

**GTLT - \_\_\_\_\_ 4 \_\_\_\_\_**

**AmeriCulture  
Nos. 3 & SEA-1  
ULs: G&A  
6&7-25S-19W  
Hidalgo County**

**DRILLED: 2002 & 1996**

Hi Roy,

Sorry So long. Let  
me know if there are  
any deficiencies. Please  
Keep logs in drawer  
for 90 days thanks -  
Damon

5-9-02

Hi Roy,

Here are the revised  
table and figures including  
the AMEX Temperature gradient  
holes within 1.0 mile of  
the injection site. See  
the foot note under the  
table for gradient well  
construction information.  
Thanks for everything.  
Let me know if you  
need anything else.

Take care,  
Damon Sawright



## Department of Energy

Golden Field Office  
1617 Cole Boulevard  
Golden, Colorado 80401-3393

June 12, 2002



TO: Distribution List

FROM: John H. Kersten  
Acting Manager, Golden Field Office

SUBJECT: PRE-DECISIONAL DRAFT ENVIRONMENTAL ASSESSMENT  
SMALL-SCALE GEOTHERMAL POWER PLANT AND DIRECT-USE GEOTHERMAL  
APPLICATION AT AMERICULTURE, INC., COTTON CITY, NM (DOE/EA 1396)

The subject pre-decisional draft environmental assessment (EA) is enclosed for your review. The Department of Energy, Golden Field Office has prepared this document in accordance with the National Environmental Policy Act (NEPA) and DOE's NEPA implementing regulations. DOE distributed a request for public and agency comments dated November 1, 2001, to approximately 25 federal, state, and local agencies, interested organizations, and individuals. DOE received two comments in response to this request. These comments have been incorporated into the draft EA.

### Proposed Action

DOE's Proposed Action is to provide partial funding for two project components located within the Lightning Dock Known Geothermal Resource Area near Animas and Cotton City, NM, approximately 16 miles southwest of Lordsburg, NM. The Proposed Action would use an existing geothermal well (AmeriCulture State 1), which is currently used for heating AmeriCulture's fish hatchery operation. The first project component would involve the construction and operation of a small-scale (approximately one megawatt) geothermal power plant. The second project component would utilize either geothermal fluid directly from the existing well or geothermal fluid exhausted from the new power plant as the heating source for the hatchery. Spent fluid would be re-injected into the geothermal reservoir.

### Request for Comments

Consistent with NEPA implementing guidelines, it is DOE's policy to integrate community and public concerns into its decision-making processes. Comments on this draft EA will be accepted for a period of 30 days. Please submit any comments by Friday, July 12, 2002, to:

Steve Blazek  
NEPA Compliance Officer  
DOE Golden Field Office  
1617 Cole Boulevard  
Golden, CO 80401-3393  
(303) 275-4723 (303) 275- 4788 (fax) [steve\\_blazek@nrel.gov](mailto:steve_blazek@nrel.gov)

DOE will review and consider all comments prior to making any final decision. Thank you for your interest and participation in DOE's NEPA process.

Sincerely,

John H. Kersten  
Acting Manager, Golden Field Office



Distribution:

Damon Seawright, AmeriCulture

Henry Mlcak, Exergy, Inc.

Mark Morolli, Exergy

Dale Burgett

Thomas W. McCants

Peter Maggiore, NMED

Micheal P. Jansky, EPA

Joseph Torrez, BLM

Rodger Anderson, NMOCD

Roy Johnson, NMOCD

Tim Gum, NMOCD

Mike Matush, NMSLO

Office of the State Engineer

Tommy Townsend, Phelps Dodge



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**BETTY RIVERA**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

*Administrative Order No. GIW-15*

THE APPLICATION OF AMERICULTURE, INC.  
FOR ONE GEOTHERMAL INJECTION WELL,  
HIDALGO COUNTY, NEW MEXICO

## **ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 503 of the New Mexico Oil Conservation Division Rules and Regulations, Geothermal Resources, AmeriCulture, Inc. made application on April 11, 2002 for authority to complete for injection purposes into a geothermal reservoir its AmeriCulture, Inc. Well No. 3 located in Unit G, Section 6, Township 25 South, Range 19 West, NMPM, Hidalgo County, New Mexico.

### THE DIRECTOR FINDS THAT:

- (1) The application has been duly filed pursuant to the provisions of the Geothermal Resources Rules and Regulations.
- (2) That all offsetting owners of geothermal leases within a one-half mile radius of the proposed injection well have been notified by Certified Mail.
- (3) All the requirements of Rule 503 have been complied with.
- (4) The proposed injection well is in the interest of conservation and will prevent waste and protect correlative rights and that the subject well is cased and cemented and shall be equipped in such a manner as to prevent danger to natural resources including geothermal resources, underground water supplies and surface resources.
- (5) The proposed geothermal injection well should be approved.

### IT IS THEREFORE ORDERED THAT:

- (1) The applicant herein, AmeriCulture, Inc., is hereby authorized to complete its AmeriCulture, Inc. Well No. 3 located in Unit G, Section 6, Township 25 South, Range 19 West, NMPM, Hidalgo County, New Mexico, in such a manner as to permit the injection of fluids into the Gila Conglomerate through a perforated interval located from 150 feet to 300 feet.
- (2) Injection shall be through tubing and surface injection pressure shall not exceed 20 psi.

(3) Monthly injection for the above-described well shall be filed with the Division in accordance with Rule 210 of the Geothermal Resources Rules and Regulations.

(4) The applicant will obtain and file with the Division's District Office a water analysis of the proposed injection zone prior to any injection of fluids.

(5) Surveillance of the above-described well shall be conducted as required by Rule 505 of the Geothermal Rules and Regulations to ensure that all injected fluids are being confined to the intended zone of injection.

IT IS FURTHER ORDERED THAT:

Jurisdiction of this cause is hereby retained by the Division for such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or the protection of correlative rights, and for the protection of natural resources and the environment. Upon failure of the applicant to comply with any requirement of this order, the Division may terminate the authority hereby granted.

APPROVED AT Santa Fe, New Mexico on this 17<sup>th</sup> day of June, 2002.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



LORI WROTENBERY  
Director



LW/REJ

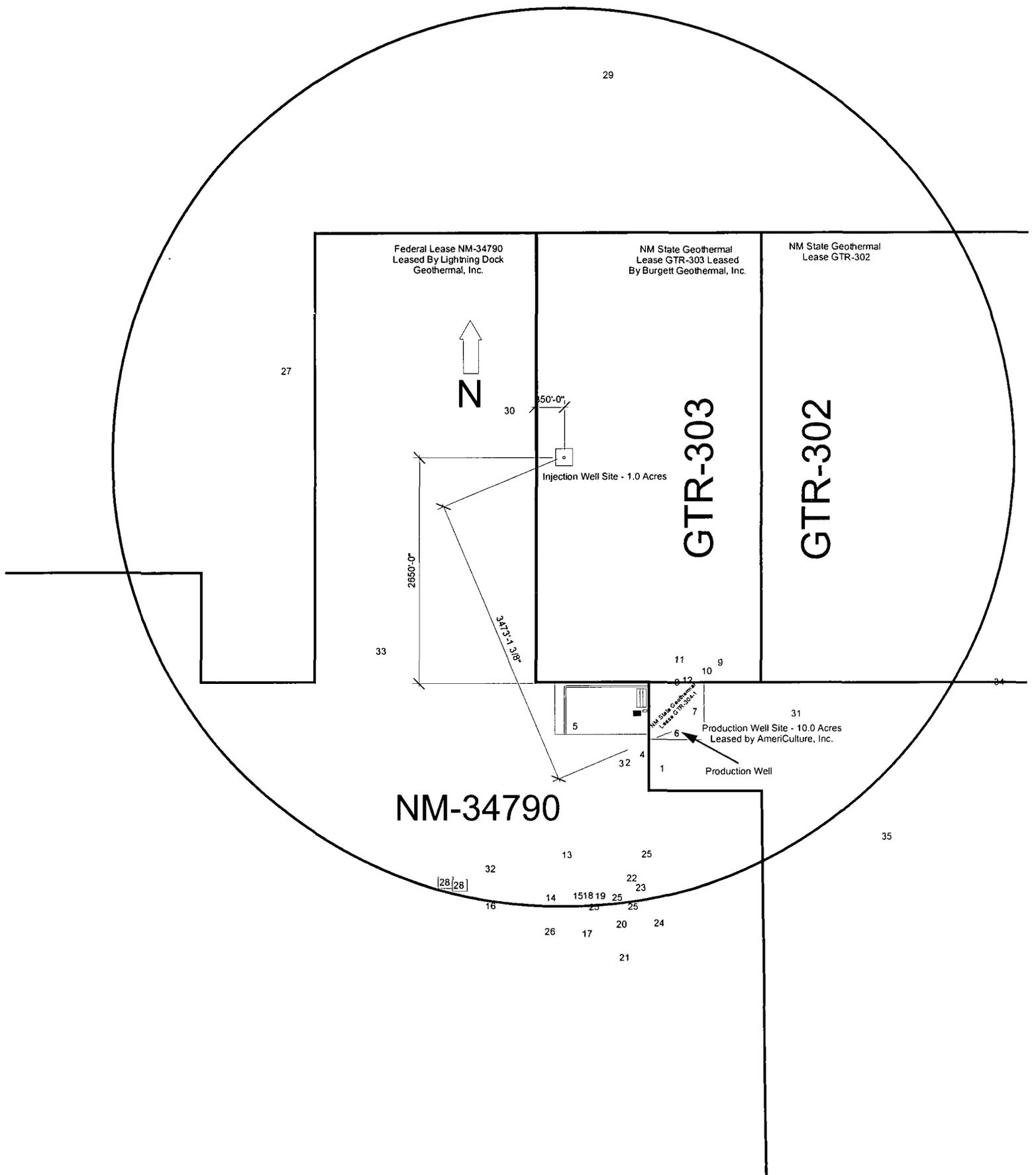


Figure 2. Permitted and unpermitted wells within 1.0 mile of proposed injection well site. Circle represents 1.0 mile radius. Numbers correspond to permitted wells listed in Table 1. Wells having boxed numbers or the same numbers have locations are accurate to the quarter-quarter-quarter section, but precise location is not indicated. Some wells slightly outside the 1.0 mile radius were included.

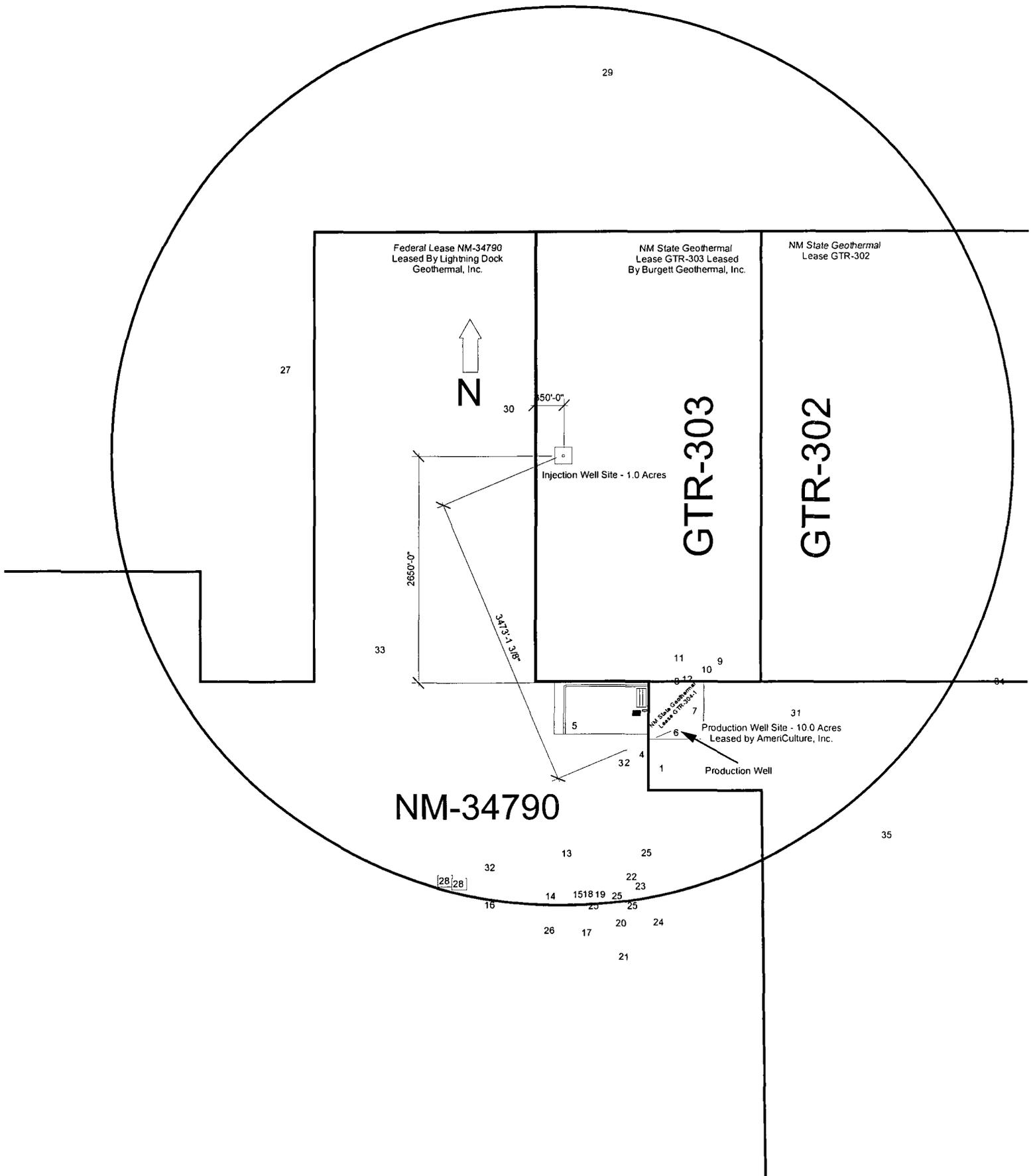


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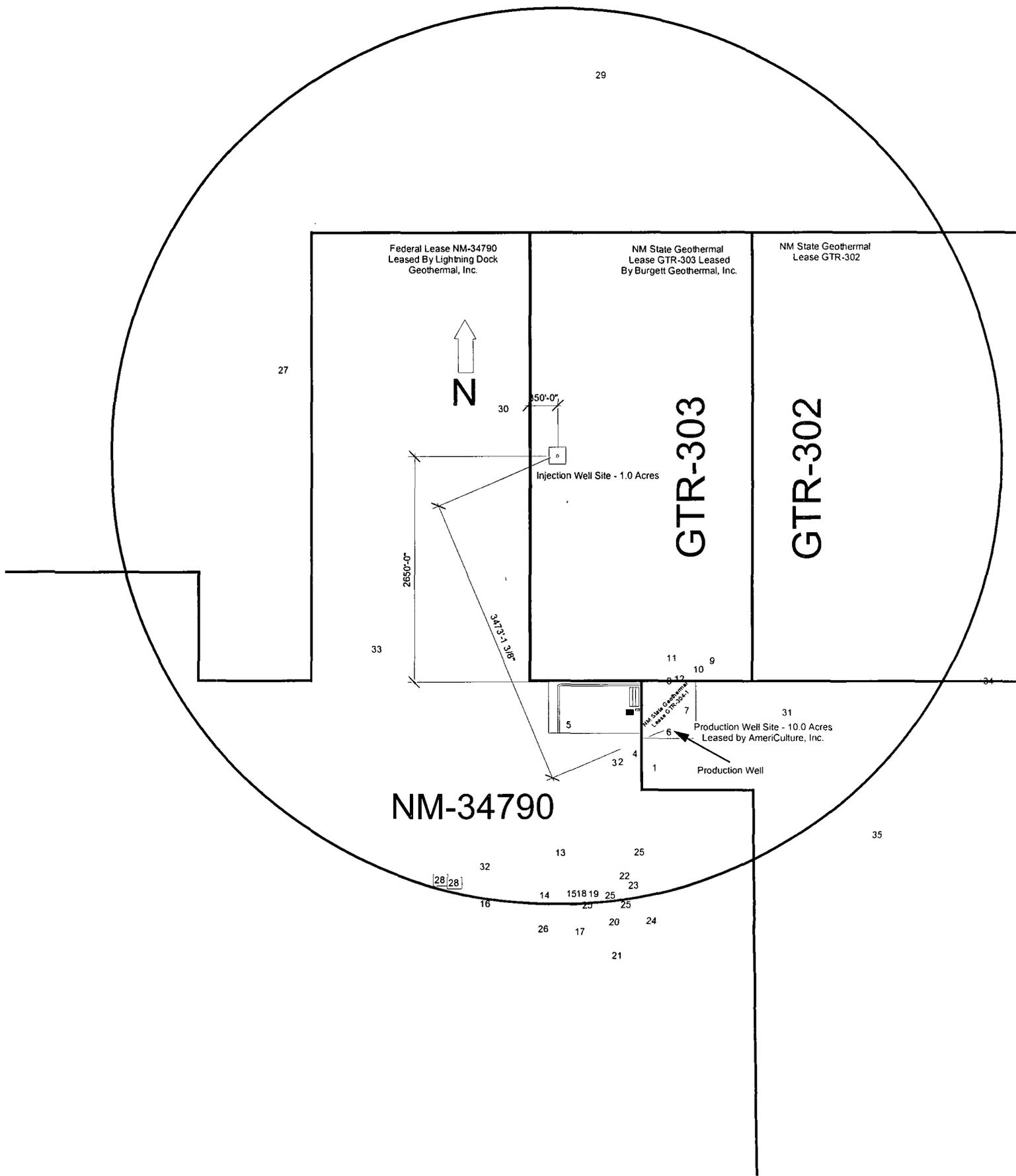


