

GW – 007

**GENERAL
CORRESPONDENCE**

YEAR(S): 2007 - 2010

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, April 03, 2008 9:00 AM
To: 'Eric Busch'
Cc: Price, Wayne, EMNRD; Williams, Chris, EMNRD
Subject: FW: GW-7 Western Workovers and Well Testing (LPG Storage Wells)
Attachments: C-103 Well 1 + 2 Remedial Work 2-19-08.tif

Eric:

Hi. Hopefully Mr. Williams or his staff can sign-off on the C-103 to make the remedial work official for OCD records. In short, C-103 must be approved by the OCD initially, and then a finalized C-103 is submitted within 30 days of completion of the approved work for our records and verification of work approved by the OCD.

I apologize up front for the confusion based on your initial inquiry on the cement liner for Well No. 1. The OCD Santa Fe Office had reviewed initial C-103's for Wells 3 and 4 in 2007 and were satisfied with the proposed remedial work. Subsequently, we received C-103's for wells 1 and 2 in February 2008. The OCD Santa Fe Office had approved the proposed remedial work during a busy rule making period for Wells 3 and 4; however, I was in error by not requiring the sign-off of our OCD District Office. OCD District Offices must also sign-off on the down hole work. Consequently, the OCD Santa Fe Office has signed off on the C-103's for Wells No. 1 and 2 remedial work, but approved with the following condition: "The OCD Santa Fe Office approves the work on the condition that the down hole well work is also approved by the OCD District Office with signature."

By receipt of the attached signed C-103's with the condition stipulated above, OCD Santa Fe is requesting OCD District 1 Hobbs to review and sign the C-103's if approved. OCD District 1 should have the well schematics that you recently sent for Wells No. 1 and 2. District 1 may find the sonar tests, MIT, etc. information for Wells No. 3 and 4 at OCD Online (GW-7 and the associated API#s for LPG Storage Wells provided below). In the future, OCD Santa Fe will also require approval of the district offices and will enquire as to whether the OCD District Office would like to scan the reports, etc. versus the OCD Santa Fe Office scanning the reports, etc. into OCD Online. OCD Santa Fe is aware that only OCD District Offices are setup to scan well logs into OCD Online; consequently, any well logs would be sent to the district offices for scanning into OCD Online.

Application Type	Applicant	Facility	API #	Location	Permit ID	County	District	Contact	Order	Exp	Reviewer	IssuingOff	Environmental Permit Status	Bond: A= Active or I= Inactive	Br
Environmental Bureau UIC LPG Storage Class II Permit	Western Refining, L.P.	Christie Jal-4 State LPG Storage Well #1	30-025-35954	32-23S 37E	GW-007	Lea	Hobbs	Stewart Rains (918) 728-7802 Cell: (918) 629-5627	12/29/1982	12/29/2007	Chavez	Santa Fe	A	A	CM
Environmental Bureau UIC LPG Storage Class II Permit	Western Refining, L.P.	Christie Jal-4 State LPG Storage Well #2	30-025-35955	32-23S 37E	GW-007	Lea	Hobbs	Stewart Rains (918) 728-7802 Cell: (918) 629-5627	12/29/1982	12/29/2007	Chavez	Santa Fe	A	A	CM
Environmental Bureau UIC LPG Storage Class II Permit	Western Refining, L.P.	Christie Jal-4 State LPG Storage Well #3	30-025-35956	32-23S 37E	GW-007	Lea	Hobbs	Stewart Rains (918) 728-7802 Cell: (918) 629-5627	12/29/1982	12/29/2007	Chavez	Santa Fe	A	A	CM
Environmental Bureau UIC LPG Storage Class II Permit	Western Refining, L.P.	Christie Jal-4 State LPG Storage Well #4	30-025-35957	32-23S 37E	GW-007	Lea	Hobbs	Stewart Rains (918) 728-7802 Cell: (918) 629-5627	12/29/1982	12/29/2007	Chavez	Santa Fe	A	A	CM

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
 New Mexico Energy, Minerals & Natural Resources Dept.
 Oil Conservation Division, Environmental Bureau
 1220 South St. Francis Dr., Santa Fe, New Mexico 87505
 Office: (505) 476-3491
 Fax: (505) 476-3462
 E-mail: CarlJ.Chavez@state.nm.us
 Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
 (Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Thursday, April 03, 2008 8:07 AM
To: 'Eric Busch'
Cc: Price, Wayne, EMNRD; Williams, Chris, EMNRD
Subject: RE: GW-7 Western Workovers and Well Testing (LPG Storage Wells)

Eric:

I will have Wayne Price sign at the bottom of the C-103's and e-mail them back to you, since we had agreed, but didn't sign-off and send you back a C-103 with our signature. I will send to you this morning ASAP.

Regarding the question of whether a cement liner is required as was installed in Wells 3 and 4? I believe it is your call based on the casing evaluation logging suite, age of the well, and your best professional judgment. The OCD only requires a finalized C-103 within 30 days of work completion. Give me a call if you need to. Thanks.

4/3/2008

Carl J. Chavez, CHMM
 New Mexico Energy, Minerals & Natural Resources Dept.
 Oil Conservation Division, Environmental Bureau
 1220 South St. Francis Dr., Santa Fe, New Mexico 87505
 Office: (505) 476-3491
 Fax: (505) 476-3462
 E-mail: CarlJ.Chavez@state.nm.us
 Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
 (Pollution Prevention Guidance is under "Publications")

From: Eric Busch [mailto:eric@lonquist.com]
Sent: Thursday, April 03, 2008 5:54 AM
To: Chavez, Carl J, EMNRD
Subject: RE: GW-7 Western Workovers and Well Testing (LPG Storage Wells)

Carl:

We sent the C-103 Form on February 20, 2008 both via email and FEDEX. You responded on February 20th that you received the Forms. Also on March 7th we had communication about the schedule and progress report on Well No. 2 workover and MIT. I am not sure if a signed C-103 is on location with Western or not as I am not on location however I have attached a copy of the procedure we understood to be approved by your office on February 20.

Let's try to schedule a phone call today to discuss.

Eric Busch
 Operations Manager
 Lonquist and Company
 1001 McKinney - Suite 1445
 Houston, TX 77002
 Office: 713.559.9953
 Fax: 713.559.9959
 Mobile: 832.216.0785

*Please note the change in address

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Wednesday, April 02, 2008 4:03 PM
To: Eric Busch; Ron Weaver; Ken Parker
Cc: Price, Wayne, EMNRD; Williams, Chris, EMNRD
Subject: RE: GW-7 Western Workovers and Well Testing (LPG Storage Wells)

Eric:

Re: Question

Yes, you need a cemented liner like the other wells. The OCD needs a C-103 Form for the work to sign-off and authorize your field work. Do you have an OCD signed C-103 for this work? If not, please e-mail or fax (505) 476-3462 me a C-103 to sign-off. You need the signed C-103 when OCD field staff visit the site to verify that your work is authorized by the OCD.

The OCD Santa Fe Office has been working via e-mail with you throughout your well work and I believe we have a C-103 for Wells 3 and 4, but not sure about 1 and 2? Subsequently, all the OCD would need is a final C-103 for the "as built" work product that follows the original C-103 when signed and approved by the OCD. Give me a call if you have questions. Thank you.

Carl J. Chavez, CHMM
 New Mexico Energy, Minerals & Natural Resources Dept.
 Oil Conservation Division, Environmental Bureau
 1220 South St. Francis Dr., Santa Fe, New Mexico 87505
 Office: (505) 476-3491
 Fax: (505) 476-3462
 E-mail: CarlJ.Chavez@state.nm.us
 Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
 (Pollution Prevention Guidance is under "Publications")

From: Eric Busch [mailto:eric@lonquist.com]
Sent: Wednesday, April 02, 2008 10:46 AM
To: Chavez, Carl J, EMNRD; 'Ron Weaver'; 'Ken Parker'
Cc: Price, Wayne, EMNRD; Williams, Chris, EMNRD
Subject: RE: GW-7 Western Workovers and Well Testing

Carl:

I thought I would give you an update on the workover project in Jal for Western Well No. 1 and Well No. 2.

The Nitrogen-Brine MIT on Well No. 2 was completed March 14, 2008. The test was successful and we are currently preparing the final C103 paperwork and test report.

We are rigging up on Well No. 1 today to start the workover. We should be running casing inspection logs and testing the 7" casing tomorrow. We are also planning on putting on a new wellhead. The MIT will be scheduled upon completion of the workover. My question today is if a cemented liner is required as was needed in Well No. 3 and 4 what type of paperwork or approval will be needed from your office.

Please call me with any questions or comments.

