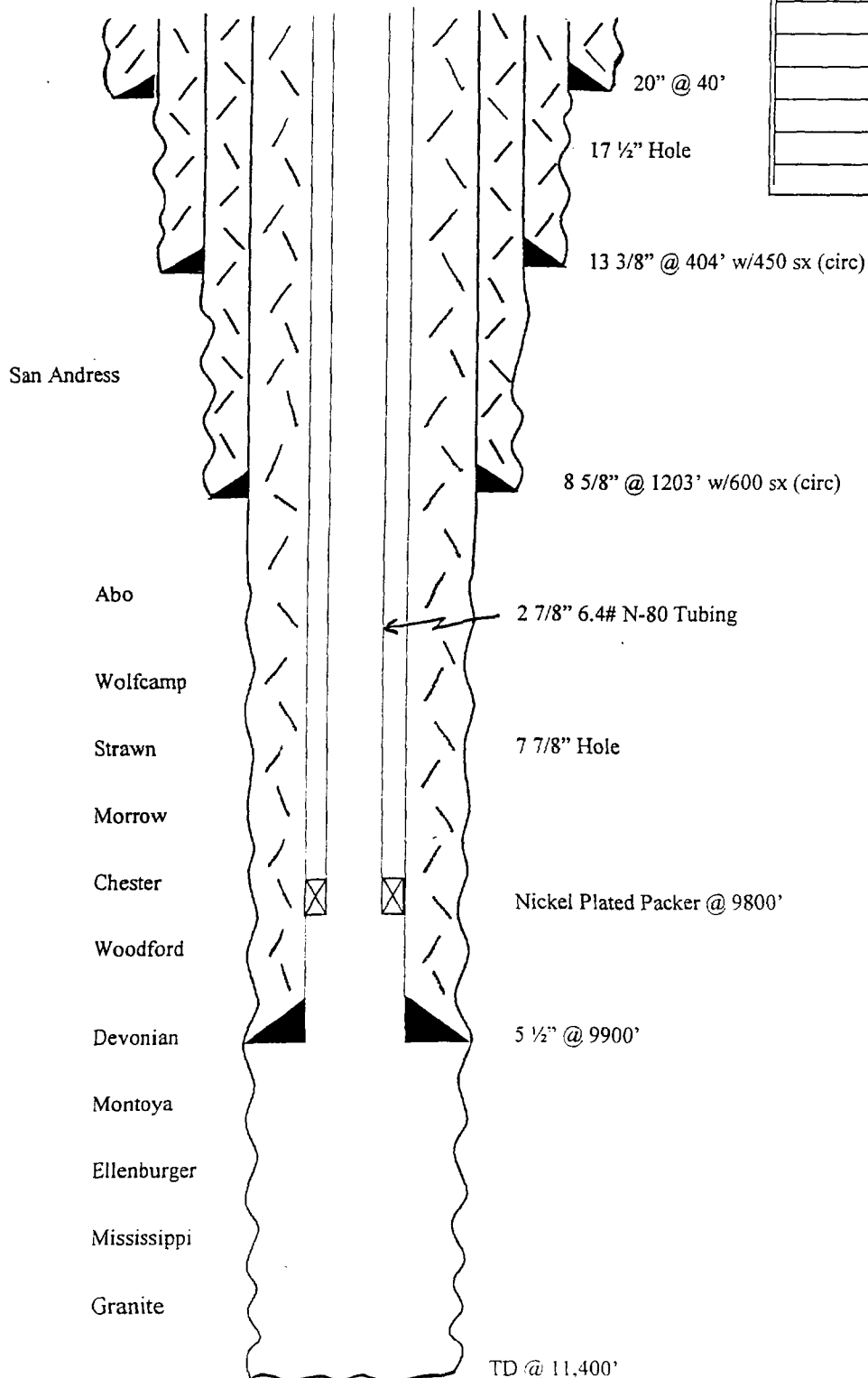
III. Well Data

- A. 1. Lease Name/Location  
Metropolis 'AZL' State Com #1  
Sec. 36-18S-25E Unit K  
1650' FSL & 1650' FWL
2. Casing Strings:  
Present Well Condition:  
20" NA  
13 3/8" 48# @ 404'. Cement w/450 sx (circ).  
8 5/8" 24# @ 1203'. Cement w/600 sx (circ).  
7 7/8" Open hole to 9360'. Well D&A'd.
- Present Status: Plugged
3. Proposed well condition:  
See Attachment A – Proposed Status.  
5 1/2" casing set @ 9900'  
2 7/8" 6.4#, N-80 tubing @ 9800'
4. Propose to use Guiberson or Baker plastic-coated or nickel-plated packer set at 9800'.
- B. 1. Injection Formation: Devonian, Ellenburger.
2. Injection interval will be open hole from 9900' to TD.
3. Well was originally drilled as an exploratory Morrow well. Well will be a Devonian and Ellenburger water and acid gas disposal well (9900'-11400') when work is completed.
4. Next higher (shallower) oil or gas zone within 2 miles: Morrow.  
Next lower (deeper) oil or gas zone within 2 miles: None.

