

Submit 1 Copy To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NO. 30-015-31905 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Class II Acid Gas Injection | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Agave Energy Company | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 105 South Fourth Street, Artesia, NM, 88210 | | 7. Lease Name or Unit Agreement Name Metropolis Disposal |
| 4. Well Location Unit Letter ___ Unit K ___: 1650 feet from the South line and 1650 feet from the West line Section 36 Township 18S Range 25E NMPM Eddy County | | 8. Well Number 001 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3498ft GR | | 9. OGRID Number 147831 |
| | | 10. Pool name or Wildcat Devonian |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Agave plans to workover the above well and return it to injection status as per NMOCD Order R-13371. Beginning on or about 4/18/11, a blanking plug will be set in the tubing below the packer to isolate the formation, then the 2 7/8", 6.5#, J55 tubing will be removed. In addition, the production tree will be removed for maintenance and refurbishment. A temporary 7 1/16", 5000 psi x 2 9/16" 5000 psi Dry Hole Tree Assembly will be installed, and the rig released.

After fabrication of the 2 7/8" nickel alloy Subsurface Safety Valve (SSSV) is complete (late May or June, 2011), the rig will return and a new 2 7/8" 6.5#, L80, ULTRA FJ tubing string and SSSV will be run in the well. An inert fluid (diesel fuel) will be placed behind the tubing as a packer fluid, and a 1/4" Inconel control line will be run from the outside of the SSSV at approximately 250 ft through the tubing hanger in the refurbished production tree. Finally, the tubing will be landed and an initial Mechanical Integrity Test will be performed to comply with the Order.

*NOTIFY THE OGD ARTESIA OFFICE PRIOR TO THE MIT
SO IT MAY BE WITNESSED. (24 HOUR MINIMUM)*

Spud Date:

Rig Release Date:

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

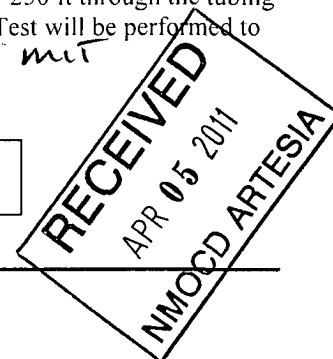
SIGNATURE David T. Lescinsky TITLE for Geolex, Inc. (Consultant to Agave) DATE 04/04/2011

Type or print name David T. Lescinsky, CPG E-mail address: dtl@geolex.com PHONE: (505)-842-8000

For State Use Only

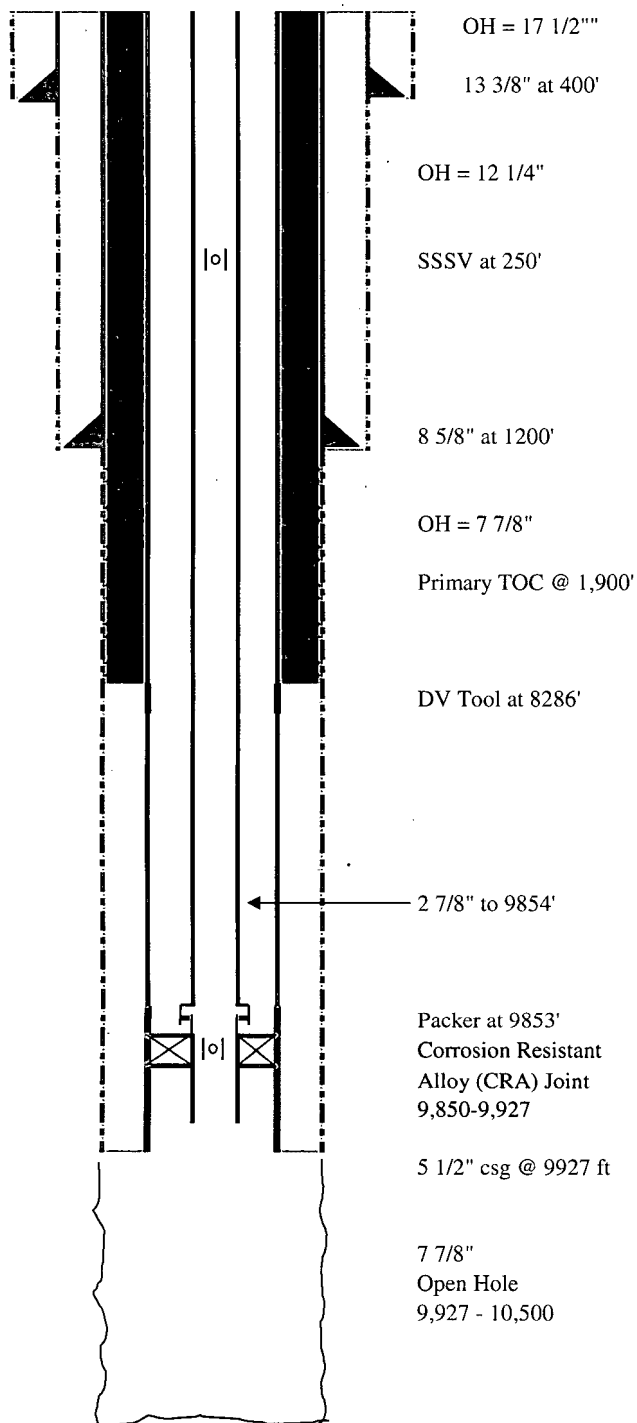
APPROVED BY: Richard Ince TITLE COMPLIANCE OFFICER DATE 4/7/11