Eric Busch
 Operations Manager
 Lonquist and Company
 1001 McKinney - Suite 1445
 Houston, TX 77002
 Office: 713.559.9953
 Fax: 713.559.9959
 Mobile: 832.216.0785

*Please note the change in address

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Friday, March 07, 2008 10:28 AM
To: Eric Busch
Cc: Price, Wayne, EMNRD; Williams, Chris, EMNRD

4/3/2008

Subject: RE: GW-7 Western Workovers and Well Testing

Thanks for the update Eric. Good news. ☺

Carl J. Chavez, CHMM
 New Mexico Energy, Minerals & Natural Resources Dept.
 Oil Conservation Division, Environmental Bureau
 1220 South St. Francis Dr., Santa Fe, New Mexico 87505
 Office: (505) 476-3491
 Fax: (505) 476-3462
 E-mail: CarlJ.Chavez@state.nm.us
 Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
 (Pollution Prevention Guidance is under "Publications")

From: Eric Busch [mailto:eric@lonquist.com]
Sent: Friday, March 07, 2008 9:20 AM
To: Chavez, Carl J, EMNRD
Subject: RE: Western Workovers and Well Testing

Carl:

The work has started on Well No. 2 and the workover results are quite favorable. We have completed the following tasks:

- Pulled original 2 7/8" brine string
- Completed casing inspection logs on 5 1/2" liner -- Logs looked good
- Completed wellhead change out with positive results

We are currently running the new 3 1/2" brine string and will have an idea later today if we will be able to run a sonar survey. The Nitrogen-Brine Test is scheduled to start on Monday morning and run through Wednesday or Thursday. The contact for the field test is Tadd Busch, cell phone – 701.306.8580.

Well No. 1 will start in a month or so after Well No. 2 product injection has started. We will notify your office when the work is scheduled for Well No. 1. Please call me with any questions or concerns. Also when is a good time to talk with you today about another upcoming project at the Western Terminal in Jal?

Eric Busch
 Operations Manager
 Lonquist and Company
 1001 McKinney - Suite 1445
 Houston, TX 77002
 Office: 713.559.9953
 Fax: 713.559.9959
 Mobile: 832.216.0785

***Please note the change in address**

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Friday, March 07, 2008 10:18 AM
To: Eric Busch
Subject: RE: Western Workovers and Well Testing

Mr. Busch:

Has the testing on Wells No. 1 and 2 begun yet? An updated schedule for the work or status would be appreciated. Thanks.

Carl J. Chavez, CHMM
 New Mexico Energy, Minerals & Natural Resources Dept.
 Oil Conservation Division, Environmental Bureau
 1220 South St. Francis Dr., Santa Fe, New Mexico 87505
 Office: (505) 476-3491
 Fax: (505) 476-3462
 E-mail: CarlJ.Chavez@state.nm.us
 Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
 (Pollution Prevention Guidance is under "Publications")

From: Eric Busch [mailto:eric@lonquist.com]
Sent: Wednesday, February 20, 2008 9:52 AM
To: Chavez, Carl J, EMNRD; 'Ken Parker'; 'Hains, Allen'; 'Ron Weaver'; dindt@peoplepc.com
Subject: Western Workovers and Well Testing

Mr. Chavez:

Please find the procedures for Well No. 1 and Well No. 2 at the Western Refining – Jal Storage Facility. This work is tentatively scheduled to start February 25, 2008 on Well No. 2 with Well No. 1 to follow. A hard copy will be sent to you and to the Hobbs District office today via Priority FedEx. The plan for Well No. 1 and Well No. 2 is similar to the work done on Well No. 3 and Well No. 4 in 2007.

Please contact me with any questions or concerns.

Eric Busch
 Operations Manager
 Lonquist and Company
 1001 McKinney - Suite 1445
 Houston, TX 77002
 Office: 713.559.9953
 Fax: 713.559.9959
 Mobile: 832.216.0785

***Please note the change in address**

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4/3/2008

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Submit 3 Copies to Appropriate District Office
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 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35954
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 30055
8. Well Number 1
9. OGRID Number 248440
10. Pool name or Wildcat Salado

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 LPG STORAGE WELL

2. Name of Operator
Western Refining Company, LP

3. Address of Operator
PO Box 1345 Jal, NM 88252

4. Well Location
 Unit Letter M : 450 feet from the SOUTH line and 780 feet from the WEST line
 Section 32 Township 23S Range 37E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3313' - KB 3300' - GL

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: mil _____ Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 1:

- Estimated Start Date February 25, 2008
- Pull the existing 3 1/2" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 7" cemented casing
- Run 3 1/2" or 4 1/2" tubing
- Complete a cavern sonar survey to determine the size of the cavern - If possible based on wellbore and well configuration
- Complete a Nitrogen - Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Eric Busch TITLE Operations Manager - Lonquist Field Service DATE 02/19/2008

Type or print name Eric Busch E-mail address: eric@lonquist.com Telephone No. 713.559.9953
 For State Use Only

APPROVED BY: [Signature] TITLE EBC DATE 4/3/08

* The OCD, Santa Fe Office approves the work on the condition that the down hole well work is also approved by the OCD District Office with signature.

Submit 3 Copies 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35955
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 31055
8. Well Number 2
9. OGRID Number 248440
10. Pool name or Wildcat Salado

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 LPG STORAGE WELL

2. Name of Operator
Western Refining Company, LP

3. Address of Operator
PO Box 1345 Jal, NM 88252

4. Well Location
 Unit Letter M _____; 100 feet from the SOUTH line and 280 feet from the NORTH line
 Section 32 Township 23S Range 37E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3313' - KB 3303' - GL

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 2:

- Estimated Start Date February 25, 2008
- Pull the existing 2 7/8" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 5 1/2" cemented casing
- Run 2 7/8" or 3 1/2" tubing into the well
- Complete a cavern sonar survey to determine the size of the cavern - If possible based on wellbore and well configuration
- Complete a Nitrogen - Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Eric Bush TITLE Operations Manager - Lonquist Field Service DATE 02/19/2008

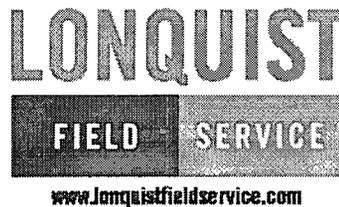
Type or print name Eric Bush E-mail address: eric@lonquist.com Telephone No. 713.559.9953

For State Use Only

APPROVED BY [Signature] TITLE FAC DATE 4/3/08

* The OCD Santa Fe Office approves the work on the condition that the down hole work is also approved by the OCD District Office with signature.

AUSTIN
3345 Bee Cave Road
Suite 201
Austin, Texas 78746 USA
Tel 512.732.9812
Fax 512.732.9816



HOUSTON
1001 McKinney
Suite 1445
Houston, Texas 77002 USA
Tel 713.559.9950
Fax 713.559.9959

February 18, 2008

Mr. Carl J. Chavez
Oil Conservation District
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Western Refining Company, LP – Well No. 1 (30-025-35954) & Well No. 2 (30-025-35954) Form C-1C

Dear Mr. Chavez:

Lonquist Field Service, LLC (LFS) has recently been contracted by Western Refining Company, LP, to complete a workover and testing program on Well Nos. 1 and 2 at their Jal, NM Storage Facility. Please find the Form C-103 for Well Nos. 1 and 2 attached to this letter. The general workover prognosis is as follows:

- Pull existing tubing string
 - Well No. 1 – 3 ½” Tubing
 - Well No. 2 – 2 7/8” Tubing
- Complete casing inspection logs on cemented production casing
 - Well No. 1 – 7” Casing
 - Well No. 2 – 5 ½” Casing
- Replace and repair wellhead equipment and valves
- Run tubing string
 - Well No. 1 – 3 ½” or 4 ½” PH-6 Tubing
 - Well No. 2 – 2 7/8” or 3 ½” PH-6 Tubing
- Run a directional survey and cavern sonar survey
 - Sonar survey may not be possible based on the wellbore issues or well configuration
- Complete a Nitrogen-Brine Interface Test on each well
 - A complete test procedure will be submitted prior to starting the test

The work on Well No. 1 and Well No. 2 is tentatively scheduled to start the week of February 25, 2008. Well No. 2 will be the first well to be scheduled and both wells will be out of service during the workover and testing program.

AUSTIN

3345 Bee Cave Road

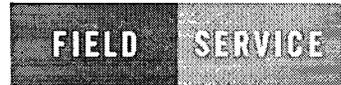
Suite 201

Austin, Texas 78746 USA

Tel 512.732.9812

Fax 512.732.9816

LONQUIST



www.lonquistfieldservice.com

HOUSTON

1001 McKinney

Suite 1445

Houston, Texas 77002 USA

Tel 713.559.9950

Fax 713.559.9959

Please feel free to contact me (832-216-0785) or via email (eric@lonquist.com) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Busch". The signature is stylized and cursive.

