

GW - 50-7

**GENERAL
CORRESPONDENCE**

YEAR(S):

2006 - 1999

AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Fran Saunders
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico, do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

one time

beginning with the issue dated

March 31st 2006

and ending with the issue dated

March 31st 2006

Fran Saunders

Clerk

Sworn and subscribed to before me

this 31st Day of March 2006

Marylon S. Shipper

Notary Public

My Commission expires
July 25, 2006

(SEAL)

Publish March 31, 2006

NOTICE OF PUBLICATION

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Quality Control Commission Regulations, the following discharge permit applications have been submitted to the Director of the Oil Conservation Division, 1220 South St. Francis, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-050) Agave Energy Company, Ms. Jennifer Knowlton, Environmental Engineer, 105 South Fourth Street, Artesia, New Mexico 88210, has submitted applications for renewal for the previously approved discharge permits for their Bitter Lake Station (GW 50-1), Red Bluff #1 Station (GW 50-5), Red Bluff #2 Station (GW 50-7), and Red Bluff #3 Station (GW 50-8). All are natural gas compressor stations with arsenic removal systems. The locations of the four stations are:

1. Bitter Lake Station, NE/4 NW/4 of Section 10, Township 9 South, Range 25 East, NMPM, Chaves County, New Mexico.
2. Red Bluff #1 Station, NW/4 SE/4 of Section 2, Township 8 South, Range 22 East, NMPM, Chaves County New Mexico.
3. Red Bluff #2 Station, SW/4 NE/4 of Section 34, Township 7 South, Range 25 East, NMPM, Chaves County, New Mexico.
4. Red Bluff #3 Station, NW/4 SE/4 of Section 10, Township 7 South, Range 25 East, NMPM, Chaves County, New Mexico.

A total estimated volume of 2,500 gallons per year of produced water, lube oil and spent glycol is discharged to above ground tanks prior to off-site disposal at an OCD-approved facility. Groundwater most likely to be affected by any accidental spill is at a depth greater than 160 feet with a total dissolved solids concentration ranging from 2,400 to 8,200 mg/L. The discharge permit addresses how spills, leaks and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division any may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge permit application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge permit or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the permit based on information available. If a public hearing is held, the director will approve or disapprove the permit based on information in the application and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 27th day of March 2006.

SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Mark E. Fesmire, P.E., Director

NM EMNRD OIL CONSERVATION

ATTN: Ed Martin
1220 S ST FRANCIS DR
SANTA FE NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00162253 ACCOUNT: 00002212
LEGAL NO: 78684 P.O. #: 06-199-050125
264 LINES 1 TIME(S) 147.84
AFFIDAVIT: 6.00
TAX: 11.73
TOTAL: 165.57

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, R, Lara, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 78684 a copy of which is hereto attached was published in said newspaper 1 day(s) between 03/31/2006 and 03/31/2006 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 31st day of March, 2006 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

2006 APR 3 PM 1 22

/s/ R. Lara
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 31st day of March, 2006

Notary Laura E. Harding

Commission Expires: 11/23/07

OK To Pay
Ed Martin
4-3-06



NOTICE OF PUBLICATION

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ENERGY, MINERALS
AND NATURAL
RESOURCES
DEPARTMENT
OIL CONSERVATION
DIVISION**

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**STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION**

SEAL

Mark E. Fesmire,
P.E., Director
Legal #78684
Pub. Mar. 31, 2006

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 27th day of March 2006.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

Mark E. Fesmire, P.E., Director

AGAVE ENERGY COMPANY

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4275

Via Certified Mail 7005 2570 0000 8325 6914

March 3, 2006

Ed Martin
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Agave Energy Company
Discharge Plan Renewal Applications**

Dear Ed:

Enclosed are two copies of the renewal applications for the following facilities:

Red Bluff #1 Compressor Station	GW-050-7
Red Bluff #2 Compressor Station	GW-050-5
Red Bluff #3 Compressor Station	GW-050-8
Bitter Lake Compressor Station	GW-050-1

If you have any questions regarding any of the information in the applications for renewal, please feel free to call me at 505-748-4471 or email me at jknowlton@ypcnm.com.

Sincerely,



Jennifer Knowlton
Environmental Engineer

Cc: OCD District II

2006 MAR 6 PM 12:40

**OIL CONSERVATION DIVISION
DISCHARGE PLAN GW-050-7 RENEWAL
AGAVE ENERGY COMPANY
RED BLUFF #1 COMPRESSOR STATION**



March 3, 2006

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

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS, REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES AND CRUDE OIL PUMP STATIONS

(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: Compressor Station

2. Operator: Agave Energy Company

Address: 105 South Fourth Street Artesia NM 88210

Contact Person: Jennifer Knowlton Phone: 505-748-4471

3. Location: NE/4 SE/4 Section 2 Township 8S Range 25E
Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
14. CERTIFICATION: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Jennifer Knowlton

Title: Environmental Engineer

Signature: Jennifer Knowlton

Date: 3/2/2006

E-mail Address: jknowlton@ypcnm.com

1. Type: Compressor Station
2. Operator: Agave Energy Company
Address: 105 South Fourth Street Artesia NM 88210
Contact Person: Jennifer Knowlton
Phone: 505-748-4471
3. Location: NE/4 SE/4
Section 2
Township 8S
Range 25E
4. Landowner: Agave Energy Company
5. The Red Bluff # 1 Compressor Station is part of a small localized gas gathering system that gathers sweet gas from multiple wells in the area and compresses this gas for delivery to a main line. The SIC code for the facility is 4922. The facility consists of three Solar Saturn turbines, a Waukesha L5790GSIU compressor engine, several small storage tanks, and various pumps, meters, and ancillary equipment. A plot plan is attached.
6. Materials Stored or Used at Facility:
 1. TK 6962: 250 bbl condensate
 2. TK 6963: 250 bbl condensate
 3. TK 912: 50 bbl oily waste water
 4. TK 911: 50 bbl used lube oil
 5. Tk-3: 1500 gallon ambitrol
 6. Tk-5: 1500 gallon lube oil
 7. 6900 pounds of arsenic catalyst
7. Present Sources of Effluent and Waste Solids:
 1. Inlet separator – 5 to 50 BPD of produced water and condensate, RCRA exempt
 2. Engine cooling water – 100 to 200 gallons per year, RCRA exempt
 3. Waste engine oil – 500 gallons per year, RCRA non-Exempt
 4. Oily waste water – 500 gallons per year, RCRA non-Exempt
 5. Engine filters – 50 per year, RCRA non-Exempt
 6. Discharge vessel – 5 to 50 BPD of produced water and condensate, RCRA exempt
 7. Arsenic vessel – 5 to 50 BPD of produced water and condensate, RCRA exempt
 8. Fuel treating vessel – 6900 pounds of arsenic catalyst a year, RCRA exempt
8. Current Liquid and Solid Waste Collection, Treatment and Disposal Procedures:

Oil waste and used engine oil is transported via Jim's Water Well Service to the Yates Pathfinder SWD or the Federal HJ #1 SWD. Oily wastewater and oil/condensate are placed in separation tanks, where oil and water are separated prior to disposal. The water is disposed of in either of the wells mentioned above. The condensate is reintroduced into the production stream. Both disposal wells are approved and permitted by OCD.

In the event of a spill within the containment, the spill is pumped out of the containment with a sump pump and disposed of according to the type of liquid as described above. If the spill occurs on the ground, the soil is removed from site with the proper excavation equipment.

The arsenic catalysts are placed into containers onsite and transferred by Controlled Recovery, Inc to CRI's landfill in Halfway, New Mexico.

9. Proposed Modifications to existing Collection, Treatment and Disposal Systems:

At this time, there are no proposed modifications to the existing collection, treatment, or disposal system.

10. Inspection and Maintenance Plan:

- a. Company personnel make daily inspections of the site during normal business hours. Malfunctions or breakdowns are noted and repaired.
- b. Any repair work that is needed is performed as required.
- c. A regular maintenance program is diligently carried out on all on-site equipment.

11. Plan for reporting and Cleanup of Spills or Releases:

- a. Standard company policy is to immediately secure the area to insure the safety of personnel and the public.
- b. Employees and contract personnel are dispatched to the spill area with necessary equipment and materials necessary to control and contain the spill and initiate clean-up program as soon as practicable.
- c. Notification and any necessary follow-up reports will be made to the appropriate agencies (BLM, OCD, etc) pursuant to regulations.

