

HOBBS, NM

JUL 20 2018

RECEIVED

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-38822

5. Indicate Type of Lease

STATE ☐FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Jal 3 AGI

8. Well Number #1

9. OGRID Number 371183

10. Pool name or Wildcat
AGI

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 ☐ Other: Acid Gas Injection ☒

2. Name of Operator

Energy Transfer

3. Address of Operator

8111 Westchester Drive, Suite 600, Dallas, Texas 75225

4. Well Location

Unit Letter E : 1550 feet from the North line and 1000 feet from the West lineSection 33 Township 24S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3268 GR

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 ☐CLOSED-LOOP SYSTEM ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: (Mechanical Integrity Test) ☒

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.

The MIT was conducted after providing notice to NMOCD on Thursday, July 19, 2018 at 10:45 am (MT). Kerry Fortner and George Bower (NMOCD) was on site to witness and approve the test. Below is a step-by-step summary of the MIT and observed results:

1. The annular space pressure between casing and tubing was 0 psig at the casing valve prior to the start of the MIT.
2. The annular space pressure was opened to a brine pump truck and a chart recorder was installed.
3. The calibrated pressure chart began recording the annular space pressure at 10:54 am.
4. At 10:56 am the pressure was slowly increased by pumping brine from the truck to achieve a pressure of 620 psig.
5. When annulus space pressure reached 620 psig the valve to the pump truck was closed. The MIT began at 10:58 am.
6. The chart recorded the annular space pressure for 32 minutes.
7. At 11:30 am the annulus pressure was still 620 psig, (no change).
8. The brine was bled from the annulus to reduce the pressure to 0 psig and the chart recording was stopped.
9. Prior to disconnection from the truck, the annular pressure was increased to 300 psig for normal operations.

In addition to the MIT, a Bradenhead test was conducted by the NMOCD by monitoring and recording the pressure of the intermediate casing, via a gauge in the cellar. It remained unchanged during the MIT.

Please see the attached MIT pressure chart (approved by the NMOCD), calibration information, and Bradenhead test documentation.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

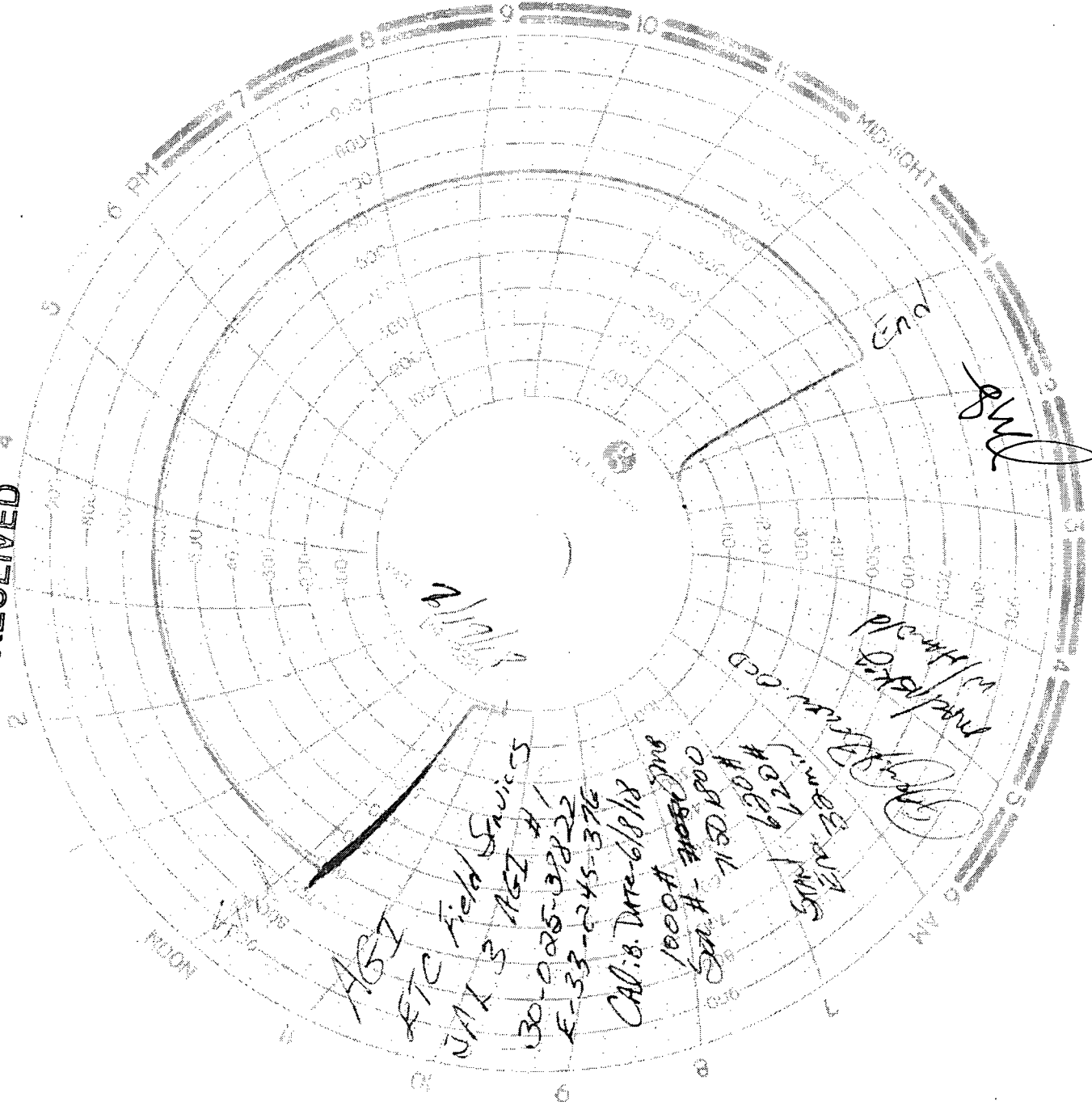
SIGNATURE Dale LittlejohnType or print name Dale LittlejohnTITLE Consultant to Energy TransferE-mail address: dale@geolex.comDATE 07/19/2018PHONE: (505) 842-8000

