

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well ☐ Oil Well ☐ Gas Well ☒ Other: INJECTION		5. Lease Serial No. NMLC063798
2. Name of Operator AGAVE ENERGY COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 105 S FOURTH ST ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 505-842-8000 Fx: 505-842-7380		8. Well Name and No. RED HILLS AGI 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T24S R33E NESE 1600FSL 150FEL		9. API Well No. 30-025-40448-00-X1
		10. Field and Pool, or Exploratory AGI
		11. County or Parish, and State LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum R/U and tested the BOPE on Agave Red Hills AGI #1 intermediate casing on November 5, 2013. Four hour advance notice was provided to BLM, Paul Flowers, at 0500 on November 5, 2013 by Juan Galvan, Yates Company Man. The charts for the BOP testing are attached and demonstrated a passing test for all components of the BOPE.



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #226993 verified by the BLM Well Information System For AGAVE ENERGY COMPANY, sent to the Hobbs Committed to AFMSS for processing by KURT SIMMONS on 12/04/2013 (14KMS2771SE)	
Name (Printed/Typed) MICHAEL W SELKE	Title GEOLOGIST, CONSULTANT TO AGAVE
Signature (Electronic Submission)	Date 11/15/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	EDWARD FERNANDEZ Title PETROLEUM ENGINEER	Date 12/04/2013
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office Hobbs	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

DEC 10 2013

Company Vick Date 11-8-13
 Lease 10160-117 #1 County CC #41
 Drilling Contractor John Lake II Plug & Drill Pipe Size 2 7/8

Accumulator Function Test - OO&GO#2

To Check - USABLE FLUID IN THE NITROGEN BOTTLES (iii), A2 c.i. or ii or iii)

- Make sure all rams and annular are open and if applicable HCR is closed.
 - Ensure accumulator is pumped up to working pressure! (Shut off all pumps)
1. Open HCR Valve. (If applicable)
 2. Close annular.
 3. Close all pipe rams.
 4. Open one set of the pipe rams to simulate closing the blind ram.
 5. For 3 ram stacks, open the annular to relieve the 50+ % safety factor. (5M and greater systems).
 6. Record remaining pressure 1120 psi. Test fails if pressure is lower than required.
- a. [950 psi for a 1500 psi System] b. [1200 psi for a 2000 & 3000 psi system]
7. If annular is closed, open it at this time and close HCR.

To Check - PRÉCHARGE ON BOTTLES OR SPHERICAL (ILA 2.4)

- Start with manifold pressure at, or above, maximum acceptable pre-charge pressure:
 - a. (800 psi for a 1500 psi system) b. (1100 psi for 2000 and 3000 psi system)
- 1. Open bleed line to the tank, slowly. (gauge needle will drop at the lowest bottle pressure)
- 2. Close bleed line. Barely bump electric pump and see what pressure the needle jumps up to!
- 3. Record pressure drop 200 psi. Test fails if pressure drops below minimum.
- Minimum: a. (700 psi for a 1500 psi system) b. (900 psi for a 2000 & 3000 psi system)

To Check - THE CAPACITY OF THE ACCUMULATOR PUMPS (HIA.2.0)

- Isolate the accumulator bottles or spherical from the pumps & manifold.
 - Open the bleed off valve to the tank. (manifold psi should go to 0 psi) - close bleed valve.
1. Open the HCR valve, (if applicable)
 2. Close annular
 3. With pumps only, time how long it takes to regain the required manifold pressure.
 4. Record elapsed time . Test fails if it takes over 2 minutes.
- a. (950 psi for a 1500 psi system) b. (1200 psi for a 2000 & 3000 psi system)