12. Geologic and Hydrological Information:

The facility is located in the hills northeast of Roswell in red gypsum/clay soil. The station is located within one mile of the Pecos River and is subject to drainage to the east. The area is primarily rangeland consisting of prairie grass and mesquite. Non-potable surface waters are present at depths less than 100 feet and potable Artesia water is present at depths of approximately 300 feet or more.

13. Facility Closure Plan:

At this time, there are no plans to close the facility. The facility will operate for the foreseeable future. In the event that this changes, notice will be sent to the Oil Conservation Division and closure plans will be formulated.



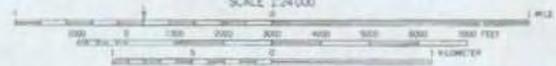
Mapped, edited, and published by the Geological Survey
Control by USGS and NOS/NOAA

Topography by photogrammetric methods from aerial photographs taken 1961. Field checked 1962

Polyconic projection. 10,000-foot grid ticks based on New Mexico coordinate system, east zone. 1000-meter Universal Transverse Mercator grid ticks, zone 13, shown in blue 1927 North American Datum. To place on the predicted North American Datum 1983 move the projection lines 6 meters south and 48 meters east as shown by dashed corner ticks

Fine red dashed lines indicate selected fence lines
There may be private holdings within the boundaries of the National or State reservations shown on this map

Reservoirs shown in purple and outlined in black
from aerial photographs taken 1970 and other sources
This information was last revised: See edition 1987



SCALE 1:24,000
CONTOUR INTERVAL 20 FEET
DOTTED LINES REPRESENT 5-FOOT CONTOURS
NATIONAL GEODETIC VERTICAL DATUM OF 1929

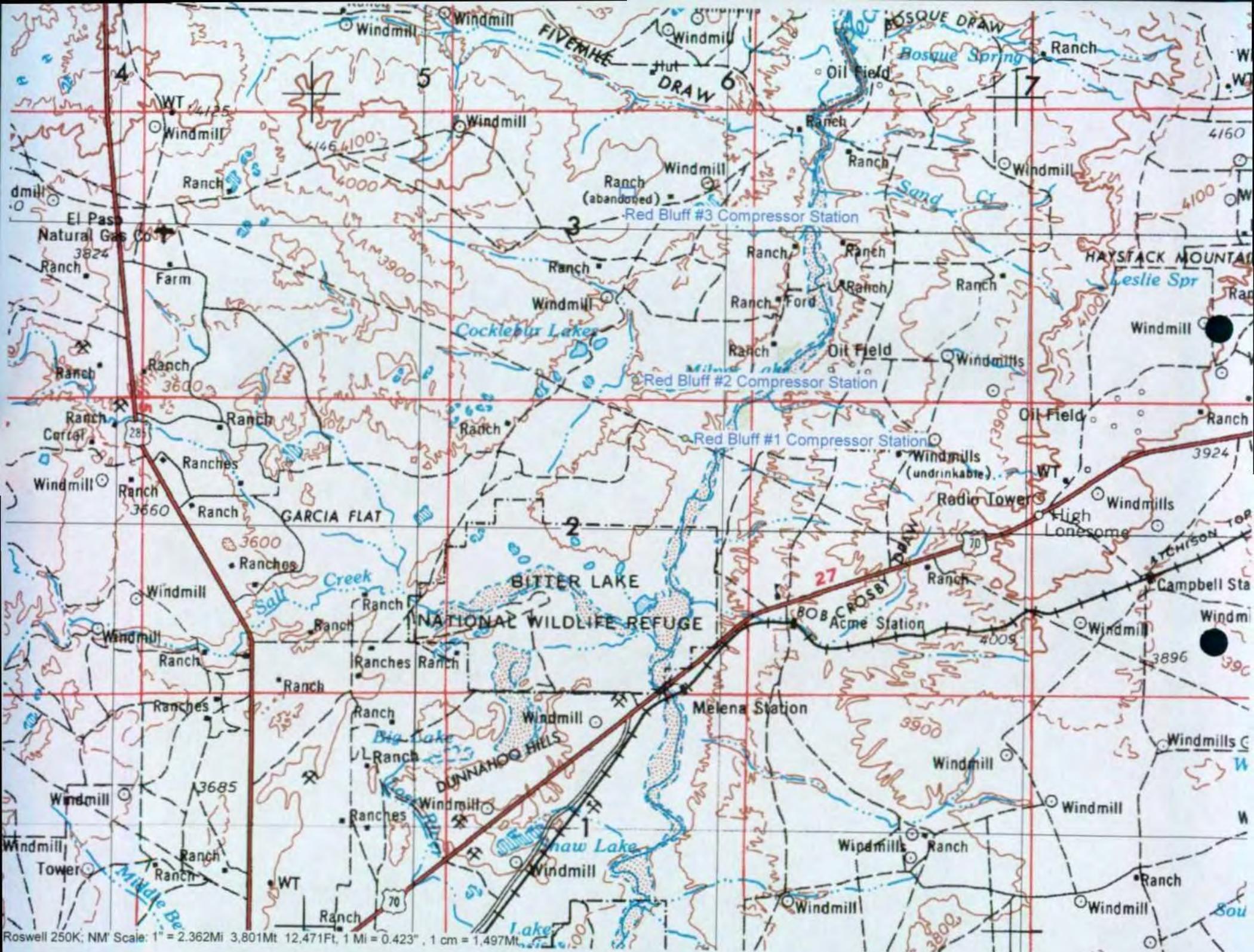
THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST



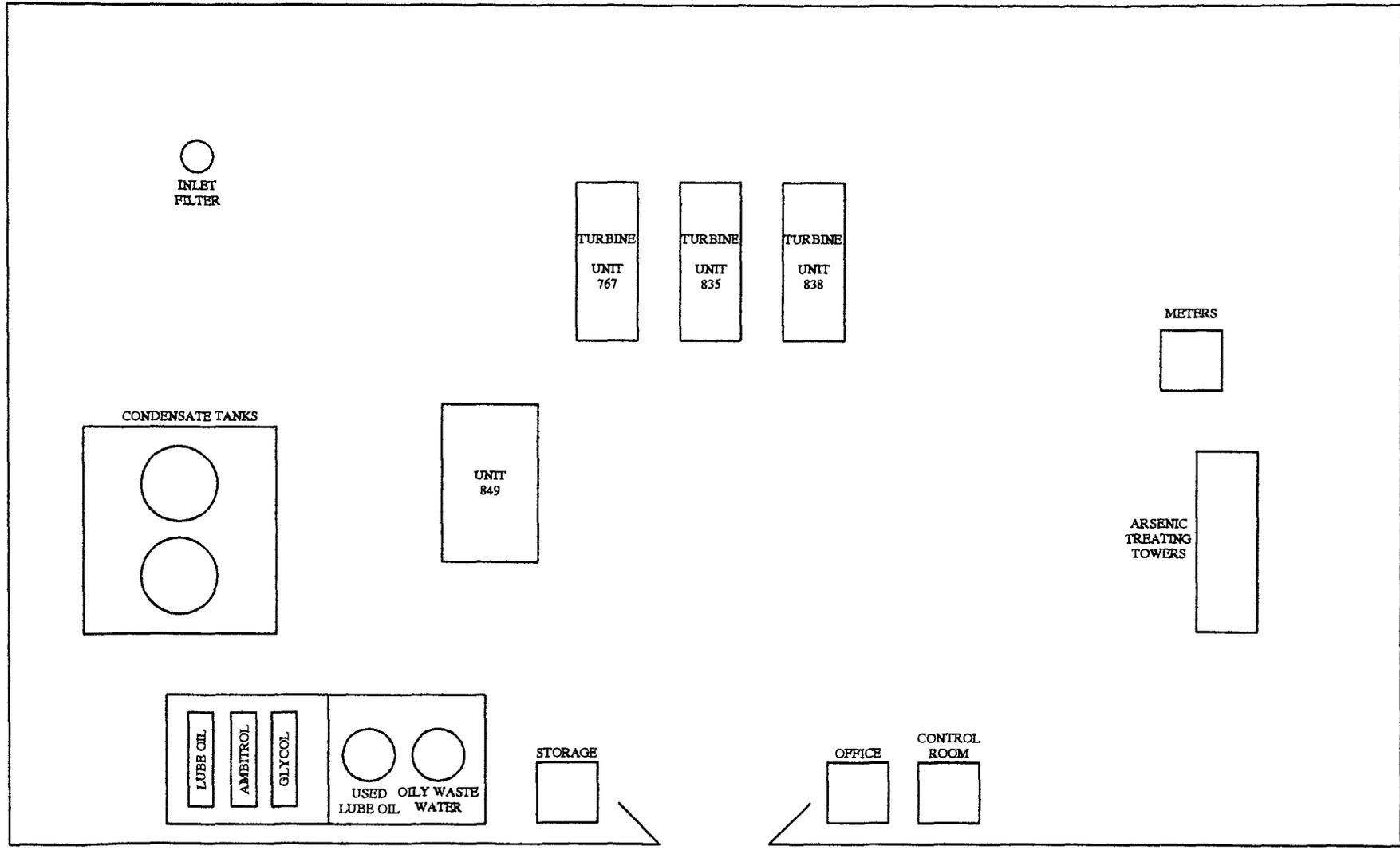
ROAD CLASSIFICATION
Light-duty ————— Improved dirt - - - - -

