

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

**IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**APPLICATION OF AGAVE ENERGY COMPANY FOR
APPROVAL OF A SALT WATER DISPOSAL WELL
EDDY COUNTY, NEW MEXICO.**

CASE NO. ¹²⁸¹² ~~12832~~

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Agave Energy Company
Attention: Randy Patterson
105 South Fourth Street
Artesia, New Mexico 88210-2118
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ATTORNEY

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STATE OF NEW MEXICO

STATEMENT OF CASE

APPLICANT

Applicant seeks approval to utilize its Metropolis "AZL" State Com Well No. 1 (API No. 30-015-31905) located 1650 feet from the South and West lines (Unit K) of Section 36, Township 18 South, Range 25 East, to dispose of produced water into the Devonian and Ellenburger formations from a depth of 9,900 feet to 11,400 feet. This well is located approximately 4 miles northwest of Lakewood, New Mexico.

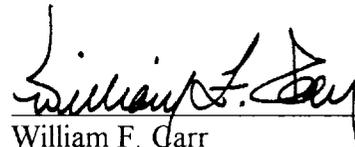
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
John Humphries (Petroleum Geo.)	Approximately 20 Minute	1
George Freeman (Petroleum Eng.)	Approx. 20 Minutes	2

PROCEDURAL MATTERS

Agave Energy Company has none at this time.

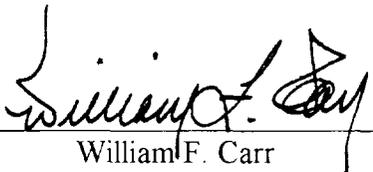


William F. Carr
Attorney for Agave Energy Company

CERTIFICATE OF MAILING

I hereby certify that on this 4th day of March 2002, I have caused to be delivered by facsimile a copy of the Pre-Hearing Statement of Agave Energy Company in the above-captioned case to the following counsel of record.

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