For State Use Only

APPROVED BY: George BowerTITLE Compliance OfficerDATE 7/20/18Conditions of Approval (if any): Supervisor

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State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division Hobbs District Office

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BRADENHEAD TEST REPORT

Operator Name - ETC Field Services		API Number 30-025-38822	
Property Name - JAL 3 AGI		Well No. 1	

Surface Location

UL Lot E	Section 33	Township 24S	Range 37E	Feet from 1550	N/S Line EN	Feet from 1550	E/W Line W	County LEA
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Well Status

TA'D Well YES	SHUT-IN YES	INJECTOR INJ	PRODUCER OIL	DATE 7/19/18
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OBSERVED DATA

	(A)Surf-Interm	(B)Interm(1)	(C)Interm(2)	(D)Prod Csg	(E)Tubing
Pressure	0			0	481
Flow Characteristics					
Puff	Y/N	Y/N	Y/N	Y/N	CO2
Steady Flow	Y/N	Y/N	Y/N	Y/N	WTR
Surges	Y/N	Y/N	Y/N	Y/N	GAS
Down to nothing	Y/N	Y/N	Y/N	Y/N	If applicable type
Gas or Oil	Y/N	Y/N	Y/N	Y/N	fluid injected for
Water	Y/N	Y/N	Y/N	Y/N	Waterflood

Remarks: Please state for each string (A,B,C,D,E) pertinent information regarding bleed down or continuous build up if applies.

AGI TEST

Signature:		OIL CONSERVATION DIVISION	
Printed name:		Entered into RBDMS	
Title:		Re-test	
E-mail Address:			
Date: 7/19/18	Phone:		
Witness: J. Rowe			

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JUL 20 2018

American Valve & Meter, Inc. RECEIVED

1113 W. BROADWAY

P.O. BOX 166 HOBBS,
NM 88240

To: MaLasky

Date: 06/08/18

This is to certify that:

I, Justin Harris, technician for American Valve & Meter Service Inc. has checked
the calibration of the following instrument.

8" Pressure Recorder

Ser#50071501800

Pressure #		
Test	Found	Left
0	10	0
500	510	500
700	710	700
1000	1000+	1000
200	210	200
0	10	0

* Pressure #		
Test	Found	Left

Remarks: _____

Signature: 