Eric Busch
Operations Manager

Cc: NM OCD – District I, Hobbs, NM
Ron Weaver – Western Refining
Ken Parker – Western Refining
LFS – Project Files

Submit 3 Copies 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-025-35954

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

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 LPG STORAGE WELL

2. Name of Operator
 Western Refining Company, LP

3. Address of Operator
 PO Box 1345 Jal, NM 88252

4. Well Location
 Unit Letter M : 450 feet from the SOUTH line and 780 feet from the WEST line
 Section 32 Township 23S Range 37E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3313' - KB 3300' - GL

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

7. Lease Name or Unit Agreement Name
 30055

8. Well Number 1

9. OGRID Number
 248440

10. Pool name or Wildcat
 Salado

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 1:

- Estimated Start Date February 25, 2008
- Pull the existing 3 1/2" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 7" cemented casing
- Run 3 1/2" or 4 1/2" tubing
- Complete a cavern sonar survey to determine the size of the cavern - If possible based on wellbore and well configuration
- Complete a Nitrogen - Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE [Signature] TITLE Operations Manager - Lonquist Field Service DATE 02/19/2008

Type or print name Eric Busch E-mail address: eric@lonquist.com Telephone No. 713.559.9953
For State Use Only

APPROVED BY: [Signature] TITLE FBC DATE 4/3/08

* The OCD, Santa Fe Office approves the work on the condition that the down hole well work is also approved by the OCD District Office with signature.

Well Information
 Well Name: State LPG Well No. 1
 API #: 30-025-35954
 County: Lea

- 2008 Cavern Workover and MIT Plan
1. Circulate well and remove all liquid product
 2. Move in and rig up workover rig
 3. Set BOP'S and circulate well
 4. Remove 3 1/2" Tubing and Inspect/Replace
 5. Run Open Hole Density Log and Sonar Survey - (If Possible)
 6. Run Casing Evaluation Logging Suite
 7. Run and test new hanging string - (3 1/2" or 4 1/2")
 8. Pressurize cavern with brine
 9. Conduct appropriate MIT (Nitrogen-Brine or Liquid-Liquid)
 10. Report on Results
 11. Place cavern in service

Cavern Information
 11/2/1952 - Well drilled and completed
 3/26/1957 - Perforated and Squeezed from 1130' - 1131'
 3/27/1957 - Perforated and Squeezed from 325' - 326'

9 5/8" Casing
 36 lb/ft, J-55
 Cement - 185 sks
 Set @ 259'

Top of Santa Rosa @ 920'

Top of Anhydrite @ 1160'

Top of Salt @ 1305'

7" Casing
 23 lbs/ft, J-55, ID - 6.366"
 Cement - 910 Sacks
 Set @ 1521'

Sonar Volume - Unknown
 xxx,xxx bbls

Stored Volumes:

- 7/6/92 - 62,803 bbls
- 9/10/96 - 94,384 bbls
- 11/18/97 - 157,576 bbls
- 6/24/98 - 167,576 bbls
- 8/30/99 - 192,475 bbls
- 6/26/01 - 201,013 bbls

3 1/2" Tubing
 9.3 lbs/ft, J-55, ID - 2.332
 Flush Joint - Connection Type
 Set @ 1825'

TD @ 1900'

LONQUIST

Well No. 1 - 2008 Existing Well Schematic

FIELD SERVICE

JAL Storage Facility

PROJECT NUMBER:

F140

DRAWN:
ETB

REVIEWED:
ETB

APPROVAL:
NONE

SCALE:
NONE

DATE:
JUNE 2007

DRAWING NUMBER:

Submit 3 Copies 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35955
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other LPG STORAGE WELL		7. Lease Name or Unit Agreement Name 31055
2. Name of Operator Western Refining Company, LP		8. Well Number 2
3. Address of Operator PO Box 1345 Jal, NM 88252		9. OGRID Number 248440
4. Well Location Unit Letter <u>M</u> : <u>100</u> feet from the <u>SOUTH</u> line and <u>280</u> feet from the <u>NORTH</u> line Section <u>32</u> Township <u>23S</u> Range <u>37E</u> NMPM County <u>LEA</u>		10. Pool name or Wildcat Salado
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3313' - KB 3303' - GL		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 2:

- Estimated Start Date February 25, 2008
- Pull the existing 2 7/8" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 5 1/2" cemented casing
- Run 2 7/8" or 3 1/2" tubing into the well
- Complete a cavern sonar survey to determine the size of the cavern - If possible based on wellbore and well configuration
- Complete a Nitrogen - Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE [Signature] TITLE Operations Manager - Lonquist Field Service DATE 02/19/2008

Type or print name Eric Busch E-mail address: eric@lonquist.com Telephone No. 713.559.9953

For State Use Only

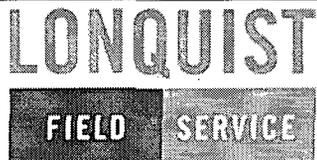
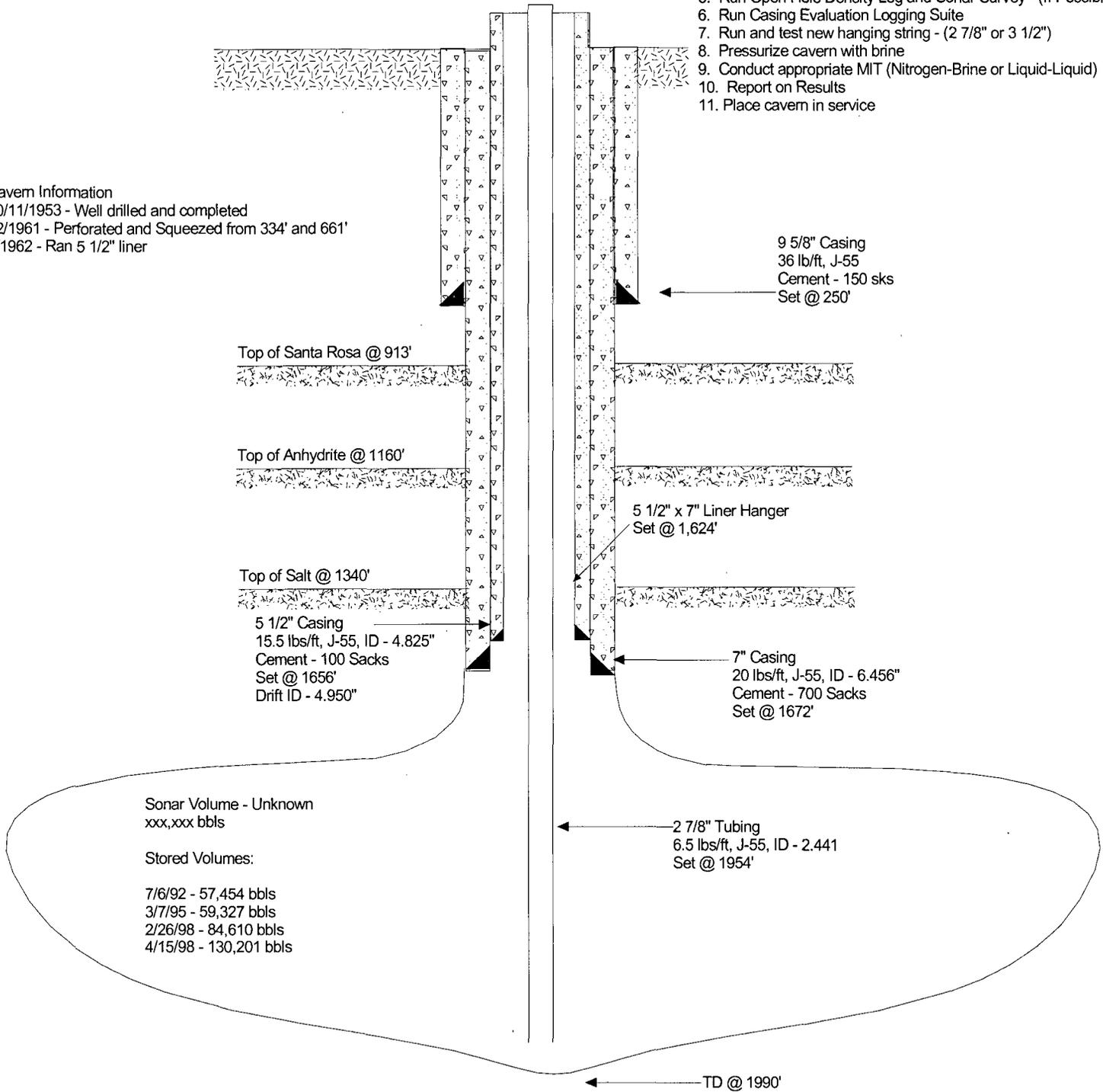
APPROVED BY: [Signature] TITLE FOC DATE 4/3/08

* The OCD Santa Fe office approves the work on the condition that the down hole work is also approved by the OCD District Office with signature.

Well Information
 Well Name: State LPG Well No. 2
 API #: 30-025-35955
 County: Lea

- 2008 Cavern Workover and MIT Plan
1. Circulate well and remove all liquid product
 2. Move in and rig up workover rig
 3. Set BOP'S and circulate well
 4. Remove 2 7/8" Tubing and Inspect/Replace
 5. Run Open Hole Density Log and Sonar Survey - (If Possible)
 6. Run Casing Evaluation Logging Suite
 7. Run and test new hanging string - (2 7/8" or 3 1/2")
 8. Pressurize cavern with brine
 9. Conduct appropriate MIT (Nitrogen-Brine or Liquid-Liquid)
 10. Report on Results
 11. Place cavern in service

Cavern Information
 10/11/1953 - Well drilled and completed
 12/1961 - Perforated and Squeezed from 334' and 661'
 2/1962 - Ran 5 1/2" liner



Well No. 2 - 2008 Existing Well Schematic

JAL Storage Facility

PROJECT NUMBER:
F141

DRAWN:
 ETB

REVIEWED:
 ETB

APPROVAL:
 NONE

SCALE:
 NONE

DATE:
 JUNE 2007

DRAWING NUMBER:

Conditions of Approval (if any):

Chavez, Carl J, EMNRD

From: Eric Busch [eric@lonquist.com]
Sent: Friday, March 07, 2008 2:06 PM
To: Chavez, Carl J, EMNRD
Cc: Price, Wayne, EMNRD
Subject: RE: Western Workovers and Well Testing
Attachments: WELL 4 - Casing Patch Workover.pdf

Carl:

Here is the draft procedure....I will complete the C103 and a cover letter and send over.

