

July 25, 2018

State of New Mexico Oil Conservation Division 1625 N. French Dr. Hobbs, NM 88240 Attn: Mr. Maxey Brown, District Supervisor

RE: Enstor Grama Ridge Storage and Transportation, LLC "Amended" Notice of Intent to Repair (BLM <u>Form 3160-5</u>) Well: Grama Ridge Morrow Unit No. 8 (API# 30-025-39922) Lea County, NM

HOBBS OCD JUL 26 2018 RECEIVED

Dear Maxey,

Attached you will find the approved "Amended" Notice of Intent to Repair ("NOI") for the above referenced well that was recently submitted and approved by the Bureau of Land Management ("BLM"). This well failed the 2017 NMOCD MIT/Bradenhead pressure test due to communication between the production tubing and production casing/liner, and was immediately shut-in. After review, it has been determined that the well will be repaired and re-tested for mechanical integrity.

As we have discussed, the work on this well was delayed due to the pending sale of our company which was finalized on May 1, 2018. We had subsequent employee turnover in our Engineering/Operations group, thus this work had to be reviewed and re-submitted for approval with updated engineering input and new management consent.

Enstor's anticipated commencement for the work is on October 1, 2018, with completion on or before the end of the year. Enstor asks and requests that NMOCD grant an extension of the Compliance/Repair Due date until $\frac{12/31/18}{12}$. Per your earlier requests, a copy of this letter will also be sent to Carl Chavez (NMOCD – Santa Fe, NM).

Should you have any questions or require additional information, please do not hesitate to contact me at (281) 374-3089 or by email <u>nick.nicodemus@enstorinc.com</u>. Thank you for your patience and assistance with this matter.

Regards,

Nick Nicodemus Director, Land and Regulatory Affairs

Enclosures Cc: Carl Chavez

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