EIGHTMILE DRAW, N. MEX.
83327.3-810415/7.5

1962
PHOTOREVISED 1980
DMA 5151 11 NE-SERIES 1981



Roswell 250K; NM' Scale: 1" = 2.362Mi 3,801Mt 12,471Ft, 1 Mi = 0.423", 1 cm = 1,497Mt



		AGAVE ENERGY COMPANY	
		105 South Fourth Street, Artesia, New Mexico 88210	
		RED BLUFF #1	
		PLOT PLAN	
CHK	COUNTY CHAVES		REV
DEAPING TWH	DATE		
APPROVED	DATE	SIZE ANSIA	
AGAVE MANAGEMENT:	SCALE: NA	PRINTED 2/20/06	SHEET 1 OF 1

Martin, Ed, EMNRD

From: Jennifer Knowlton [jknowlton@YPCNM.COM]
Sent: Tuesday, January 31, 2006 11:40 AM
To: Martin, Ed, EMNRD
Subject: Agave Discharge Permits
Attachments: Jennifer Knowlton.vcf

Ed,

I went through the files that our aid copied for me and I have a couple of questions and clarifications.

OK Red Bluff #1² (GW 50-7) expired on 4/7/05. I will be working on the renewal application in February
OK Red Bluff #2 (GW 50-5) expired on 6/13/04. I will be working on the renewal application in February.
Red Bluff #3 (GW 50-8) - there wasn't a copy of the actual discharge permit in the file. Granted, I didn't copy the files, the the aid copied everything else except the maps. Could this have been misfiled? Can I get a copy of the discharge permit for my files? I am assuming that it has expired, but I don't know that for sure.
Bitter Lake (GW 50-1) expired 6/13/04. I will be working on the renewal application for February.

I will work on formal closure plans for the following facilities: Ned State (GW 50-4), Red Bluff #4, Red Bluff #5, and Red Bluff #6. I haven't found permit numbers for the last three facilities. If you can match these facilities to the permit number, it will make the paper work easier.

I also found a letter from Agave to OCD stating that the following facilities weren't operational: Haystack (GW 50-2), Isler (GW 50-3) and Salt Creek (GW 50-6). These have not been operational since before Agave purchased the facilities from Transwestern. We immediately made system wide changes that permanently shut these facilities down. Are the discharge permits still "open" and if so, do I need to formally close them as with the Ned State etc permit?

I appreciate your help with this. I will be working on the renewals for the four permits that have expired next month so that those are taken care of as quickly as possible. Then I will focus my attention on the modified permit for the Agave Dagger Draw Gas Plant.

If you could get back to me on the closures by Wednesday I would appreciate it. Weather permitting (i.e. not blowing 100 mph), Ivan and I are going to visit those sites and take the pictures that you requested for the closure. If we need to visit additional faculties to formally close the discharge permit, it would be easier to do it that day since they are in the same relative location.

Thanks, Jen

Jennifer Knowlton
Agave Energy Company
Environmental Engineer
105 South Fourth Street
Artesia, New Mexico 88210
Office: 505-748-4471
Fax: 505-748-4275

2/9/2006



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 18, 2000

Mr. Paul Ragsdale
Agave Energy Company
105 South Fourth Street
Artesia, New Mexico 88210

Re: Compressor Discharge Plan for GW50-07 Red Bluff#2 Compressor Station
Fee Correction.

Dear Mr. Ragsdale:

The groundwater discharge plan approval dated April 07, 2000 had an incorrect fee amount of \$6900.00 listed in the approval conditions. The correct fee amount should have read \$690.00.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,

A handwritten signature in cursive script, appearing to read "Wayne Price".

Wayne Price-Pet. Engr. Spec.
Environmental Bureau

fAX 505-748-4576

The Santa Fe New Mexican

Since 1849. We Read You.

MAR - 3 2000

NM OIL CONSERVATION DIVISION
ATTN: DONNA DOMINGUEZ

AD NUMBER: 135492 ACCOUNT: 56689
LEGAL NO: 66964 P.O.#: 00199000278
221 LINES 1 time(s) at \$ 97.42
AFFIDAVITS: 5.25
TAX: 6.42
TOTAL: 109.09

AFFIDAVIT OF PUBLICATION

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(GW-50) - Agave Energy Company, Paul Ragsdale, Vice President, 105 South Fourth Street, Artesia, New Mexico 88210, has submitted discharge plan renewal applications for Bitter Lake Station (GW50-1) and Red Bluff #1 Station (GW50-05); and new discharge plan applications for Red Bluff #2 (GW50-07) and Red Bluff #3 (GW50-08) all being filed natural gas compressor stations with arsenic removal systems. The locates for the four (4) stations are:

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 24th day of February, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
LORI WROTENBERY,
Director

Legal #66964
Pub. March 2, 2000

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, B. Penner being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication #66964 a copy of which is hereto attached was published in said newspaper 1 day(s) between 03/02/2000 and 03/02/2000 and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 2 day of March, 2000 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ Betty Penner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this
1 day of March A.D., 2000

Notary Cardace L. Dunton
Commission Expires 11/16/2003

OK FOR PAYMENT
R Penner

P.O. Box 2048 • Santa Fe, New Mexico 87501

505-983-3303



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 18, 2000

Mr. Paul Ragsdale
Agave Energy Company
105 South Fourth Street
Artesia, New Mexico 88210

Re: Compressor Discharge Plan for GW50-07 Red Bluff#2 Compressor Station
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Sincerely Yours,

A handwritten signature in cursive script, appearing to read "Wayne Price".

Wayne Price-Pet. Engr. Spec.
Environmental Bureau

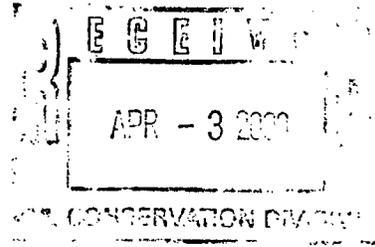
AZAVE ENERGY COMPANY

145 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576



March 31, 2000

Wayne Price
Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505

Re: Discharge Plan GW-50-1(Bitter Lake), GW-50-5 (Red Bluff #1), GW-50-7 (Red Bluff #2), GW-50-8 (Red Bluff #3)

Dear Mr. Price:

I have included information you request in your letter dated February 24th regarding the above stated discharge plans.

If you need further assistance please call me at 505 748-4526.

Sincerely,

A handwritten signature in cursive script that reads "Paula Haggith".

Paula Haggith
Engineer

Discharge Plan GW 50-1,5,7,8

Waste Streams

1. Bitter Lake

1. Inlet Separator – 5 to 50 BPD of produced water and condensate, RCRA Exempt
2. Engine Cooling Water – 100 to 200 gallons per year, RCRA Exempt
3. Waste Engine Oil – 500 gallons per year, RCRA non-Exempt
4. Oily Waste Water – 500 gallons per year, RCRA non-Exempt
5. Engine Filters – 50 per year, RCRA non-Exempt
3. Spent Gas Treating Catalyst – 14,222 lbs per year, RCRA Exempt

2. Red Bluff #1

1. Inlet Separator – 5 to 50 BPD of produced water and condensate, RCRA Exempt
2. Engine Cooling Water – 100 to 200 gallons per year, RCRA Exempt
4. Waste Engine Oil – 500 gallons per year, RCRA non-Exempt
5. Oily Waste Water – 500 gallons per year, RCRA non-Exempt
6. Engine Filters – 50 per year, RCRA non-Exempt
7. Spent Gas Treating Catalyst – 18,804 lbs per year, RCRA Exempt

3. Red Bluff #2

1. Inlet Separator – 5 to 50 BPD of produced water and condensate, RCRA Exempt
2. Engine Cooling Water – 100 to 200 gallons per year, RCRA Exempt
3. Waste Engine Oil – 500 gallons per year, RCRA non-Exempt
4. Oily Waste Water – 500 gallons per year, RCRA non-Exempt
5. Engine Filters – 50 per year, RCRA non-Exempt

4. Red Bluff #3

1. Inlet Separator – 5 to 50 BPD of produced water and condensate, RCRA Exempt
2. Engine Cooling Water – 100 to 200 gallons per year, RCRA Exempt
3. Waste Engine Oil – 500 gallons per year, RCRA non-Exempt
4. Oily Waste Water – 500 gallons per year, RCRA non-Exempt
5. Engine Filters – 50 per year, RCRA non-Exempt

Disposal Plan for Waste Products:

Oil waste and used engine oil are transported via Jim's Water Well Service to the Yates Pathfinder SWD, located in Section 21 T10S R27E, or the Yates Mitchell SWD, located in Section 23 T17S R25E, and placed in a separation tank, where oil and water are separated before disposal. Water is disposed of in the well and oil by-products are transferred to tanks and introduced back into the production stream. Both disposal wells are approved and permitted by OCD.

