



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

September 16, 2005

Greg Jokela 505-748-4555 Fax 505-748-4275  
Agave Energy Company  
105 South Fourth Street  
Artesia, NM 88210

RECEIVED  
SEP 27 2005  
OCC-ARTESIA

**RE: Acid Gas injection Well Requirements for the:**  
Metropolis AZL State Com Well No. 1 API No. 30-015-31905  
Unit K, Section 36, Township 18 South, Range 25 East, NMPM, Eddy County, NM  
Injection into the Devonian and Ellenburger from 9,900 to 11,400

Dear Mr. Jokela:

The Division approved this injection permit on August 31, 2004. Requirements within the permit included:


- 1) Copy of the mudlog obtained when deepening the well.
- 2) Estimate of static bottom hole pressure
- 3) Annual MIT tests
- 4) Annual Chart of Daily injection rates and pressures sent to the Engineering Bureau in Santa Fe.
- 5) Limited surface injection pressure to 1,980 psi.

**Please reply to this letter with verification that these requirements are being met – including remarks about the MIT tests and a chart of pressure vs injection rates.**

DEFS has an Acid Gas injection well in Section 7, T-18-S, R-28-E called the Duke AGI Well No. 1. Mr. Russell Bentley with Duke Energy in Houston was the project engineer. DEFS maintains that plastic coated tubing will be permeated and destroyed by acid gas. DEFS also believes that a diesel filled annulus – in lieu of water filled - will prevent any tubing leaks from contacting water and creating carbonic acid and causing casing corrosion.

**Please contact DEFS if possible and include in your reply letter, your comments pertaining to the DEFS concerns.**

Thank you,

  
William V. Jones PE  
Engineer for the Division

cc:  District office of the Division

Joshua Epel DEFS 370 17<sup>th</sup> St. #2500, Denver, CO 80202

Russell Bentley Duke Energy 5400 Westheimer Ct. WP-1225, Houston, TX 77056-5310