WELL NAME: Metropolis 'AZL' State Com #1 FIELD: \_\_\_\_\_  
 LOCATION: 36-18S-25E 1650' FSL & 1650' FWL  
 GL: 3498' ZERO: \_\_\_\_\_ KB: \_\_\_\_\_  
 SPUD DATE: \_\_\_\_\_ COMPLETION DATE: \_\_\_\_\_  
 COMMENTS: Propose to re-enter, deepen to 11,400' and  
convert to a disposal well.

# CASING PROGRAM

20" NA	40'
13 3/8" 48# H-40	404'
8 5/8" 24# J-55	1203'
5 1/2" 15.5#	9900'



Proposed  
Status

WELL NAME: Metropolis 'AZL' State Com #1 FIELD:

LOCATION: 36-18S-25E 1650' FSL & 1650' FWL

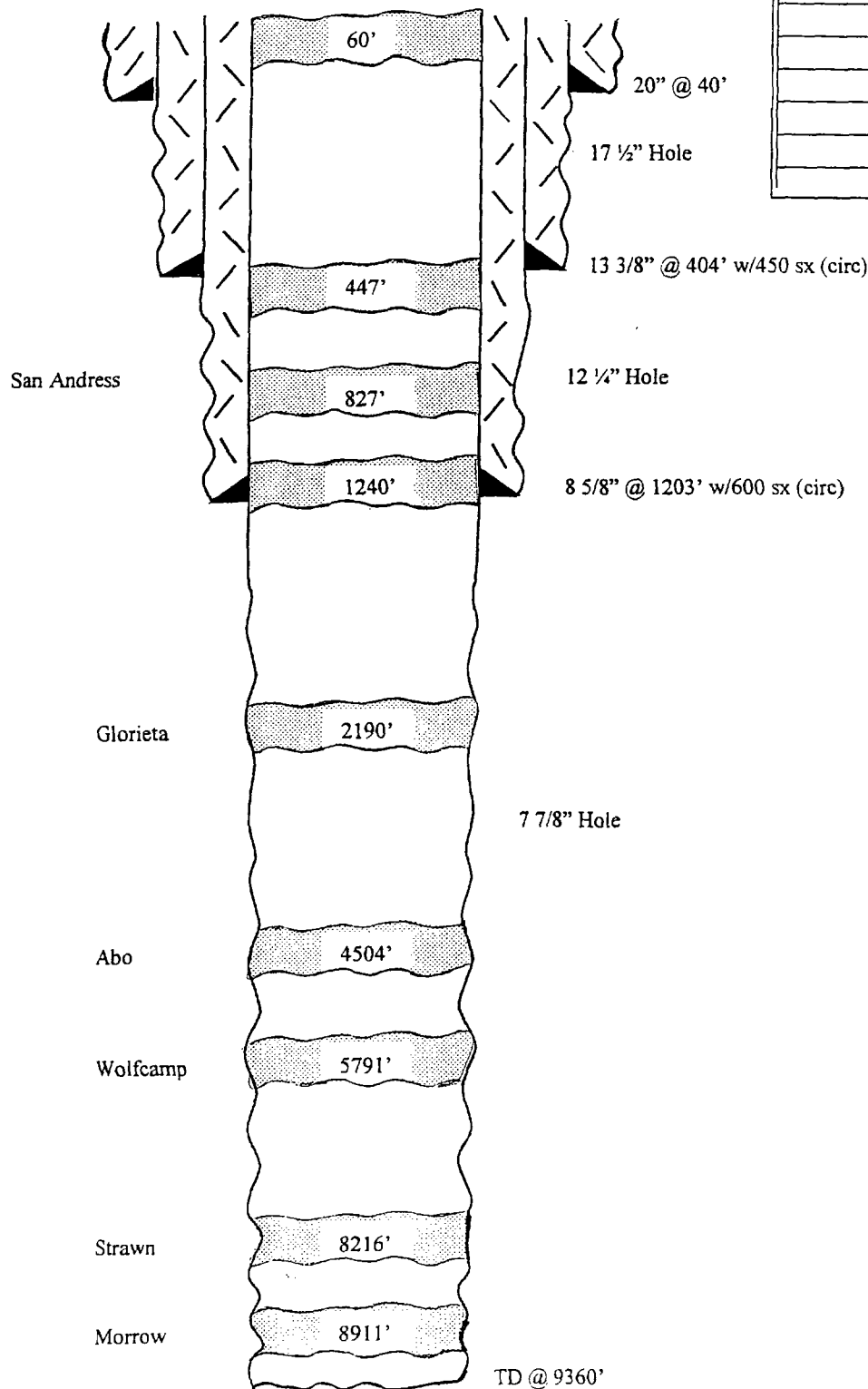
GL: 3498' ZERO: KB:

SPUD DATE: 08/01/01 COMPLETION DATE:

COMMENTS: P & A 09/23/01

# CASING PROGRAM

20" NA	40'
13 3/8" 48# H-40	404'
8 5/8" 24# J-55	1203'



Current  
Status

## TRETOLITE DIVISION

 (505) 746-3588  
 Fax (505) 746-3580

 Reply to:  
 P.O. Box 1140  
 Artesia, NM  
 88211-7531

## WATER ANALYSIS REPORT

 Company : YATES PETROLEUM  
 Address : ARTESIA, NM  
 Lease : QUEEN  
 Well : WATER WELL  
 Sample Pt. : UNKNOWN