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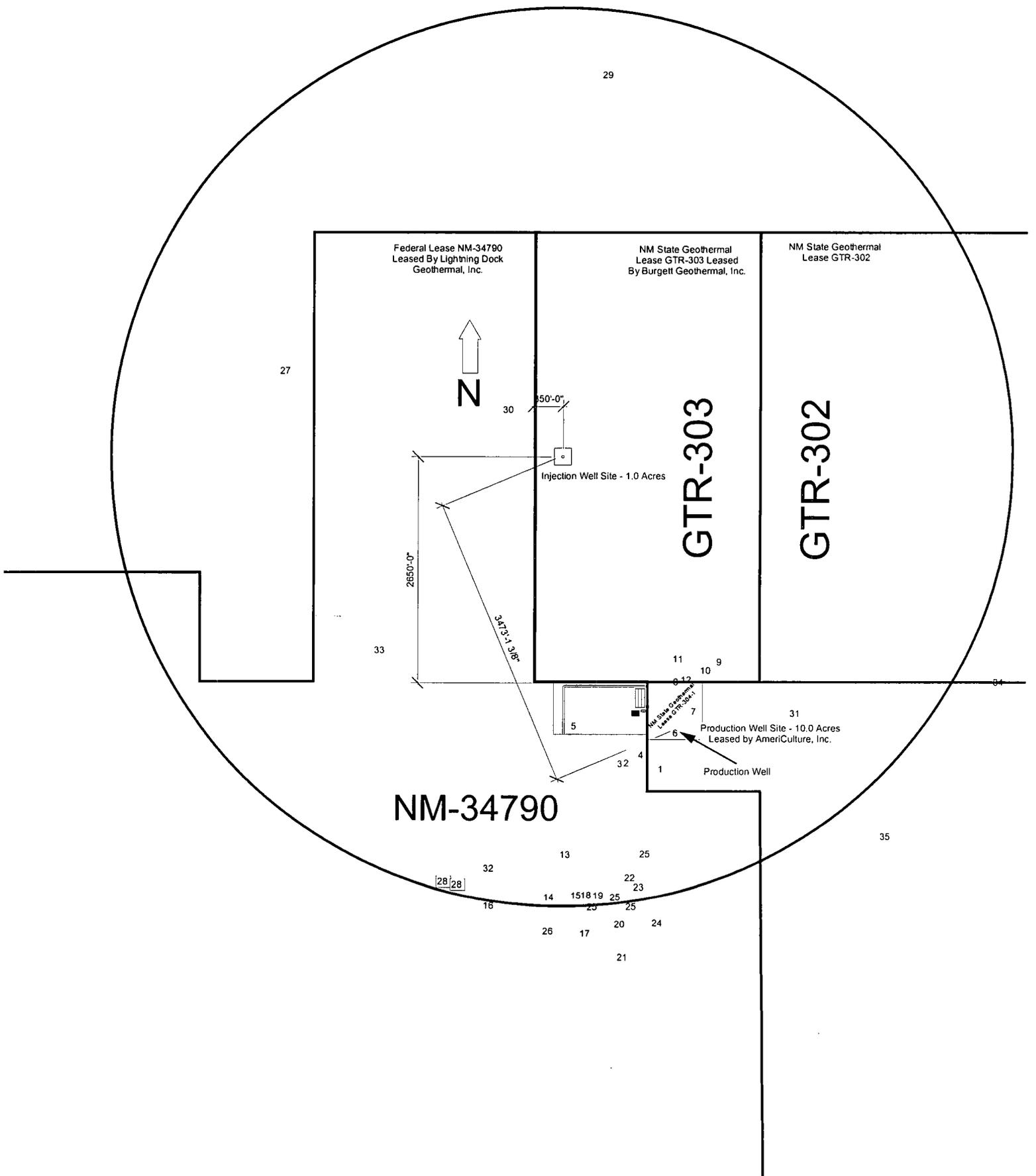


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Table 1. Perforated or open hole intervals for wells within 1.0 mile radius of proposed injection well.

Well Number	Total Depth	Open or Perforated Interval	Notes
<i>See Fig. 2</i>	<i>ft</i>	<i>ft</i>	
1	200	Not Reported	
2	93	50-90	
3	250	65-100	
4	93	50-90	
5	223	60-223	
6	399	283-399	
7	910	583-910	
8	440	265-440	
9	562	290-562	
10	440	275-440	
11	400	Not Reported	
12	375	280-375	
13	225	90-225	
14	260	122-144	
15	600	90-105	
16	275	Not Reported	
17	275	90-225	
18	115	90-115	
19	85	80-85	
20	175	90-175	
21	130	90-130	
22	110	Not Reported	
23	90	Not Reported	
24	110	6-110	
26	1400	60-223	
27	205	109-205	
25.A	150	45-150	
25.B	83	50-82	
25.C	106	Not Reported	
25.D	95	42-90	
28.A	120	Not Reported	
28.B	32	Not Reported	
29	164	*(see below)	AMEX AN-101
30	162	*(see below)	AMEX AN-103
31	520	*(see below)	AMEX AN-104
32	821	*(see below)	AMEX 672-227
33	1001	*(see below)	AMEX 672-225
34	932	*(see below)	AMEX 672-206
35	177	*(see below)	AMEX AN-105

\*All AMEX wells were for temperature gradient and heat flow data collection. Wells were cased with either 1" PVC or 2" steel pipe which was capped at the bottom of the string. The annular space was filled with a mixture of some or all of the following: cuttings, slurry, and cement. The casings strings were then filled with fresh water, allowed to equilibrate, and, after temperature logs were taken, were plugged at the surface with cement.

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12	375	280-375	
13	225	90-225	
14	260	122-144	
15	600	90-105	
16	275	Not Reported	
17	275	90-225	
18	115	90-115	
19	85	80-85	
20	175	90-175	
21	130	90-130	
22	110	Not Reported	
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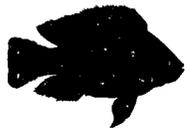
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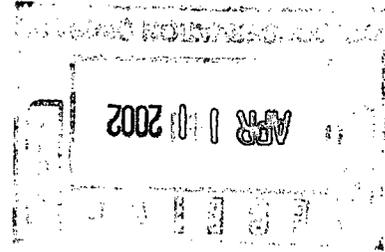
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Rec'd 4-11-2002



# AmeriCulture

888-845-2742  
505-548-2328



April 8, 2002

Roy Johnson  
Senior Petroleum Geologist, Supervisor District IV  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

Dear Roy,

Please find attached herewith duplicate copies of Form G-112, together with all attachments referred to in Rule G-503, pertaining to proposed drilling and operational activities involving the production of geothermal fluids at our State Geothermal Lease GTR-304-1 and reinjection of said fluids at a suitable location on State of New Mexico Trust Land to the north of our facility.

The fluids will be used for the generation of electricity and direct use purposes. Reinjecting fluids will be thermally-depleted, but will otherwise be chemically unaltered from their original state. AmeriCulture, under consultation with Jim Witcher of NMSU, maintains that thermal, chemical, operational, and geological factors favor the proposed injection site location. This is the same location discussed by you, Dale Burgett, and myself in September at the AmeriCulture production facility.

This letter, together with relevant attachments, has been sent to all parties listed below on the copy list. Should you find any deficiencies, please call me and I will remedy the situation immediately. Thank-you.

Sincerely,

Damon Seawright  
Vice President  
AmeriCulture, Inc.

- CC: Jami Bailey, Oil Gas, and Minerals Division of NM State Land Office
- Amy Leuders, BLM
- Dale Burgett, Burgett Geothermal, Inc.
- Roy Cunniff, Lightning Dock Geothermal Inc.
- Thomas McCants
- Gary Seawright, AmeriCulture, Inc.

## AmeriCulture Inc.

HC 65 Box 260 C, Animas, NM 88020 • Ph: 888.TILAPIA Fax: 505.548.2631  
e-mail: [americulture@vtc.net](mailto:americulture@vtc.net) • [www.americulture.com](http://www.americulture.com)

APPLICATION TO PLACE WELL ON INJECTION GEOTHERMAL RESOURCES AREA APR 11 2002

Operator	AmeriCulture, Inc.		Address	HC 65 Box 260C, Animas, NM 88020	
Lease Name	AmeriCulture, Inc.	Well No.	3	Field	Lightning Dock
				County	Hidalgo
Location	Unit Letter	Well is Located	Feet From The	Line And	Feet From The
	G	2290'	East	2650'	South
	Line, Section	Township	Range	NMPM.	
	6	25S	19W		

CASING AND TUBING DATA

NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
Conductor Pipe	20"	20'	13	surface	
Surface Casing	13-3/8"	150' or top of formation	70	surface	Surface Return
Long String	9-5/8"	Formation dependent			
Punch perforated					
Tubing			Name, Model and Depth of Tubing-Packer		

Name of Proposed Injection Formation	Top of Formation	Bottom of Formation
Gila Conglomerate		

Is Injection Through Tubing, Casing, or Annulus?	Perforations or Open Hole?	Proposed Interval(s) of Injection
Casing	Perforations	150-300'

Is This a New Well Drilled For Injection?	If Answer is No, For What Purpose was Well Originally Drilled?	Has Well Ever Been Perforated in Any Zone Other Than the Proposed Injection Zone?
Yes		

List All Such Perforated Intervals and Sacks of Cement used to Seal Off or Squeeze Each

Depth of Bottom of Deepest Fresh Water Zone in This Area	Is This Injection for Purpose of Pressure Maintenance or Water Disposal? (See Rules 501 and 502)
	Pressure Maintenance

Anticipated Daily Injection Volume	Minimum	Maximum	Open or Closed Type System	Is Injection to be by Gravity or Pressure?	Approx. Pressure (psi)
1,584,000 gal	1,440,000 gal	1,728,000 gal		Gravity	

Answer Yes or No Whether the Following Waters are Mineralized to such a Degree as to be Unfit for Domestic, Stock Irrigation, or Other General Use	Water to be Injected	Natural Water in Injection Zone	Are Water Analyses Attached?
	No	No	Yes

Name and Address of Surface Owner (or Lessee, if State or Federal Land)  
Burgett Geothermal Inc. (Mr. Dale Burgett) - Lessee of GTR-303; Mr. Thomas McCants - Surface Lessee (agriculture)

List Names and Addresses of all Operators Within One-Half (1/2) Mile of This Injection Well  
Burgett Geothermal, Attn: Mr. Dale Burgett; Box 265A Animas, NM 88020 Phone: (505)-548-2353

Mr. Thomas McCants, Box 265 Animas, NM 88020 Phone: (505)-548-2260

Lightning Dock Geothermal, Inc., Attn: Mr. Roy Cunniff; 224 W. Greening Ave., Las Cruces, NM 88005 Phone: (505) 523-7908

Have Copies of this Application Been Sent to Each Operator Within One Half Mile of this Well?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Are the Following Items Attached to this Application (see Rule 503)	Plat of Area Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Electrical Log Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Diagrammatic Sketch of Well Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

 (Signature)  
Damon E. Seawright, Vice President (Title)  
April 8, 2002 (Date)

NOTE: Should waivers from all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Division will hold the application for a period of 20 days from the date of receipt by the Division's Santa Fe office. If at the end of the 20-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing. If the applicant is successful, the

**SAMPLE PROGRESS REPORT**

SWAT Lab - New Mexico State Univ.  
 Date: 11-10-2000 Time: 15:31:47

Sample I.D. AB18968  
 Status: Analyses incomplete  
 Purchase order number:  
 User Code No.:  
 Client Code: WITCHER  
 Sample collector: JAMES WITCHER  
 Req ID#:

Date collected: 10/30/00  
 Date submitted: 10/30/00  
 Due date: 11/27/00  
 Specification checking: off  
 sample description: Seawright Geothermal  
 Submit:

Analysis	Result	Unit	Finished Anl
pH of water	8.11		10/30/00 JH
Total Dissolved Solids	1071	mg/L	11/01/00 BJH
Bicarbonate	2.27	meq/L	11/06/00 LJK
Sodium by ICP-	319	mg/L	11/02/00 BJH
Calcium by ICP-	22.7	mg/L	11/02/00 BJH
Magnesium by ICP-	0.1	mg/L	11/02/00 BJH
Potassium by ICP-	14.7	mg/L	11/02/00 BJH
Chloride by Autoanalyzer	80	mg/L	11/07/00 LJK
Sulfate	462	mg/L	11/02/00 RLA
Fluoride by electrode			
Bromide by Ion Chrom-	Not detected	mg/L	11/01/00 HM
Arsenic by ICP-	Not detected	mg/L	11/02/00 BJH
Silica by ICP	42.0	mg/L	11/02/00 BJH
Strontium by ICP	0.45	mg/L	11/09/00 BJH
Lithium by ICP-			
Cobalt by ICP-	0.37	mg/L	11/02/00 BJH
Iron by ICP-	1.14	mg/L	11/02/00 BJH
pH of water LCS	8.25		10/30/00 JH
pH of water duplicate	8.11		10/30/00 JH
pH of water RPD	0.000		10/31/00 BJH

End of progress report on sample: AB18968

## **INJECTION WELL EXERGY-AMERICULTURE PROJECT LIGHTNING DOCK KGRA, ANIMAS VALLEY, NEW MEXICO**

A geothermal injection well that is suitable for a maximum daily capacity of 1.7 million gallons of 135° F of 1,100 mg/L total dissolved solids (TDS) is proposed to be installed and operated near the center of section 6, Township 25 South, Range 19 West at a location 2,310 feet from the east line of section 6 and 2,700 feet from the south line of section 6 (Figures 1, 2, and 3). The proposed location is located approximately 3,445 feet north northwest of the AmeriCulture 1 State production well and approximately 3,180 feet northwest of the nearest production well, Burgett B. The well is sited in the northwest corner of NM lease GTR-303 and 350 feet inbound of the west and north lease boundaries. The geothermal lessee is Mr. Dale Burgett and the surface agriculture lessee is Mr. Thomas McCants.

The proposed well is located in the western portion of a north-flowing outflow plume of the Lightning Dock geothermal system. Natural outflow plume reservoir temperatures at the injection site are projected to range from 120-160° F at less than 1,000 feet depth. The exact natural chemistry of thermal fluids at this location is not known with certainty. A natural mix of non-thermal fluids and outflow plume geothermal fluids may exist at this site. If so, in situ fluid TDS may be less than the planned 1,100 mg/L injectate. However, chloride and silica concentration maps for alluvial ground water in the Animas Valley outline the outflow plume very well and indicate that the planned injection site is within the dominant geothermal flow to the north (Figures 4 through 7). The proposed injection well site is located within the boundaries of the geochemical and thermal anomaly expressions of the outflow plume.

Pump test data from the AmeriCulture 1 Federal well, regional Bouguer gravity data, and deep borehole data suggest that the injection site is separated from the area of the Burgett and AmeriCulture production wells by an "impermeable" reservoir boundary that probably trends north to northeast along a zone starting at a location between the AmeriCulture Federal well and the AmeriCulture 1 production well. The sharp temperature change along the western boundary of the outflow plume may be reflective of this boundary (Figures 6 and 7). The boundary may be a fault zone or a lateral change in alluvial fan deposits to less permeable deposits toward the basin center. This zone is an impediment to outflow on the west and limits thermal (and chemical) mixing and dispersion. Injection will be done in the "Gila Conglomerate" basin fill and Tertiary volcanics, if the later are encountered.