MAM
WELDING SERVICES

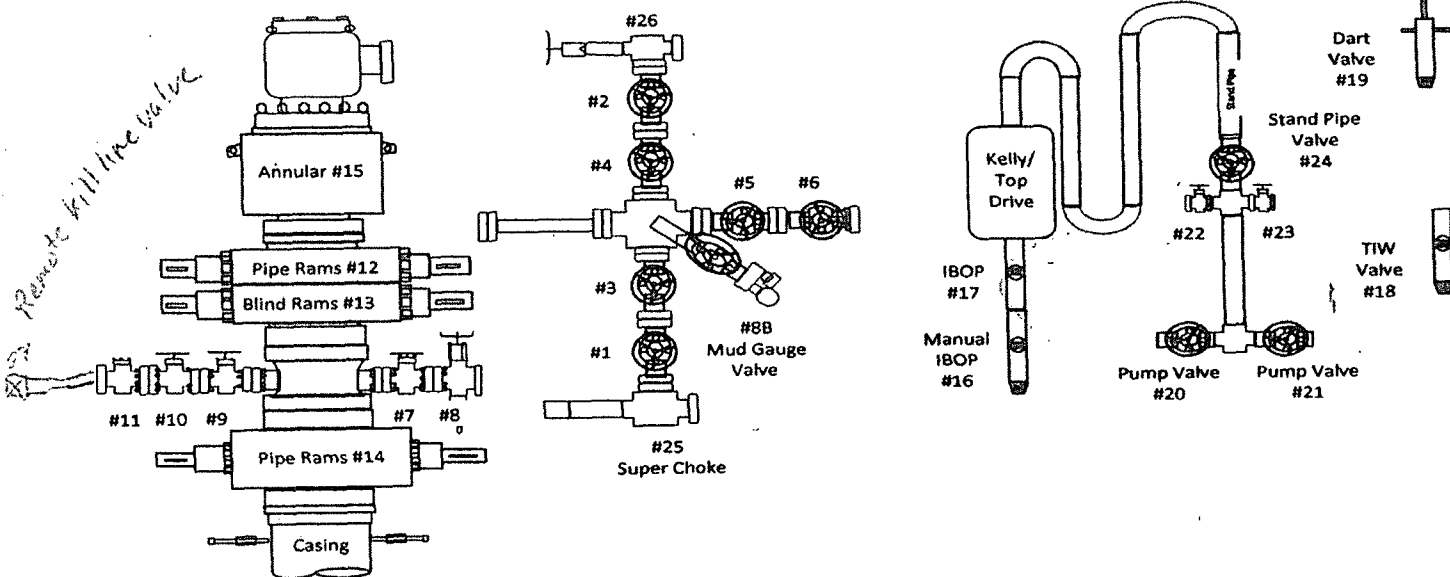
WELDING • BOP TESTING
NIPPLE UP SERVICE • BOP LIFTS • TANDEM
MUD AND GAS SEPARATORS
Lovington, NM • 575-398-4540

Pg. 1 of 2

Company: Yates Date: 11-5-13 Invoice # B 63460
Lease: Red Hills AGI #1 Drilling Contractor: Silver oak Rig # 11
Plug Size & Type: C-22 11 Drill Pipe Size 4.5 XH Tester: Ross Davis #119
Required BOP: _____ Installed BOP: _____