 Date : 02/23/96  
 Date Sampled : 02/22/96  
 Analysis No. : 0226

ANALYSIS		mg/L		* meq/L
-----		----		-----
1. pH	7.3			
2. H2S	0 PPM			
3. Specific Gravity	1.005			
4. Total Dissolved Solids		1039.3		
5. Suspended Solids		NR		
6. Dissolved Oxygen		NR		
7. Dissolved CO2		NR		
8. Oil In Water		NR		
9. Phenolphthalein Alkalinity (CaCO3)				
10. Methyl Orange Alkalinity (CaCO3)				
11. Bicarbonate	HCO3	195.0	HCO3	3.2
12. Chloride	Cl	149.0	Cl	4.2
13. Sulfate	SO4	400.0	SO4	8.3
14. Calcium	Ca	146.0	Ca	7.3
15. Magnesium	Mg	51.1	Mg	4.2
16. Sodium (calculated)	Na	97.5	Na	4.2
17. Iron	Fe	0.8		
18. Barium	Ba	0.0		
19. Strontium	Sr	0.0		
20. Total Hardness (CaCO3)		575.0		

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter		Compound	Equiv wt X meq/L	= mg/L
-----	-----			
7 *Ca <----- *HCO3	3	Ca(HCO3)2	81.0	3.2 259
/----->		CaSO4	68.1	4.1 278
4 *Mg -----> *SO4	8	CaCl2	55.5	
<-----/		Mg(HCO3)2	73.2	
4 *Na -----> *Cl	4	MgSO4	60.2	4.2 253
-----	-----	MgCl2	47.6	
Saturation Values Dist. Water 20 C		NaHCO3	84.0	
CaCO3 13 mg/L		Na2SO4	71.0	0.0 3
CaSO4 * 2H2O 2090 mg/L		NaCl	58.4	4.2 246
BaSO4 2.4 mg/L				

## REMARKS:

----- ANDY MILLER



SCALE TENDENCY REPORT  
-----

Company	: YATES PETROLEUM	Date	: 02/23/96
Address	: ARTESIA, NM	Date Sampled	: 02/22/96
Lease	: QUEEN	Analysis No.	: 0226
Well	: WATER WELL	Analyst	: SHAWNA MATTHEWS
Sample Pt.	: UNKNOWN		

STABILITY INDEX CALCULATIONS  
(Stiff-Davis Method)  
CaCO<sub>3</sub> Scaling Tendency

S.I. =	0.1	at	60 deg. F	or	16 deg. C
S.I. =	0.2	at	80 deg. F	or	27 deg. C
S.I. =	0.2	at	100 deg. F	or	38 deg. C
S.I. =	0.3	at	120 deg. F	or	49 deg. C
S.I. =	0.4	at	140 deg. F	or	60 deg. C

\*\*\*\*\*

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS  
(Skillman-McDonald-Stiff Method)  
Calcium Sulfate

S =	1212	at	60 deg. F	or	16 deg C
S =	1227	at	80 deg. F	or	27 deg C
S =	1216	at	100 deg. F	or	38 deg C
S =	1207	at	120 deg. F	or	49 deg C
S =	1198	at	140 deg. F	or	60 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,  
SHAWNA MATTHEWS

## TRETOLITE DIVISION

(505) 746-3588

Fax (505) 746-3580

## WATER ANALYSIS REPORT

Reply to:

P.O. Box 1140

Artesia, NM

88211-7531

Company : YATES PETROLEUM  
 Address : ARTESIA, NMN  
 Lease : NORTH WINDMILL  
 Well :  
 Sample Pt. :

Date : 02/15/96  
 Date Sampled : 02/14/96  
 Analysis No. : 0223

ANALYSIS		mg/L		* meq/L	
-----		----		-----	
1.	pH	7.5			
2.	H <sub>2</sub> S	0 PPM			
3.	Specific Gravity	1.000			
4.	Total Dissolved Solids	1065.3			
5.	Suspended Solids	NR			
6.	Dissolved Oxygen	NR			
7.	Dissolved CO <sub>2</sub>	NR			
8.	Oil In Water	NR			
9.	Phenolphthalein Alkalinity (CaCO <sub>3</sub> )				
10.	Methyl Orange Alkalinity (CaCO <sub>3</sub> )				
11.	Bicarbonate	HCO <sub>3</sub>	134.0	HCO <sub>3</sub>	2.2
12.	Chloride	Cl	85.0	Cl	2.4
13.	Sulfate	SO <sub>4</sub>	550.0	SO <sub>4</sub>	11.5
14.	Calcium	Ca	134.0	Ca	6.7
15.	Magnesium	Mg	59.6	Mg	4.9
16.	Sodium (calculated)	Na	102.5	Na	4.5
17.	Iron	Fe	0.3		
18.	Barium	Ba	0.0		
19.	Strontium	Sr	0.0		
20.	Total Hardness (CaCO <sub>3</sub> )		580.0		

