

NOTICE OF PUBLIC HEARING

State of New Mexico
Energy, Minerals and Natural Resources Department,
Oil Conservation Division

[Formal portions in standard OCD format]

Case No. 1494.8 Applications of Los Lobos Renewable Power, LLC [Forms G-112] for approval to inject into a geothermal aquifer through two proposed geothermal injection wells at the site of the proposed Lightning Dock Geothermal Power Project, Hidalgo County, New Mexico. Los Lobos Renewable Power, LLC, whose address is 5152 North Edgewood Drive, Suite 375, Provo, Utah 84604 (Applicant), filed administrative applications (Forms G-112) pursuant to 19.14.93.8 NMAC to place two proposed geothermal injection wells (Wells Nos. 53-7 and 55-7) on injection for well testing and potential future re-injection of geothermal waters, at the Lightning Dock Geothermal Power Facility. These applications have been protested by Damon E. Seawright on behalf of AmeriCulture, Inc (Protestant). This hearing is being conducted pursuant to the Geothermal Resources Conservation Act, NMSA 1978 Sections 71-5-1 through 71-5-24, as amended, and Rules set forth in 19.14 NMAC, especially 19.14.93.8 NMAC, concerning permitting of geothermal injection and disposal wells. The hearing will be conducted by a Division-appointed hearing officer. The issues to be addressed concern whether the proposed injection will contaminate any underground source of drinking water or otherwise cause waters of the State of New Mexico to exceed applicable water quality standards, and whether such injection will cause waste of geothermal resources or impair correlative rights of geothermal users, as defined in 19.14.1.7.C NMAC.

The Lightning Dock geothermal power project is generally located in the NW/4, SW/4 of Section 7, Township 25 South, Range 19 West, NMPM, Hidalgo County, New Mexico. The project area is located within the Animas River Valley approximately 10 miles south of I-10 on CR 338 (east side of Geothermal Road). Production and injection wells are generally located within Sections 7 and 18.

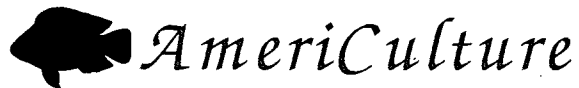
The division will accept comments and statements of interest regarding the applications. Persons interested in requesting further information, and submitting comments may contact Glenn von Gonten, Team Leader of the Oil Conservation Division, at 1220 S. St. Francis Drive, Santa Fe, NM 87505, (505) 476-3488. The applications may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The applications are also posted on the division's web site.

Any person who wishes to present technical evidence at the hearing must, at least four business days before the hearing, but in no event after 5:00 p.m. Mountain Time on the Thursday before the scheduled hearing, file with the OCD and serve on each opposing party, a Pre-Hearing



Statement containing the information set forth in 19.15.4.13.B NMAC. The filing may be mailed to the division at the above address, or faxed to the division at (505) 476-3462, attention Florine Davidson. A person who does not file a Pre-Hearing Statement may present a general non-technical statement in support of or in opposition to the applications. Portions of the hearing may be closed to the public for presentation of confidential evidence pursuant to NMSA 1978 Section 71-2-8.

[Formal portions, signature block and seal in standard OCD format]



December 26, 2012

David Brooks
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14948

RE: LOS LOBOS RENEWABLE POWER, L.L.C. APPLICATIONS TO PLACE WELL ON INJECTION-
GEOTHERMAL RESOURCES AREA, WELL NOS. LDG-55-7 AND LDG 53-7 IN SECTION 7, TOWNSHIP
25 SOUTH, RANGE 19 WEST, NMPM, HIDALGO COUNTY, NEW MEXICO

Dear David:

Eight days ago, AmeriCulture received a certified mailing, which was mailed December 13, 2012, and which enclosed two OCD G-112 forms completed by Los Lobos Renewable Power, LLC corresponding to proposed injection wells LDG-55-7 and LDG-53-7. This is the first time that we were made aware of the existence of either form, since, as of today, neither form has been uploaded to OCD's online imaging database. Accordingly, we have no idea when, or even if, copies of said forms were filed with the Division's Santa Fe office.

AmeriCulture hereby protests the use of either of wells LDG-55-7 or LDG-53-7 as injection wells in accordance with the operational specifications set forth in the corresponding G-112 forms. A non-exhaustive and general discussion of certain elements forming the basis for the protest is summarized below.

AmeriCulture State Well No. 1 is in direct hydraulic connection with the production interval in Well LDG-55-7. This direct hydraulic connection was demonstrated during a pump test conducted on AmeriCulture State Well No. 1. AmeriCulture pumps water from State Well No. 1 directly into its aquaculture production systems. Any injection scenario that forces AmeriCulture to subject its fish to disposed fluids from a geothermal power plant, or fluids that are substantially different in water chemistry, is totally unacceptable. Our concern applies to all of AmeriCulture's wells.