*Appropriate Casing Valve Must Be Open During BOP Test *

* Check Valve Must Be Open/Disabled To Test Kill Line Valves *

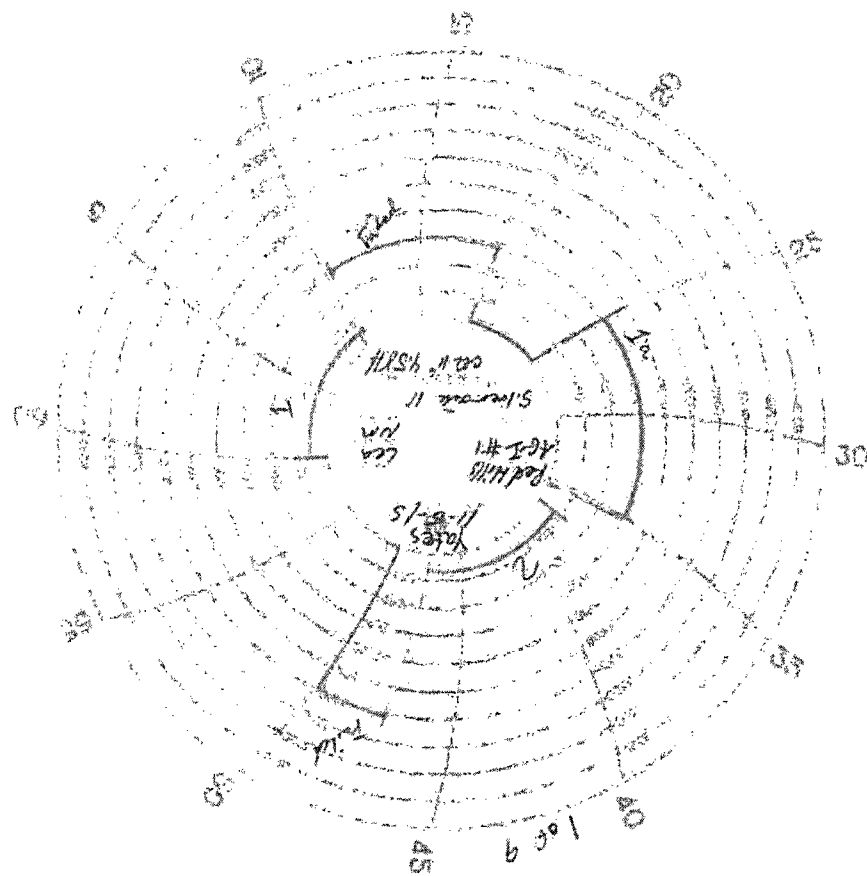


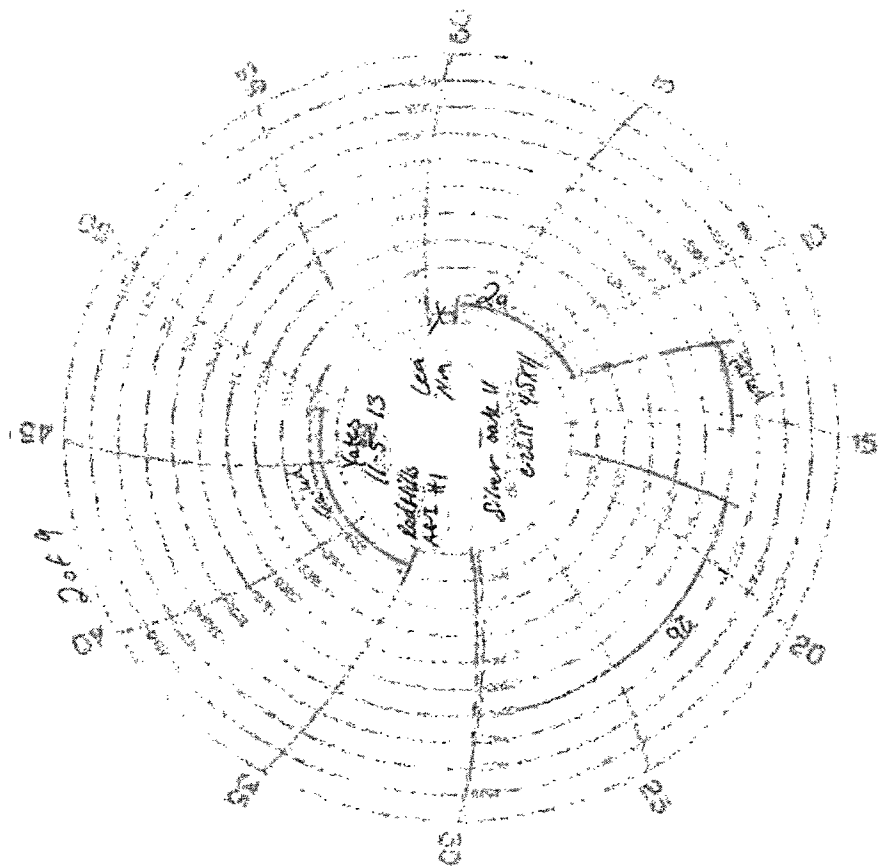
TEST #	ITEMS TESTED	TEST LENGTH	LOW PSI	HIGH PSI	REMARKS
1	15, 9, 7	10-10	250	1500	Low test Good small leak on high
1a	15, 9, 7	10		1500	Test Good worked Annular
2	12, 9, 7	10-10	250	3000	Low test Good small leak on high
2a	12, 9, 7	10-10	750	3000	Low test Good found leak on high test
2c	12, 9, 7	10		3000	Good test
3	12, 10, 8	10-10	250	3000	Low test Failed
3a	12, 10, 8	10-10	250	3000	Low test Good Found leak on high test
3b	12, 10, 8	10		3000	Failed Found leak
3c	12, 10, 8	10		3000	Good test
4	12, 11, 3, 4, 5, 8b	10-10	250	3000	Low test Good Found leak on high test
4a	12, 11, 3, 4, 5, 8b	10	8	3000	Failed Found leak
4b	12, 11, 3, 4, 5, 8b	10		3000	Good test
5	13, 9, 2, 8, 1	10-10	250	3000	Good test
6	7, 25, 26, 6	Bump test		3000	Good test
7	27	10-10	250	3000	Good test
8	Remote kill line, 10	10-10	250	3000	Good test
9	17	10-10	250	3000	Good test
10	16	10-10	250	3000	Good test
11	18	10-10	250	3000	Good test