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter		Compound    Equiv wt X meq/L    =    mg/L			
+-----+		+-----+			
7	*Ca <----- *HCO <sub>3</sub>	2	Ca(HCO <sub>3</sub> ) <sub>2</sub>	81.0	2.2    178
	/----->		CaSO <sub>4</sub>	68.1	4.5    306
5	*Mg -----> *SO <sub>4</sub>	11	CaCl <sub>2</sub>	55.5	
	<-----/		Mg(HCO <sub>3</sub> ) <sub>2</sub>	73.2	
4	*Na -----> *Cl	2	MgSO <sub>4</sub>	60.2	4.9    295
			MgCl <sub>2</sub>	47.6	
Saturation Values Dist. Water 20 C			NaHCO <sub>3</sub>	84.0	
	CaCO <sub>3</sub> 13 mg/L		Na <sub>2</sub> SO <sub>4</sub>	71.0	2.1    146
	CaSO <sub>4</sub> * 2H <sub>2</sub> O    2090 mg/L		NaCl	58.4	2.4    140
	BaSO <sub>4</sub> 2.4 mg/L				

## REMARKS:

----- ANDY MILLER

SCALE TENDENCY REPORT  
-----

Company	: YATES PETROLEUM	Date	: 02/15/96
Address	: ARTESIA, NMN	Date Sampled	: 02/14/96
Lease	: NORTH WINDMILL	Analysis No.	: 0223
Well	:	Analyst	: SHAWNA MATTHEWS
Sample Pt.	:		

STABILITY INDEX CALCULATIONS  
(Stiff-Davis Method)  
CaCO3 Scaling Tendency

S.I. =	0.1	at	60 deg. F or	16 deg. C
S.I. =	0.2	at	80 deg. F or	27 deg. C
S.I. =	0.2	at	100 deg. F or	38 deg. C
S.I. =	0.3	at	120 deg. F or	49 deg. C
S.I. =	0.4	at	140 deg. F or	60 deg. C

\*\*\*\*\*

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS  
(Skillman-McDonald-Stiff Method)  
Calcium Sulfate

S =	1121	at	60 deg. F or	16 deg C
S =	1137	at	80 deg. F or	27 deg C
S =	1128	at	100 deg. F or	38 deg C
S =	1119	at	120 deg. F or	49 deg C
S =	1110	at	140 deg. F or	60 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,  
SHAWNA MATTHEWS

## TRETOLITE DMSION

 (505) 746-3588  
 Fax (505) 746-3580

 Reply to:  
 P.O. Box FF  
 Artesia, NM  
 88211-7531

## WATER ANALYSIS REPORT

 Company : YATES PETROLEUM  
 Address : ARTESIA, NEW MEXICO  
 Lease : CLIFFORD  
 Well : BATTERY  
 Sample Pt. : TANK

 Date : 01/12/94  
 Date Sampled : 01/12/94  
 Analysis No. : 546

ANALYSIS		mg/L		* meq/L
1. pH	7.0			
2. H2S	140 PPM			
3. Specific Gravity	1.005			
4. Total Dissolved Solids		6842.7		
5. Suspended Solids		NR		
6. Dissolved Oxygen		NR		
7. Dissolved CO2		NR		
8. Oil In Water		NR		
9. Phenolphthalein Alkalinity (CaCO3)				
10. Methyl Orange Alkalinity (CaCO3)				
11. Bicarbonate	HCO3	817.0	HCO3	13.4
12. Chloride	Cl	2449.0	Cl	69.1
13. Sulfate	SO4	1375.0	SO4	28.6
14. Calcium	Ca	700.0	Ca	34.9
15. Magnesium	Mg	280.0	Mg	23.0
16. Sodium (calculated)	Na	1221.7	Na	53.1
17. Iron	Fe	NR		
18. Barium	Ba	NR		
19. Strontium	Sr	NR		
20. Total Hardness (CaCO3)		2901.0		

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter		Compound	Equiv wt X meq/L	= mg/L
35 *Ca <----- *HCO3	13	Ca(HCO3)2	81.0	1085
----- /----->	-----	CaSO4	68.1	1466
23 *Mg -----> *SO4	29	CaCl2	55.5	
----- <----- /	-----	Mg(HCO3)2	73.2	
53 *Na -----> *Cl	69	MgSO4	60.2	7.1 427
		MgCl2	47.6	15.9 759
Saturation Values Dist. Water 20 C		NaHCO3	84.0	
CaCO3 13 mg/L		Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L		NaCl	58.4	53.1 3106
BaSO4 2.4 mg/L				

## REMARKS:

----- A. MILLER / FILE

SCALE TENDENCY REPORT  
-----

Company	: YATES PETROLEUM	Date	: 01/12/94
Address	: ARTESIA, NEW MEXICO	Date Sampled	: 01/12/94
Lease	: CLIFFORD	Analysis No.	: 546
Well	: BATTERY	Analyst	: STEVE TIGERT
Sample Pt.	: TANK		

STABILITY INDEX CALCULATIONS  
(Stiff-Davis Method)  
CaCO3 Scaling Tendency

S.I. =	0.8	at	60 deg.	F or	16 deg.	C
S.I. =	0.8	at	80 deg.	F or	27 deg.	C
S.I. =	0.9	at	100 deg.	F or	38 deg.	C
S.I. =	0.9	at	120 deg.	F or	49 deg.	C
S.I. =	0.9	at	140 deg.	F or	60 deg.	C

\*\*\*\*\*

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS  
(Skillman-McDonald-Stiff Method)  
Calcium Sulfate

S =	2241	at	60 deg.	F or	16 deg	C
S =	2331	at	80 deg.	F or	27 deg	C
S =	2364	at	100 deg.	F or	38 deg	C
S =	2360	at	120 deg.	F or	49 deg	C
S =	2346	at	140 deg.	F or	60 deg	C

Petrolite Oilfield Chemicals Group

Respectfully submitted,  
STEVE TIGERT

"Let your interest in measurement be our concern"

DOS

PRECISION SERVICE, INC.