Engine Filters have been determined to be non-hazardous based on laboratory tests performed by Assagai Analytical Laboratories, Inc., Albuquerque, NM. Care is taken in the maintenance of equipment to extend the life of the filters to help minimize waste materials. Used filters are handled in a method to insure that all free liquid is drained and returned to the used oil container, where it is stored prior to disposal as per paragraph 1. Waste Management-Southeast New Mexico, disposes of used filters at a properly permitted facility.

The spent catalyst is a RCRA exempt material. It is containerized in drums until it is transported, in accordance with DOT regulations, to an appropriately permitted recycling facility. Care is taken in the maintenance of equipment to extend the life of the catalyst and minimize waste.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 24, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. Z 142 564 956

Ms. Paula Haggith
Agave Energy Company
105 South Fourth Street
Artesia, New Mexico 88210

Re: Discharge Plans GW-50-1 (Bitter Lake), GW-50-5 (Red Bluff #1), GW-50-7 (Red Bluff #7) and
GW-50-8 (Red Bluff #8).

Dear Ms. Haggith:

The New Mexico Oil Conservation Division (NMOCD) is in receipt of the Discharge Plan applications referenced in the above caption. After reviewing the applications, the NMOCD requires the following information in order to process the applications:

1. Please identify and classify all waste streams that are generated on site. Each waste stream shall be classified as to EPA RCRA exempt or non-exempt status. It appears that Agave inadvertently left off the gas stream filter waste that contains arsenic and how it is storing this waste on site. Please include in discharge plan.
2. The discharge plan did not indicate where or how the waste streams are being, or planned on being disposed of. Please include name of any off-site disposal company, location and any permit information.

All waste streams listed in Agave's discharge plans that is being disposed of at a site not approved by OCD, including any temporary off-site storage, must receive a case-by-case approval from the OCD. If Agave wishes to have these waste streams approved for the duration of the discharge plan and waive the case-by-case approval then Agave must modify the plans to indicate where the waste is being disposed of.

Please provide this information by March 31, 2000.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,

Wayne Price-Pet. Engr. Spec.
Environmental Bureau

cc: OCD Artesia Office

NOTICE OF PUBLICATION

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(GW-50) - Agave Energy Company., Paul Ragsdale, Vice President, 105 South Fourth Street, Artesia, New Mexico 88210, has submitted discharge plan renewal applications for Bitter Lake Station (GW50-1) and Red Bluff #1 Station (GW50-05); and new discharge plan applications for Red Bluff #2 (GW50-07) and Red Bluff #3 (GW50-08) all being field natural gas compressor stations with arsenic removal systems. The locations for the four (4) stations are:

1. Bitter Lake Station, NE/4 NW/4, Section 10, Township 9 South, Range 25 East, NMPM, Chaves County, New Mexico.
2. Red Bluff #1 Station, NW/4 SE/4, Section 2, Township 8 South, Range 22 East, NMPM, Chaves County, New Mexico.
3. Red Bluff #2 Station, SW/4,NE/4, Section 34, Township 7 South, Range 25 East, NMPM, Chaves County, New Mexico.
4. Red Bluff #3 Station, NW/4,SE/4, Section 10, Township 7 South, Range 25 East, NMPM, Chaves County, New Mexico.

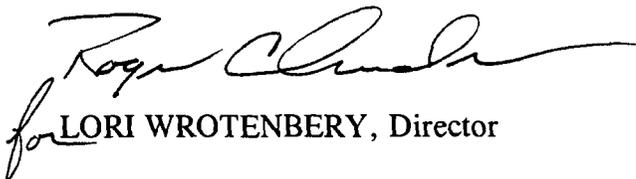
A total estimated volume of 2500 gallons per year of produced water, lube oil and spent glycol is discharged to above ground tanks prior to off site disposal at an OCD approved disposal facility. Groundwater most likely to be affected by any accidental spill is at a depth greater than 160 feet with a total dissolved solids concentration ranging from 2400 to 8200 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 24th day of February, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


for LORI WROTENBERY, Director

S E A L

OIL CONSERVATION DIVISION

**2040 South Pacheco
Santa Fe, NM 87505
(505) 827-7133
Fax: (505) 827-8177**



(PLEASE DELIVER THIS FAX)

To: PAULA HAGGITH - AGAVE ENERGY

From: OCD-

Date: 2/24/00

Number of Pages (Includes Cover Sheet) 4

Message: _____

**If you have any trouble receiving this, please call:
(505) 827-7133**

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 9/07/99,
or cash received on _____ in the amount of \$ 50⁰⁰

from AGAVE ENERGY COMPANY

for RED BLUFF # 2 GW-050-07

Submitted by: WAYNE PRICE (Family Name) Date: 9/13/99 (DP No.)

Submitted to ASD by: [Signature] Date: "

Received in ASD by: _____ Date: _____

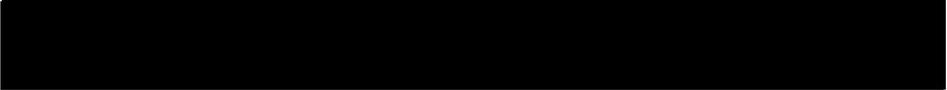
Filing Fee New Facility _____ Renewal _____
Modification _____ Other _____
(Specify)

Organization Code 521.07 Applicable FY 2000

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

NationsBank		AGAVE ENERGY COMPANY		[REDACTED]
32-1 1110		105 South Fourth Street Artesia, New Mexico 88210 505-748-4555		
DATE	VENDOR NO.			
<u>9/07/1999</u>	<u>287601</u>			
*****50DOLLARS***00CENTS				
PAY TO THE ORDER OF:		AMOUNT		
ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT 2040 S. PACHECO SANTA FE NM 87505		*****50.00		
		<u>[Signature]</u> <u>[Signature]</u>		



AGAVE ENERGY COMPANY

105 South Fourth Street Artesia, New Mexico 87010

CODE	INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	DISCOUNT	NET AMOUNT PAYABLE
1	OLD RENEWAL RD BLD 108/99		50.00	.00	50.00
			TOTAL FOR CHECK		50.00

EW-050-07

RA#2

CODES

- 1 - YOUR INVOICE
- 2 - YOUR CREDIT MEMO

THE ATTACHED CHECK IS IN FULL SETTLEMENT OF INVOICES LISTED ABOVE.
PLEASE DETACH THIS VOUCHER BEFORE DEPOSITING CHECK. NO RECEIPT NECESSARY.

AGAVE ENERGY COMPANY

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

September 7, 1999

Wayne Price
N.M.O.C.D.
2040 S. Pacheco Street
Santa Fe, NM 87505

Re: Renewal of Compressor Discharge Plan for GW-050

Dear Mr. Price,

Enclosed is the application for renewal of the referenced discharge plan and a check for \$50.00. Please let me know if you need additional information.