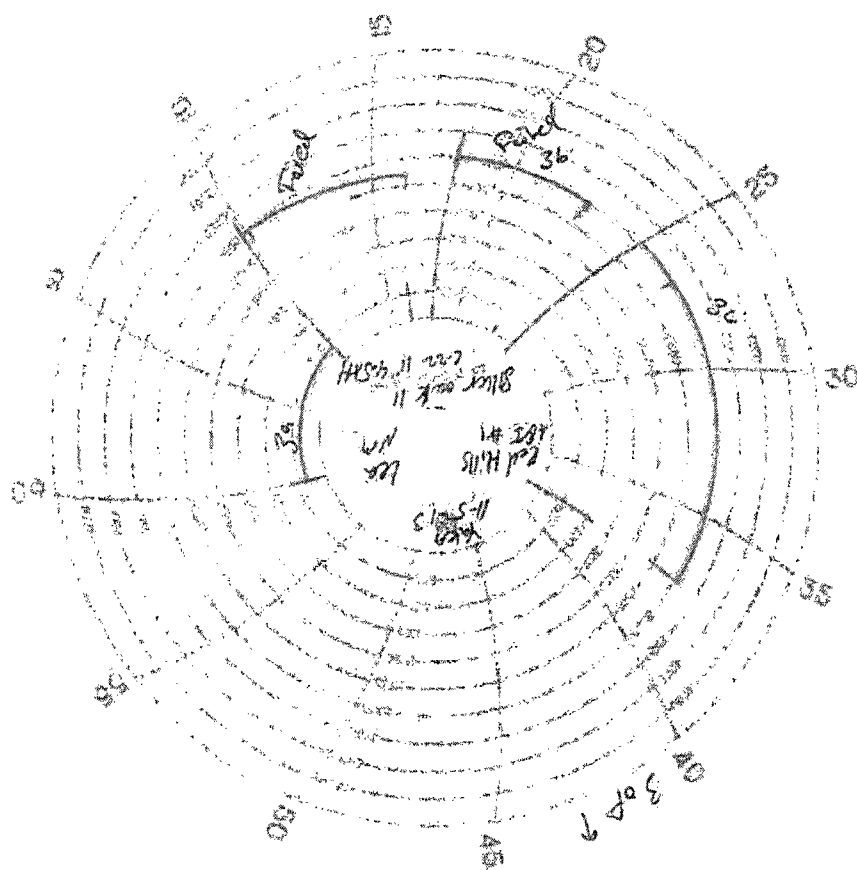


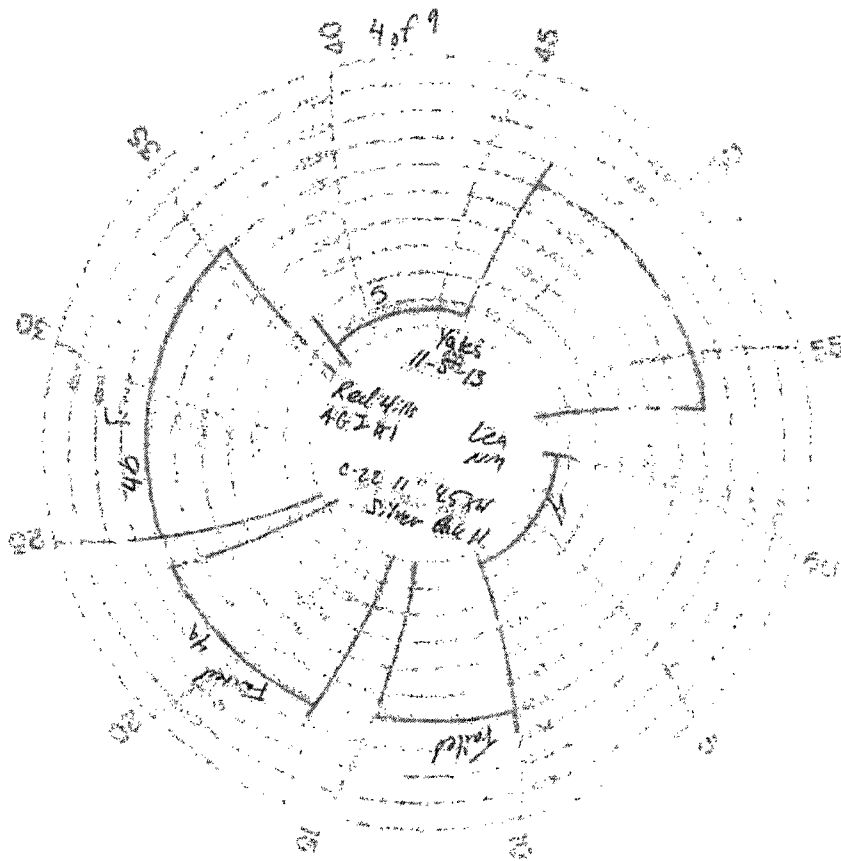
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