Eric Busch
Operations Manager
Lonquist and Company
1001 McKinney - Suite 1445
Houston, TX 77002
Office: 713.559.9953
Fax: 713.559.9959
Mobile: 832.216.0785

***Please note the change in address**

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Friday, March 07, 2008 2:37 PM
To: Eric Busch
Cc: Price, Wayne, EMNRD
Subject: FW: Western Workovers and Well Testing

Eric:

FYI.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Price, Wayne, EMNRD
Sent: Friday, March 07, 2008 1:34 PM
To: Chavez, Carl J, EMNRD
Subject: RE: Western Workovers and Well Testing

Carl, they are most likely seeing LPG gas coming up into the brine water from the tubing. However, I like all their options except option 3.

3/7/2008

From: Chavez, Carl J, EMNRD
Sent: Friday, March 07, 2008 1:23 PM
To: Price, Wayne, EMNRD
Subject: FW: Western Workovers and Well Testing

I received a call late this morning from Eric indicating that they think they have a pin-hole leak in the pipe thread (LPG leak) at around 200 Ft. bgl. He was proposing 3 options: 1) pull pipe and seal thread; 2) pull string and install new string; 3) install tube or packer inside 4.5 in. tube w/ annulus packed off (this would result in a large tree above surface); and 4) Owens Oil Tool specializes in patching tube leaks using wireline and lubricator (preferred).

I'm a little confused because he mentioned an LPG leak, which makes me think of the casing; however, from the description above, it appears to be a tubing leak at 200 ft. They must be injecting brine down the outer casing and extracting LPG from the tubing? Should we call Eric? Thnx.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Eric Busch [<mailto:eric@lonquist.com>]
Sent: Friday, March 07, 2008 9:20 AM
To: Chavez, Carl J, EMNRD
Subject: RE: Western Workovers and Well Testing

Carl:

The work has started on Well No. 2 and the workover results are quite favorable. We have completed the following tasks:

- Pulled original 2 7/8" brine string
- Completed casing inspection logs on 5 1/2" liner – Logs looked good
- Completed wellhead change out with positive results

We are currently running the new 3 1/2" brine string and will have an idea later today if we will be able to run a sonar survey. The Nitrogen-Brine Test is scheduled to start on Monday morning and run through Wednesday or Thursday. The contact for the field test is Tadd Busch, cell phone – 701.306.8580.

Well No. 1 will start in a month or so after Well No. 2 product injection has started. We will notify your office when the work is scheduled for Well No. 1. Please call me with any questions or concerns. Also when is a good time to talk with you today about another upcoming project at the Western Terminal in Jal?

Eric Busch
Operations Manager
Lonquist and Company
1001 McKinney - Suite 1445
Houston, TX 77002
Office: 713.559.9953
Fax: 713.559.9959
Mobile: 832.216.0785

3/7/2008

***Please note the change in address**

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Friday, March 07, 2008 10:18 AM
To: Eric Busch
Subject: RE: Western Workovers and Well Testing

Mr. Busch:

Has the testing on Wells No. 1 and 2 begun yet? An updated schedule for the work or status would be appreciated. Thanks.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Eric Busch [mailto:eric@lonquist.com]
Sent: Wednesday, February 20, 2008 9:52 AM
To: Chavez, Carl J, EMNRD; 'Ken Parker'; 'Hains, Allen'; 'Ron Weaver'; dlindt@peoplepc.com
Subject: Western Workovers and Well Testing

Mr. Chavez:

Please find the procedures for Well No. 1 and Well No. 2 at the Western Refining – Jal Storage Facility. This work is tentatively scheduled to start February 25, 2008 on Well No. 2 with Well No. 1 to follow. A hard copy will be sent to you and to the Hobbs District office today via Priority FedEx. The plan for Well No. 1 and Well No. 2 is similar to the work done on Well No. 3 and Well No. 4 in 2007.

Please contact me with any questions or concerns.

Eric Busch
Operations Manager
Lonquist and Company
1001 McKinney - Suite 1445
Houston, TX 77002
Office: 713.559.9953
Fax: 713.559.9959
Mobile: 832.216.0785

***Please note the change in address**

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3/7/2008

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LONQUIST

FIELD SERVICE

WORKOVER

Western Refining
Well No. 4
Workover Program

Project No.: F141

Date: February 2008

Page: 1 of 6

Well: Well No. 4	State: New Mexico	County: Lea	Field: Salado Formation
Well API#:	Oper: Western Refining Company	Location: Jal, NM	Status: LPG Storage

INTRODUCTION:

In 2007 Western Refining performed a workover on Well No. 4 at their Texas LPG Storage Facility near Jal, NM. A leak in a collar has been discovered in the 4 1/2" tubing. To repair this leak without emptying the well or pulling the tubing under pressure a casing patch has been located to place on the inside of the 4 1/2" tubing to cover the leaking collar.

The following is an outline of the workover activities:

- Rig up Wireline and run gauge ring and 3 arm caliper
- Rig up 30' of 5 1/2" lubricator and patch assembly
- Place patch at the desired location and release
- POOH and laydown patch assembly
- RIH with gauge ring
- Rig down wireline
- Return well to Western

ATTACHMENTS:

The following documents and information are attached to this workover program:

- Existing well schematic
- Ownes Oil Tools – Tubing/Casing Patch Running Procedures
- FORM C-101

REGULATORY INFORMATION:

Well No. 4 is regulated by the State of New Mexico – Oil Conservation District. The rules and regulations are found in Underground Injection Control Program. Well No. 4 is classified as a Class II Injection Well.

The OCD requires that Form C-101 be completed and submitted for approval prior to commencing well workover and testing activities. Form C-101 has been completed and been approved by the OCD. A complete copy of Form C-101 is included in this procedure.

SAFETY INFORMATION:

A daily well site safety meeting will be conducted by the Lonquist Field Service (LFS) supervisor prior to commencing any well work. Daily work permits to be obtained by LFS supervisor from WESTERN operations prior to commencing well work.

The following safety gear and personal protective equipment are required:

- Hard Hat
- Safety Glasses
- Fire Retardant Coveralls
- Safety Shoes w/Ankle Support – Leather or Rubber

PREPARED BY	DATE	APPROVED BY	DATE	CLIENT APPROVAL	DATE	Client Signature
ETB		RRL				

LONQUIST

FIELD**SERVICE**

WORKOVER

Project No.: F141

Western Refining
Well No. 4
Workover Program

Date: February 2008

Page: 2 of 6

Well: Well No. 4

State: New Mexico

County: Lea

Field: Salado Formation

Well API#:

Oper: Western Refining Company

Location: Jal, NM

Status: LPG Storage

- Gloves
- Fall protection required – 7' or above
- Any additional required safety equipment

Additional safety and housekeeping items include:

- Daily work permits will require a hot work permit and the work area tested for LPG/Gas
- All personnel will be required to complete the safety orientation required by WESTERN
 - 30-minute Site Specific Safety Training
- Zero tolerance for any fluid release
- Spills and releases to be reported to WESTERN
- Any Injuries and Near Misses are to be reported and investigated to/by LFS and WESTERN
- Vehicles to have company placards or logos
- Good housekeeping standards

WORK PLAN:

The daily work activities will commence after all permits have been acquired and the daily safety meetings have been completed. The work plan outlined below will be conducted over a period of time and each well will not be completed before moving to the next.