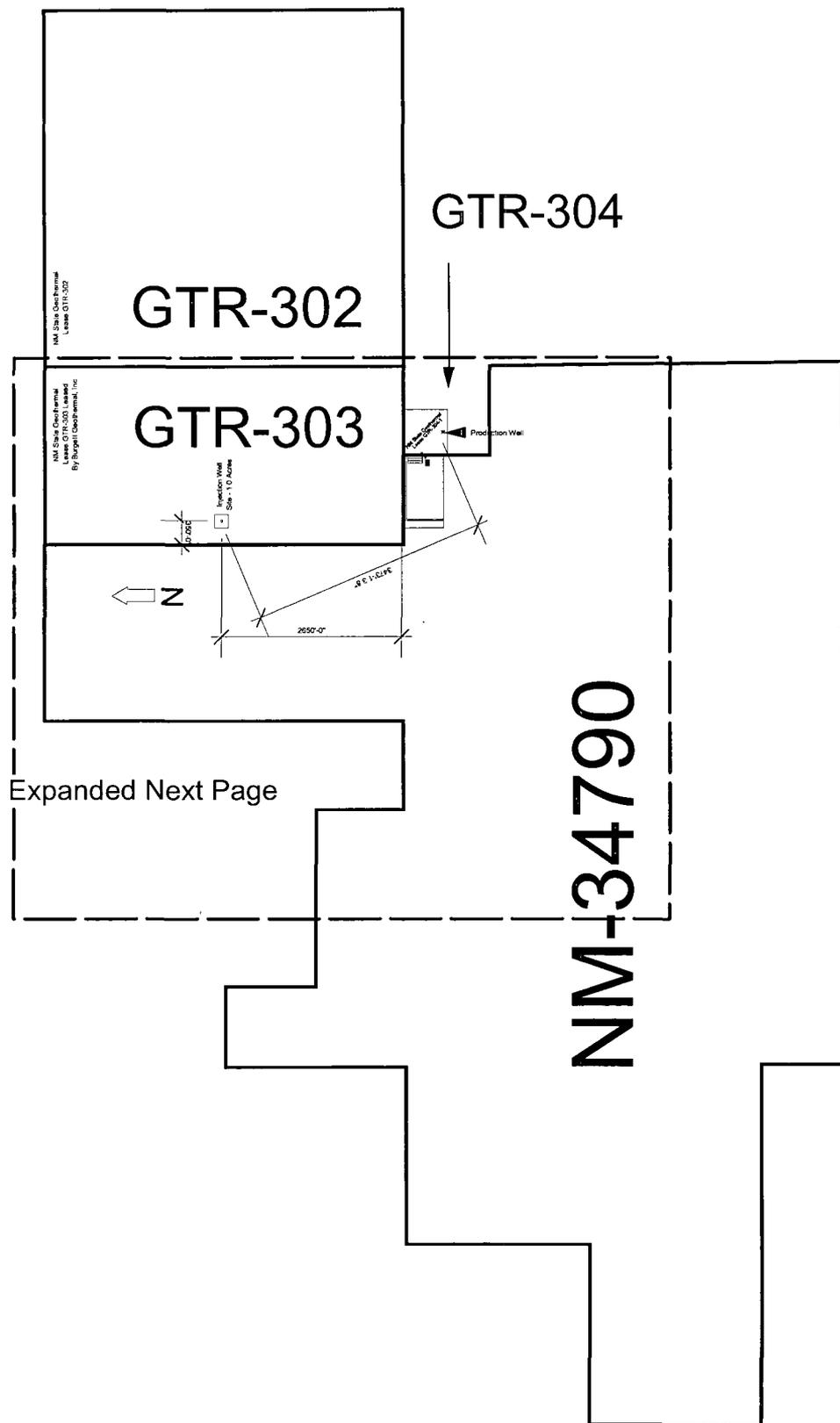


Figure 1. Local Geothermal leases showing production well and proposed injection well site.

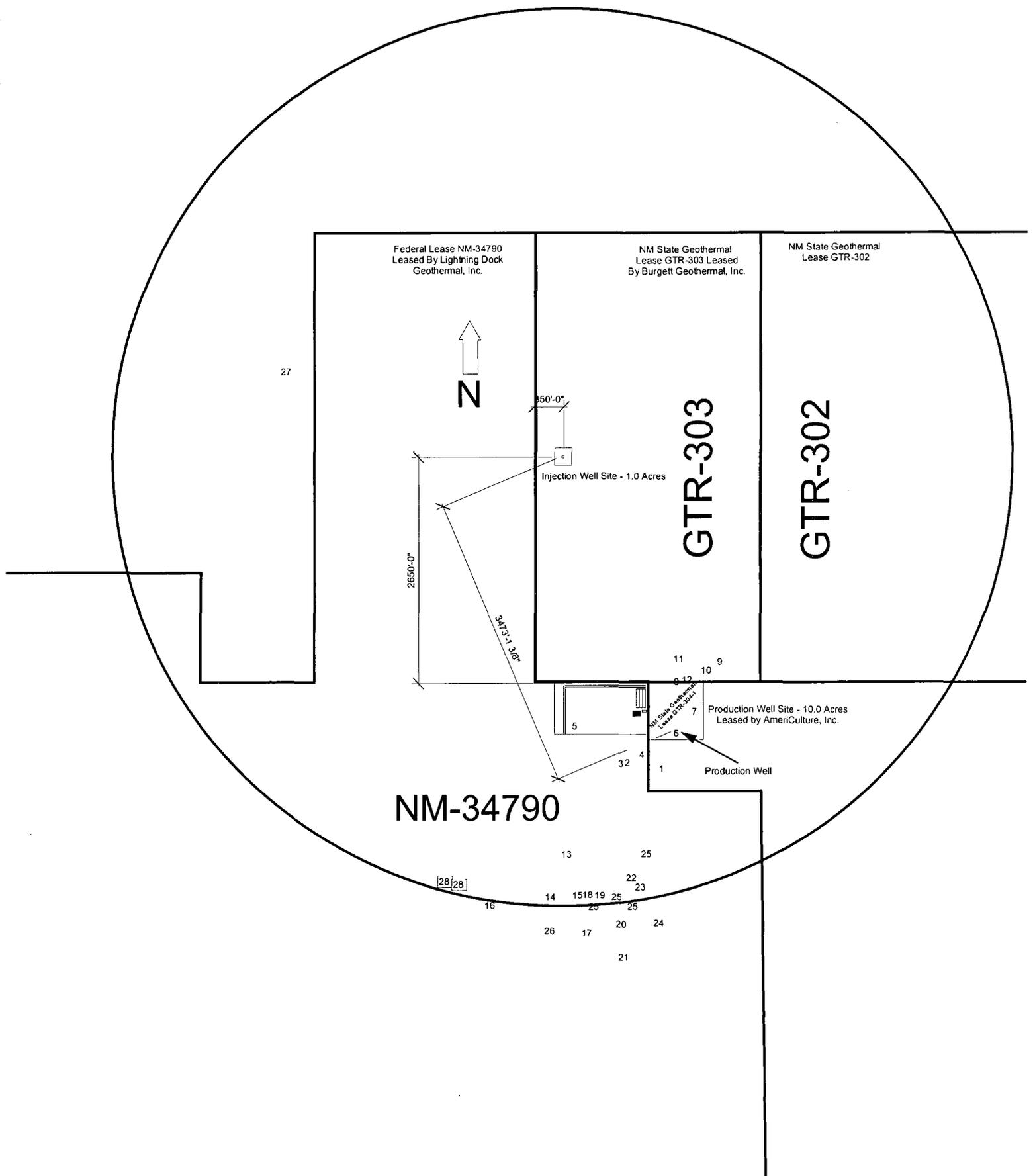


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1	200	Not Reported
2	93	50-90
3	250	65-100
4	93	50-90
5	223	60-223
6	399	283-399
7	910	583-910
8	440	265-440
9	562	290-562
10	440	275-440
11	400	Not Reported
12	375	280-375
13	225	90-225
14	260	122-144
15	600	90-105
16	275	Not Reported
17	275	90-225
18	115	90-115
19	85	80-85
20	175	90-175
21	130	90-130
22	110	Not Reported
23	90	Not Reported
24	110	6-110
26	1400	60-223
27	205	109-205
25.A	150	45-150
25.B	83	50-82
25.C	106	Not Reported
25.D	95	42-90
28.A	120	Not Reported
28.B	32	Not Reported

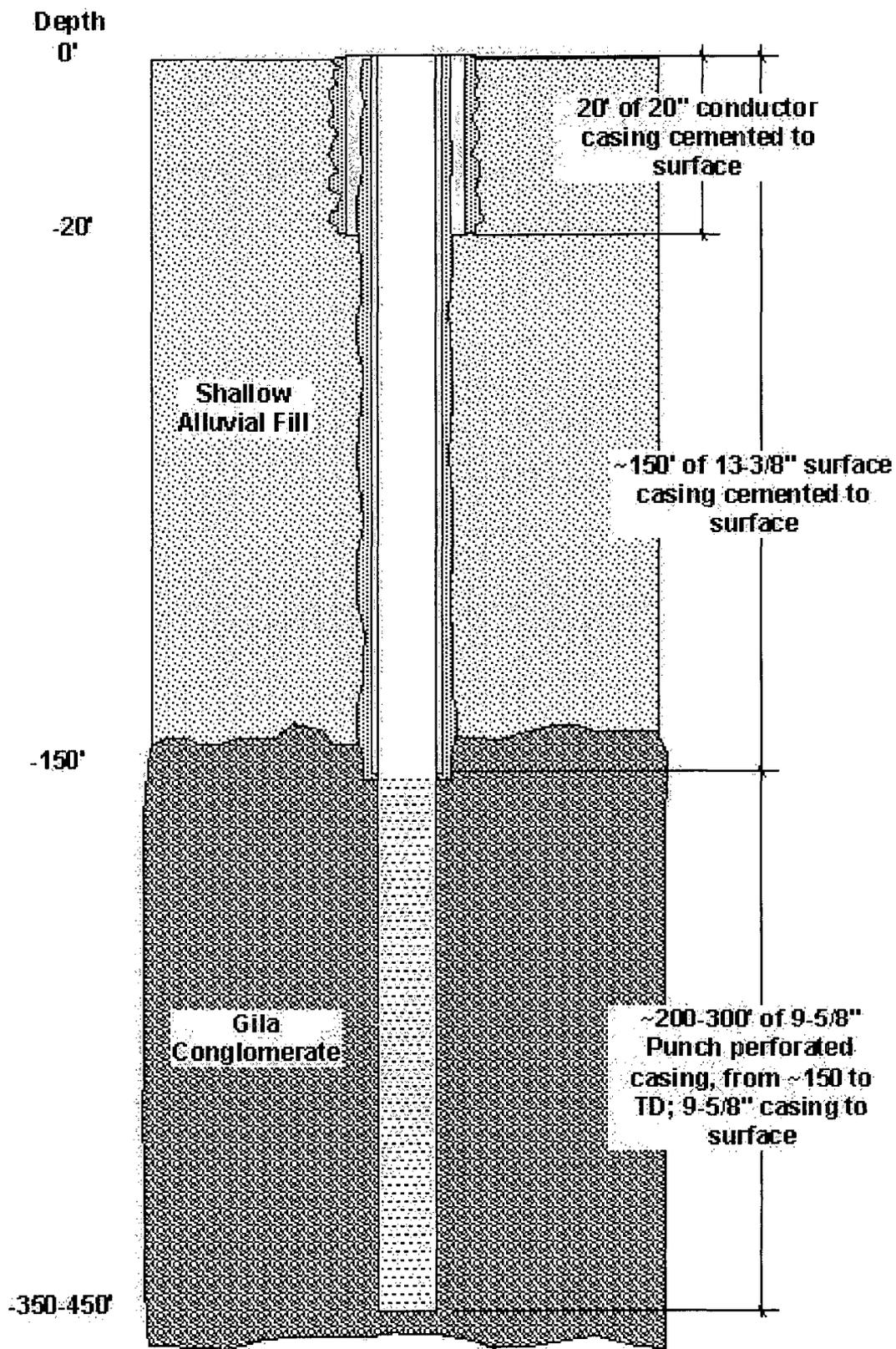


Figure 3. Diagrammatic sketch of the proposed injection well.

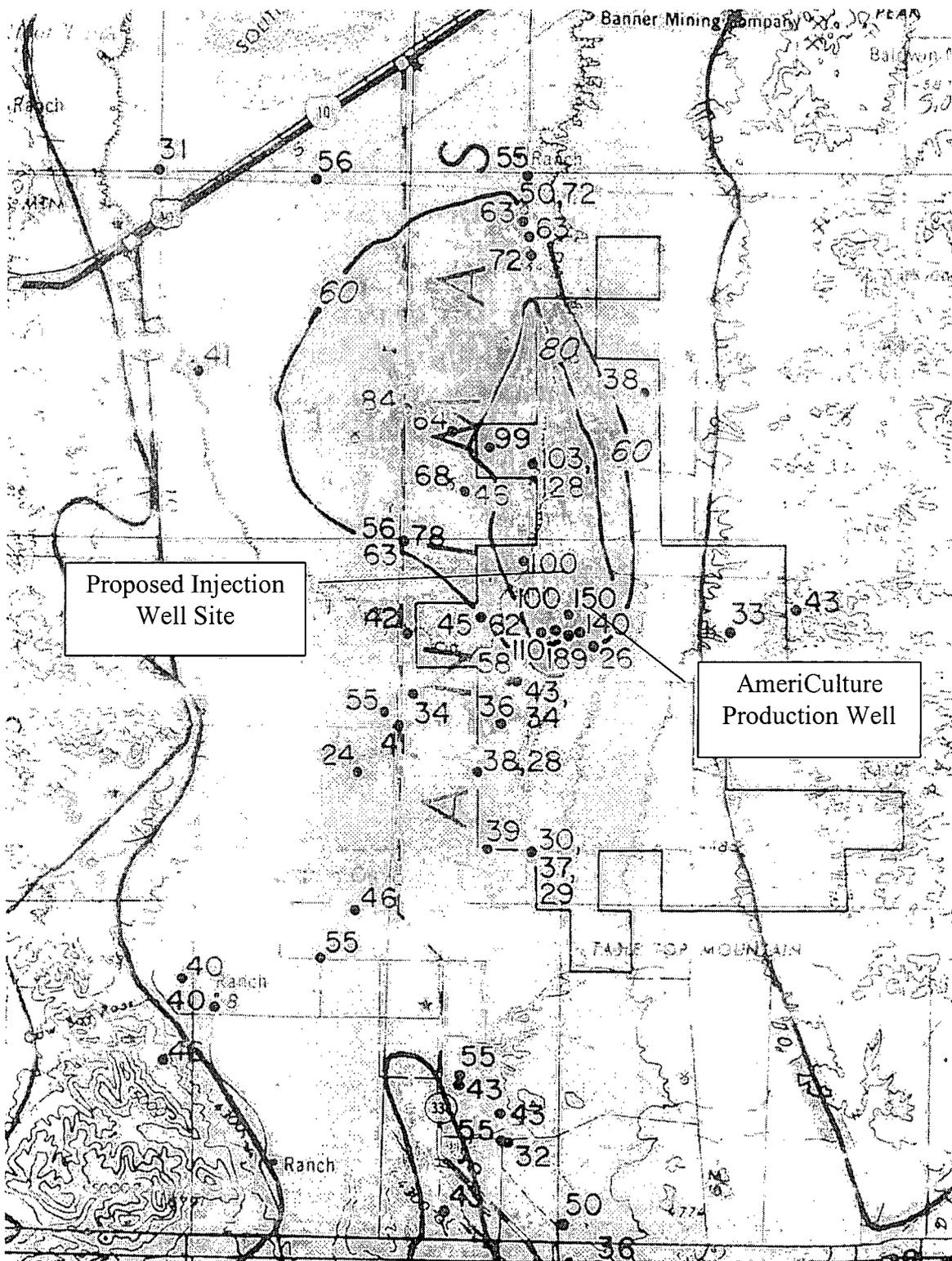


Figure 4. Regional SiO<sub>2</sub> concentration map (O'Brien and Stone, NM Bureau of Mines Open File Report 131).

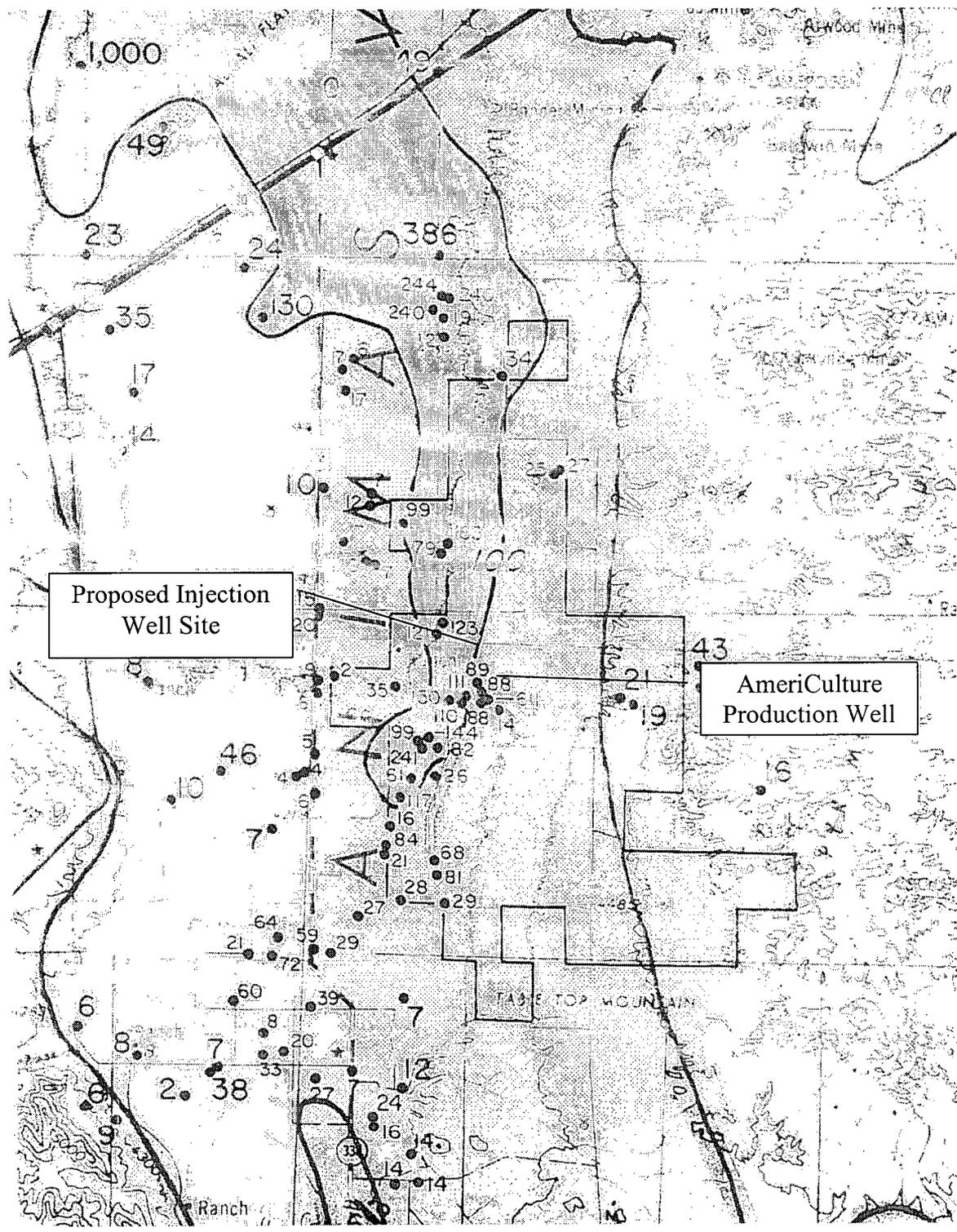


Figure 5. Regional chloride concentration map (O'brien and Stone, NM Bureau of Mines Open File Report 131).

