

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.*5. Lease Serial No.
NMNM0456187 ✓

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NM 71053x

8. Well Name and No.
OBS FEDERAL 01
Washington Ranch Storage Project9. API Well No.
30-015-20576 ✓10. Field and Pool or Exploratory Area
WASHINGTON RANCH11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: UNKNOWN OTH

2. Name of Operator

EL PASO NATURAL GAS COMPANY, L.P. Contact: ANTHONY P TRINKO
Email: anthony_trinko@kindermorgan.com

3a. Address

2 N. NEVADA AVENUE
COLORADO SPRINGS, CO 80903

3b. Phone No. (include area code)

Ph: 719-520-4557

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 35 T25S R24E Mer 6PM SWNW 2080FNL 660FWL ✓

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomple 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

BLM Bond No. on File: 400JF2507.

Planned Procedure:

The existing tubing and packer will be pulled out of the well. A new string of tubing will be run into the well with a bridge plug. The plug will be set and pressure will be applied to test the casing for integrity.

If the casing holds pressure, we will trip out the tubing and bridge plug, run casing inspection tools in the well and then run in new tubing and packer into the hole, circulate packer fluid, land the tubing in the head and perform a successful MIT on the well before it's returned to service.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****NM OIL CONSERVATION
ARTESIA DISTRICT**

JUN 16 2017

*CONTACT RUTHARD INGLE @ NMCD TO
WITNESS MIT.*

14. I hereby certify that the foregoing is true and correct.		RECEIVED	
Electronic Submission #373965 verified by the BLM Well Information System For EL PASO NATURAL GAS COMPANY, L.P. sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/27/2017 ()			
Name (Printed/Typed)	KEVIN W LIVELY	Title	STORAGE/WELL OPERATIONS SUPERV
Signature	(Electronic Submission)	Date	04/26/2017
APPROVED			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved By		Title	
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	
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		BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE	

(Instructions on page 2)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #373965 that would not fit on the form

32. Additional remarks, continued

If the casing does not hold pressure, we will isolate the hole(s) with tubing on a packer. The hole(s) will be squeezed with cement which will be drilled out the next day. The integrity of the casing will then be verified by a pressure test.

If the pressure test following the squeeze is successful, we will pull the tubing and run casing inspection tools in the well. When logging operations are complete, we will trip the tubing in and retrieve the plug. The well will be set up and tubing and a packer will be run in for final configuration.

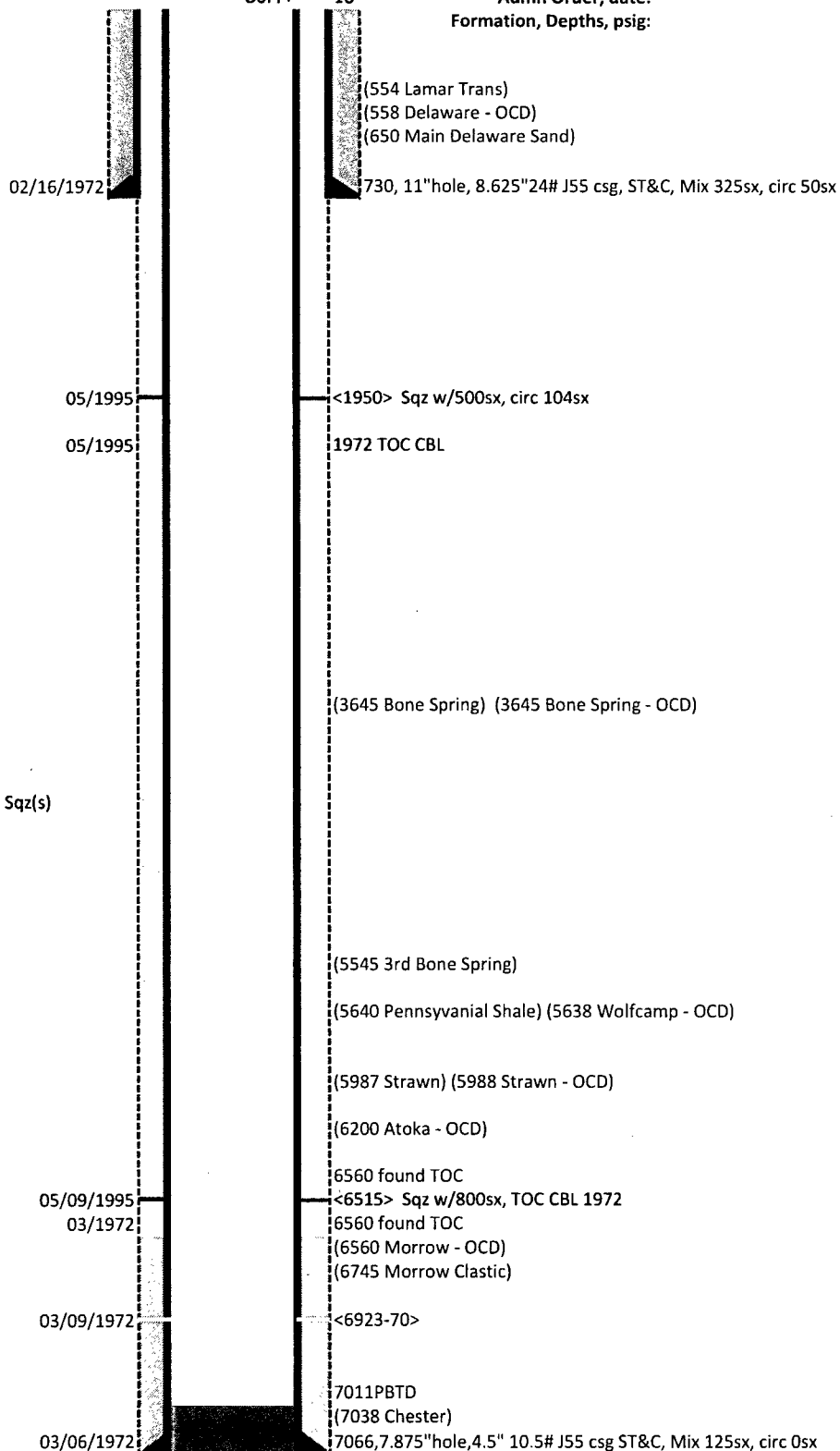
The casing will be filled with packer fluid, the packer will be set, and the tubing will be landed in the head. A successful MIT will then be performed before the well is placed back in service.