1. Pump 60 bbls of freshwater through the 4 ½" casing
2. Survey and prepare well location for service equipment.
3. Rig up wireline unit
 - a. Rig up 30' of 5 ½" lubricator
4. Run gauge ring
5. Run 3-Arm caliper
 - a. Scale buildup
 - b. Pipe irregularities
 - c. Inspect Collar locations
 - i. Compare good collars with known problem area
6. POOH laydown caliper
7. Rig up casing patch and running tools
8. RIH with casing patch assembly to desired location
 - a. RIH <100ft/min
 - b. Locate collar at ~80ft. with collar locator
 - c. Pull wireline up ~5ft
 - d. Note BHA weight
9. Release patch per Running Procedures and Casing Patch Supv. on location
 - a. Tubing/Casing Patch Running Procedures (Attached)
10. After waiting approximately 10-15min
 - a. Pull up 10ft and drop back down and tag lightly to confirm placement (slowly)
 - b. Note BHA weight – noticeably less than (Step 7)
 - c. If the tool tags up then POOH
11. POOH with assembly

PREPARED BY	DATE	APPROVED BY	DATE	CLIENT APPROVAL	DATE	Client Signature
ETB		RRL				

LONQUIST

FIELD SERVICE

WORKOVER

Western Refining
Well No. 4
Workover Program

Project No.: F141

Date: February 2008

Page: 3 of 6

Well: Well No. 4

State: New Mexico

County: Lea

Field: Salado Formation

Well API#:

Oper: Western Refining Company

Location: Jal, NM

Status: LPG Storage

- a. Lay down running tools
- 12. Bleed off all product in tubing
 - a. Wait 30min.
 - b. Repeat
- 13. Rig up ccl, temp tool, and gauge ring
 - a. Run in hole past casing patch
- 14. POOH and rig down lubricator and wireline unit
- 15. Return well to Western

PREPARED BY

DATE

APPROVED BY

DATE

CLIENT
APPROVAL

DATE

Client Signature

ETB

RRL

LONQUIST

FIELD SERVICE

WORKOVER

Project No.: F141

Western Refining
Well No. 4
Workover Program

Date: February 2008

Page: 4 of 6

Well: Well No. 4

State: New Mexico

County: Lea

Field: Salado Formation

Well API#:

Oper: Western Refining Company

Location: Jal, NM

Status: LPG Storage

CONTACT INFORMATION:

Well Owner

Western Refining
6501 Trowbridge Drive
El Paso, TX 79905-3402

- Ron Weaver – Supervisor
 - Telephone – (505) 632-4185
 - Mobile – (505) 320-7074
 - Fax – (505) 632-3911
 - Email – ron.weaver@wnr.com
- Allen S. Hains – Environmental Engineer
 - Telephone – (915) 775-5554
 - Mobile – (915) 775-5521
 - Email – allen.hains@wnr.com

Western Refining
PO Box 1345
Jal, New Mexico 88252

- Ken Parker – Site Manager
 - Telephone – (505) 395-2632
 - Mobile – (915) 471-1607
 - Email – ken.parker@wnr.com

Go South on Highway 18 to mile marker 18. Turn West on Deep Wells Road. Take first right past the railroad tracks.

Engineering Consultants

Lonquist Field Service, LLC
1001 McKinney Street
Suite 1445
Houston, TX 77002

- Richard Lonquist – President
 - Telephone – (512) 699-1527
 - Fax – (512) 732-9816
 - Email – richard@lonquist.com
- Eric Busch – Operations Manager
 - Telephone – (832) 216-0785
 - Fax – (713) 559-9959
 - Email – eric@lonquist.com

PREPARED BY	DATE	APPROVED BY	DATE	CLIENT APPROVAL	DATE	Client Signature
ETB		RRL				

LONQUIST

FIELD SERVICE

WORKOVER

Western Refining
Well No. 4
Workover Program

Project No.: F141

Date: February 2008

Page: 5 of 6

Well: Well No. 4	State: New Mexico	County: Lea	Field: Salado Formation
Well API#:	Oper: Western Refining Company	Location: Jal, NM	Status: LPG Storage

Reporting Information

Daily Reports – Email or Fax

- Ron Weaver
- Allen Hains
- Ken Parker
- Dick Lonquist
- Eric Busch

Final Reports – Email and Hard Copy

- Western Refining
- Lonquist & Company, LLC

Final Reports to include:

- Daily Reports
- Well Schematics
- Well Completion Report
- Well Logs
- Photos

PREPARED BY	DATE	APPROVED BY	DATE	CLIENT APPROVAL	DATE	Client Signature
ETB		RRL				

LONQUIST

FIELD SERVICE

WORKOVER

Project No.: F141

Western Refining
Well No. 4
Workover Program

Date: February 2008

Page: 6 of 6

Well: Well No. 4

State: New Mexico

County: Lea

Field: Salado Formation

Well API#:

Oper: Western Refining Company

Location: Jal, NM

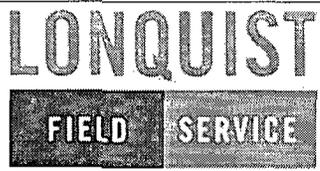
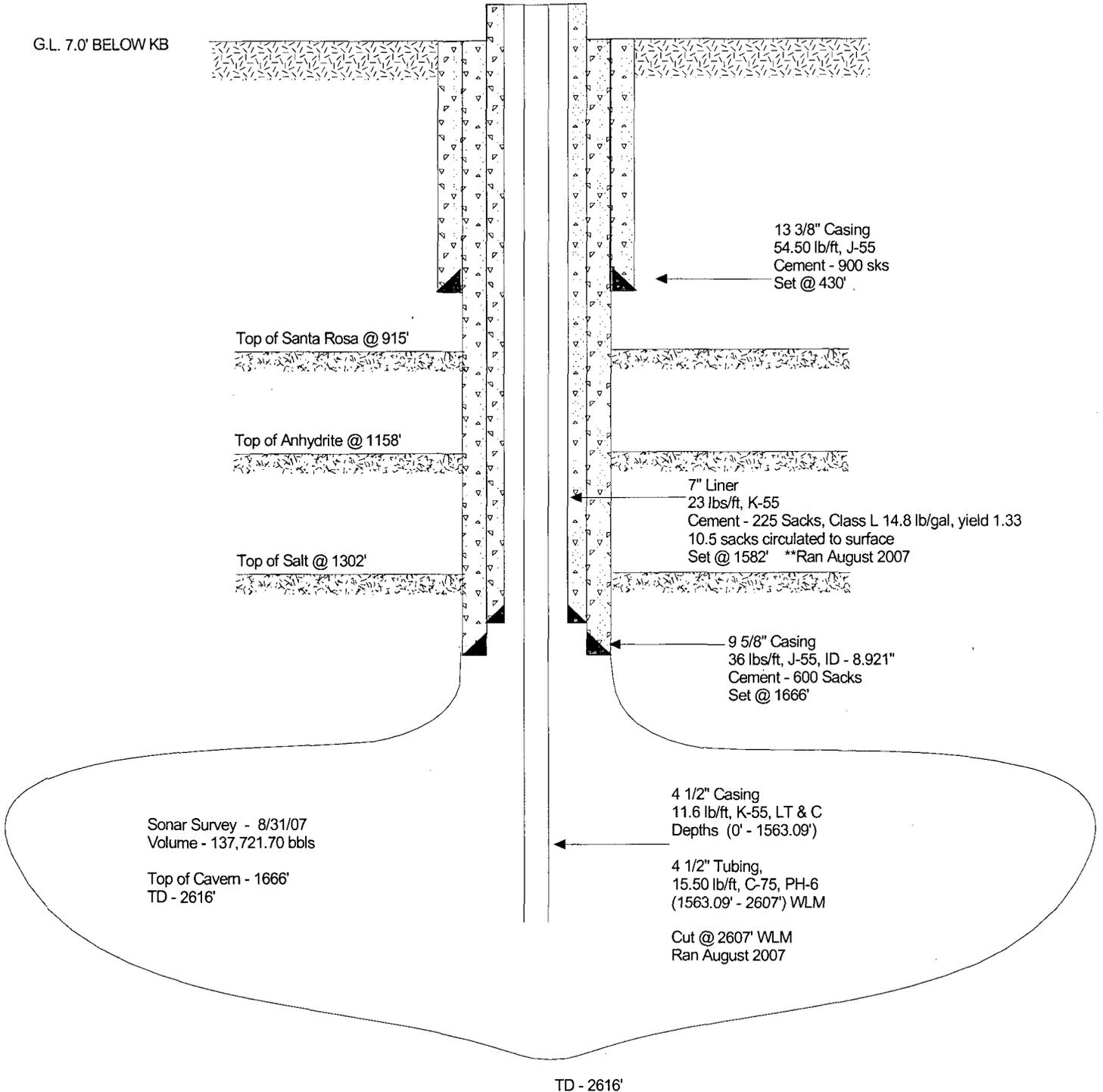
Status: LPG Storage

Workover Vendor Specification

- MESA Wireline, LLC
 - Tools – Casing Patch
 - Darwin L. Holte – (970) 640-4021
- Wireline Services
 - Gray Wireline
 - Monty Holmes – (432) 556-2927
- Fishing Tools and Rental Tools
 - Knight Oil Tools
 - Scott Underwood – (432) 556-3194
- Vacuum Truck Services
 - Pump truck to handle wellbore fluids (brine)
 - Basic Energy
 - Eric Francl – (505) 390-3646

PREPARED BY	DATE	APPROVED BY	DATE	CLIENT APPROVAL	DATE	Client Signature
ETB		RRL				

Well Information
 Well Name: State LPG Well No. 4
 API #: 30-025-35957
 County: Lea



Well No. 4 - 2007 Well Schematic

JAL Storage Facility

PROJECT NUMBER:

F143

DRAWING NUMBER:

DRAWN:
TJB

REVIEWED:
ETB

APPROVAL:
NONE

SCALE:
NONE

DATE:
AUGUST 2007



Owen Oil Tools

4-1/2" 9.5-13.5 P.P.F. / 5" 15-18 P.P.F.