By virtue of the recent completion of Well LDG-53-7 and the general inaccessibility of pertinent production and water chemistry information corresponding to Well LDG-53-7, our protest of using said well as an injection well is based, in part, on the possibility of migration of disposed geothermal power plant fluids to one or more of AmeriCulture's production wells.

Sincerely Yours,

Damon E. Seawright
President



December 13, 2012

Mr. Randy Dade
District 2 Supervisor
New Mexico Oil Conservation Division
811 South First Street
Artesia, NM 88210
575-748-1283
Randy.Dade@state.nm.us

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Case 14948

RE: OCD Forms G-104, 105, 106, 107, and 112, Geothermal Well LDG 53-7 for Los Lobos Renewable Power, LLC, Hidalgo County, New Mexico

Dear Mr. Dade:

On behalf of Los Lobos Renewable Power, LLC, AMEC Environment & Infrastructure, Inc. hereby submits the attached Forms G-104, 105, 106, 107, and 112 for the existing LDG 53-7 geothermal well located on the Lightning Dock Geothermal project in Hidalgo County, New Mexico. These forms are being submitted in order to temporarily inject geothermal fluid produced from LDG 45-7 into LDG 53-7. Also attached are a well schematic, analytical results for a geothermal fluid sample from LDG 53-7, and a copy of the G-102 form for this well. All electric logs, pressure, and temperature logs, and the deviation survey for this well were submitted to OCD in February 2012.

Mr. Carl Chavez in your Santa Fe office will receive the third copy of each of these documents. Thank you very much for your assistance in the development of this important energy project. Should you have questions regarding this application to temporarily inject geothermal fluid into LDG 53-7, please do not hesitate to contact me by email at David.Janney@amec.com or by phone at (505) 821-1801.

Respectfully submitted,

David W. Janney, P.G.
Agent for Los Lobos Renewable Power, LLC

Cc: Carl Chavez - NMOCD
Haddy Phillips - NMOSE
Patrick Moran - BLM LCDO
Nick Goodman - Los Lobos Renewable Power, LLC/Cyrq Energy
Chuck Smiley - Los Lobos Renewable Power, LLC/Cyrq Energy
Michelle Henrie - Attorney for Los Lobos Renewable Power, LLC

Attachments

Two (2) Forms G-102, 104, 105, 106, 107, 112 LDG 53-7
Two (2) Fluid analytical results and well schematic for the LDG 53-7

APPLICATION TO PLACE WELL ON INJECTION-GEOTHERMAL RESOURCES AREA

Operator Los Lobos Renewable Power, LLC		Address 136 S. Main Street, Salt Lake City, UT 84101	
Lease Name Federal Lease No. NM 34790	Well No. LDG-53-7	Field Lightning Dock	County Hidalgo
Location Unit Letter <u>G</u> ; Well is Located <u>1525</u> Feet From The <u>North</u> Line And <u>2228</u> Feet From The <u>East</u> Line, Section <u>7</u> Township <u>25 S</u> Range <u>19 W</u> NMPM.			

CASING AND TUBING DATA

NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
Conductor Pipe	30"	46'	575	GL	flow to surface
Surface Casing	20"	393'	750	GL	flow to surface
Long String	13.375"	1747'	913	GL	flow to surface
Tubing	9.625"	4431'	Name, Model and Depth of Tubing Packer blank 1709'-1827', 4236'-4431'; perforated 1827'-4236'		
Name of Proposed Injection Formation Horquilla Fm.			Top of Formation ~ 1400'		Bottom of Formation 3000' - 4000'
Is Injection Through Tubing, Casing, or Annulus? Production Liner 9.625"		Perforations or Open Hole? Perforations		Proposed Interval(s) of Injection 1827' - 4236'	
Is This a New Well Drilled For Injection? No	If Answer is No, For What Purpose was Well Originally Drilled? Production of geothermal fluid		Has Well Ever Been Perforated in Any Zone Other Than the Proposed Injection Zone? No		
List All Such Perforated Intervals and Sacks of Cement used to Seal Off or Squeeze Each Not Applicable					
Depth of Bottom of Deepest Fresh Water Zone in This Area Unknown		Is This Injection for Purpose of Pressure Maintenance Re-injection of produced geothermal fluids or Water Disposal? (See Rules 501 and 502)			
Anticipated Daily Injection Volume Gallons	Minimum 1,440,000	Maximum 3,000,000	Open or Closed Type System Open System	Is Injection to be by Gravity or Pressure? Gravity	Approx. Pressure (psi) < 100
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 No	Natural Water in Injection Zone No	Are Water Analyses Attached? Yes (LDG 53-7)
Name and Address of Surface Owner (or Lessee, if State or Federal Land) Rosette, Inc., P.O. Box 1618, Roswell, NM 88202-1618					
List Names and Addresses of all Operators Within One-Half (1/2) Mile of This Injection Well					
Rosette, Inc., P.O. Box 1618 Roswell, NM 88202-1618					
Americulture, Inc. 25 Tilapia Trail, Animas, NM 88020					
Timothy McCants, 120 N. Arkansas Street, Alice, Texas 78332					
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.