Operator: El Paso Gas Company
Surface Lease: NM0456187
Case No: NM71053x
Subsurface Concerns for Casing Designs:
Well Status: GasStor
Spud date: 2/15/1972
Plug'd Date:
Reentry Date:

BHL: NM0456187
Unit Agreement
CrtclCvKst

KB: 3659
GL: 3643
Corr: 16

Well: WASHINGTON RANCH STORAGE - 01
API: 3001520576
@ Srfce: T25S-R24E,35.2080n660w
@ M TD: T25S-R24E,35.2080n660w
Estate: FIF
WDW, Rt of Way:
Admn Order, date:
Formation, Depths, psig:

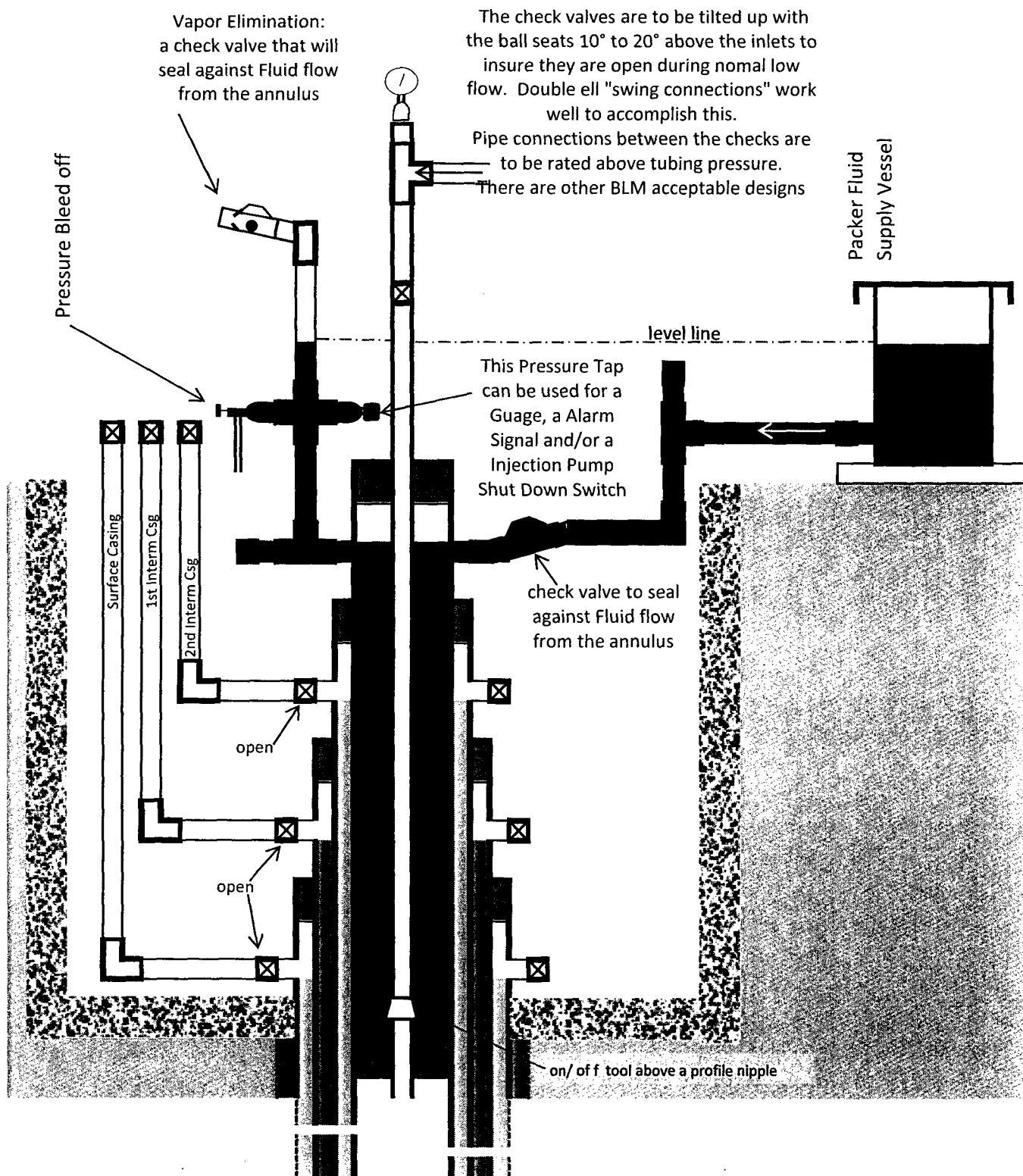


05/18/1995 MIT held 320-305 15m after Sqz(s)
06/28/2001 MIT "conditionally Passed"
09/01/2015 MIT held 550-530psig 30m

Diagram last updated: 06/06/2017

_WB Rcd (5.37, OBS-01 1520576

Annular Packer Fluid Level above the casing vent, open to the air, and visible.



Conditions of Approval

**El Paso Natural Gas Company
Washington Ranch Storage OBS - 01, API 3001520576
T25S-R24E, Sec 35, 2080FNL & 660FWL
June 06, 2017**

- 1. Within 90 days of these conditions of approval for the processed Electronic Submission #373965 notice of intent begin wellbore operations**
- 2. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location for this workover operation.**
3. Before casing or a liner added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
4. Subject to like approval by the New Mexico Oil Conservation Division.
5. Squeeze with Class "C" cement mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water.
6. Surface disturbance beyond the existing pad shall have prior approval.
7. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
8. Functional H₂S monitoring equipment shall be on location.
9. 3000 (3M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) employed when needed for reasonable well control requirements.
10. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 11. Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log from 6800 or below to top of cement taken with 0psig casing pressure reflecting cement bond conditions left after this procedure. Attach the CBL to a pswartz@blm.gov email.**