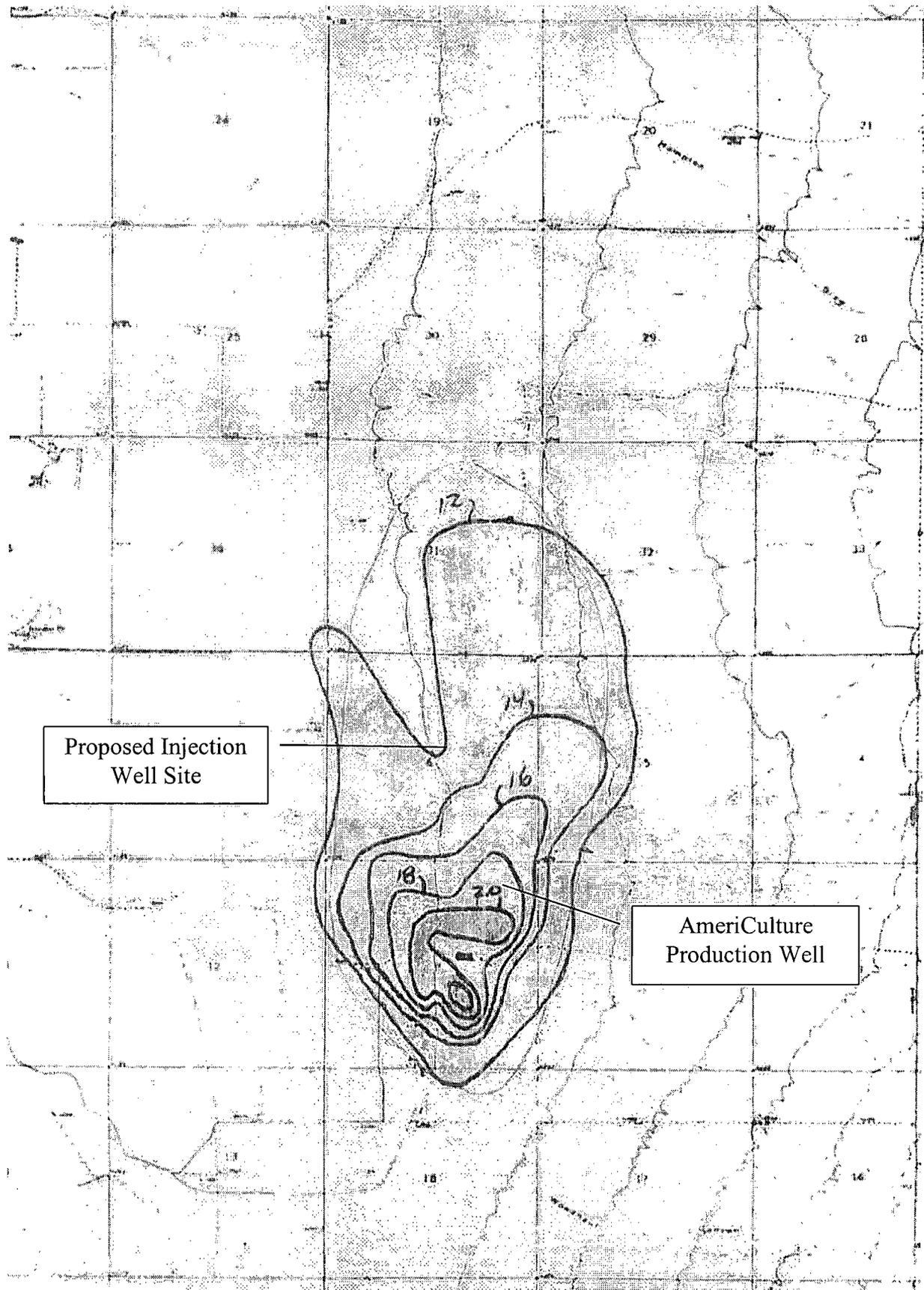


Figure 6. Regional ground temperature ( $^{\circ}\text{C}$ ) at 1 meter depth at the Lighting Dock Geothermal Anomaly.

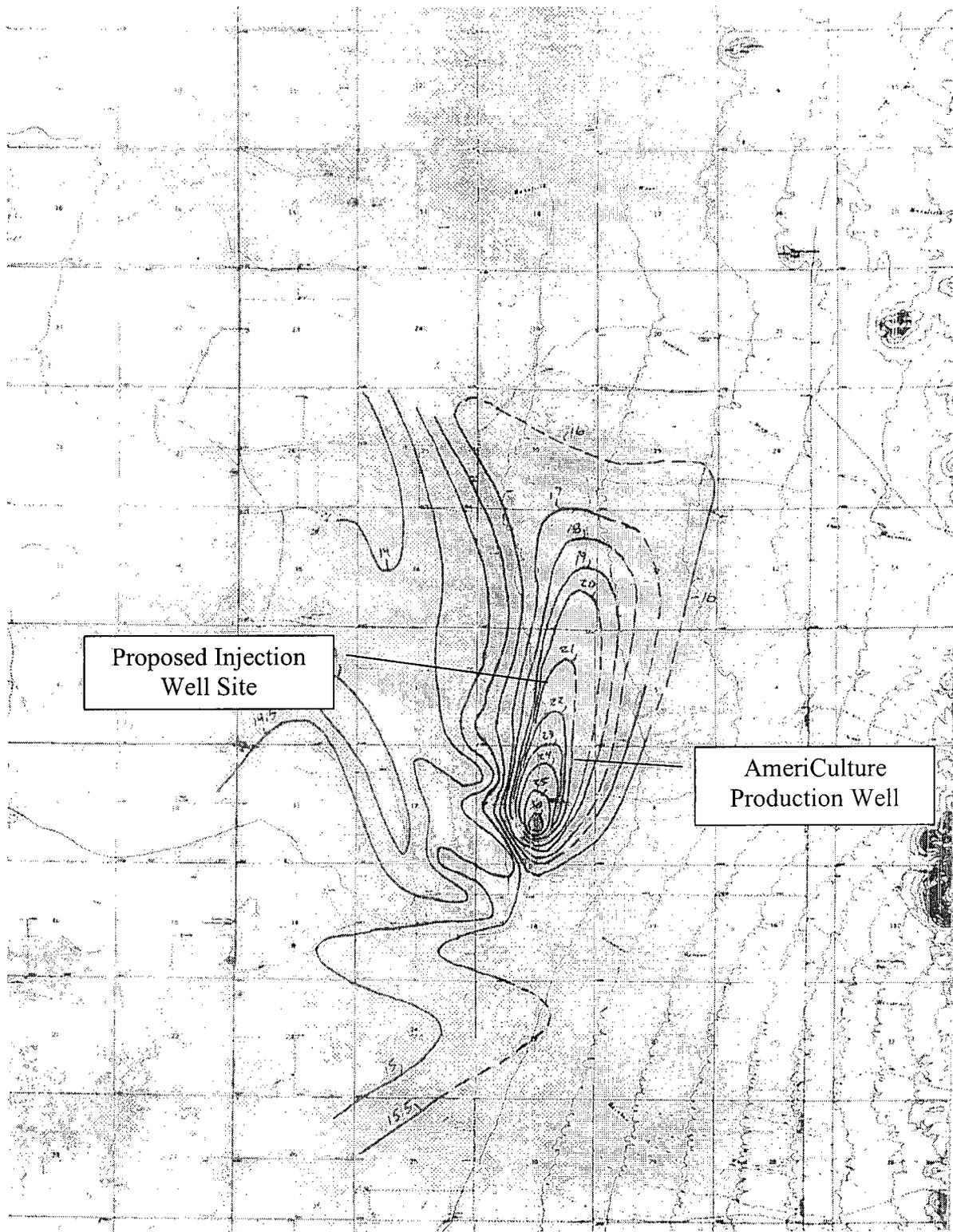


Figure 7. Regional ground temperature (°C) at 2 meter depth at the Lighting Dock Geothermal Anomaly.

APPLICATION TO PLACE WELL ON INJECTION GEOTHERMAL RESOURCES AREA

Operator <b>AmeriCulture, Inc.</b>		Address <b>HC 65 Box 260C, Animas, NM 88020</b>	
Lease Name <b>AmeriCulture, Inc.</b>	Well No. <b>3</b>	Field <b>Lightning Dock</b>	County <b>Hidalgo</b>
Location		Unit Letter <b>6</b> Well Is Located <b>2290'</b> Feet From The <b>East</b> Line And <b>2650'</b> Feet From The <b>South</b> Line, Section <b>6</b> Township <b>25S</b> Range <b>19W</b> NMPM.	

CASING AND TUBING DATA

NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
Conductor Pipe	20"	20'	13	surface	
Surface Casing	13-3/8"	150' or top of formation	70	surface	Surface Return
Long String <b>Punch perforated</b>	9-5/8"	Formation dependent			
Tubing			Name, Model and Depth of Tubing Packer		

Name of Proposed Injection Formation <b>Gila Conglomerate</b>	Top of Formation	Bottom of Formation
--	------------------	---------------------

Is Injection Through Tubing, Casing, or Annulus? <b>Casing</b>	Perforations or Open Hole? <b>Perforations</b>	Proposed Interval(s) of Injection <b>150-300'</b>
---	---	--

Is This a New Well Drilled For Injection? <b>Yes</b>	If Answer is No, For What Purpose was Well Originally Drilled?	Has Well Ever Been Perforated in Any Zone Other Than the Proposed Injection Zone?
--	--	---

List All Such Perforated Intervals and Sacks of Cement used to Seal Off or Squeeze Each

Depth of Bottom of Deepest Fresh Water Zone in This Area	Is This Injection for Purpose of Pressure Maintenance or Water Disposal? (See Rules 501 and 502) <b>Pressure Maintenance</b>
--	---

Anticipated Daily Injection Volume <b>1,584,000 gal</b>	Minimum <b>1,440,000 gal</b>	Maximum <b>1,728,000 gal</b>	Open or Closed Type System	Is Injection to be by Gravity or Pressure? <b>Gravity</b>	Approx. Pressure (psi)
---	------------------------------	------------------------------	----------------------------	--	------------------------

Answer Yes or No Whether the Following Waters are Mineralized to such a Degree as to be Unfit for Domestic, Stock, Irrigation, or Other General Use	Water to be Injected <b>No</b>	Natural Water in Injection Zone <b>No</b>	Are Water Analyses Attached? <b>Yes</b>
---	-----------------------------------	--	--

Name and Address of Surface Owner (or Lessee, if State or Federal Land)  
**Burgett Geothermal Inc. (Mr. Dale Burgett) - Lessee of GTR-303; Mr. Thomas McCants - Surface Lessee (agriculture)**

List Names and Addresses of all Operators Within One-Half (1/2) Mile of This Injection Well  
**Burgett Geothermal; Attn: Mr. Dale Burgett, Box 265A Animas, NM 88020 Phone: (505)-548-2353**

**Mr. Thomas McCants, Box 265 Animas, NM 88020 Phone: (505)-548-2260**

**Lightning Dock Geothermal, Inc., Attn: Mr. Roy Cunniff, 224 W. Greening Ave., Las Cruces, NM 88005 Phone: (505) 523-7908**

Have Copies of this Application Been Sent to Each Operator Within One-Half Mile of this Well? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Are the Following Items Attached to this Application (see Rule 503) Plat of Area Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Electrical Log Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Diagrammatic Sketch of Well Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
--	--	---	--

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
 **Damon E. Seawright, Vice President** April 8, 2002  
(Signature) (Title) (Date)

NOTE: Should waivers from all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Division will hold the application for a period of 20 days from the date of receipt by the Division's Santa Fe office. If at the end of the 20-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing. If the protest or protest does not

SAMPLE PROGRESS REPORT

SWAT Lab - New Mexico State Univ.  
 Date: 11-10-2000 Time: 15:31:47

Sample I.D. AB18968  
 Status: Analyses incomplete  
 Purchase order number:  
 User Code No :  
 Client Code: WITCHER  
 Sample collector: JAMES WITCHER  
 Req ID#:

Date collected: 10/30/00  
 Date submitted: 10/30/00  
 Due date: 11/27/00  
 Specification checking: off  
 Sample description: Seawright Geothermal  
 Submit:

Analysis	Result	Unit	Finished And
pH of water	8.11		10/30/00 JH
Total Dissolved Solids	1071	mg/L	11/01/00 BJH
Bicarbonate	2.27	meq/L	11/06/00 LJK
Sodium by ICP-	319	mg/L	11/02/00 BJH
Calcium by ICP-	22.7	mg/L	11/02/00 BJH
Magnesium by ICP-	0.1	mg/L	11/02/00 BJH
Potassium by ICP-	14.7	mg/L	11/02/00 BJH
Chloride by Autoanalyzer	80	mg/L	11/07/00 LJC
Sulfate	462	mg/L	11/02/00 RLA
Fluoride by electrode	---		
Bromide by Ion Chrom-	Not detected	mg/L	11/01/00 HM
Arsenic by ICP-	Not detected	mg/L	11/02/00 BJH
Silica by ICP	42.0	mg/L	11/02/00 BUE
Strontium by ICP	0.45	mg/L	11/09/00 BJH
Lithium by ICP-	---		
Barium by ICP-	0.37	mg/L	11/02/00 BJH
Iron by ICP-	1.14	mg/L	11/02/00 BJH
pH of water ECS	8.25		10/30/00 JH
pH of water duplicate	8.11		10/30/00 JH
pH of water RPD	0.000		10/31/00 BJH

End of progress report on sample: AB18968

## **INJECTION WELL EXERGY-AMERICULTURE PROJECT LIGHTNING DOCK KGRA, ANIMAS VALLEY, NEW MEXICO**

A geothermal injection well that is suitable for a maximum daily capacity of 1.7 million gallons of 135° F of 1,100 mg/L total dissolved solids (TDS) is proposed to be installed and operated near the center of section 6, Township 25 South, Range 19 West at a location 2,310 feet from the east line of section 6 and 2,700 feet from the south line of section 6 (Figures 1, 2, and 3). The proposed location is located approximately 3,445 feet north northwest of the AmeriCulture 1 State production well and approximately 3,180 feet northwest of the nearest production well, Burgett B. The well is sited in the northwest corner of NM lease GTR-303 and 350 feet inbound of the west and north lease boundaries. The geothermal lessee is Mr. Dale Burgett and the surface agriculture lessee is Mr. Thomas McCants.

The proposed well is located in the western portion of a north-flowing outflow plume of the Lightning Dock geothermal system. Natural outflow plume reservoir temperatures at the injection site are projected to range from 120-160° F at less than 1,000 feet depth. The exact natural chemistry of thermal fluids at this location is not known with certainty. A natural mix of non-thermal fluids and outflow plume geothermal fluids may exist at this site. If so, in situ fluid TDS may be less than the planned 1,100 mg/L injectate. However, chloride and silica concentration maps for alluvial ground water in the Animas Valley outline the outflow plume very well and indicate that the planned injection site is within the dominant geothermal flow to the north (Figures 4 through 7). The proposed injection well site is located within the boundaries of the geochemical and thermal anomaly expressions of the outflow plume.

Pump test data from the AmeriCulture 1 Federal well, regional Bouguer gravity data, and deep borehole data suggest that the injection site is separated from the area of the Burgett and AmeriCulture production wells by an "impermeable" reservoir boundary that probably trends north to northeast along a zone starting at a location between the AmeriCulture Federal well and the AmeriCulture 1 production well. The sharp temperature change along the western boundary of the outflow plume may be reflective of this boundary (Figures 6 and 7). The boundary may be a fault zone or a lateral change in alluvial fan deposits to less permeable deposits toward the basin center. This zone is an impediment to outflow on the west and limits thermal (and chemical) mixing and dispersion. Injection will be done in the "Gila Conglomerate" basin fill and Tertiary volcanics, if the later are encountered.