Sincerely yours,



Paul Ragsdale
Vice President

RECEIVED

SEP - 9 1999

P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Revised 12/1/95

Submit Original
Plus 1 Copies
to Santa Fe
1 Copy to appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES.
GAS PLANTS, REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS**
(Refer to the OCD Guidelines for assistance in completing the application)

New

Renewal

Modification

1. Type: Natural Gas Compressor Station- Red Bluff #2
2. Operator: Agave Energy Company
Address: 105 S. 4th St., Artesia, NM 88210
Contact Person: Paul Ragsdale Phone: 505-748-4520
3. Location: SW /4 NE /4 Section 34 Township 7S Range 25E
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
14. 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: 9-7-99

Agave Energy Company

Red Bluff #2 Compressor Station

1. Type:
Natural Gas Compressor Station

2. Operator: Agave Energy Company
Address: 105 S. Fourth
Artesia, NM 88210
Contact: Paul Ragsdale Phone: 505-748-4520

3. Location: SW/4 NE/4 Sec 34-T7S-R25E

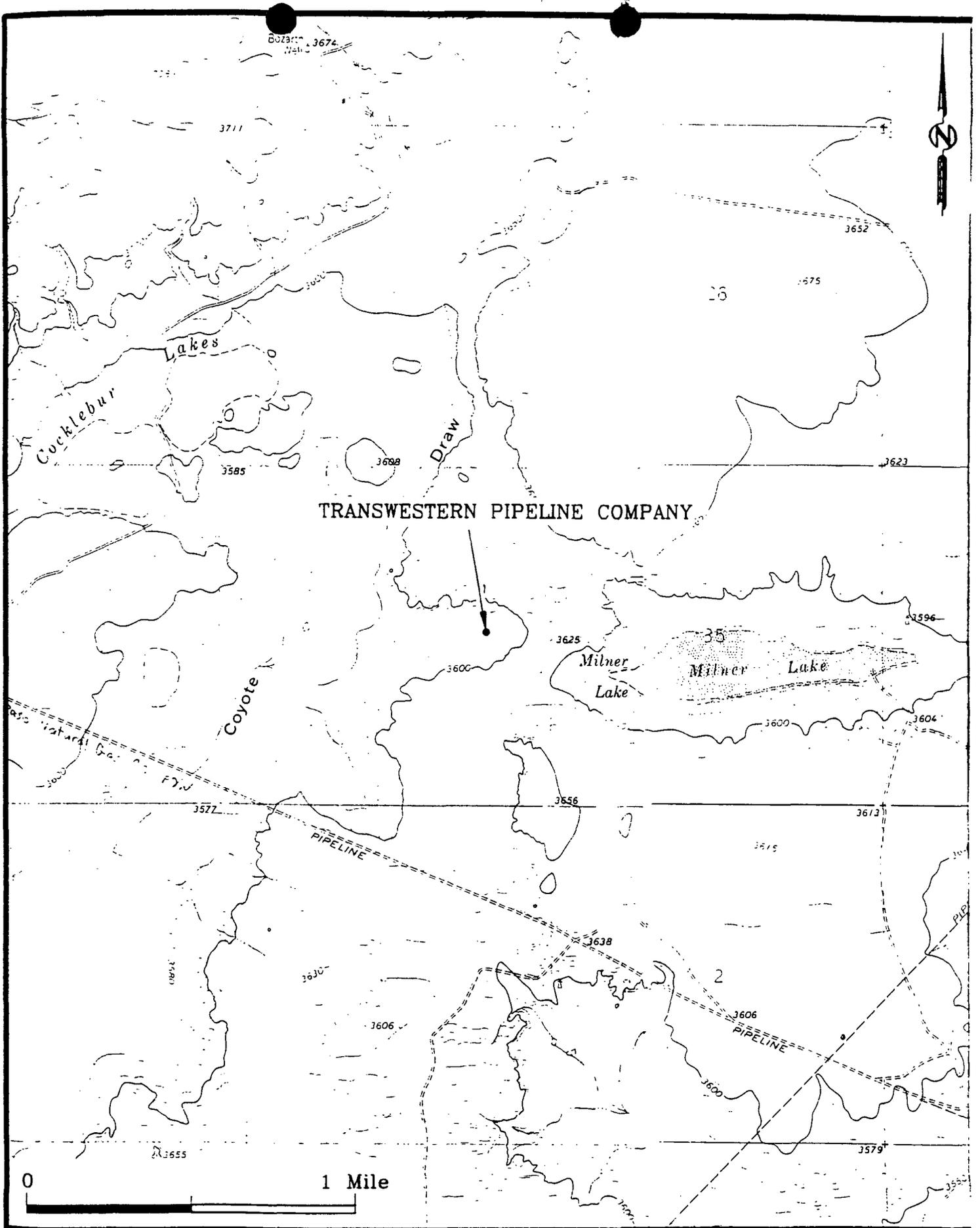
4. Landowner: U.S. Bureau of Land Management
Phone 505-627-0272
Address 2909 W. Second
Roswell, NM 88201

5. Description of facility: The station is a natural gas compressor station gathering field gas from producing gas wells in the Pecos Slope Abo field. There are two reciprocating compressors at the station. It also has one inlet filter separator, an inlet scrubber, a pig receiver, pipeline liquid tanks, a glycol dehydration unit to remove water from the gas and multiple meters.
See Attachment #1 for site facility diagram.

6. Description of materials stored or used at the facility:
Engine Oil, Degreaser, Soap, Antifreeze and multiple types of new filters. There are also produced pipeline liquids, oily waste water, used lube oils and used antifreeze.

7. Description of present effluent and waste solids including average quality and daily volumes.
Inlet separators: 5 to 50 BPD of produced water and condensate.
Engine Cooling Water: 100 to 200 gallons per year
Waste Engine Oils: 500 gallons per year
Oily Waste Water: 500 gallons per year
Engine filters: 50 per year

8. Describe current liquid and solid waste collection/treatment/disposal procedures. All liquid waste goes to above ground storage tanks and is removed by certified waste haulers and either disposed in Class II disposals or recycled. Solid wastes are collected and stored in above ground dumpsters and hauled to approved facilities. All waste facilities are enclosed in concrete containments.
9. NO proposed modifications are planned at this time to the current waste collection/treatment/disposal procedures.
10. Routine inspection and maintenance plan to ensure permit compliance: This is a station that has an operator/mechanic assigned to it and is visited on a daily basis. The operator visually inspects the facilities as a matter of routine maintenance.
11. Attach a contingency plan for reporting and cleanup of spills or releases. See Attachment #2 for Contingency Plan
12. Geologic/Hydrologic Information:
The facility is located in the hills northeast of Roswell in a red gypsum/clay soil. The area is primarily rangeland consisting of prairie grass and mesquite. Non-potable surface waters are present at depths less than 100 feet and potable Artesian water is present at depths of 300 feet or more.
13. Facility Closure Plan:
There are no plans at this time to close this facility.



