

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

WELL API NO. 30-015-31905
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Metropolis Disposal
8. Well Number 001
9. OGRID Number 147831
10. Pool name or Wildcat Devonian
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3498ft GR

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)

1. Type of Well: Oil Well ☐ Gas Well ☐ Class II Acid Gas Injection ☒

2. Name of Operator
Agave Energy Company

3. Address of Operator
105 South Fourth Street, Artesia, NM, 88210

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

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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 7/5/11, a new string of 2 7/8" 6.5#, L80, ULTRA FJ tubing string and Subsurface Safety Valve (SSSV) will be run in the well. An inert fluid 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 production tree. Finally, the tubing will be landed into the existing packer in the well and an initial Mechanical Integrity Test will be performed to comply with the Order.

PACKER MUST BE SET @ 9854' PER ORDER. CONTACT THE OIL TO WITNESSES MTS TEST.

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

TITLE Consultant to Agave Energy Company

DATE 6/21/2011

Type or print name Alberto A. Gutierrez E-mail address: aag@geolex.com PHONE: 505-842-8000

For State Use Only

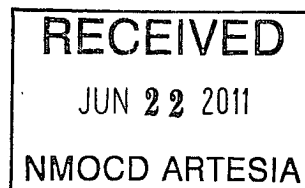
APPROVED BY:

Rebecca / NMS

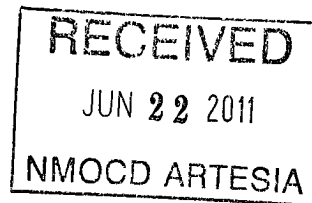
TITLE COMPLIANCE OFFICER

DATE 6/22/11

Conditions of Approval (if any):



June 21, 2011



VIA FEDERAL EXPRESS

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

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 work represents the second half of work required to bring the Metropolis Disposal well to injection status as per NMOCD Order R-13371. This work was originally described in a C-103 dated 4/4/2011. The existing tubing has been removed and the production tree has been serviced. The remaining proposed work includes:

- 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.

A completion schematic with details regarding the planned work was attached to the original C-103 dated 4/4/2011.

- We anticipate that remaining remedial work will begin on or about July 5, 2011. We will inform you of the exact date as soon as the scheduling is complete.

Please contact me or Mr. David Lescinsky, C.P.G. at 505-842-8000 if you have any questions regarding this submittal.

Sincerely,
Geolex, Inc.

A handwritten signature in black ink, appearing to be "AAG", with a horizontal line underneath.

Alberto A. Gutiérrez, R.G.

cc: Mr. Ivan Villa – Agave Energy Corporation
Mr. Russell Bentley – PB Energy Storage Services, Inc.

G \10-009\Correspondence\Dade002 ltr docx