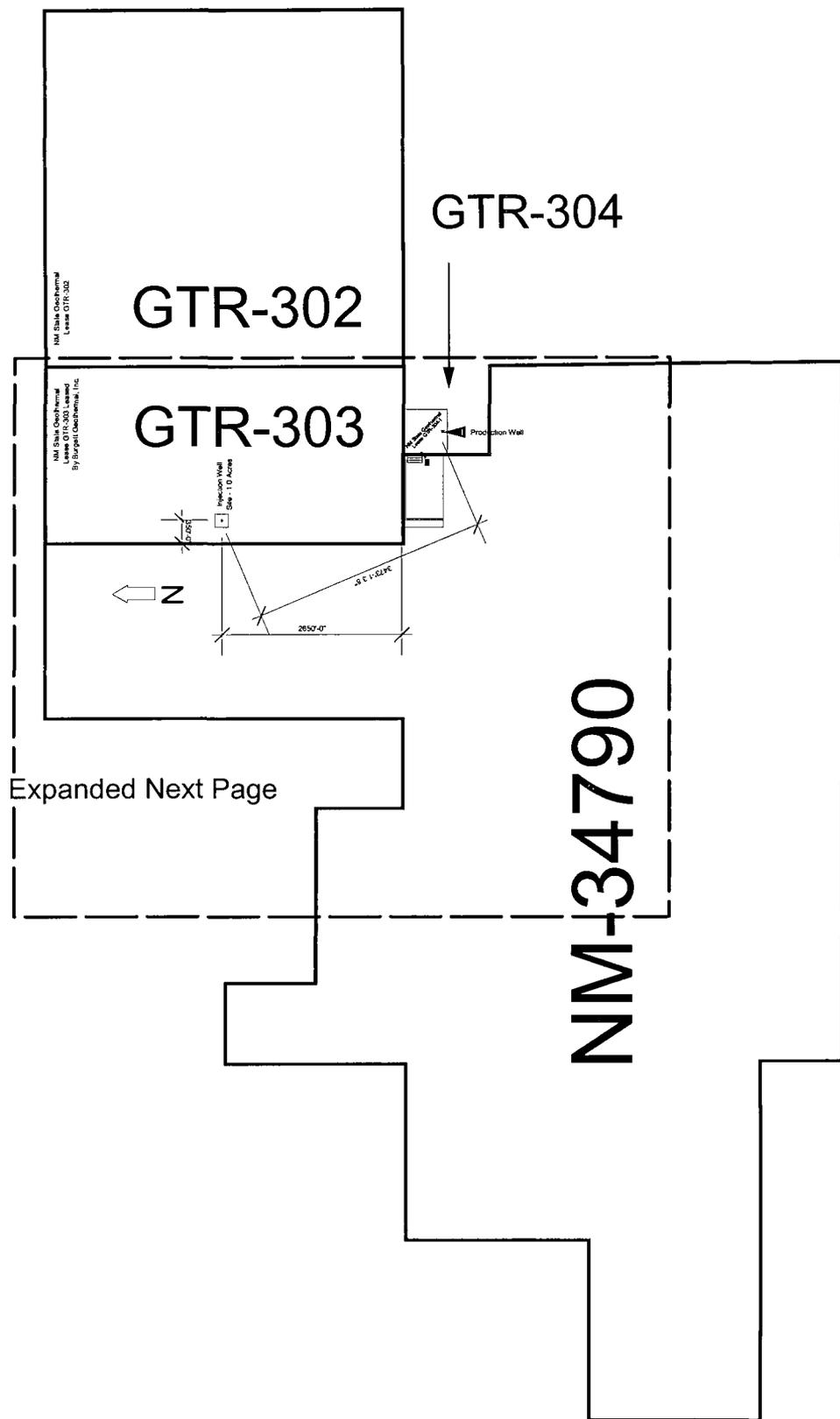


Figure 1. Local Geothermal leases showing production well and proposed injection well site.

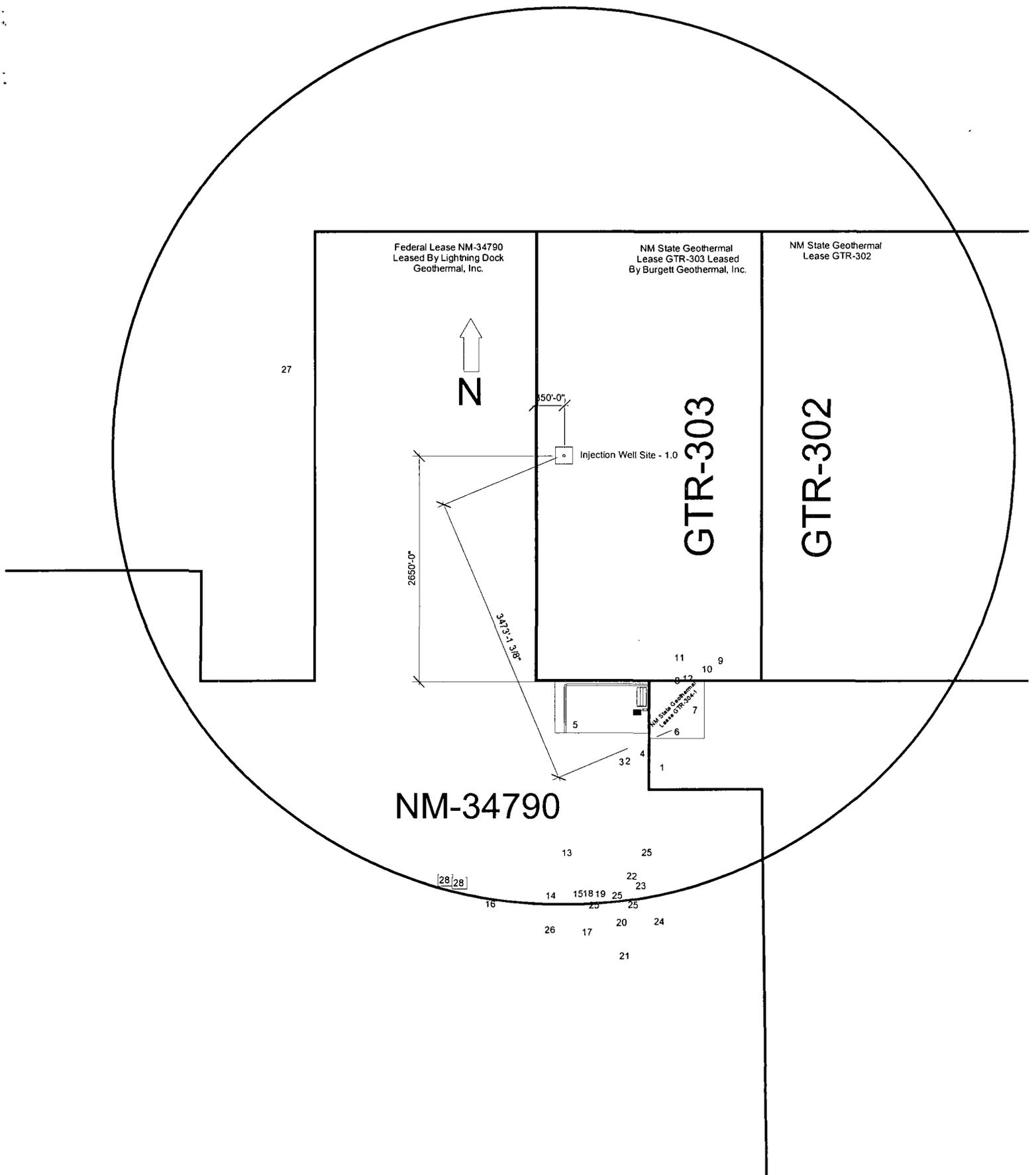


Figure 2. Permitted wells within 1.0 mile of proposed injection well site. Circle represents 1.0 mile radius. Numbers correspond to permitted wells listed in Table 1. Wells having boxed numbers or the same numbers have locations are accurate to the quarter-quarter-quarter section, but precise location is not indicated. Some wells slightly outside the 1.0 mile radius were included.

Table 1. Perforated or open hole intervals for wells within 1.0 mile radius of proposed injection well.

<b>Well Number</b> <i>See Fig. 2</i>	<b>Total Depth</b> <i>ft</i>	<b>Open or Perforated Interval</b> <i>ft</i>
1	200	Not Reported
2	93	50-90
3	250	65-100
4	93	50-90
5	223	60-223
6	399	283-399
7	910	583-910
8	440	265-440
9	562	290-562
10	440	275-440
11	400	Not Reported
12	375	280-375
13	225	90-225
14	260	122-144
15	600	90-105
16	275	Not Reported
17	275	90-225
18	115	90-115
19	85	80-85
20	175	90-175
21	130	90-130
22	110	Not Reported
23	90	Not Reported
24	110	6-110
26	1400	60-223
27	205	109-205
25.A	150	45-150
25.B	83	50-82
25.C	106	Not Reported
25.D	95	42-90
28.A	120	Not Reported
28.B	32	Not Reported

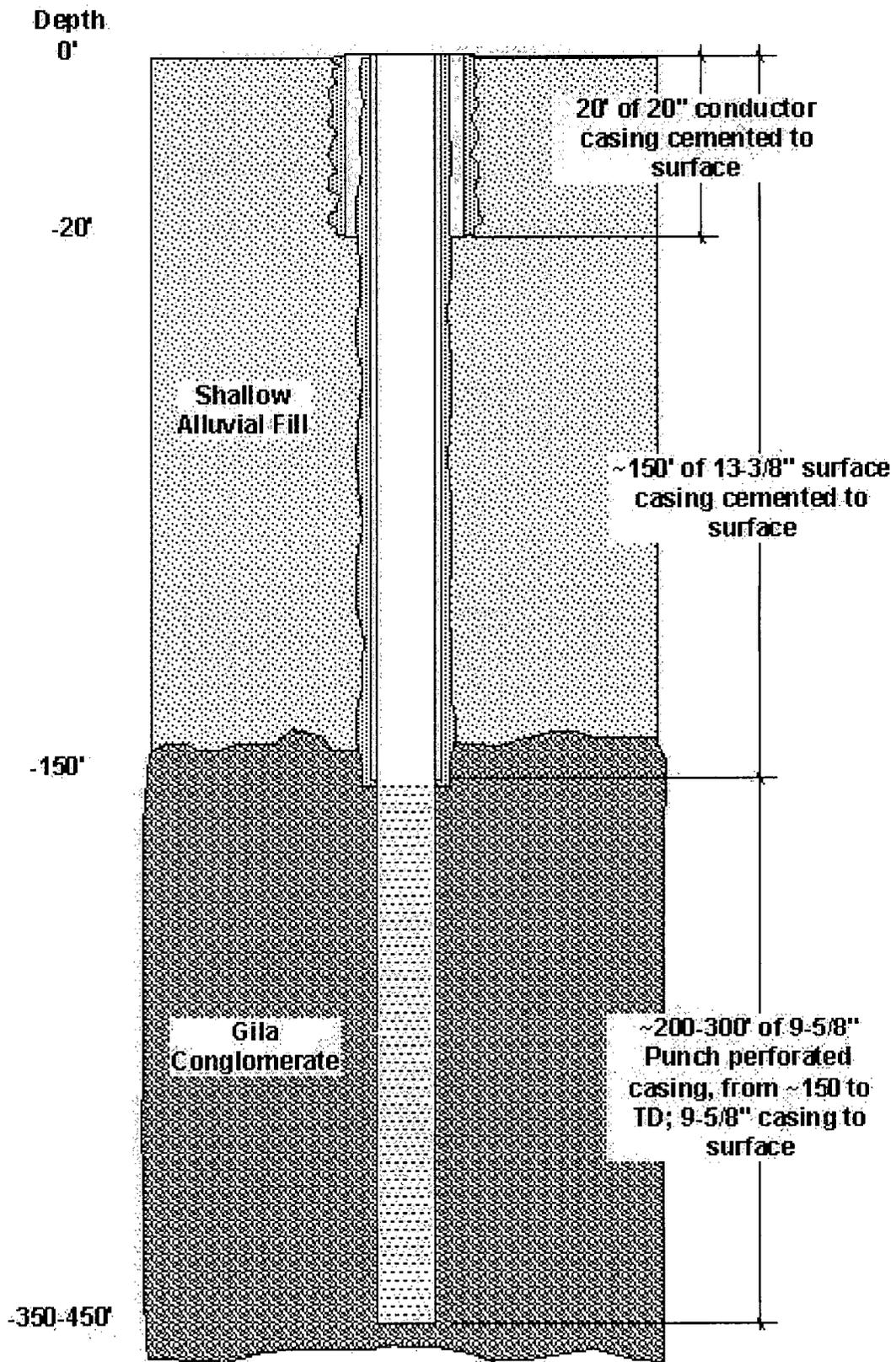


Figure 3. Diagrammatic sketch of the proposed injection well.





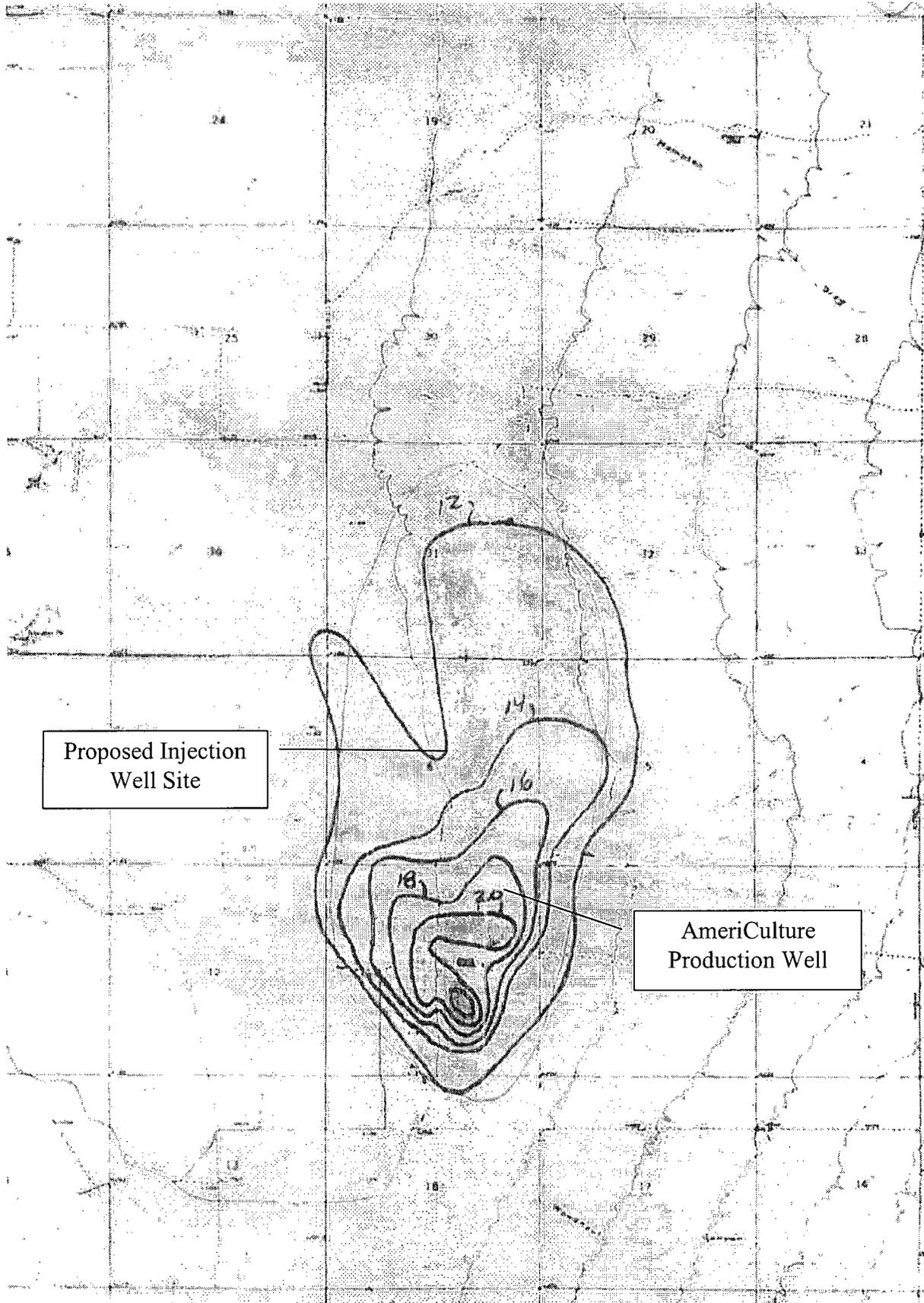


Figure 6. Regional ground temperature ( $^{\circ}\text{C}$ ) at 1 meter depth at the Lighting Dock Geothermal Anomaly.