TITLE: TRANSWESTERN PIPELINE COMPANY
 RED BLUFF #2 COMPRESSOR STATION
 SITE VICINITY MAP

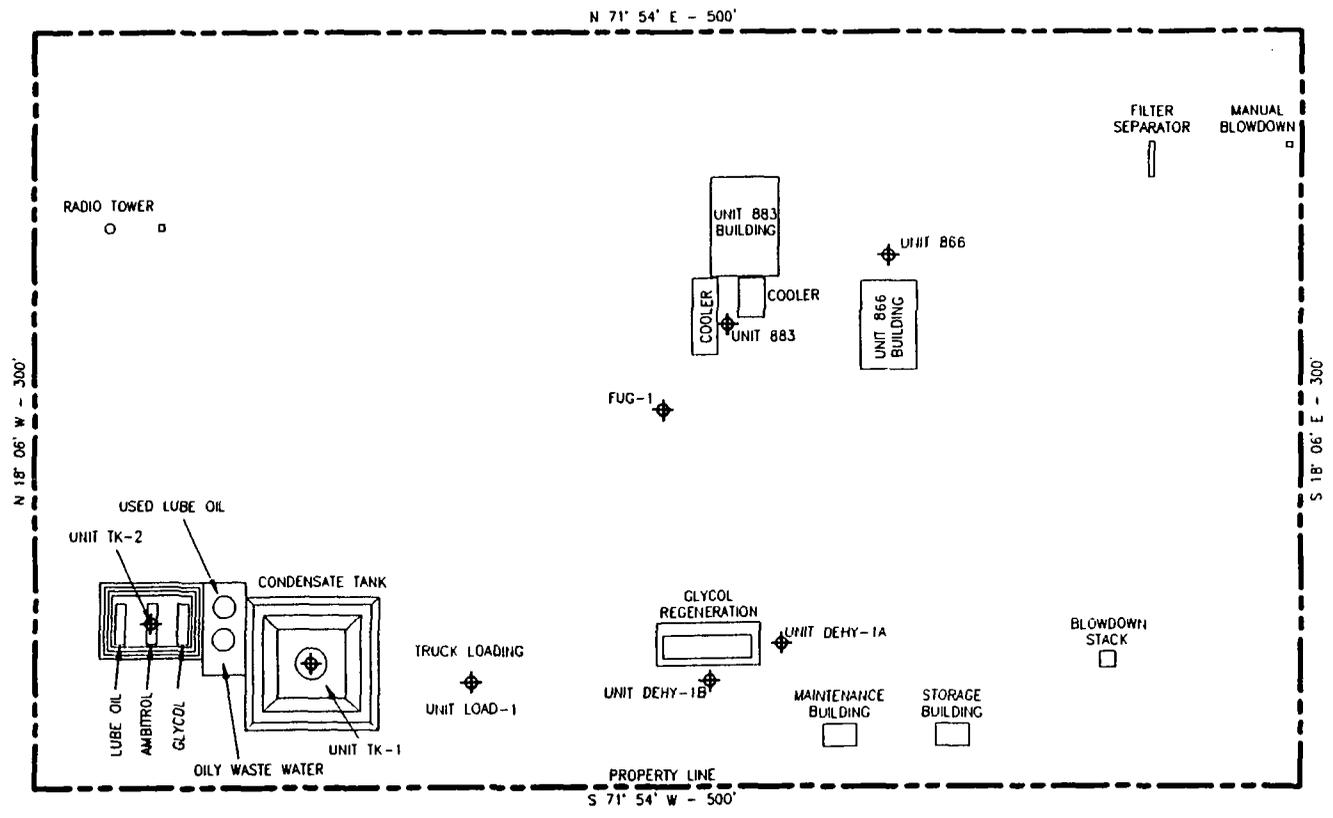
TEAM ENVIRONMENTAL SERVICES, INC.
 SOUTHWESTERN CONSULTING & ENGINEERING

EXTRACTED FROM:
 COYOTE DRAW, NEW MEXICO USGS 7.5 MINUTE QUADRANGLE

DATE:
 5/16/95

DWG. NUMBER:
 9505-13

PLAN NORTH

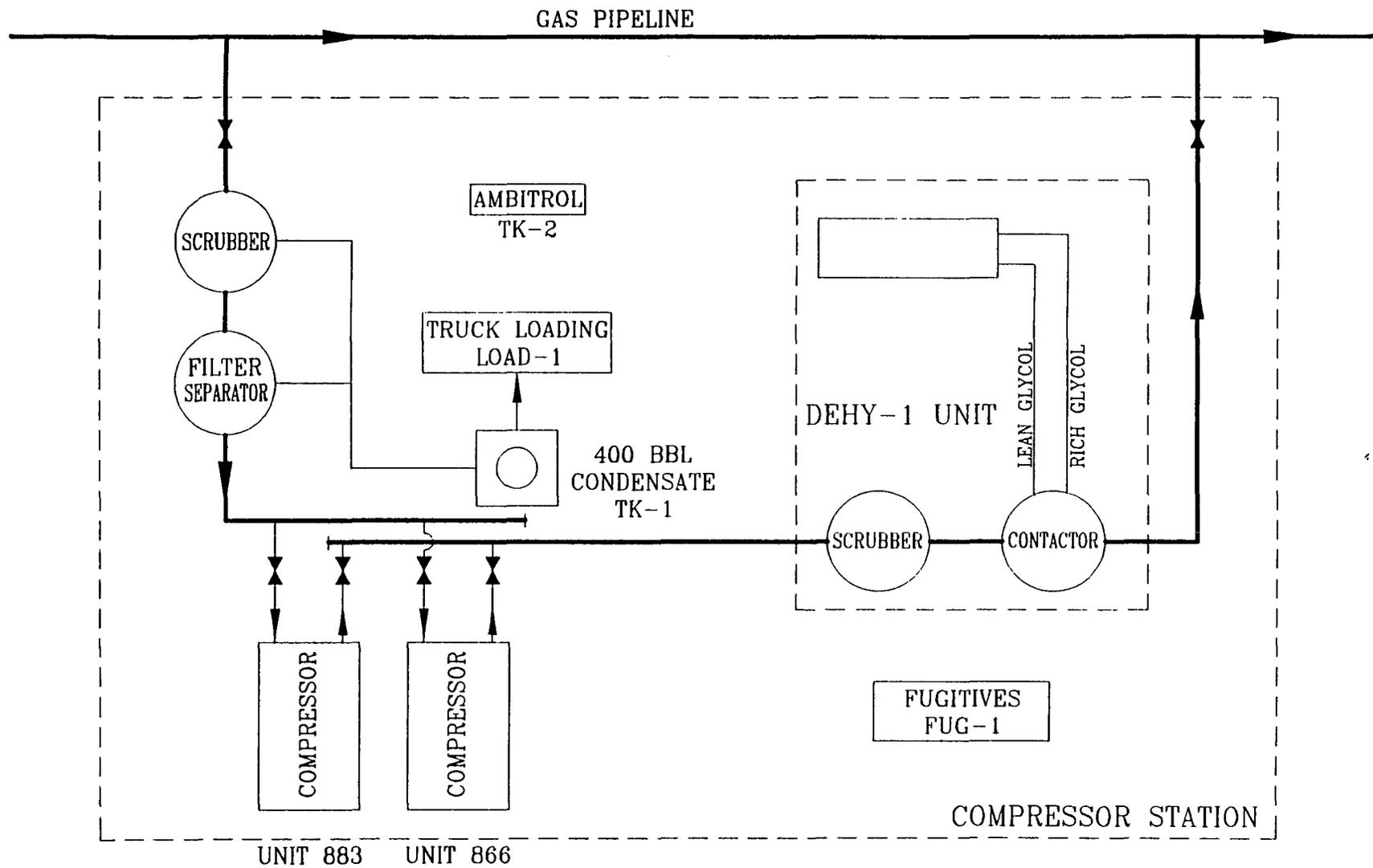


REFERENCE UTM:
 (center of property)
 557156 m E
 3724921 m N
 ZONE 13

LAT. 35° 39' 54"
 LONG. 104° 23' 01"



	TEAM ENVIRONMENTAL SERVICES, INC.	
	SOUTHWESTERN CONSULTING & ENGINEERING	
TRANSWESTERN PIPELINE COMPANY RED BLUFF #2 COMPRESSOR STATION CHAVES COUNTY, NEW MEXICO PLOT PLAN		
DATE: 5/22/95	DWG. NUMBER: 9505-5	DRAWN BY: RICHARD



TITLE: TRANSWESTERN PIPELINE COMPANY
 RED BLUFF #2 COMPRESSOR STATION
 CHAVES COUNTY, NEW MEXICO
 PROCESS FLOW DIAGRAM



TEAM ENVIRONMENTAL SERVICES, INC.
 SOUTHWESTERN CONSULTING & ENGINEERING

DATE:

6/8/95

DWG. NUMBER:

9506-9

Attachment #2

Plan for Reporting and Clean-Up of Spills or Releases

1. S.O.P. for spill is to immediately call a vacuum truck.
2. Notify OCD pursuant to OCD Rule 116 (Appendix B) and any other federal, state or local agency to be notified.
3. Contain spill as necessary
4. Apply absorbents and/or bio-remediation materials.
5. Send follow-up reports to the agencies as required.

AGAVE ENERGY COMPANY

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

September 7, 1999

Wayne Price
N.M.O.C.D.
2040 S. Pacheco Street
Santa Fe, NM 87505

Re: Renewal of Compressor Discharge Plan for GW-050

Dear Mr. Price,

Enclosed is the application for renewal of the referenced discharge plan and a check for \$50.00. Please let me know if you need additional information.

Sincerely yours,



Paul Ragsdale
Vice President

P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Revised 12/1/95
Submit Original
Plus 1 Copies
to Santa Fe
1 Copy to appropriate
District Office

DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES.
GAS PLANTS, REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS.
(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: Natural Gas Compressor Station- Red Bluff #2
2. Operator: Agave Energy Company
Address: 105 S. 4th St., Artesia, NM 88210
Contact Person: Paul Ragsdale Phone: 505-748-4520
3. Location: SW /4 NE /4 Section 34 Township 7S Range 25E
Submit large scale topographic map showing exact location.

