

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

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

**APPLICATION OF AGAVE ENERGY COMPANY
FOR AUTHORITY TO INJECT, LEA
COUNTY, NEW MEXICO**

Case No. 14720

**AGAVE ENERGY COMPANY'S
PRE-HEARING STATEMENT**

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Pursuant to 19.15.4.13(B)(1) NMAC, applicant Agave Energy Company (“Agave Energy”) submits its Pre-Hearing Statement.

APPEARANCES

Agave Energy’s business address is 105 S. Fourth Street, Artesia, New Mexico 88210. It is represented by the undersigned counsel.

Appearances have been entered by Gabrielle Gerholt on behalf of the Oil Conservation Division and by James Bruce on behalf of Kaiser-Francis Oil Company.

STATEMENT OF THE CASE

Agave Energy’s application seeks an order authorizing Agave Energy to inject acid gas (CO₂ and H₂S) from its Red Hills Gas Processing Plant into the proposed Red Hills AGI #1 well. The proposed well will be located in Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, approximately twenty (20) miles northwest of Jal. Agave Energy requests approval to drill and complete the Red Hills AGI #1 well for the injection of acid gas into the Cherry Creek Canyon formation in an injection interval from approximately 6,200 feet to 6,530 feet.

Agave Energy further requests approval of a maximum daily injection rate of 13 MMCFD and a maximum injection pressure of 2,085 psi.

PROPOSED EVIDENCE

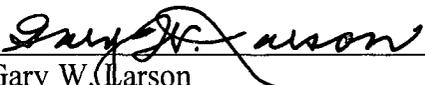
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Ivan Villa (Engineer)	15 min.	
Jennifer Knowlton (Engineer)	15 min.	
Alberto Gutierrez (Geologist)	30 min.	3

In accordance with 19.15.4.13(B)(2) NMAC, copies of the exhibits that Agave Energy will offer into evidence at the hearing are attached.

PROCEDURAL MATTERS

Agave Energy is not aware of any procedural matters to be resolved prior to the hearing.

HINKLE, HENSLEY, SHANOR &
MARTIN, LLP



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Counsel for Agave Energy Company

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of December, 2011, I sent a true and correct copy of the foregoing *Agave Energy Company's Pre-Hearing Statement* via email to:

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