

Gretchen E. Ainsworth
4681 Mt. Longs Dr.
San Diego, CA 92117

DEC 26 2001

December 22, 2001

Certified Mail-Return Receipt Requested

Ms. Lori Wrotenbery
NM-OCD
P.O. Box 2088
Santa Fe, NM 87505

Case 12812

Re: Metropolis 'AZL' State Com #1
Application for Authorization to Inject

Dear Ms. Wrotenbery:

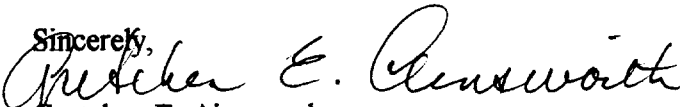
I am in receipt of a photocopy of a letter dated December 12, 2001 to you from Agave Energy Company Vice-President Paul Ragsdale concerning a pending form C-108 (Application for Authority to Inject) for the proposed Metropolis 'AZL' State Com #1 located in Unit K of Section 36-18S-25E, Eddy County, New Mexico.

Please be advised that the Proof of Notice based on Mr. Ragsdale's Attachment D to the letter bearing the same date to me is insufficient. Among its defects is the failure to include all leasehold operators within one-half mile of the well location.

Apart from this procedural deficiency, I object to the approval of the application and request a hearing before your agency to address the effects on the injection zone aquifers. The proposal threatens the integrity of all underground sources of drinking water and corresponding irreparable injury to these resources. Neither Agave, nor its parent, Yates Petroleum, have my permission to undertake this project, nor does my lease with Yates allow the proposed use. Indeed, to the extent that this proposal may encroach or otherwise directly or indirectly affect my property interests, I regard it as both a tortious conversion of my property as well as civil and criminal trespass. Neither Yates nor Agave propose any compensation for this unauthorized use.

I look forward to your response, and thank you for your noble public service.

Sincerely,


Gretchen E. Ainsworth

cc: Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12812 Exhibit No. 4
Submitted by:
AGAVE ENERGY COMPANY
Hearing Date: March 7, 2002

Agave Energy Company
Paul Ragsdale, Vice-President
105 South Fourth Street
Artesia New Mexico 88210

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Ballard E. Spencer Trust, Inc.
First National Bank of Artesia
C/O Trust Department
P. O. Drawer AA
Artesia, NM 88210

Frederick N. Rames
25 Holua Way
Wahiawa, HI 96786

Margaret A. Nolan
1336 Western Avenue
Glendale, CA 91201

James F. Klages
6026 Ticonderoga Court
Burke, VA 02201

James F. Klages
25 Fuller St.
Lexington, VA 24450

Glenn F. Fuller
205 Charter Oaks
Walnut Creek, CA 94596

Marian Fletcher
2575 Irvine Ave.
Costa Mesa, CA 92627

Tracy A. Elwell
850 Verde Circle #6
Sacramento, CA 95833

Tracy A. Elwell
2862 Bendemill Way
Sacramento 95833

Fred C. Alley Trust
21 Friendswood
Longview, TX 75605

Don Fuller
6560 Itchy Acres Rd.
Granite Bay, CA 95746-8612

December 29, 2001

JAN - 7 2002

Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87501

Case 12812

Ladies and Gentlemen,

Reference is made to Legal Notice for and injection well, Metropolis AZI State Com #1, located 1650' FSL & 1650' FWL of Section 36, Township 18 South, Range 25East of Eddy County, New Mexico.

I am filing an objection to Application for Authorization to Inject because Yates Petroleum does not have a provision in their lease for water disposal.

Yours very truly,

Fred C. Alley Testimonial Trust

Margaret E. Alley
Margaret E. Alley

Frederick C. Alley
Frederick C. Alley

12-21-01

To: Agave Energy Co.
Paul Ragsdale

I am writing on behalf of my
brother, Fred Rames; my nephew, James Klages;
and myself, Margaret Anne Nolan.

We oppose the injection well which
has been proposed for the well adjacent
to our property: "Metropolis AZ L State
Com. #1, located 1650' FSL & 1650' FWL of
Section 36, Township 18 South, Range 25
East of Eddy County, New Mex."

Sincerely,

Mrs M. A. Nolan
1336 Western Ave.
Glendale, Calif.

91201