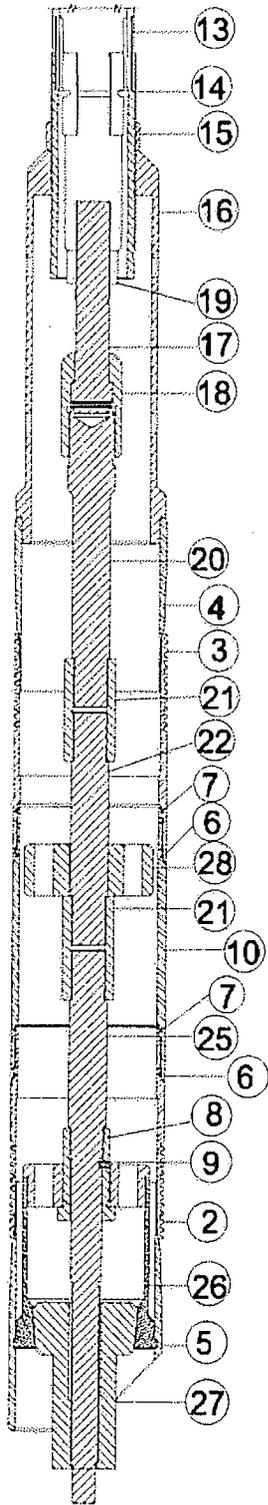
Casing Patch

CASING O.D.		4-1/2			5		
CASING WT. (T&C)		13.5	11.6-12.6	10.5-9.5	18	15	
CASING I.D.		3.92	3.958	4.052-4.090	4.276	4.408	
PATCH MAX RUNNING O.D.		3.776	3.800	3.875	4.080	4.188	
PATCH I.D. AFTER SETTING		3.375			3.500		
PATCH BURST RATING (p.s.i.)		4220	4440	5130	5650	6530	
PATCH COLLAPSE RATING (p.s.i.)		4570	4790	4990	6000	6390	
ITEM	DESCRIPTION	REQ'D.	PART NUMBERS				
1	SHORT ASSY.-ITEMS 2-9		PAT-4500-001	PAT-4500-005	PAT-4500-003	PAT-5000-001	PAT-5000-002
2	PIN ELEMENT	1	PAT-4500-020	PAT-4500-060	PAT-4500-040	PAT-5000-020	PAT-5000-030
3	BOX ELEMENT	1	PAT-4500-021	PAT-4500-061	PAT-4500-041	PAT-5000-021	PAT-5000-031
4	TOP SWAGE	1	PAT-4500-034		PAT-4500-044	PAT-5000-024	PAT-5000-034
5	BOTTOM SWAGE	1	PAT-4500-035		PAT-4500-045	PAT-5000-025	PAT-5000-035
6	PIN C-RING	"N"+1	OOO-N569-152			OOO-N569-153	
7	BOX O-RING	"N"+1	OOO-N569-153			OOO-N569-154	
8	RELEASE RING	1	PAT-4500-047 (60K.)		PAT-4500-049 (50)	PAT-4500-038 (72K)	
9	SET SCREW	1	1/4-20 x 5/16 LG.				
10	10-FT. SECTION	"N"	PAT-4500-037 (3-3/4 x 3-3/8)			PAT-5000-037 (4 x 3-1/2)	
	5-FT. SECTION	OPT.	PAT-4500-048			PAT-5000-038	
11	PIN THREAD PROTECTOR	"N"	PAT-4500-036			PAT-5000-036	
12	BOX THREAD PROTECTOR	"N"	PAT-4500-039			PAT-5000-039	
13	SETTING TOOL		SET-3250-000 (3-1/4" O.D. MULTI-STAGE)				
14	SLEEVE NUT	1	SET-3250-120				
15	SLEEVE LOCK NUT	1	SET-3250-121				
16	SETTING SLEEVE ASSY.	1	SET-3250-122			SET-3250-126	
In	SETTING SLEEVE		SET-3250-124A			SET-3250-124A	
Item	BOTTOM GUIDE	1	SET-3250-125			SET-3250-129	
17	QUICK CHANGE ROD	1	SET-3250-130				
18	QUICK CHANGE NUT	1	SET-3250-131				
19	TOP ROD LOCK NUT	1	SET-3500-025				
20	TOP ADAPTER ROD	1	SET-3250-132				
21	ROD TANDEM CONNECTOR	"N"+1	SET-3250-133				
22	10-FT. ROD	"N"	SET-3250-134				
23	5-FT. ROD	OPT.	SET-3250-135				
24	ROD THREAD PROTECTOR	"N"x2					
25	BOTTOM ROD	1	SET-3250-136				
26	COLLET ASSY.	1	SET-3250-137			SET-3250-144	
In	COLLET BODY		SET-3250-138			SET-3250-145	
Item	END SUB	1	SET-3250-139				
27	COLLET SUPPORT	1	SET-3250-140				
28	ROD SUPPORT	"N"	SET-3250-142				
NOTE: "N"=PATCH LENGTH (IN FEET) DIVDED BY 10		A	3.780	3.780	3.875	4.080	
		B	3.780	3.800	3.875	4.080	4.188
		C	3.750			4.000	
		D	3.375			3.500	
		E	6.890		6.937	7.040	
		F	11.562				
		G	9.437				
		H	1.13 LG. x 3.750 O.D.				
		J	3.750			4.060	
		K	2.750				
		L	13.750				
		M	1.500				
		N	11.750				
		P	14.500				

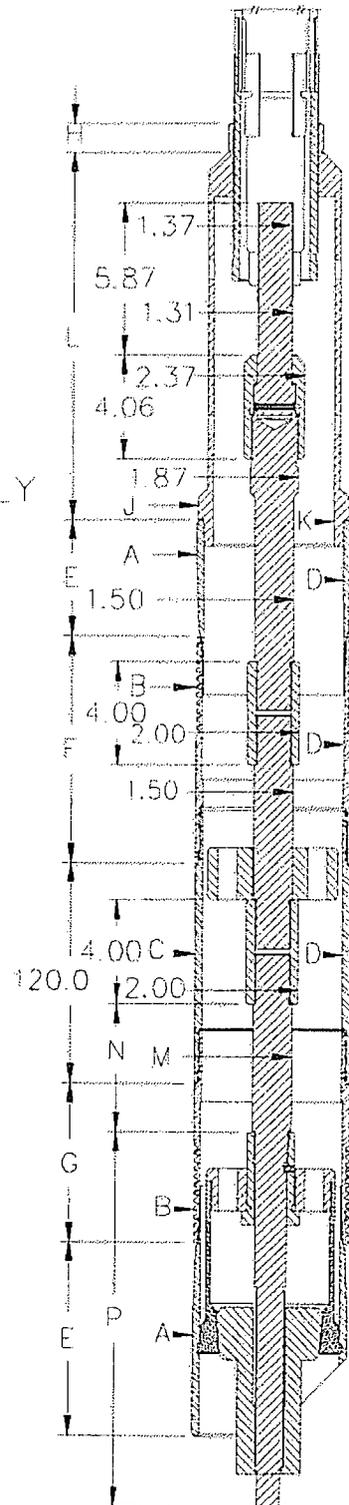
DIMENSIONAL DATA (INCHES)

Note: All Patches may be set with Hydraulic Setting Tools. Contact an Owen Representative for details.

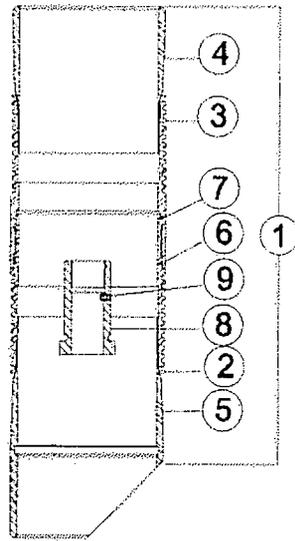
PATCH ITEMS



PATCH DIMENSIONAL DATA



PATCH SHORT ASSEMBLY





Core Lab

Owen Oil Tools

Tubing/Casing Patch Running Procedures

Technical Manual

Tubing/Casing Patch Running Procedures



For technical assistance, contact your local Owen representative:

Asia/Pacific

Adelaide, AUSTRALIA
Phone: (61-8) 8152-0244
Fax: (61-8) 8152-0255

Jakarta, INDONESIA
Phone: (62-21) 780-1533
Fax: (62-21) 780-2042

Songkhla, THAILAND
Phone: (66) 74-33-4070
Fax: (66) 74-33-4071

Canada

Brooks, Alberta
Phone: (403) 362-2633
Fax: (403) 362-2867

Calgary, Alberta
Phone: (403) 571-2400
Fax: (403) 571-2409

Edmonton, Alberta
Phone: (780) 449-2021
Fax: (780) 467-0277

Fort St. John, BC
Phone: (250) 785-7792
Fax: (250) 785-7688

Grande Prairie, Alberta
Phone: (780) 539-0506
Fax: (780) 539-6974

Lloydminster, Alberta
Phone: (780) 871-0670
Fax: (780) 871-5964

Redcliff, Alberta
Phone: (403) 548-2888
Fax: (403) 548-2891

Red Deer, Alberta
Phone: (403) 340-1017
Fax: (403) 340-1018

Slave Lake, Alberta
Phone: (780) 849-9789
Fax: (780) 849-9790

China

Beijing, CHINA
Phone: (86) 10-8548-0128
Fax: (86) 10-8454-0131

Europe

Aberdeen, SCOTLAND
Phone: (44) 1224-421077
Fax: (44) 1224-421005

Latin America

Cd. del Carmen, MEXICO
Phone: (52) 938-383-18-60
Fax: (52) 782-318-31

Paza Rico, MEXICO
Phone: (52) 782-824-08-82
Fax: (52) 782-823-72-02

Reynosa, MEXICO
Phone: (52) 899-925-63-64
Fax: (52) 899-925-90-68

Middle East

Dubai, UAE
Phone: (971) 4-883-5070
Fax: (971) 4-883-5509

Muscat, OMAN
Phone: (968) 593-032
Fax: (968) 592-460

USA

Belle Chase, LA
Phone: (504) 398-1727
Fax: (504) 398-1439

Broussard, LA
Phone: (337) 837-0021
Fax: (337) 837-0025

Houma, LA
Phone: (985) 868-7010
Fax: (985) 868-6655

Shreveport, LA
Phone: (318) 220-9009
Fax: (318) 220-0707

Oklahoma City, OK
Phone: (405) 495-4441
Fax: (405) 495-4446

Corpus Christi, TX
Phone: (361) 241-9575
Fax: (361) 241-3618

Godley, TX
Phone: (817) 551-0540
Fax: (817) 551-0795

Odessa, TX
Phone: (432) 368-9920
Fax: (432) 385-0910

Rosharon, TX
Phone: (281) 595-3357
Fax: (281) 595-3889

Synder, TX
Phone: (325) 573-9580
Fax: (325) 573-3342

Tyler, TX
Phone: (903) 526-5300
Fax: (903) 526-5303

Victoria, TX
Phone: (361) 576-6083
Fax: (361) 576-6086

Parkersburg, WV
Phone: (304) 464-4338
Fax: (304) 464-4339

Casper, WY
Phone: (307) 266-6936
Fax: (307) 234-9710

www.owentools.com

Warning: Use of Owen equipment contrary to manufacturer's specifications or operating instructions may result in property damage, serious injury or fatality. If you are not trained in the handling and use of explosive devices, do not attempt to use or assemble any Owen perforating systems or Owen firing devices.

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Icon Usage

The icons used in Owen documentation and their meanings are discussed below:



Warning: Warnings are used when there is a possibility of tool damage and bodily harm!



Caution: Cautions are used when there is a possibility of tool damage!



Note: Notes are used for additional important information.

Running Procedures for Std Patch w/MSST Eline

Introduction

OWEN highly recommends the use of a casing scraper before patch installation to rid the interval of foreign matter. Also, recommended is a casing caliper or pipe inspection log to provide an accurate record of casing ID and condition.



Caution: *A drift run or gauge ring is a minimum requirement!*

In instances where there is corrosion and/or holes in the casing, it is recommended to straddle the complete joint with the Casing Patch; with at least a 5 ft (1.5 m) overlap on the couplings.



Caution: *In actual well situations, failure to follow recommended procedures has resulted in patches sliding or failing to hold pressure!*



Caution: *It is crucial that well fluids, casing and tubulars are clean and free of debris and/or solids!*

Pre-Deployment

1. Caliper and record all OD's, ID's and lengths of the equipment to be run. Prepare the work area for the operation and remove all unnecessary equipment. Prepare assembly, lifting and handling equipment and inspect ALL handling equipment for loose parts (slip dies', nuts, dog collars, bolts etc...).
2. Make sure that the O-Rings and Elastomers are rated for the actual well conditions.
3. Check that all of the explosive components are compatible with each other and with well temperatures.
4. **ALL** hand tools must be strapped and clipped to the user. Make sure that the hole is covered when hand tools are being used.

Running Procedures- Std Patch w/MSST Eline



5. Be careful not to drop any foreign debris/objects such as tape and metal strips into the hole while making up and running the assembly.
6. All distances from the Blow Out Preventer (BOP)/Wellhead to rig floor need to be verified.
7. Confirm that the patch Elements will not be set across a coupling or connection.
8. Conduct a Job Safety Analysis (JSA) meeting with the personnel involved and go over all operational procedures before continuing.

Deployment

1. Assemble the Casing/Tubing Patch as per Owen recommended assembly instructions (pat-4.0).



Caution: *Blue Thread Lock (medium) should be applied to all deployment rod connections, including Collet support!*



Note: *A Teflon zip tie lock can be used below the Collet Support on the Bottom Rod instead of thread lock.*

2. Lower the Casing Patch into position in the well. In cases where, because of the working height of the rig or mast unit, it is not possible to pick up more than a 30ft (9m) patch with the setting tool installed, you can build up the required length of patch by assembling it in modular sections in a vertical position.



Note: *If the overall length of the section is quite long and is not deployed in a lubricator; lift nubbins, a dog collar safety clamp, swivel lift hook, rod support plate and elevators are required to lift and assemble the extensions vertically.*

3. Because the patch is supported through the center rod system, the center rod must be held at all times.
4. Assemble explosives components as per safety checklist. Lift the Multi-Stage Setting Tool (MSST) into position with the wireline. Next, attach the setting tool to the patch assembly by means of the Quick Change Nut. Screw the Setting Sleeve (item #16) firmly against the Top Swage. Do not over torque. Tighten the Sleeve Lock Nut (item #15) against the Setting Sleeve.



Note: It may be possible to pick up a short patch with the setting tool installed. The preferred method is to insert the complete assembled patch Bottom Hole Adapter (BHA) into the lubricator on the deck and then pick up the lubricator. If the patch BHA is being picked up unsupported, ensure that the Setting Sleeve is backed off 1-2 in (3-5 cm) from the Top Swage. After the patch BHA is vertical then screw the Setting Sleeve firmly against the Top Swage and lock it in place with the Sleeve Lock Nut as described above.

5. Check and record hang weight.

6. Be careful while running the patch to the required depth. Avoid jarring stops when running the tool and don't spud or force the casing patch down the well. Do not exceed 100 ft/min (30 m/min) running speed.

7. Before entering liner or tight spots, record the up and down weights and be sure to slow down when entering these areas. Keep the number of runs through perforations or tight spots to a minimum.

8. Position patch on depth by either tagging a fixed position in the well or by the use of a Collar Counter Locator (CCL) log.



Note: A shooting Gamma Ray tool may be required when isolating perforations.

9. When at setting depth, (last motion up), record the up and down weight, initiate the firing sequence to detonate the power charge and then wait 10 minutes.

10. Pick up slowly to confirm the Collet is released. Once this is done, there should be a noticeable loss of BHA weight. Now, if overall length permits, pick up approximately 10 ft (3 m).



Caution: Do not pull Collet assembly completely out of the patch!

11. Run back in slowly and tag lightly to confirm patch placement. Pull out of hole (POOH) and lay down setting assembly.



Note: The running tools retrieved will be the same over all length as the original running assembly.

Running Procedures- Std Patch w/MSST Eline



Warning: Bleed off pressure in the MSST prior to laying it down!

12. If down hole conditions permit, pressure test Casing Patch to desired pressure, being careful not to exceed 80% of rating.

Chavez, Carl J, EMNRD

From: Parker, Ken [Ken.Parker@wnr.com]
Sent: Thursday, July 05, 2007 3:55 PM
To: Williams, Chris, EMNRD
Cc: s.dickey@state.nm.us; Chavez, Carl J, EMNRD; Price, Wayne, EMNRD
Subject: FW: Jal schedule

From: Eric Busch [mailto:eric@lonquistfieldservice.com]
Sent: Thu 7/5/2007 1:49 PM
To: Davis, Bruce; Parker, Ken
Subject: RE: Jal schedule

Here is the quick schedule if we rig up on Monday July 9, 2007:

- 7/9/07 – Rig up on Well No. 4 – Start pulling 4 ½” casing
- 7/10/07 – Complete pulling 4 ½” casing and tear down wellhead
- 7/11/07 – Casing logs and sonar survey
- 7/12/07 – Complete casing logs and if the wellhead is ready install and start running pipe
 - If not we will move to Well No. 3
 - 7/12/07 – Rig up on Well No. 3
 - 7/13/07 – Start pulling 4 ½” casing
 - 7/14/07 – Casing logs and sonar survey
 - 7/15/07 – Complete casing logs and install wellhead and start running pipe
 - 7/16/07 – Complete running pipe and start rigging down
- 7/17/07 – Rig back up on Well No. 3 and start running pipe
- 7/18/07 – Run pipe and rig up wellhead
- 7/19/07 – Finish well and rig dow
- 7/20/07 – Pressure up caverns with brine in preparation for well test
- 7/23/07 – Start MIT’s on both caverns (1 week)

We may want to wait a couple of days but we might be able to piggy-back some services if we start on Monday and work both wells together with one rig.