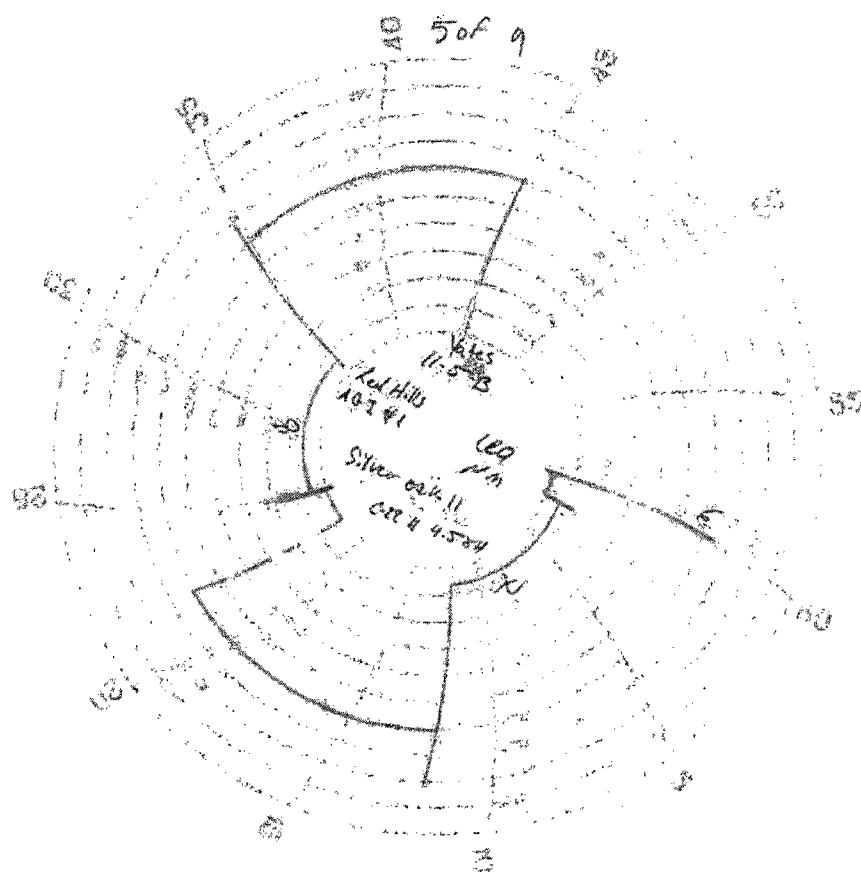
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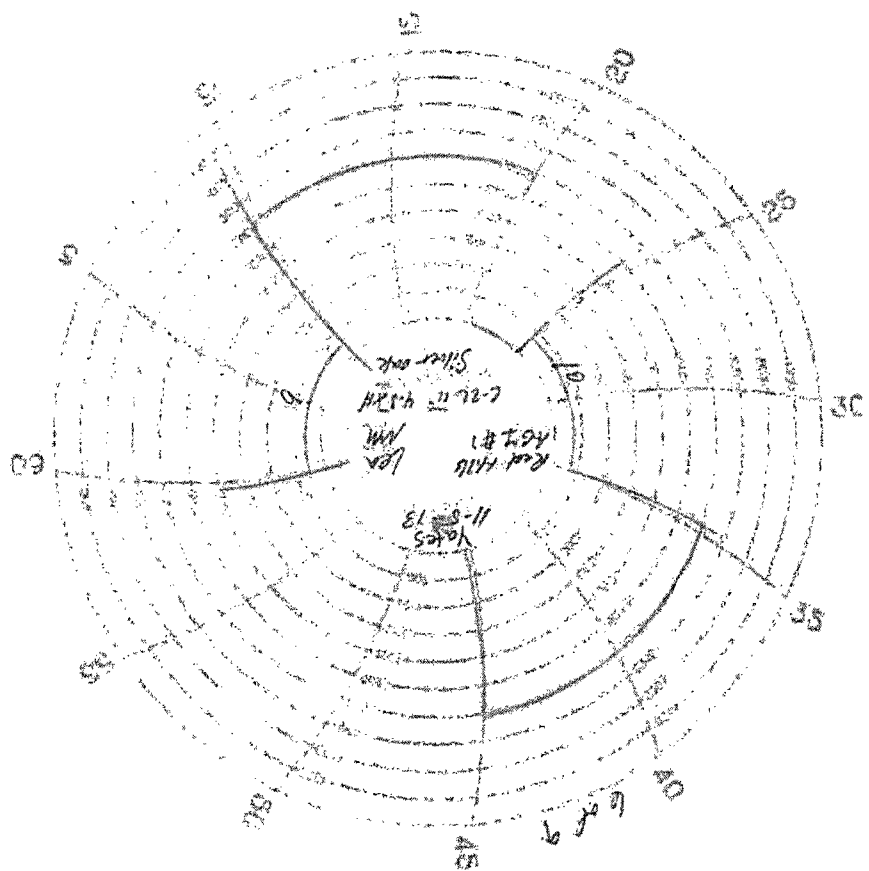