- 4. Attach the name, telephone number and address of the landowner of the facility site.
- 5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
- 6. Attach a description of all materials stored or used at the facility.
- 7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
- 8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
- 9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
- 10. Attach a routine inspection and maintenance plan to ensure permit compliance.
- 11. Attach a contingency plan for reporting and clean-up of spills or releases.
- 12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
- 13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

14. 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: 9-7-99

DISCHARGE PLAN RENEWAL GW -50 - 5

Agave Energy Company

Red Bluff #2 Compressor Station

1. Type:
Natural Gas Compressor Station

2. Operator: Agave Energy Company
Address: 105 S. Fourth
Artesia, NM 88210
Contact: Paul Ragsdale Phone: 505-748-4520

3. Location: SW/4 NE/4 Sec 34-T7S-R25E

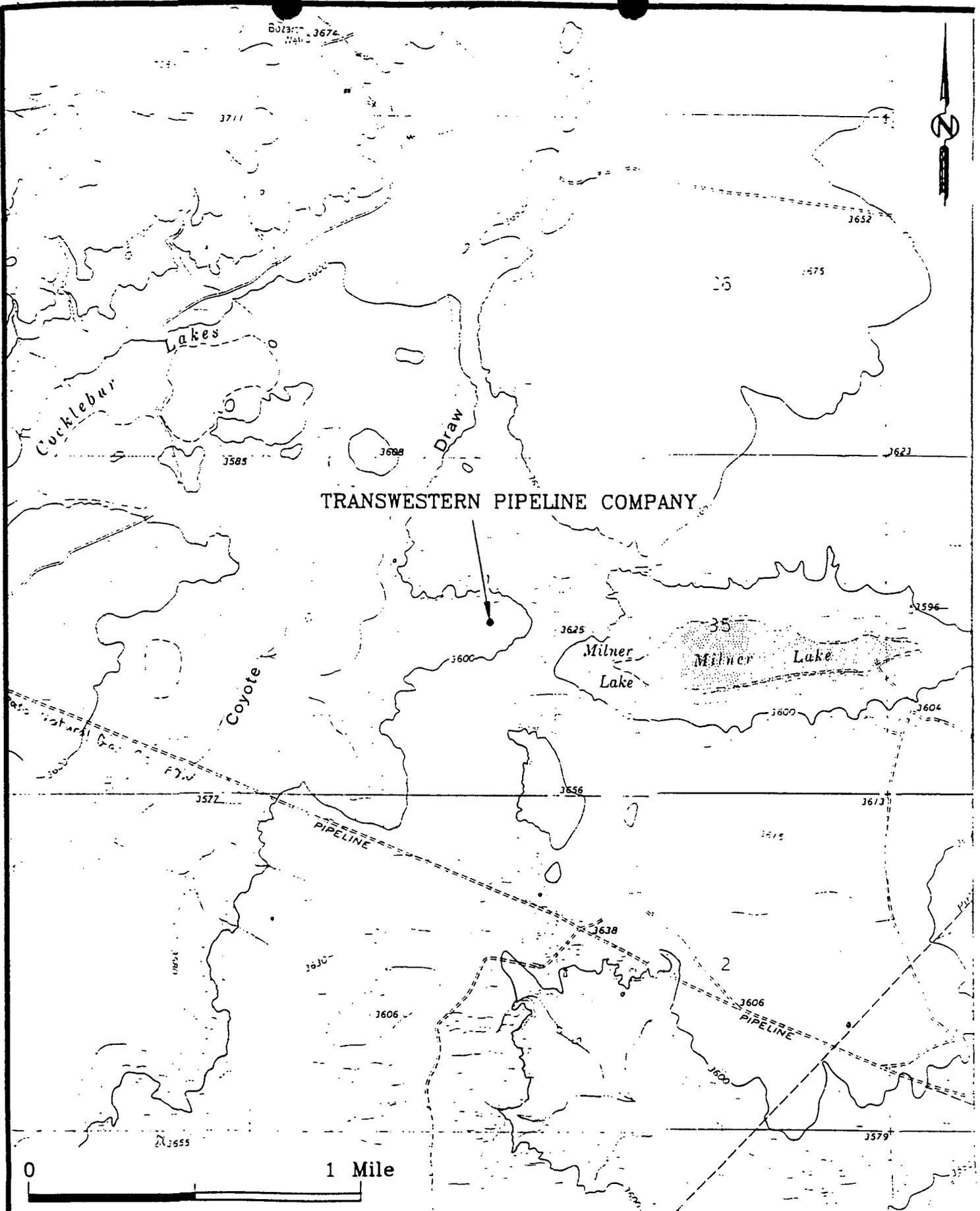
4. Landowner: U.S. Bureau of Land Management
Phone 505-627-0272
Address 2909 W. Second
Roswell, NM 88201

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Engine filters: 50 per year

8. Describe current liquid and solid waste collection/treatment/disposal procedures. All liquid waste goes to above ground storage tanks and is removed by certified waste haulers and either disposed in Class II disposals or recycled. Solid wastes are collected and stored in above ground dumpsters and hauled to approved facilities. All waste facilities are enclosed in concrete containments.
9. NO proposed modifications are planned at this time to the current waste collection/treatment/disposal procedures.
10. Routine inspection and maintenance plan to ensure permit compliance: This is a station that has an operator/mechanic assigned to it and is visited on a daily basis. The operator visually inspects the facilities as a matter of routine maintenance.
11. Attach a contingency plan for reporting and cleanup of spills or releases. See Attachment #2 for Contingency Plan
12. Geologic/Hydrologic Information:
The facility is located in the hills northeast of Roswell in a red gypsum/clay soil. The area is primarily rangeland consisting of prairie grass and mesquite. Non-potable surface waters are present at depths less than 100 feet and potable Artesian water is present at depths of 300 feet or more.
13. Facility Closure Plan:
There are no plans at this time to close this facility.