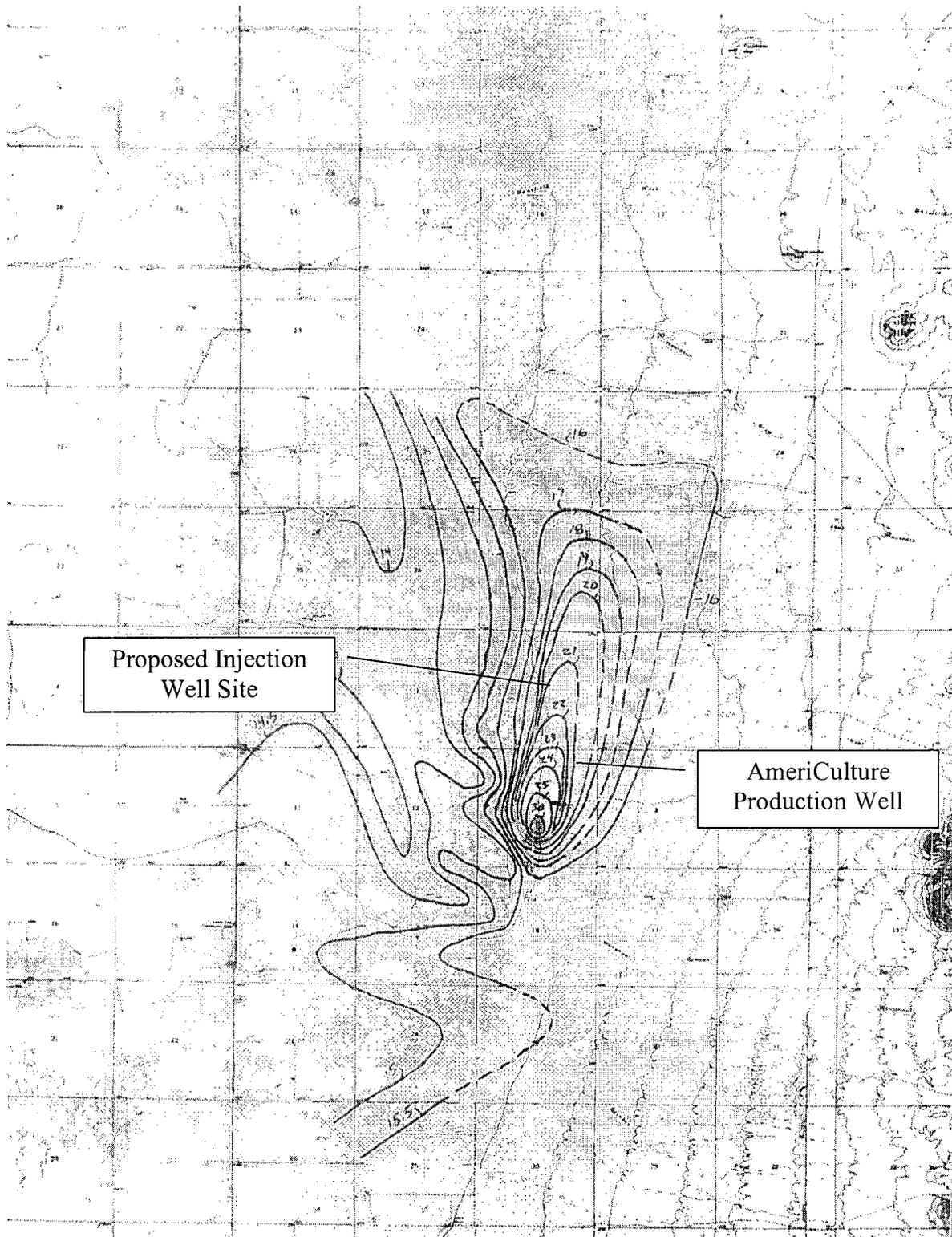


Figure 7. Regional ground temperature (°C) at 2 meter depth at the Lighting Dock Geothermal Anomaly.



## Department of Energy

Golden Field Office  
1617 Cole Boulevard  
Golden, Colorado 80401-3393

June 12, 2002

TO: Distribution List

FROM: John H. Kersten  
Acting Manager, Golden Field Office

SUBJECT: PRE-DECISIONAL DRAFT ENVIRONMENTAL ASSESSMENT  
SMALL-SCALE GEOTHERMAL POWER PLANT AND DIRECT-USE GEOTHERMAL  
APPLICATION AT AMERICULTURE, INC., COTTON CITY, NM (DOE/EA 1396)

The subject pre-decisional draft environmental assessment (EA) is enclosed for your review. The Department of Energy, Golden Field Office has prepared this document in accordance with the National Environmental Policy Act (NEPA) and DOE's NEPA implementing regulations. DOE distributed a request for public and agency comments dated November 1, 2001, to approximately 25 federal, state, and local agencies, interested organizations, and individuals. DOE received two comments in response to this request. These comments have been incorporated into the draft EA.

### Proposed Action

DOE's Proposed Action is to provide partial funding for two project components located within the Lightning Dock Known Geothermal Resource Area near Animas and Cotton City, NM, approximately 16 miles southwest of Lordsburg, NM. The Proposed Action would use an existing geothermal well (AmeriCulture State 1), which is currently used for heating AmeriCulture's fish hatchery operation. The first project component would involve the construction and operation of a small-scale (approximately one megawatt) geothermal power plant. The second project component would utilize either geothermal fluid directly from the existing well or geothermal fluid exhausted from the new power plant as the heating source for the hatchery. Spent fluid would be re-injected into the geothermal reservoir.

### Request for Comments

Consistent with NEPA implementing guidelines, it is DOE's policy to integrate community and public concerns into its decision-making processes. Comments on this draft EA will be accepted for a period of 30 days. Please submit any comments by Friday, July 12, 2002, to:

Steve Blazek  
NEPA Compliance Officer  
DOE Golden Field Office  
1617 Cole Boulevard  
Golden, CO 80401-3393  
(303) 275-4723 (303) 275- 4788 (fax) [steve\\_blazek@nrel.gov](mailto:steve_blazek@nrel.gov)

DOE will review and consider all comments prior to making any final decision. Thank you for your interest and participation in DOE's NEPA process.

Sincerely,

John H. Kersten  
Acting Manager, Golden Field Office



Distribution:

Damon Seawright, AmeriCulture

Henry Mlcak, Exergy, Inc.

Mark Morolli, Exergy

Dale Burgett

Thomas W. McCants

Peter Maggiore, NMED

Micheal P. Jansky, EPA

Joseph Torrez, BLM

Rodger Anderson, NMOCD

Roy Johnson, NMOCD

Tim Gum, NMOCD

Mike Matush, NMSLO

Office of the State Engineer

Tommy Townsend, Phelps Dodge

ok

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

Oil Conservation Div.  
2040 Pacheco St.  
Santa Fe, NM 87505

Form G-107  
Adopted 10-1-74  
Revised 10-1-78

GEOHERMAL RESOURCES WELL HISTORY

Operator AmeriCulture, Inc. Address HC 65 Box 260C, Animas, NM 88020  
Lease Name AmeriCulture, Inc. Well No. \_\_\_\_\_  
Unit Letter B Sec. 7 Twp. 25S Rge. 19W  
Reservoir Lightning Dock County Hidalgo

It is of the greatest importance to have a complete history of the well. Use this form to report a full account of all important operations during the drilling and testing of the well or during re-drilling, altering of casing, plugging, or abandonment with the dates thereof. Be sure to include such items as hole size, formation test details, amounts of cement used, top and bottom of plugs, perforation details, sidetracked junk, bailing tests, shooting, and initial production data and zone temperature. (Attach additional sheets if necessary.)

Date	Description
10/20/01 thru 10/23/01	Spudded well, using 20" bit. Drilled to 270' in alluvium; to 284' in Gila Conglomerate transitional unit; and to 292' in Gila Conglomerate using 20" bit using bentonite mud. Set 16" casing to 1 ft off bottom. Circulated cement (160? sacks) in annulus, and verified top of cement by circulation returns.
10/24/01 thru 10/30/01	Waited on cement set.
10/31/01 thru 11/13/01	Resumed drilling to 581' using 14-3/4" bit and air/foam as circulation fluid at 1,350 cfm and 350 psi. First major fracture confirmed by surface water returns at 293'. Very slow penetration rate to 370', moderate to 417', and fast to 581'. Major fractures at 370' and 393' with fault zone at 379' to 382'. Set 12-3/4" casing to 581'. Flow steady but not measured. Spot temperature measurements ranged from 195-210 F.
11/14/01 thru 11/19/01	Cementing preparation and Halliburton mobilization.
11/20/01	Casing spot cemented by Halliburton (30 sacks) approximately 100' between calculated depth of 481' and borehole TD of 581'.
11/21/01 thru 11/23/01	Waited on cement set.
11/24/01 thru 11/29/01	Drilling commenced on November 24, 2001 to 910' with bentonite mud and 11-7/8" bit through conglomerate/fill to 645', rhyolite to 860', and welded tuff to bottom. Lost circulation at 745' to 755', 785' to 805', and 830' to 860' requiring LCM. Borehole left full of heavy mud enriched with drispac to stabilize hole until drilling resumed in future, and to facilitate future logging efforts.

CERTIFICATION

I hereby certify that the information given above and the data and material attached hereto are true and complete to the best of my knowledge and belief.

Signed:  Position Vice President Date 2-05-02

ok

GEOHERMAL RESOURCES WELL SUMMARY REPORT

Operator AmeriCulture, Inc. Address HC 65 Box 260C, Animas, NM 88020  
Lease Name AmeriCulture, Inc. Well No. A-601-EXPL  
Unit Letter B Sec. 7 Twp. 25S Rge 19W  
Reservoir Lightning Dock County Hidalgo

Commenced drilling October 20, 2001 GEOLOGICAL MARKERS DEPTH  
Completed drilling November 29, 2001 Red Gila Conglomerate 284'  
Total depth 910' Plugged depth Grey Rhyolite 645'  
Junk \_\_\_\_\_  
Commenced producing \_\_\_\_\_ (Date) \_\_\_\_\_ Geologic age at total depth: unknown

Date	Static test		Production Test Data									
	Shut-in well head		Total Mass Flow Data					Separator Data				
	Temp. °F	Pres. Psig.	Lbs/Hr	Temp. °F	Pres. Psig.	Enthalpy	Orifice	Water cuft/Hr	Steam Lbs/Hr	Pres. Psig.	Temp. °F	
11/13/01			500,000	205								

CASING RECORD (Present Hole)

Size of Hole	Size of Casing	Weight of Csg./ft.	Grade of Casing	New or Used	Seamless or Lapweld	Depth of Shoe	Top of Casing	Number of Sacks of Cement	Top of Cement	Cement Top Determined By
20"	16"	82.8 lb.		new	lapweld	292'	1' AGL	160?	GL	Circulation
14-3/4"	12-3/4"	53.6 lb.		new	seamless	581'	1' AGL	30	481-581' spot	Volumetric est.

PERFORATED CASING

(Size, top, bottom, perforated intervals, size and spacing of perforation and method.)

Was analysis of effluent made? No Electrical log depths N/A Temperature log depths 0-910'

CERTIFICATION

I hereby certify that the information given above and the data and material attached hereto are true and complete to the best of my knowledge and belief.

Signed  Position Vice President Date 2-05-02

GEOHERMAL RESOURCES WELL LOG

Operator: AmeriCulture, Inc.  
 Address: HC 65 Box 260C, Animas, NM 88020  
 Reservoir: Lightning Dock  
 Lease Name: AmeriCulture, Inc. Well No. A-601-EXPL Unit Letter: B  
 Location: 825 feet from the east line and 319 feet from the north line Section 7  
 Township: 25S Range 19W County: Hidalgo

FORMATIONS PENETRATED BY WELL

DEPTH TO		Thickness	Drilled or Cored	Recovery	DESCRIPTION
Top of Formation	Bottom of Formation				
0'	270'	270'	Drilled	cuttings	Tert.-Quat. Alluvium
270'	284'	14'	Drilled	cuttings	Tert. Gila Conglomerate transitional unit
284'	645'	361'	Drilled	cuttings	Tert. Gila Conglomerate. Very slow penetration rate to 370', moderate to 417', and fast to 581'. Numerous lost circulation zones
645'	860'	215'	Drilled	cuttings	Rhyolite; fast penetraton compared to conglomerate'; numerous lost circulation zones
860'	910'	50'	Drilled	cuttings	Welded tuff

Attach Additional Sheets if Necessary

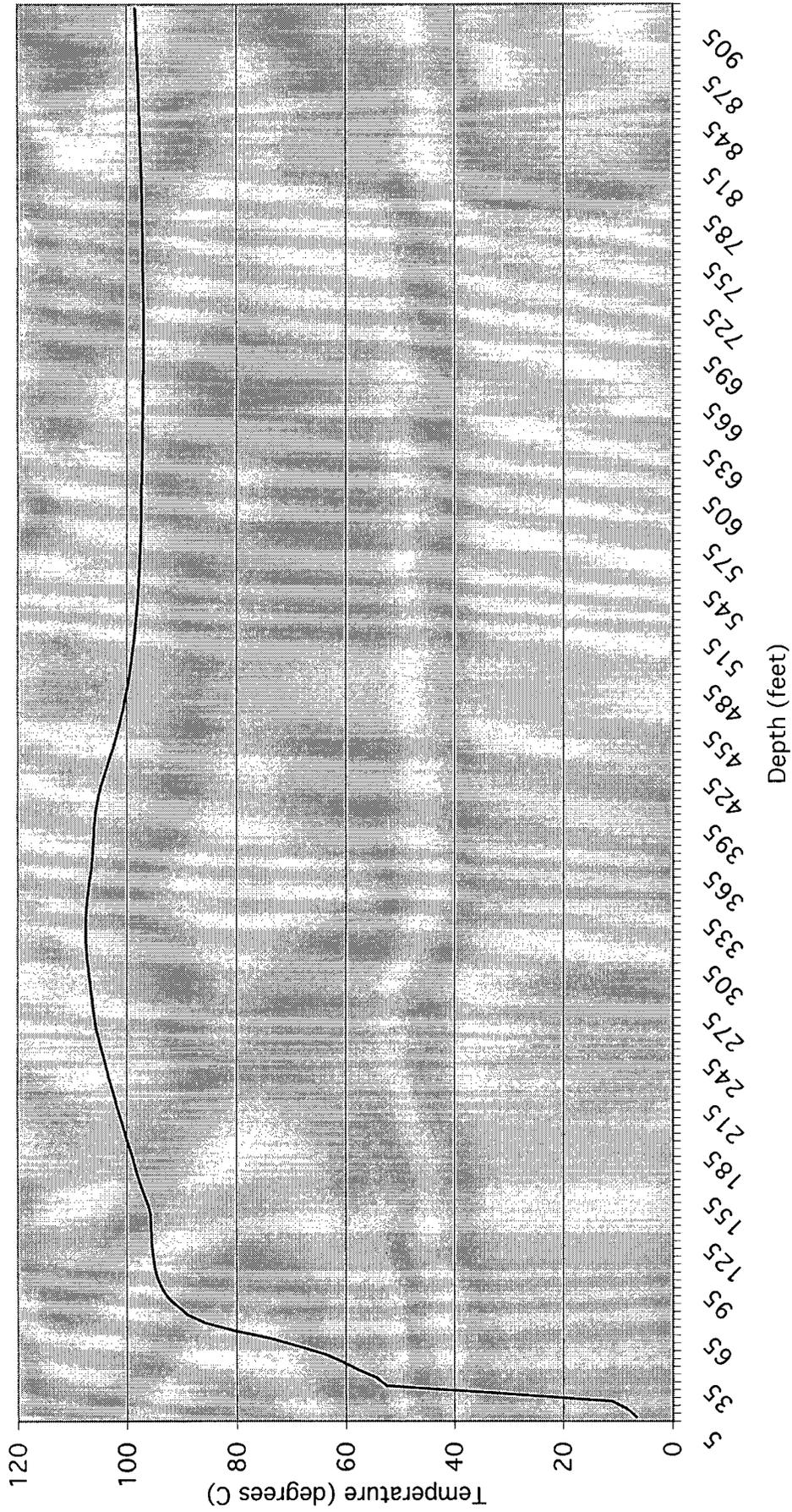
This form must be accompanied by copies of electric logs, directional surveys, physical or chemical logs, water analyses, tests, and temperature surveys (See Rule 205)

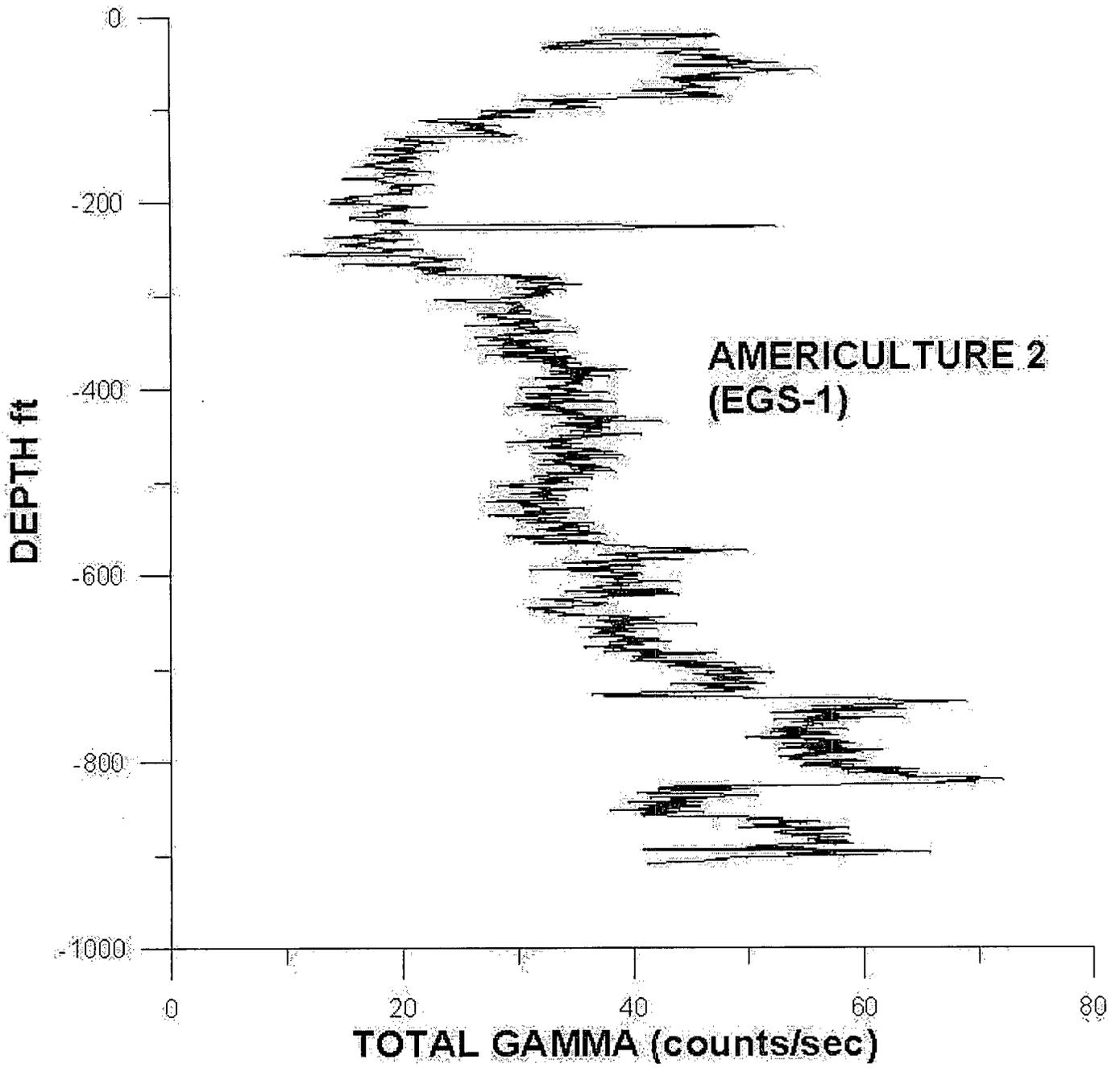
CERTIFICATION

I hereby certify that the information given above and the data and material attached hereto are true and complete to the best of my knowledge and belief.