David Ramsey, PE
(Signature)

Agent for Los Lobos Renewable Power, LLC
(Title)

12/13/2012
(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 so requests. SEE RULE 503.



December 13, 2012

Mr. Randy Dade
District 2 Supervisor
New Mexico Oil Conservation Division
811 South First Street
Artesia, NM 88210
575-748-1283
Randy.Dade@state.nm.us

Case 14948

RE: OCD Form G-112, Geothermal Well LDG 55-7 for Los Lobos Renewable Power, LLC, Hidalgo County, New Mexico

Dear Mr. Dade:

On behalf of Los Lobos Renewable Power, LLC, AMEC Environment & Infrastructure, Inc. hereby submits the attached Form G-112 for the existing LDG 55-7 geothermal well located on the Lightning Dock Geothermal project in Hidalgo County, New Mexico. This form is submitted in order to temporarily inject geothermal fluid produced from LDG 45-7 into LDG 55-7. Also attached are a well location map, a well schematic for LDG 55-7, and a copy of the G-102 form for this well. All electric logs, pressure, and temperature logs, the deviation survey, and geothermal fluid analytical results for this well were submitted to OCD in July 2012 along with OCD Forms G-104, 105, 106, and 107.

Carl Chavez in your Santa Fe office will receive the third copy of each of these documents. Thank you very much for your assistance in the development of this important energy project. Should you have questions regarding this application to temporarily inject geothermal fluid into LDG 55-7, please do not hesitate to contact me by email at David.Janney@amec.com or by phone at (505) 821-1801.

Respectfully submitted,

David W. Janney, P.G.
Agent for Los Lobos Renewable Power, LLC

Cc: Carl Chavez - NMOCD
Haddy Phillips - NMOSE
Patrick Moran - BLM LCDO
Nick Goodman - Los Lobos Renewable Power, LLC/Cyrq Energy
Chuck Smiley - Los Lobos Renewable Power, LLC
Michelle Henrie - Attorney for Los Lobos Renewable Power, LLC

Attachments

Two (2) Forms G-112 LDG 55-7

Two (2) Well location figure and well schematic for the LDG 55-7

APPLICATION TO PLACE WELL ON INJECTION-GEOTHERMAL RESOURCES AREA

Operator Los Lobos Renewable Power, LLC		Address 136 S. Main Street, Salt Lake City, UT 84101	
Lease Name Federal Lease No. NM 34790	Well No. LDG-55-7	Field	County Hidalgo
Location Unit Letter <u>J</u> ; Well Is Located <u>2329</u> Feet From The <u>South</u> Line And <u>2412</u> Feet From The <u>East</u> Line, Section <u>7</u> Township <u>25 S</u> Range <u>19 W</u> NMPM.			

CASING AND TUBING DATA

NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
Conductor Pipe	30"	30'	6 sx mix 4 CY	GL	flow to surface
Surface Casing	20"	360'	530	GL	flow to surface
Long String	13.375"	1050'	714	GL	flow to surface
Tubing	NA	NA	Name, Model and Depth of Tubing Packer NA		
Name of Proposed Injection Formation Horquilla Fm.			Top of Formation ~ 1590'		Bottom of Formation 3800'
Is Injection Through Tubing, Casing, or Annulus? Production Casing 13.375"		Perforations or Open Hole? Open Hole		Proposed Interval(s) of Injection 1590' - 2349'	
Is This a New Well Drilled For Injection? No		If Answer is No, For What Purpose was Well Originally Drilled? Geothermal Production		Has Well Ever Been Perforated in Any Zone Other Than the Proposed Injection Zone? Not Applicable - Open Hole	
List All Such Perforated Intervals and Sacks of Cement used to Seal Off or Squeeze Each Not Applicable					
Depth of Bottom of Deepest Fresh Water Zone in This Area Unknown		Is This Injection for Purpose of Pressure Maintenance Re-injection of produced geothermal fluids or Water Disposal? (See Rules 501 and 502)			
Anticipated Daily Injection Volume Gallons	Minimum 1,440,000	Maximum 3,000,000	Open or Closed Type System Open System	Is Injection to be by Gravity or Pressure? Gravity	Approx. Pressure (psi) < 100
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 No	Natural Water in Injection Zone No	Are Water Analyses Attached? Yes (Well LDG 55-7)
Name and Address of Surface Owner (or Lessee, if State or Federal Land) Rosette, Inc., P.O. Box 1618, Roswell, NM 88202-1618					
List Names and Addresses of all Operators Within One-Half (1/2) Mile of This Injection Well					
Rosette, Inc., P.O. Box 1618, Roswell, NM 88202-1618					
Americulture, Inc., 25 Tilapia Trail, Animas, NM 88020					
Timothy McCants, 120 N. Arkansas Street, Alice, Texas 78332					
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.

Daniel Arney, PG
(Signature)

Agent for Los Lobos Renewable Power, LLC
(Title)

12/4/2012
(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 so requests. SEE RULE 503.