

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTHOBBS OGD
OCD HOBBS

NOV 12 2013

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other Acid Gas Injection

2. Name of Operator Agave Energy Company

3a. Address
105 S. Fourth Street, Artesia, NM 882103b. Phone No. (include area code)
575-748-4528

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

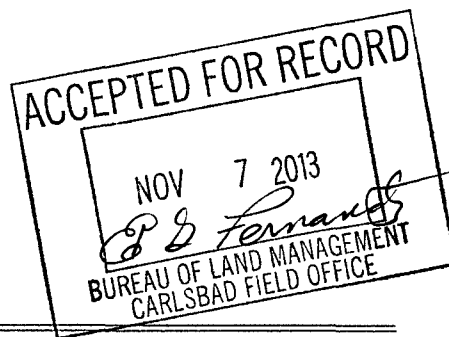
At Surface: 1600 FSL, 150 FEL, Section 13, T 24S, R 33E, NMPM, Lea Co, NM
At TD: Same as surface5. Lease Serial No.
NMLC0637986. If Indian, Allottee or Tribe Name
N/A7. If Unit or CA/Agreement, Name and/or No.
N/A8. Well Name and No.
Agave Red Hills AGI #19. API Well No.
30-025-4044810. Field and Pool, or Exploratory Area
Exploratory (Cherry Canyon)11. County or Parish, State
Lea County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other BOPE Test
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum R/U and tested the BOPE on Agave Red Hills AGI #1 at approximately 1030 hours on October 27, 2013, the final of 10 tests was completed approximately 0300, October 28, 2013. Four hour advance notice was provided to Mark Dayton at 0208 on October 27, 2013 by Juan Galvan, Yates Company Man.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Tom Sharp, Geolex, Inc.

Title Consultant to Agave Energy Company

Signature

Tom Sharp

Date

10/28/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Accepted for Record Only MAB/ocd 11/13/2013

NOV 14 2013

MAN WELDING SERVICES, INC

Company Yates Date 10-27-12
Lease Act 415 Act #1 County Lea N.M.
Drilling Contractor Silver Creek Plug & Drill Pipe Size 12 1/4" ID

Accumulator Function Test - OO&GO#2

To Check - USABLE FLUID IN THE NITROGEN BOTTLES (III.A.2.c.i. or ii or iii)

- Make sure all rams and annular are open and if applicable HCR is closed.
- Ensure accumulator is pumped up to working pressure! **(Shut off all pumps)**
 1. Open HCR Valve. (If applicable)
 2. Close annular.
 3. Close **all** pipe rams.
 4. Open one set of the pipe rams to simulate closing the blind ram.
 5. For 3 ram stacks, open the annular to achieve the 50+ % safety factor. (5M and greater systems).
 6. **Record remaining pressure** 1400 **psi. Test Fails if pressure is lower than required.**
- a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}
- 7. If annular is closed, open it at this time and close HCR.

To Check - PRECHARGE ON BOTTLES OR SPHERICAL (III.A.2.d.)

- Start with manifold pressure at, or above, maximum acceptable pre-charge pressure:
 - a. {800 psi for a 1500 psi system}
 - b. {1100 psi for 2000 and 3000 psi system}
- 1. Open bleed line to the tank, slowly. **(gauge needle will drop at the lowest bottle pressure)**
- 2. Close bleed line. Barely bump electric pump and see what pressure the needle jumps up to.
- 3. **Record pressure drop** 950 **psi. Test fails if pressure drops below minimum.**
- **Minimum:** a. {700 psi for a 1500 psi system} b. {900 psi for a 2000 & 3000 psi system}

To Check - THE CAPACITY OF THE ACCUMULATOR PUMPS (III.A.2.f.)

- Isolate the accumulator bottles or spherical from the pumps & manifold.
- Open the bleed off valve to the tank, {manifold psi should go to 0 psi} close bleed valve.
 1. Open the HCR valve, {if applicable}
 2. Close annular
 3. With **pumps** only, time how long it takes to regain the required manifold pressure.
 4. **Record elapsed time** 1:15 **. Test fails if it takes over 2 minutes.**
- a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}



Pg. 1 of 1

Company: Yates Date: 10-27-13 Invoice # 863399
Lease: Red Hills AG1#1 Drilling Contractor: Silver Oak Rig # 11
Plug Size & Type: 12" CAS Drill Pipe Size: 4 1/2 XH Tester: Daniel Wickelmaier
Required BOP: 3000 Installed BOP: 5000

* Check Valve Must Be Open/Disabled To Test Kill Line Valves *