Signed  Position Vice President Date February 5, 2002

Temperature Log for AmeriCulture A-601-EXPL





CERTIFICATE OF COMPLIANCE  
AND AUTHORIZATION TO PRODUCE  
GEOTHERMAL RESOURCES

OWNER OR OPERATOR

Name AmeriCulture, Inc.  
Address HC 65 Box 260C, Animas, NM 88020

TYPE OF WELL

Geothermal Producer  Low-Temperature Thermal  Injection/Disposal

REASON FOR FILING

New Well  Recompletion   
Change in Ownership  Designation of Purchaser  10  
Other (Please Explain)

DESCRIPTION OF WELL

Lease Name AmeriCulture, Inc. Well No. A-601-EXPL Name of Reservoir Lightning Dock  
Kind of Lease (Fee, Fed. or State) State Lease Number GTR-304-1

LOCATION

Unit Letter B 825 feet from the east line and  
319 feet from the north line of  
Section 7 Township 25S Range 19W  
County Hidalgo

TYPE OF PRODUCT

Dry  Steam and Water  Low Temp. Thermal Water

DESIGNATION OF PURCHASER OF PRODUCT

Name of Purchaser \_\_\_\_\_  
Address of Purchaser \_\_\_\_\_  
Product Will Be Used For \_\_\_\_\_

CERTIFICATE OF COMPLIANCE

I hereby certify that all rules and regulations concerning geothermal resources wells in the State of New Mexico, as promulgated by the Oil Conservation Division of New Mexico, have been complied with, with respect to the subject well, and that the information given above is true and complete to the best of my knowledge and belief.

Signed [Signature] Position Vice President Date 2/05/02  
Approved [Signature] Position DISTRICT SUPERVISOR Date 2/22/02

NO. OF COPIES RECEIVED		
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File		
N. M. B. M.		
U. S. G. S.		
Operator		
Land Office		

SUNDRY NOTICES AND REPORTS  
ON  
GEOTHERMAL RESOURCES WELLS

5. Indicate Type of Lease  
State  Fee

5.a. State Lease No.  
**GTR-304-1**

Do Not Use This Form for Proposals to Drill or to Deepen or Plug Back to a Different Reservoir. Use "Application For Permit" (Form G-101) for Such Proposals.

1. Type of well Geothermal Producer <input type="checkbox"/> Low Temp Thermal <input checked="" type="checkbox"/>	Temp. Observation <input type="checkbox"/> Injection/Disposal <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator <b>AmeriCulture, Inc.</b>		8. Farm or Lease Name <b>AmeriCulture</b>
3. Address of Operator <b>HC 65 Box 260C, Animas, NM 88020</b>		9. Well No. <b>304 A-601-EXPL</b>
4. Location of Well Unit Letter <b>B</b> , <b>319</b> Feet From The <b>north</b> Line and <b>825</b> Feet From The <b>east</b> Line, Section <b>7</b> Township <b>25S</b> Range <b>19W</b> NMPM		10. Field and Pool, or Wildcat <b>Lightning Dock</b>
15. Elevation (Show whether DF, RT, GR, etc.) <b>4265' RT</b>		12. County <b>Hidalgo</b>

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input checked="" type="checkbox"/>	PLUG & ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	OTHER _____

17. Describe Proposed or completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 203

Well spudded on October 20, 2001. Drilled to 270' in alluvium; to 284' in Gila Conglomerate transitional unit; and to 292' in Gila Conglomerate using 20" bit using bentonite mud. Set 16" casing to 1 ft off bottom. Circulated cement in annulus, and verified top of cement by circulation returns. Resumed drilling on October 31, 2001 to 581' using 14-3/4" bit and air/foam as circulation fluid. First major fracture confirmed by surface water returns at 293'. Very slow penetration rate to 370', moderate to 417', and fast to 581'. Major fractures at 370' and 393' with fault zone at 379' to 382'. Set 12-3/4" casing to 581'. On November 20, 2001 casing spot cemented approximately 100' by Halliburton to isolate shallow reservoir. Drilling commenced on November 24, 2001 to 910' with bentonite mud and 11-7/8" bit through conglomerate/fill to 645', rhyolite to 860', and welded tuff to bottom. Lost circulation at 745' to 755', 785' to 805', and 830' to 860' requiring LCM. Borehole left full of 50 viscosity mud enriched with drispac to preserve formation and stabilize hole for future entrance, and to facilitate future logging efforts.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED  TITLE **Vice President** DATE **February 5, 2002**

APPROVED BY  TITLE **DISTRICT SUPERVISOR** DATE **5/22/02**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL

3-15-02

Form G-103  
Adopted 10-1  
Revised 10-1

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N. M. B. M.		
U. S. G. S.		
Operator		
Land/Office		

SAI

SUN

GEO

Dear Roy,  
Thanks for your time a few weeks ago. I'm still working on the location plat with well construction for all the regional wells. Hope all is well with you.

Damon S.

Do Not Use This Form for Proposals to Drill or to Deepen or For Permit -- (Form G-101) for Such Proposals.)

1. Type of well: Geothermal Producer  Temp Inject   
Low-Temp Thermal

2. Name of Operator: **AmeriCulture, Inc.**

3. Address of Operator: **HC 65 Box 260C Ani**

4. Location of Well: Unit Letter **B, 319** Feet From

The **East** Line, Section **7** Tow

15. Elevation

16. Check Appropriate Box

NOTICE OF INTENTION TO:  
PERFORM REMEDIAL WORK  PLUG AND ABANDON   
TEMPORARILY ABANDON   
PULL OR ALTER CASING  CHANGE PLANS

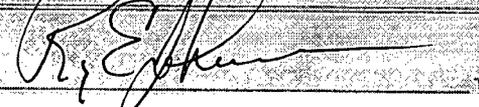
OTHER

17. Describe Proposed or completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting a proposed work) SEE RULE 203.

Drilling on well **A-601-EXPL** (to be renumbered **A-45-A-S-2**) was terminated November 29, 2001 at a total depth of 910' and left full of a 50 viscosity mud enriched with drispac to stabilize the hole for future drilling and facilitate future logging efforts. AmeriCulture may or may not choose not to resume drilling. In either case AmeriCulture desires to pump geothermal fluids from said geothermal well for its operational requirements. Any disposal of spent geothermal fluids will be done according to the terms specified in our recently renewed discharge permit from New Mexico ENMRD or future terms approved of by ENMRD, and as allowed under the pertinent stipulations placed upon AmeriCulture by the New Mexico Office of the State Engineer regarding the quantity, place, and purpose of use of water rights of AmeriCulture. Although some surface discharge is possible, as outlined under our current discharge permit, AmeriCulture intends to use reinjection, whenever practicable, in deference to geothermal resource conservation. AmeriCulture is applying to the New Mexico Office of the State Engineer to permit well **A-601-EXPL** (to be renamed **A-45-A-S-2**) as a supplemental well. Such designation would serve to include said well to the group of fresh and geothermal wells from which AmeriCulture is permitted to produce annually water up to its current water rights holdings (1,567.8 acre feet). Approval of this sundry notice will evidence, to the State Engineer, that the OGD approves of directly producing geothermal fluids from well **A-601-EXPL** according to the terms stated herein.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED:  TITLE: **Vice-President** DATE: **March 15, 200**

APPROVED BY:  TITLE: **DISTRICT SUPERVISOR** DATE: **5/22/02**

Lease Fee

Name

Time

601-EXPL  
A-S-2 304

or Wildcat  
lock

CASING  
ANDONME

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N. M. B. M.	
U. S. C. S.	
Operator	
Land Office	

SUNDRY NOTICES AND REPORTS  
ON  
GEOTHERMAL RESOURCES WELLS

5. Indicate Type of Lease  
State:  Fee

5a. State Lease No.  
**GTR-304-1**

Do Not Use This Form for Proposals to Drill or to Deepen or Plug Back to a Different Reservoir. Use "Application For Permit -" (Form G-101) for Such Proposals.)

1. Type of well  
Geothermal Producer  Temp. Observation   
Low-Temp Thermal  Injection/Disposal

7. Unit Agreement Name

2. Name of Operator  
**AmeriCulture, Inc.**

8. Farm or Lease Name  
**AmeriCulture**

3. Address of Operator  
**HC 65 Box 260C Animas, NM 88020**

9. Well No. **A-601-EXPL**  
~~renumbered A-45-A-S-2~~ **304**

4. Location of Well  
Unit Letter **B, 319** Feet From The **North** Line and **825** Feet From  
The **East** Line, Section **7** Township **25S** Range **19W** NMPM

10. Field and Pool, or Wildcat  
**Lightning Dock**

15. Elevation (Show whether DF, RT, GR, etc.)

**4256' RT**

12. County  
**Hidalgo**

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK  PLUG AND ABANDON   
TEMPORARILY ABANDON   
PULL OR ALTER CASING  CHANGE PLANS   
OTHER

SUBSEQUENT REPORT OF:

REMEDIAL WORK  ALTERING CASING   
COMMENCE DRILLING OPNS.  PLUG & ABANDONME   
CASING TEST AND CEMENT JOB   
OTHER \_\_\_\_\_

17. Describe Proposed or completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting a proposed work) SEE RULE 203.

**304**  
Drilling on well **A-601-EXPL** (to be renumbered **A-45-A-S-2**) was terminated November 29, 2001 at a total depth of 910' and left full of a 50 viscosity mud enriched with drispac to stabilize the hole for future drilling and facilitate future logging efforts. AmeriCulture may or may not choose not to resume drilling. In either case AmeriCulture desires to pump geothermal fluids from said geothermal well for its operational requirements. Any disposal of spent geothermal fluids will be done according to the terms specified in our recently renewed discharge permit from New Mexico ENMRD or future terms approved of by ENMRD, and as allowed under the pertinent stipulations placed upon AmeriCulture by the New Mexico Office of the State Engineer regarding the quantity, place, and purpose of use of water rights of AmeriCulture. Although some surface discharge is possible, as outlined under our current discharge permit, AmeriCulture intends to use reinjection, whenever practicable, in deference to geothermal resource conservation. AmeriCulture is applying to the New Mexico Office of the State Engineer to permit well **A-601-EXPL** (to be renamed **A-45-A-S-2**) as a supplemental well. Such designation would serve to include said well to the group of fresh and geothermal wells from which AmeriCulture is permitted to produce annually water up to its current water rights holdings (1,567.8 acre feet). Approval of this sundry notice will evidence, to the State Engineer, that the OCD approves of directly producing geothermal fluids from well **A-601-EXPL** according to the terms stated herein.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED  TITLE **Vice-President** DATE **March 15, 200**

APPROVED BY  TITLE **DISTRICT SUPERVISOR** DATE **5/22/02**

*Well File*



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
**Oil Conservation Division**

September 22, 2001

Mr. Gary Seawright  
AmeriCulture, Inc.  
190 Central Park Square  
Los Alamos, NM 87544

Re: \$3,000 Single Well Geothermal Cash Bond  
AmeriCulture, Inc., Principal  
Los Alamos National Bank, Depository – Acct No. 0075777230  
319' FNL and 825' FEL of Section 7,  
Township 25 South, Range 19 West,  
Hidalgo County, New Mexico  
Bond No. OCD-704

Dear Mr. Seawright:

The New Mexico Oil Conservation Division hereby approves the above-captioned  
Single-Well Geothermal cash bond.

Sincerely,

DAVID K. BROOKS  
Assistant General Counsel

DKB/dp

cc: Oil Conservation Division – Santa Fe

Los Alamos National Bank  
1200 Trinity Drive  
Los Alamos, NM 87544

*548-2631*  
*Fax #*

APPLICATION FOR PERMIT TO DRILL, DEEPEN,  
OR PLUG BACK--GEOTHERMAL RESOURCES WELL

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U.S.G.S.	
Operator	
Land Office	

5. Indicate Type of Lease  
STATE  FEDERAL   
5.a State Lease No.  
**GTR-304-1**

1a. Type of Work Drill  Deepen  Plug Back   
b. Type of Well Geothermal Producer  Temp Observation   
Low-Temp Thermal  Injection/Disposal

7. Unit Agreement Name  
8. Farm or Lease Name  
**AmeriCulture**

2. Name of Operator  
**AmeriCulture, Inc.**

9. Well No.

3. Address of Operator  
**HC 65 Box 260C, Animas, NM 88020**

10. Field and Pool, or Wildcat  
**Lightning Dock**

4. Location of Well UNIT LETTER **B** LOCATED **319** FEET FROM THE **north** LINE  
AND **825** FEET FROM THE **east** LINE OF SEC. **7** TWP. **25S** RGE. **19W** NMPM

12. County  
**Hidalgo**

19. Proposed Depth  
**1,500**

19A. Formation  
**Horquilla Formation?**

20. Rotary or C.T.  
**Rotary**

21. Elevations (Show whether DF, RT, etc.)  
**4265' RT**

21A. Kind & Status Plug. Bond  
**Int. Single well**

21B. Drilling Contractor  
**Jim McBee**

22. Approx. Date Work will start  
**8 October 2001**

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
20"	16"	83	278+/-	328	Circ.
15"	12-3/4"	54	600+/-	30 (spot cement)	
12"	Open hole		1500+/-		

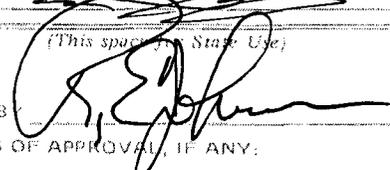
Drill a 20-inch hole (using drilling mud) to rhyolite at 278+/- ft. Case with 16-in casing; cement the annulus to the surface. Drill ahead in the rhyolite at a 15-in hole size using air. After passing out of the rhyolite at about 375 feet and into the underlying sediments (mainly limestone and shale), drill ahead to 600 feet, still using air as the circulating fluid. Run a 600-ft string of 12-3/4-in, 54 lb/ft. Spot cement the bottom 80 ft of the 12-3/4-in casing. Change back to drilling mud as the circulating fluid; drill out the cement inside the casing and pressure-test the cement job and conduct a cement bond log. Drill a 12-in hole to 1500+/- ft, obtaining 3 or 4 spot cores (30-ft long, NX size). Circulate out the drilling mud and replace with water. Clean out borehole with air. Run temperature and geophysical logs.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. Give blowout preventer program, if any.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed  Title **Vice President** Date **September 20, 2001**

(This space for State Use)

APPROVED BY  TITLE **DISTRICT SUPERVISOR** DATE **9/24/2001**

CONDITIONS OF APPROVAL, IF ANY:

GEOHERMAL RESOURCES WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

Operator <b>AmeriCulture, Inc.</b>		Lease <b>GTR-304-1</b>		Well No.	
Unit Letter <b>B</b>	Section <b>7</b>	Township <b>25S</b>	Range <b>19W</b>	County <b>Hidalgo</b>	

Actual Footage Location of Well:  
**825** feet from the **east** line and **319** feet from the **north** line