- 12. The well is within the BLM designated Critical Cave Karst Area requiring three casing strings with cement circulated on each. This well completion has only surface and production casings. It is critical to protect the C.C.K.A. The operator shall construct and maintain an annular motoring system (described below).**

Well with a Packer - Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal when replacing more than five barrels of packer fluid within 30 days.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need reduced). Verify all annular casing vent valves are open to the surface during this pressure test. An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
- 4) Arrange 24 hours before the test for BLM to witness. In Eddy County, phone 575-361-2822. Leave a voice mail or email with the API#, workover purpose, and a contact information.
- 5) Relate the MIT activity on subsequent Sundry Form 3160-5. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, and date of notification. NMOCD may retain the original recorded MIT chart.
- 6) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test. Include workover activity, and the setting depths and descriptions of installed equipment.
- 7) List (by date) descriptions of daily activity previously unreported.
- 8) NMOCD Administrative Order compliance is required. **Submit documentation of that authorization.**
- 9) Report unexplained significant variations of rate or pressure within 5 days of notice.
- 10) Monitor the casing/tubing annulus for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
- 11) **Maintain the annulus full of packer fluid at atmospheric pressure. Installation of equipment that will display continuous open to the air fluid level above the casing vent is required for this critical cave karst area well.**
- 12) **Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902) before injection begins to arrange for approval of the annular monitoring system.**
- 13) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 14) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 15) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0 psia. Notify via phone #575-361-2822.