P.O. Box 3659 \* Casper, Wyoming 82802 \* (307) 237-9327  
 P.O. Box 2604 \* Roswell, New Mexico 88201 \* (505) 622-9874  
 Analysis Results Summary

Run No. 930226-5

Date Run 02/26/93

Date Sampled 02/25/93

Analysis for YATES PETROLEUM CORPORATION

GPANGL.L50

Field: DAGGER DRAW

Well Name: ACID GAS

Sta. Number:

Purpose: WEEKLY

Sampling Temp: DEG F

Volume/day:

Pressure on Cylinder: 11 PSIG

Producer: YATES PETROLEUM CORPORATION

County: EDDY

State: NM

Sampled By: EARL HAEWY

Atmos Temp: 57 DEG F

Formation:

Line Pressure: 24.2 PSIA

## GAS COMPONENT ANALYSIS

Pressure Base: 14.730

Real BTU Dry: 418  
 Real BTU Wet: 408  
 Real Calc. Specific Gravity: 1.324  
 Field Specific Gravity: 1.314

Standard Pressure: 14.696

BTU Dry: 415

BTU Wet: 407

		Mol %	GPM
Carbon Dioxide	CO2	38.311	
Nitrogen	N2	0.019	
Hydrogen Sulfide	H2S	60.810	
Methane	C1	0.340	0.058
Iso-Butane	IC4	0.009	0.003
Nor-Butane	NC4	0.049	0.015
Iso-Pentane	IC5	0.045	0.018
Nor-Pentane	NC5	0.098	0.035
Hexanes Plus	C6+	0.319	0.137
TOTAL		100.000	0.265

Z Factor: 0.9926  
 N Value: 1.3106  
 Avg Mol Weight: 38.0743  
 Avg CuFt/Gal: 67.9661  
 28 Lb Product: 0.3077  
 Methane+ GPM: 0.285  
 Ethane+ GPM: 0.207  
 Propane+ GPM: 0.207  
 Butane+ GPM: 0.207  
 Pentane+ GPM: 0.189

## REMARKS:

H2S ON LOCATION: 60.810 % = 608,100 PPM

Approved by: JEFF DECK

Fri Feb 26 16:17:37 1993

## **ATTACHMENT D**

# AGAVE ENERGY COMPANY

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

Lori Wrotenbery  
NM-OCD  
P.O. Box 2088  
Santa Fe, NM 87505

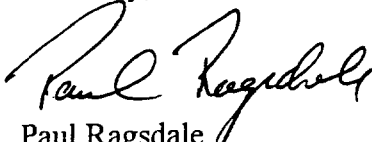
Re: Metropolis 'AZL' State Com #1  
Application for Authorization to Inject

Dear Ma'am:

Please find enclosed an Application for Authorization to Inject for the referenced Metropolis 'AZL' State Com #1. We are proposing to re-enter this recently plugged and abandoned well and deepen the well to the Devonian and Ellenburger formations and convert the well to a disposal well. The well would be utilized to dispose of produced water from the Dagger Draw field and to dispose of acid gas generated from the Agave Energy Plant that "sweetens" sour gas from Dagger Draw.

Please review the enclosed information. If you have questions or need further information please contact me at 505-748-4520. Since this application is subject to administrative approval, we have provided proof of public notice. We appreciate your cooperation in this matter.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

CC: Tim Gumm, OCD-Artesia



# AGAVE ENERGY COMPANY

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

State of New Mexico  
Commissioner of Public Lands  
P.O. Box 1148  
Santa Fe, NM 87504-1148

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

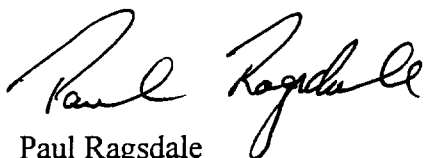
Gretchen E. Ainsworth  
4681 Mt. Longs Drive  
San Diego, CA 92117

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

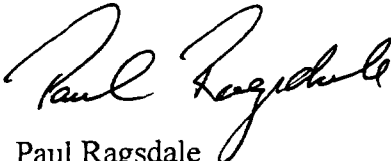
Fred C. Alley Trust  
21 Friendswood  
Longview, TX 75605

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

Tracy A. Elwell  
850 Del Verde Circle #6  
Sacramento, CA 95833

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

Marian Fletcher  
2575 Irvine Ave.  
Costa Mesa, CA 92627

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

Glenn R. Fuller  
205 Charter Oaks  
Walnut Creek, CA 94596

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

James F. Klages  
6026 Ticonderoga Court  
Burke, VA 02201

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

Margaret A. Nolan  
1336 Western Avenue  
Glendale, CA 91201

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

-1.



# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

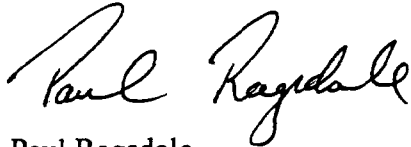
Frederick N. Rames  
25 Holua Way  
Wahiawa, HI 96786

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

Ballard E. Spencer Trust, Inc.  
First National Bank of Artesia  
C/o Trust Department  
P.O. Drawer AA  
Artesia, NM 88210

Ladies and Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4520.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

## Attachment E

### Legal Notice

Agave Energy Company, 105 South Fourth Street, Artesia, NM 88210, has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for an injection well. The proposed well, the "Metropolis AZL State Com #1" located 1650' FSL & 1650' FWL of Section 36, Township 18 South, Range 25 East of Eddy County, New Mexico, will be used for salt water disposal. Disposal waters and acid gas from the Canyon will be re-injected into the Devonian and Ellenburger formations at a depth of 9900'-11400' with a maximum pressure of 1995 psi and a maximum rate 10,000 BWPD.

All interested parties opposing the aforementioned must file objections or request for a hearing with the Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87501, within 15 days. Additional information can be obtained by contacting Paul Ragsdale at (505) 748-4520.

# AGAVE ENERGY COMPANY

---

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

December 12, 2001

Artesia Daily Press  
503 West Main St.  
Artesia, NM 88210

Ladies and Gentlemen:

Agave Energy Company desires to place a public notice in your newspaper for one day.  
The notice is enclosed.

Please place this notice in your paper on Friday, December 14, 2001, and forward a copy of it along with your billing as soon as possible to:

Agave Energy Company  
105 South Fourth Street  
Artesia, NM 88210  
Attn: Paul Ragsdale

If you have any questions, please contact me at 748-4520. Thank you for your cooperation in this matter.

Sincerely,



Paul Ragsdale  
Vice-President

PR/wn

Enclosure

Agave Energy Company  
Metropolis 'AZL' State Com #1  
Sec. 36-18S-25E Unit K  
1650' FSL & 1650' FWL  
Eddy County, New Mexico