Conditions of Approval (if any):



| | |
|--------------|-----------------------|
| Location: | 1650' FSL & 1650' FWL |
| STR | UNIT K, S36-T18S-R25E |
| County, St.: | EDDY, NEW MEXICO |

13 3/8", 48.00#/ft, H40, STC at 400'



8 5/8", 24.0 #/ft, J55, STC at 1200'

5 1/2", 15.5#/ft, J55, STC at 9850'

5 1/2", 17#/ft, 28-110, VAM Alloy, 9850-9927

4 Squeeze Holes at 1870 ft

Nickel Alloy Subsurface Safety Valve at 250 ft

2 7/8", 6.5#/ft, L80, ULTRA FJ @ 9853'

Permanent Production Packer

OPEN HOLE INTERVAL: 9,927' TO 10,500'

[illegible]

April 4, 2011

Mr. Randy Dade
District Supervisor
District 2, New Mexico Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210

VIA FEDERAL EXPRESS

RE: SUBMITTAL OF FORM C-103 FOR AGAVE METROPOLIS DISPOSAL – API 30-015-31905

Dear Mr. Dade:

Enclosed for your review is the C-103 (Notice of Intention to Perform Remedial Work) on the Agave Metropolis Disposal well in Section 36, Township 18 South, Range 25E in Eddy County, New Mexico.

The proposed remedial work is required to bring the Metropolis Disposal well to injection status as per NMOCD Order R-13371. The proposed work will include:

- servicing of the existing production tree
- replacement of the tubing
- addition of a corrosion resistant Subsurface Safety Valve (SSSV)
- addition of an inert fluid in the annulus
- performance of a mechanical integrity test after the tubing is landed.

Please see the attached completion schematic with details regarding the planned work.

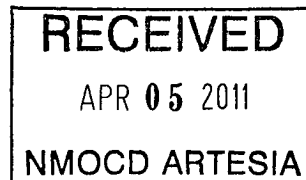
We anticipate that remedial work will begin on or about April 18, 2011, with the tree maintenance and tubing removal. We will inform you of the exact date as soon as the scheduling is complete.

Please contact me or Mr. Alberto Gutierrez, R.G. at 505-842-8000 if you have any questions regarding this submittal.

Sincerely,
Geolex, Inc.



David Lescinsky, C.P.G.



cc: Mr. Ivan Villa – Agave Energy Corporation
Mr. Alberto Gutierrez – Geolex, Inc.
Mr. Russell Bentley – Carbon Free Corporation

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