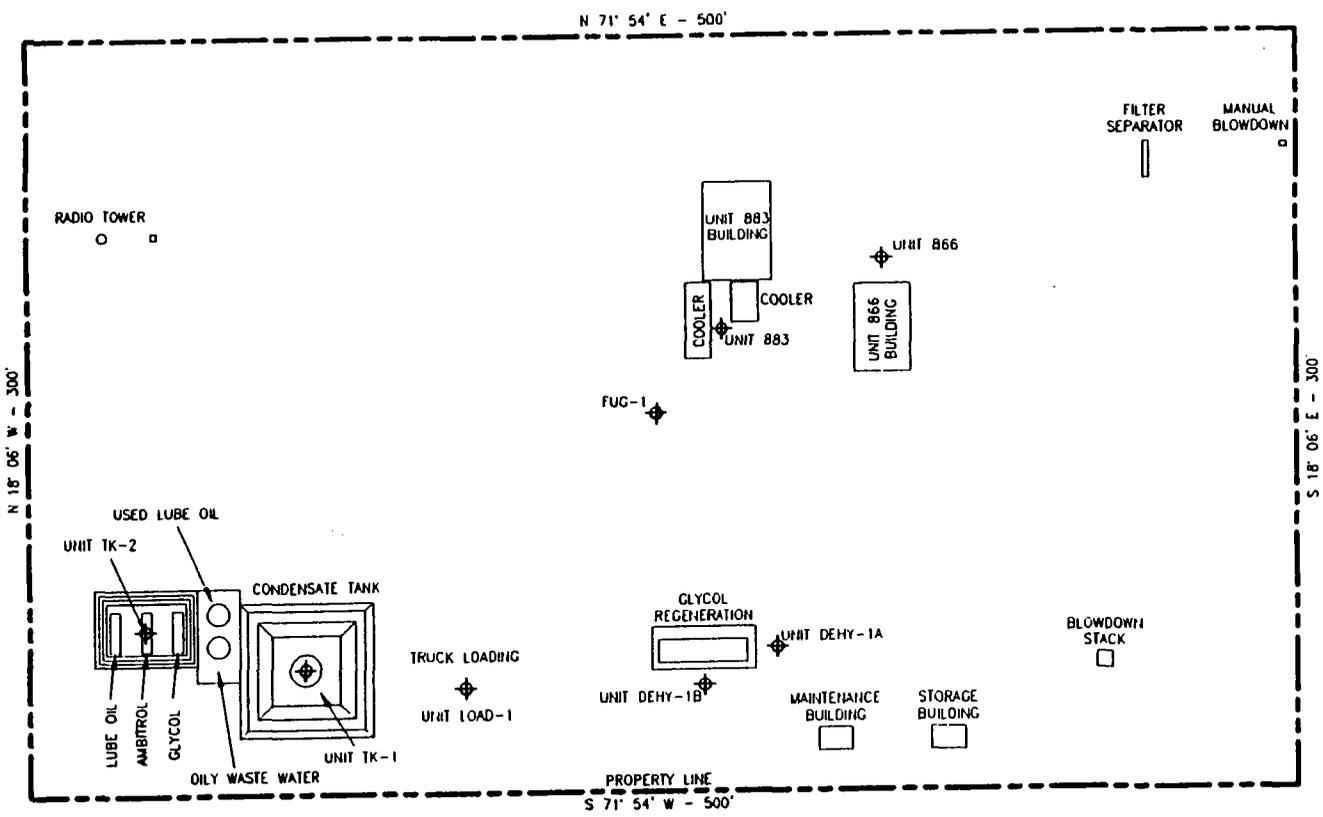


TITLE: TRANSWESTERN PIPELINE COMPANY
 RED BLUFF #2 COMPRESSOR STATION
 SITE VICINITY MAP

 TEAM ENVIRONMENTAL SERVICES, INC.
 SOUTHWESTERN CONSULTING & ENGINEERING

EXTRACTED FROM:
 COYOTE DRAW, NEW MEXICO USGS 7.5 MINUTE QUADRANGLE

DATE: 5/16/95 DWG. NUMBER: 9505-13

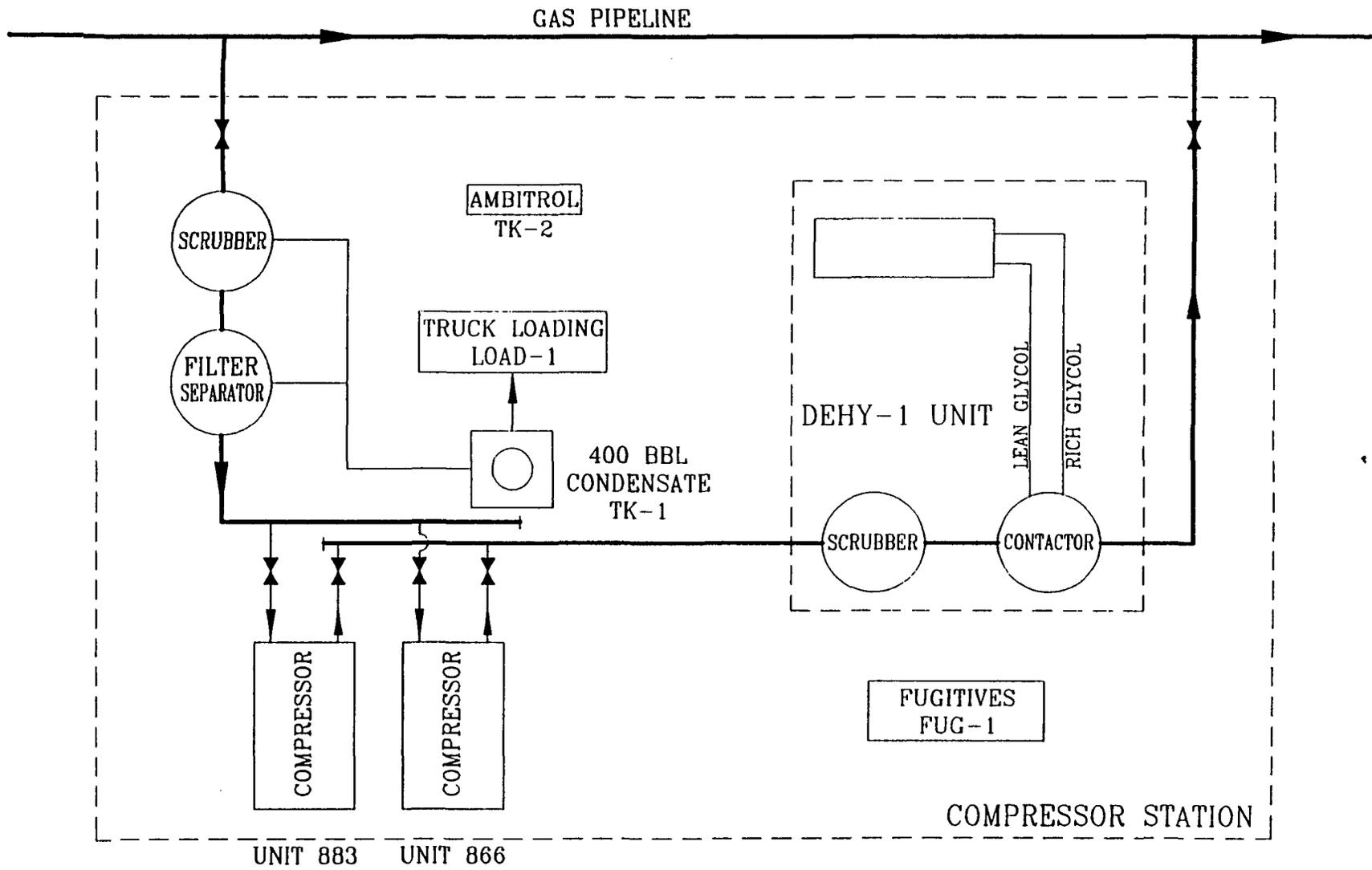


REFERENCE UTM:
 (center of property)
 557156 m E
 3724921 m N
 ZONE 13

LAT. 33° 39' 54"
 LONG. 104° 23' 01"

0 75
 SCALE IN FEET

	TEAM ENVIRONMENTAL SERVICES, INC.	
	SOUTHWESTERN CONSULTING & ENGINEERING	
TRANSWESTERN PIPELINE COMPANY RED BLUFF #2 COMPRESSOR STATION CHAVES COUNTY, NEW MEXICO PLOT PLAN		
DATE: 5/22/95	DWG. NUMBER: 9505-5	DRAWN BY: RICHARD



TITLE: TRANSWESTERN PIPELINE COMPANY
 RED BLUFF #2 COMPRESSOR STATION
 CHAVES COUNTY, NEW MEXICO
 PROCESS FLOW DIAGRAM

TEAM INC. TEAM ENVIRONMENTAL SERVICES, INC.
 SOUTHWESTERN CONSULTING & ENGINEERING

DATE:
 6/8/95

DWG. NUMBER:
 9506-9

Attachment #2

Plan for Reporting and Clean-Up of Spills or Releases

1. S.O.P. for spill is to immediately call a vacuum truck.
2. Notify OCD pursuant to OCD Rule 116 (Appendix B) and any other federal, state or local agency to be notified.
3. Contain spill as necessary
4. Apply absorbents and/or bio-remediation materials.
5. Send follow-up reports to the agencies as required.

AGAVE ENERGY COMPANY

105 South Fourth Street

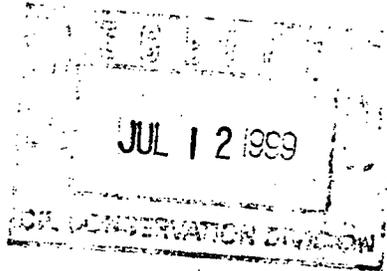
Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

July 9, 1999

Wayne Price
N.M.O.C.D.
2040 S. Pacheco Street
Santa Fe, NM 87505



Re: Compressor Discharge Plans for GW-050, 050-1,2,3,4,5,6.

Dear Mr. Price,

I have received your letter of June 12th that states that Agave's existing plans will be extended until new plans are approved and the new plans need to be submitted by July 13th. Agave has made extensive changes to these compressor stations and we have been unable to adequately compile all of the supporting documentation necessary to submit these plans.

Therefore, we are requesting a sixty day extension until September 13, 1999 to submit these plans. This extension will enable us to do a more complete description of all of the changes that have been made.

We appreciate your cooperation in this matter and apologize for the inconvenience. If you need further assistance please call me at 505 748-4520.

Sincerely,

Paul Ragsdale
Vice President

AGAVE ENERGY COMPANY

105 South Fourth Street

Artesia, New Mexico 88210

(505) 748-4555

Fax (505) 748-4576

RECEIVED

SEP 15 1999

September 7, 1999

Wayne Price
N.M.O.C.D.
2040 S. Pacheco Street
Santa Fe, NM 87505

Re: Renewal of Compressor Discharge Plan for GW-050

Dear Mr. Price,

Agave Energy Company has submitted applications for renewal of the OCD Discharge Plans for the Red Bluff #1,2,3 and Bitter Lakes Compressor Stations. These are stations that were purchased by Agave Energy from Transwestern Pipeline in 1995.

Since the purchase, Agave has conducted a detailed engineering program to optimize the use of the compression. The net result is that Agave has shut several stations down and are in the process of moving the equipment to other locations. The stations that have been shut down are:

Red Bluff #4	Sec 27-T6S-R25E
Red Bluff #5	Sec 11-T6S-R25E
Red Bluff #6	Sec 24-T5S-R24E
Isler #1	Sec 15-T7S-R26E
Round Top	Sec 9-T7S-R26E

Therefore, we have not submitted a renewal application for these stations and will submit a closure plan once the equipment has been moved. Please let me know if there is additional information you need for these stations.

Sincerely yours,



Paul Ragsdale
Vice President