Attachment B

<div>285</div> <div>286</div> <div>287</div> <div>288</div> <div>289</div> <div>290</div> <div>291</div> <div>292</div> <div>293</div> <div>294</div> <div>295</div> <div>296</div> <div>297</div> <div>298</div> <div>299</div> <div>300</div> <div>301</div> <div>302</div> <div>303</div> <div>304</div> <div>305</div>																				<div>306</div> <div>307</div> <div>308</div> <div>309</div> <div>310</div> <div>311</div> <div>312</div> <div>313</div> <div>314</div> <div>315</div> <div>316</div> <div>317</div> <div>318</div> <div>319</div> <div>320</div> <div>321</div> <div>322</div> <div>323</div> <div>324</div> <div>325</div> <div>326</div>																				<div>327</div> <div>328</div> <div>329</div> <div>330</div> <div>331</div> <div>332</div> <div>333</div> <div>334</div> <div>335</div> <div>336</div> <div>337</div> <div>338</div> <div>339</div> <div>340</div> <div>341</div> <div>342</div> <div>343</div> <div>344</div> <div>345</div> <div>346</div> <div>347</div>																				<div>348</div> <div>349</div> <div>350</div> <div>351</div> <div>352</div> <div>353</div> <div>354</div> <div>355</div> <div>356</div> <div>357</div> <div>358</div> <div>359</div> <div>360</div> <div>361</div> <div>362</div> <div>363</div> <div>364</div> <div>365</div> <div>366</div> <div>367</div> <div>368</div>																				<div>369</div> <div>370</div> <div>371</div> <div>372</div> <div>373</div> <div>374</div> <div>375</div> <div>376</div> <div>377</div> <div>378</div> <div>379</div> <div>380</div> <div>381</div> <div>382</div> <div>383</div> <div>384</div> <div>385</div> <div>386</div> <div>387</div> <div>388</div> <div>389</div>																				<div>390</div> <div>391</div> <div>392</div> <div>393</div> <div>394</div> <div>395</div> <div>396</div> <div>397</div> <div>398</div> <div>399</div> <div>400</div> <div>401</div> <div>402</div> <div>403</div> <div>404</div> <div>405</div> <div>406</div> <div>407</div> <div>408</div> <div>409</div> <div>410</div>																				<div>411</div> <div>412</div> <div>413</div> <div>414</div> <div>415</div> <div>416</div> <div>417</div> <div>418</div> <div>419</div> <div>420</div> <div>421</div> <div>422</div> <div>423</div> <div>424</div> <div>425</div> <div>426</div> <div>427</div> <div>428</div> <div>429</div> <div>430</div>																				<div>431</div> <div>432</div> <div>433</div> <div>434</div> <div>435</div> <div>436</div> <div>437</div> <div>438</div> <div>439</div> <div>440</div> <div>441</div> <div>442</div> <div>443</div> <div>444</div> <div>445</div> <div>446</div> <div>447</div> <div>448</div> <div>449</div> <div>450</div>																				<div>451</div> <div>452</div> <div>453</div> <div>454</div> <div>455</div> <div>456</div> <div>457</div> <div>458</div> <div>459</div> <div>460</div> <div>461</div> <div>462</div> <div>463</div> <div>464</div> <div>465</div> <div>466</div> <div>467</div> <div>468</div> <div>469</div> <div>470</div>																				<div>471</div> <div>472</div> <div>473</div> <div>474</div> <div>475</div> <div>476</div> <div>477</div> <div>478</div> <div>479</div> <div>480</div> <div>481</div> <div>482</div> <div>483</div> <div>484</div> <div>485</div> <div>486</div> <div>487</div> <div>488</div> <div>489</div> <div>490</div>																				<div>491</div> <div>492</div> <div>493</div> <div>494</div> <div>495</div> <div>496</div> <div>497</div> <div>498</div> <div>499</div> <div>500</div> <div>501</div> <div>502</div> <div>503</div> <div>504</div> <div>505</div> <div>506</div> <div>507</div> <div>508</div> <div>509</div> <div>510</div>																				<div>511</div> <div>512</div> <div>513</div> <div>514</div> <div>515</div> <div>516</div> <div>517</div> <div>518</div> <div>519</div> <div>520</div> <div>521</div> <div>522</div> <div>523</div> <div>524</div> <div>525</div> <div>526</div> <div>527</div> <div>528</div> <div>529</div> <div>530</div>																				<div>531</div> <div>532</div> <div>533</div> <div>534</div> <div>535</div> <div>536</div> <div>537</div> <div>538</div> <div>539</div> <div>540</div> <div>541</div> <div>542</div> <div>543</div> <div>544</div> <div>545</div> <div>546</div> <div>547</div> <div>548</div> <div>549</div> <div>550</div>																				<div>551</div> <div>552</div> <div>553</div> <div>554</div> <div>555</div> <div>556</div> <div>557</div> <div>558</div> <div>559</div> <div>560</div> <div>561</div> <div>562</div> <div>563</div> <div>564</div> <div>565</div> <div>566</div> <div>567</div> <div>568</div> <div>569</div> <div>570</div>																				<div>571</div> <div>572</div> <div>573</div> <div>574</div> <div>575</div> <div>576</div> <div>577</div> <div>578</div> <div>579</div> <div>580</div> <div>581</div> <div>582</div> <div>583</div> <div>584</div> <div>585</div> <div>586</div> <div>587</div> <div>588</div> <div>589</div> <div>590</div>																				<div>591</div> <div>592</div> <div>593</div> <div>594</div> <div>595</div> <div>596</div> <div>597</div> <div>598</div> <div>599</div> <div>600</div> <div>601</div> <div>602</div> <div>603</div> <div>604</div> <div>605</div> <div>606</div> <div>607</div> <div>608</div> <div>609</div> <div>610</div>																				<div>611</div> <div>612</div> <div>613</div> <div>614</div> <div>615</div> <div>616</div> <div>617</div> <div>618</div> <div>619</div> <div>620</div> <div>621</div> <div>622</div> <div>623</div> <div>624</div> <div>625</div> <div>626</div> <div>627</div> <div>628</div> <div>629</div> <div>630</div>																				<div>631</div> <div>632</div> <div>633</div> <div>634</div> <div>635</div> <div>636</div> <div>637</div> <div>638</div> <div>639</div> <div>640</div> <div>641</div> <div>642</div> <div>643</div> <div>644</div> <div>645</div> <div>646</div> <div>647</div> <div>648</div> <div>649</div> <div>650</div>																				