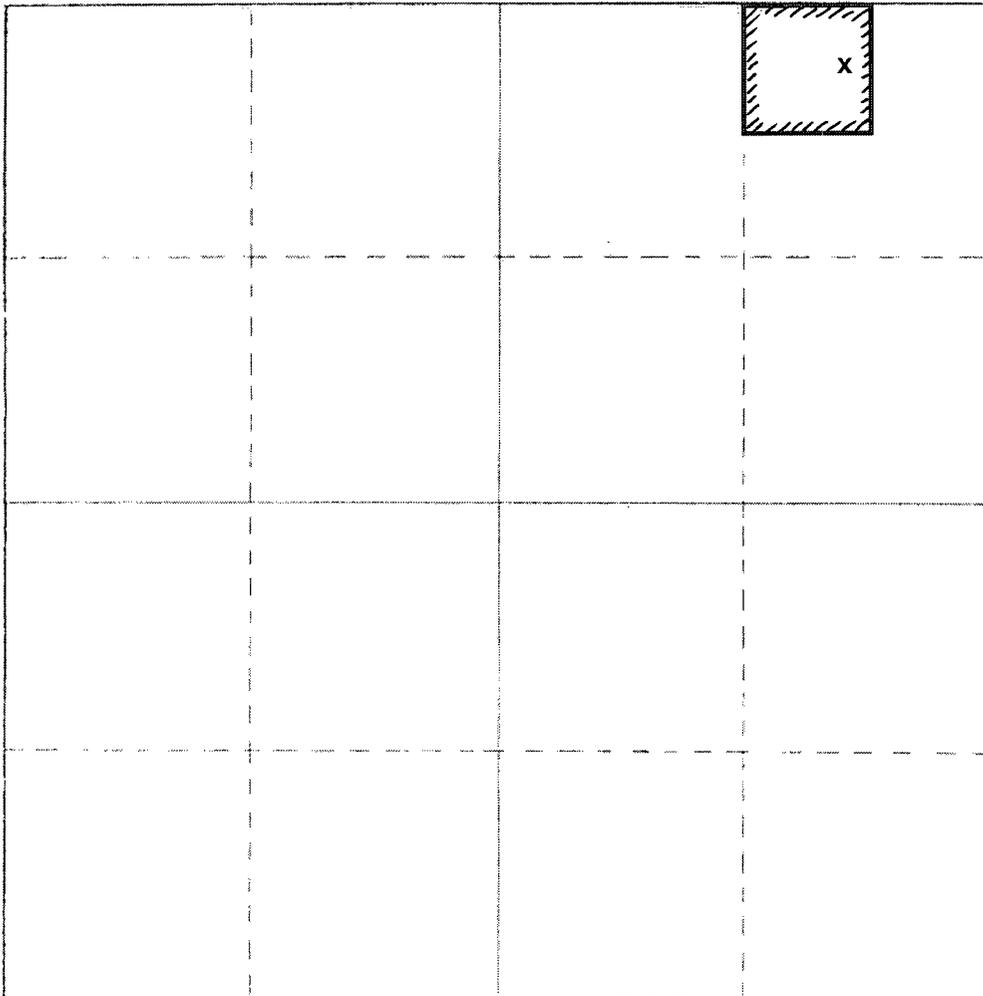
Ground Level Elev. <b>4265' RT</b>	Producing Formation <b>Horquilla Formation ?</b>	Pool <b>Lightning Dock</b>	Dedicated Acreage: <b>10</b> Acres
---------------------------------------	---	-------------------------------	---------------------------------------

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

*[Handwritten Signature]*

Name	<b>Damon E. Seawright</b>
Position	<b>Vice-President</b>
Company	<b>AmeriCulture, Inc.</b>
Date	<b>September 20, 2001</b>

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.*

Date Surveyed	
Registered Professional Engineer and/or Land Surveyor	
Certificate No.	



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U.S.G.S.	
Operator	
Land Office	

APPLICATION FOR PERMIT TO DRILL, DEEPEN,  
OR PLUG BACK--GEOTHERMAL RESOURCES WELL

5. Indicate Type of Lease  
STATE  FEE

5.a State Lease No.  
**GTR-304-1**

1a. Type of Work Drill  Deepen  Plug Back   
b. Type of Well Geothermal Producer  Temp Observation   
Low-Temp Thermal  Injection/Disposal

7. Unit Agreement Name

8. Farm or Lease Name  
**AmeriCulture**

2. Name of Operator  
**AmeriCulture, Inc.**

9. Well No.

3. Address of Operator  
**HC 65 Box 260C, Animas, NM 88020**

10. Field and Pool, or Wildcat  
**Lightning Dock**

4. Location of Well UNIT LETTER **DA** LOCATED **319** FEET FROM THE **north** LINE  
AND **825** FEET FROM THE **east** LINE OF SEC. **7** TWP. **25S** RGE. **19W** NMPM

12. County  
**Hidalgo**

19. Proposed Depth  
**1,500**

19A. Formation  
**Horquilla Formation?**

20. Rotary or C.T.  
**Rotary**

21. Elevations (Show whether DF, RT, etc.)  
**4265' RT**

21A. Kind & Status Plug. Bond  
**Int. Single well**

21B. Drilling Contractor  
**Jim McBee**

22. Approx. Date Work will start  
**8 October 2001**

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST TOP
20"	16"	83	278+/-	328	Circ.
15"	12-3/4"	54	600+/-	30 (spot cement)	
12"	Open hole		1500+/-		

Drill a 20-inch hole (using drilling mud) to rhyolite at 278+/- ft. Case with 16-in casing; cement the annulus to the surface. Drill ahead in the rhyolite at a 15-in hole size using air. After passing out of the rhyolite at about 375 feet and into the underlying sediments (mainly limestone and shale), drill ahead to 600 feet, still using air as the circulating fluid. Run a 600-ft string of 12-3/4-in, 54 lb/ft. Spot cement the bottom 80 ft of the 12-3/4-in casing. Change back to drilling mud as the circulating fluid; drill out the cement inside the casing and pressure-test the cement job and conduct a cement bond log. Drill a 12-in hole to 1500+/- ft, obtaining 3 or 4 spot cores (30-ft long, NX size). Circulate out the drilling mud and replace with water. Clean out borehole with air. Run temperature and geophysical logs.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. Give blowout preventer program, if any.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed  Title **Vice President** Date **September 20, 2001**

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

GEOTHERMAL RESOURCES WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

Operator <b>AmeriCulture, Inc.</b>		Lease <b>GTR-304-1</b>			Well No.
Unit Letter <b>B</b>	Section <b>7</b>	Township <b>25S</b>	Range <b>19W</b>	County <b>Hidalgo</b>	

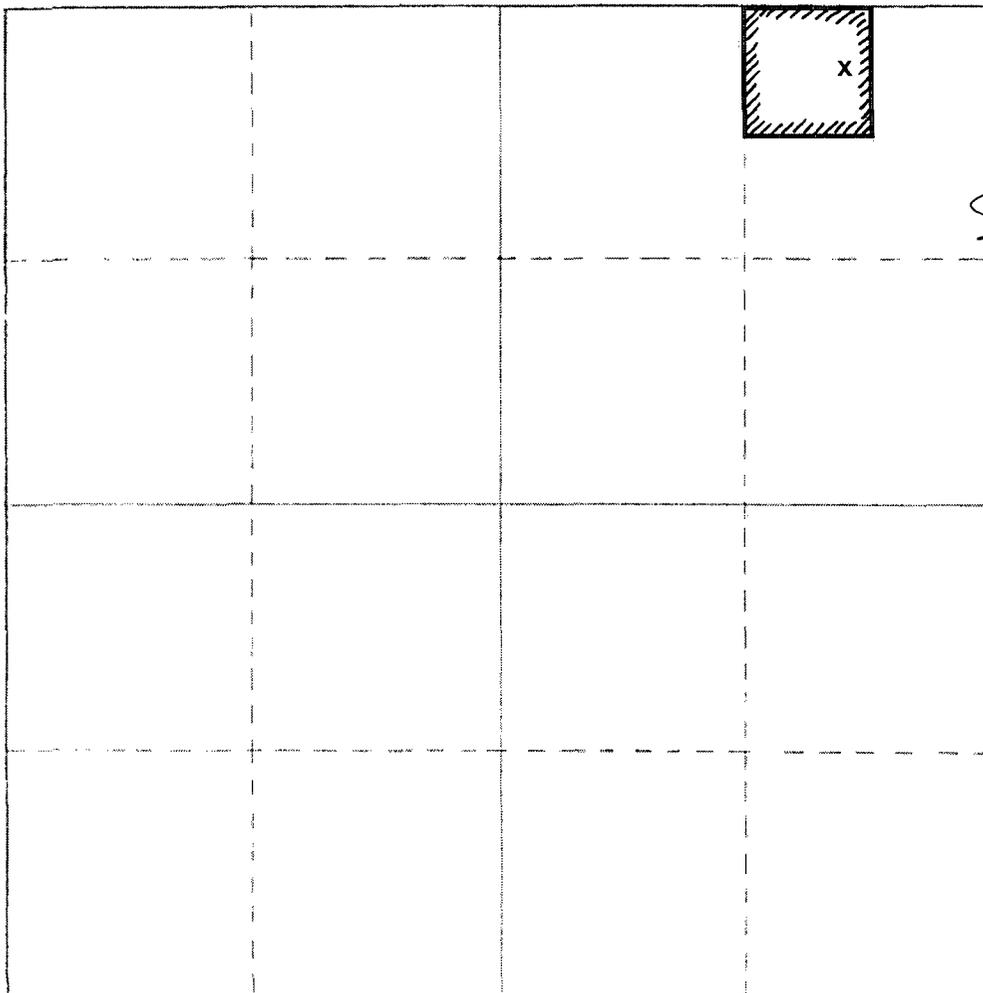
Actual Footage Location of Well:  
**825** feet from the **east** line and **319** feet from the **north** line  
 Ground Level Elev. **4265' RT** Producing Formation **Horquilla Formation ?** Pool **Lightning Dock** Dedicated Acreage: **10** Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Name **Damon E. Seawright**

Position **Vice-President**

Company **AmeriCulture, Inc.**

Date **September 20, 2001**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.*

Date Surveyed \_\_\_\_\_

Registered Professional Engineer and/or Land Surveyor \_\_\_\_\_

Certificate No. \_\_\_\_\_



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Operator	
Land Office	

APPLICATION FOR PERMIT TO DRILL, DEEPEN,  
OR PLUG BACK--GEOTHERMAL RESOURCES WELL

5. Indicate Type of Lease  
STATE  FEE

5.a State Lease No.  
GTR-304-1

7. Unit Agreement Name

8. Farm or Lease Name

9. Well No.  
SEA-1

10. Field and Pool, or Wildcat  
LIGHTNING DOCK

12. County  
HIDALGO

19. Proposed Depth  
490'

19A. Formation  
VALLEY FILL

20. Rotary or C.T.  
ROTARY

21. Elevations (Show whether DF, RT, etc.)  
42.50' MSC

21A. Kind & Status Plug. Bond

21B. Drilling Contractor  
ELBROCK WATER SYSTEMS

22. Approx. Date Work will start  
MAY 1, 1996

1a. Type of Work  
Drill  Deepen  Plug Back

b. Type of Well  
Geothermal Producer  Temp Observation   
Low-Temp Thermal  Injection/Disposal

2. Name of Operator  
AMERICULTURE, INC. GARY L. SEAWRIGHT, PRESIDENT

3. Address of Operator  
536 PAUL PLACE, LOS ALAMOS, NM 87544

4. Location of Well  
UNIT LETTER A LOCATED 990 FEET FROM THE EAST LINE  
AND 630 FEET FROM THE NORTH LINE OF SEC. 7 TWP. 25 S RGE. 19 W NMPM

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
<u>12 3/4</u>	<u>10 3/4</u>	<u>32.75</u>	<u>100</u>	<u>150</u>	<u>CIRC</u>

HOLE WILL BE DRILLED IN VALLEY FILL UNTIL RHYOLITE ROCK IS ENCOUNTERED. DEPTH AT THAT POINT COULD BE 100 FEET; IF SO, WELL WILL BE CASED 10 FEET INTO RHYOLITE, AND THEN COMPLETED AS OPEN HOLE TO TD. DEPTH TO RHYOLITE COULD BE 300' ±.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. Give blowout preventer program, if any.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Gary L. Seawright Title PRESIDENT Date 22 APRIL 1996

(This space for State Use)

APPROVED BY [Signature] TITLE DISTRICT SUPERVISOR DATE MAY 29, 1996

CONDITIONS OF APPROVAL, IF ANY:

GEOTHERMAL RESOURCES WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

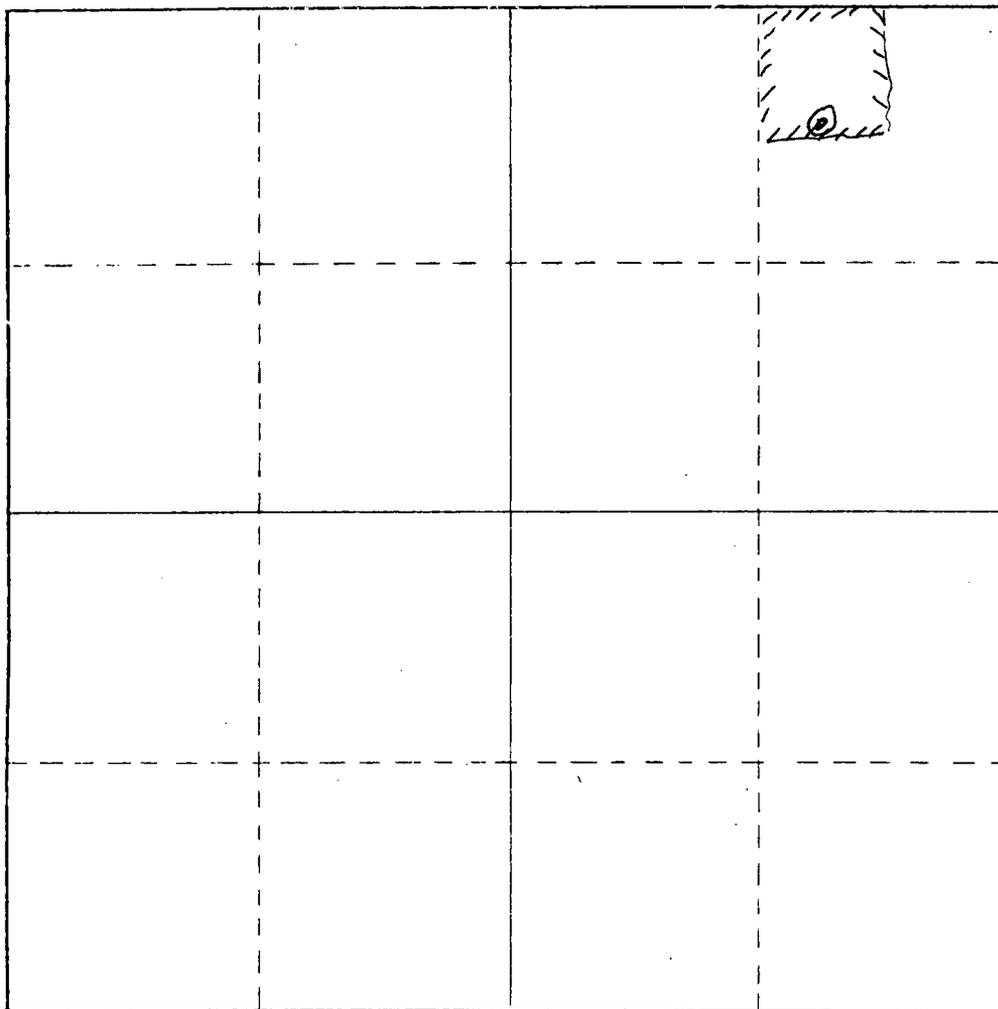
Operator <b>AMERICULTURE, INC.</b>		Lease <b>STATE LEASE GTR-304-1</b>			Well No. <b>SEA-1</b>
Unit Letter <b>A</b>	Section <b>7</b>	Township <b>25 S</b>	Range <b>19 W</b>	County <b>HIDALGO</b>	
Actual Footage Location of Well: <b>990</b> feet from the <b>EAST</b> line and <b>630</b> feet from the <b>NORTH</b> line					
Ground Level Elev. <b>4250</b>	Producing Formation <b>ANIMAS VALLEY FILL</b>		Pool <b>LIGATNING ROCK</b>		Dedicated Acreage: <b>10</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownersip is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Gary L. Seawright*

Name  
**GARY L. SEAWRIGHT**

Position  
**PRESIDENT**

Company  
**AMERICULTURE INC**

Date  
**22 APRIL 1996**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

May 29, 1996

AmeriCulture, Inc.  
536 Paul Place  
Los Alamos, NM 87544

Attention: Gary Seawright

Re: \$2,000 Geothermal Cash Bond  
AmeriCulture, Inc., Operator  
Los Alamos National Bank, Depository  
630' FNL and 990' FEL of Sec. 7,  
T-25-S, R-19-W, Hidalgo County  
Bond No. OCD-576

Dear Mr. Seawright:

The Oil Conservation Division hereby approves the above-referenced geothermal bond effective this date.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Roy Johnson - Santa Fe