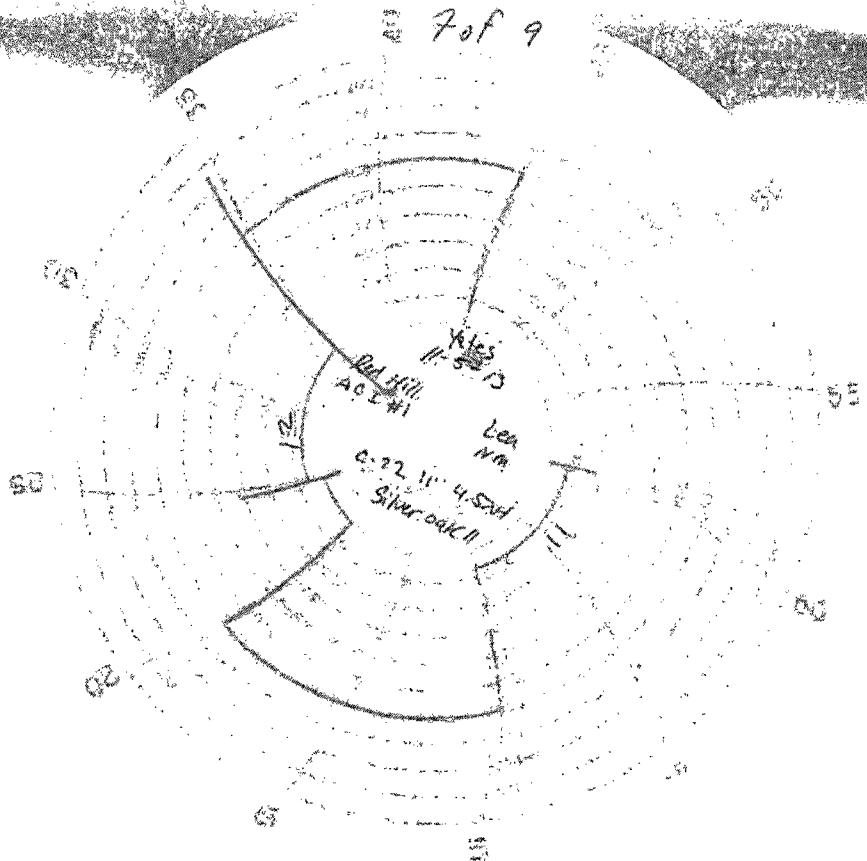








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