<div>651</div> <div>652</div> <div>653</div> <div>654</div> <div>655</div> <div>656</div> <div>657</div> <div>658</div> <div>659</div> <div>660</div> <div>661</div> <div>662</div> <div>663</div> <div>664</div> <div>665</div> <div>666</div> <div>667</div> <div>668</div> <div>669</div> <div>670</div>																				<div>671</div> <div>672</div> <div>673</div> <div>674</div> <div>675</div> <div>676</div> <div>677</div> <div>678</div> <div>679</div> <div>680</div> <div>681</div> <div>682</div> <div>683</div> <div>684</div> <div>685</div> <div>686</div> <div>687</div> <div>688</div> <div>689</div> <div>690</div>																				<div>691</div> <div>692</div> <div>693</div> <div>694</div> <div>695</div> <div>696</div> <div>697</div> <div>698</div> <div>699</div> <div>700</div> <div>701</div> <div>702</div> <div>703</div> <div>704</div> <div>705</div> <div>706</div> <div>707</div> <div>708</div> <div>709</div> <div>710</div>																				<div>711</div> <div>712</div> <div>713</div> <div>714</div> <div>715</div> <div>716</div> <div>717</div> <div>718</div> <div>719</div> <div>720</div> <div>721</div> <div>722</div> <div>723</div> <div>724</div> <div>725</div> <div>726</div> <div>727</div> <div>728</div> <div>729</div> <div>730</div>																				<div>731</div> <div>732</div> <div>733</div> <div>734</div> <div>735</div> <div>736</div> <div>737</div> <div>738</div> <div>739</div> <div>740</div> <div>741</div> <div>742</div> <div>743</div> <div>744</div> <div>745</div> <div>746</div> <div>747</div> <div>748</div> <div>749</div> <div>750</div>																				<div>751</div> <div>752</div> <div>753</div> <div>754</div> <div>755</div> <div>756</div> <div>757</div> <div>758</div> <div>759</div> <div>760</div> <div>761</div> <div>762</div> <div>763</div> <div>764</div> <div>765</div> <div>766</div> <div>767</div> <div>768</div> <div>769</div> <div>770</div>																				<div>771</div> <div>772</div> <div>773</div> <div>774</div> <div>775</div> <div>776</div> <div>777</div> <div>778</div> <div>779</div> <div>780</div> <div>781</div> <div>782</div> <div>783</div> <div>784</div> <div>785</div> <div>786</div> <div>787</div> <div>788</div> <div>789</div> <div>790</div>																				<div>791</div> <div>792</div> <div>793</div> <div>794</div> <div>795</div> <div>796</div> <div>797</div> <div>798</div> <div>799</div> <div>800</div> <div>801</div> <div>802</div> <div>803</div> <div>804</div> <div>805</div> <div>806</div> <div>807</div> <div>808</div> <div>809</div> <div>810</div>																				<div>811</div> <div>812</div> <div>813</div> <div>814</div> <div>815</div> <div>816</div> <div>817</div> <div>818</div> <div>819</div> <div>820</div> <div>821</div> <div>822</div> <div>823</div> <div>824</div> <div>825</div> <div>826</div> <div>827</div> <div>828</div> <div>829</div> <div>830</div>																				<div>831</div> <div>832</div> <div>833</div> <div>834</div> <div>835</div> <div>836</div> <div>837</div> <div>838</div> <div>839</div> <div>840</div> <div>841</div> <div>842</div> <div>843</div> <div>844</div> <div>845</div> <div>846</div> <div>847</div> <div>848</div> <div>849</div> <div>850</div>																				<div>851</div> <div>852</div> <div>853</div> <div>854</div> <div>855</div> <div>856</div> <div>857</div> <div>858</div> <div>859</div> <div>860</div> <div>861</div> <div>862</div> <div>863</div> <div>864</div> <div>865</div> <div>866</div> <div>867</div> <div>868</div> <div>869</div> <div>870</div>																				<div>871</div> <div>872</div> <div>873</div> <div>874</div> <div>875</div> <div>876</div> <div>877</div> <div>878</div> <div>879</div> <div>880</div> <div>881</div> <div>882</div> <div>883</div> <div>884</div> <div>885</div> <div>886</div> <div>887</div> <div>888</div> <div>889</div> <div>890</div>																				<div>891</div> <div>892</div> <div>893</div> <div>894</div> <div>895</div> <div>896</div> <div>897</div> <div>898</div> <div>899</div> <div>900</div> <div>901</div> <div>902</div> <div>903</div> <div>904</div> <div>905</div> <div>906</div> <div>907</div> <div>908</div> <div>909</div> <div>910</div>																				<div>911</div> <div>912</div> <div>913</div> <div>914</div> <div>915</div> <div>916</div> <div>917</div> <div>918</div> <div>919</div> <div>920</div> <div>921</div> <div>922</div> <div>923</div> <div>924</div> <div>925</div> <div>926</div> <div>927</div> <div>928</div> <div>929</div> <div>930</div>																				<div>931</div> <div>932</div> <div>933</div> <div>934</div> <div>935</div> <div>936</div> <div>937</div> <div>938</div> <div>939</div> <div>940</div> <div>941</div> <div>942</div> <div>943</div> <div>944</div> <div>945</div> <div>946</div> <div>947</div> <div>948</div> <div>949</div> <div>950</div>																				<div>951</div> <div>952</div> <div>953</div> <div>954</div> <div>955</div> <div>956</div> <div>957</div> <div>958</div> <div>959</div> <div>960</div> <div>961</div> <div>962</div> <div>963</div> <div>964</div> <div>965</div> <div>966</div> <div>967</div> <div>968</div> <div>969</div> <div>970</div>																				<div>971</div> <div>972</div> <div>973</div> <div>974</div> <div>975</div> <div>976</div> <div>977</div> <div>978</div> <div>979</div> <div>980</div> <div>981</div> <div>982</div> <div>983</div> <div>984</div> <div>985</div> <div>986</div> <div>987</div> <div>988</div> <div>989</div> <div>990</div>																				<div>991</div> <div>992</div> <div>993</div> <div>994</div> <div>995</div> <div>996</div> <div>997</div> <div>998</div> <div>999</div> <div>1000</div> <div>1001</div> <div>1002</div> <div>1003</div> <div>1004</div> <div>1005</div> <div>1006</div> <div>1007</div> <div>1008</div> <div>1009</div> <div>1010</div>																			
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Agave Energy Company

Metropolis 'AZL' State Com #1

Sec. 36-18S-25E Unit K

1650' FSL & 1650' FWL

Eddy County, New Mexico

Attachment B