Let me know if this gets you what you need for now. We will provide you with updates daily or a couple of times a day so you can get the OCD scheduled to be on location.



Eric Busch
Operations Manager
1001 McKinney Suite 1720
Houston, Texas 77002
(832) 216-0785 Mobile
(713) 559-9953 Main
(713) 559-9959 Fax

7/5/2007

eric@lonquistfieldservice.com
www.lonquistfieldservice.com

LONQUIST



From: Davis, Bruce [mailto:Bruce.Davis@wnr.com]
Sent: Thursday, July 05, 2007 9:13 AM
To: eric@lonquistfieldservice.com
Subject: Jal schedule

Eric,

We need a schedule for next weeks work, so it can be forwarded to NMOCD. Thanks

Bruce

This inbound email has been scanned by the MessageLabs Email Security System.

7/5/2007

Chavez, Carl J, EMNRD

From: Price, Wayne, EMNRD
Sent: Friday, June 29, 2007 1:19 PM
To: Chavez, Carl J, EMNRD
Subject: FW: C-103 Reports for Jal, NM

Attachments: WELL 1 - C103.doc; Well No 1 2007 Schematic.pdf; WELL 2 - C103.doc; Well No 2 2007 Schematic.pdf; WELL 3 - C103.doc; Well No 3 2007 Schematic.pdf; WELL 4 - C103.doc; Well No 4 2007 Schematic.pdf



WELL 1 - C103.doc
(51 KB)



Well No 1 2007
Schematic.pdf (...)



WELL 2 - C103.doc
(51 KB)



Well No 2 2007
Schematic.pdf (...)



WELL 3 - C103.doc
(51 KB)



Well No 3 2007
Schematic.pdf (...)



WELL 4 - C103.doc
(51 KB)



Well No 4 2007
Schematic.pdf (...)

Please handle

-----Original Message-----

From: Parker, Ken [mailto:Ken.Parker@wnr.com]
Sent: Wednesday, June 20, 2007 10:12 AM
To: Williams, Chris, EMNRD
Cc: Davis, Bruce; Price, Wayne, EMNRD
Subject: C-103 Reports for Jal, NM

Chris,

Here is the scope of work planed for the LPG storage wells at the Western Refining Terminal located near Jal, New Mexico.

Once the project date is set, wells three and four will test first. I will forward the start date to you as soon as I know.

Ken

This inbound email has been scanned by the MessageLabs Email Security System.

Chavez, Carl J, EMNRD

From: Price, Wayne, EMNRD
Sent: Friday, June 29, 2007 1:20 PM
To: Chavez, Carl J, EMNRD
Subject: FW: C-131A Reports, May 07

Attachments: Well 1May 07.rtf; Well 2 May 07.rtf; Well 3 May 07.rtf; Well 4 May 07.rtf



Well 1May 07.rtf (16 KB) Well 2 May 07.rtf (16 KB) Well 3 May 07.rtf (16 KB) Well 4 May 07.rtf (16 KB)

We have always given Lawrence the hard copies. Figure

out how we can scan all of those and include these.

-----Original Message-----

From: tlpjgal@valornet.com [mailto:tlpjgal@valornet.com]
Sent: Tuesday, June 19, 2007 12:52 PM
To: Price, Wayne, EMNRD
Subject: C-131A Reports, May 07

Wayne:

This is the first report as Western Refining being the new operator.

Unless I here different,I will send this report by e-mail.

Ken

This inbound email has been scanned by the MessageLabs Email Security System.

Submit 3 Copies 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35954
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 30055
8. Well Number 1
9. OGRID Number 248440
10. Pool name or Wildcat Salado

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 LPG STORAGE WELL

2. Name of Operator
Western Refining Company, LP

3. Address of Operator
PO Box 1345 Jal, NM 88252

4. Well Location
 Unit Letter M : 450 feet from the SOUTH line and 780 feet from the WEST line
 Section 32 Township 23S Range 37E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3313' - KB 3300' - GL

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 1:

- Pull the existing 3 1/2" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 7" cemented casing
- Complete a cavern sonar survey to determine the size of the cavern
- Complete a Nitrogen - Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE _____ TITLE Facility Manager _____ DATE 6-19-07

Type or print name _____ E-mail address: Ken.Parker@wnr.com Telephone No. 505-395-2632
For State Use Only

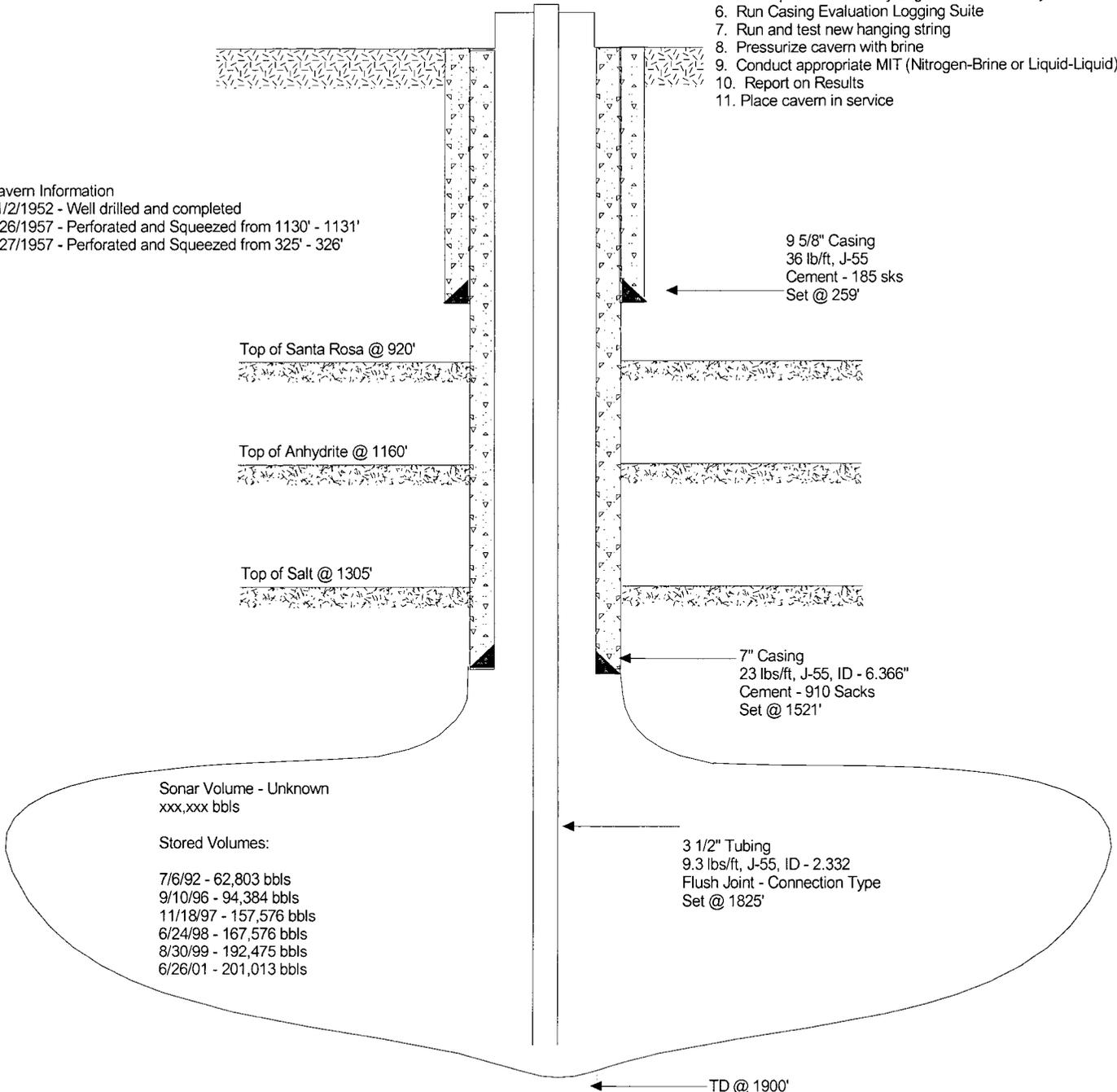
APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Well information
 Well Name: State LPG Well No. 1
 API #: 30-025-35954
 County: Lea

- 2007 Cavern Workover and MIT Plan
1. Circulate well and remove all liquid product
 2. Move in and rig up workover rig
 3. Set BOP'S and circulate well
 4. Remove 3 1/2" Tubing and Inspect/Replace
 5. Run Open Hole Density Log and Sonar Survey
 6. Run Casing Evaluation Logging Suite
 7. Run and test new hanging string
 8. Pressurize cavern with brine
 9. Conduct appropriate MIT (Nitrogen-Brine or Liquid-Liquid)
 10. Report on Results
 11. Place cavern in service

Cavern Information
 11/2/1952 - Well drilled and completed
 3/26/1957 - Perforated and Squeezed from 1130' - 1131'
 3/27/1957 - Perforated and Squeezed from 325' - 326'



Sonar Volume - Unknown
 xxx,xxx bbls

Stored Volumes:

- 7/6/92 - 62,803 bbls
- 9/10/96 - 94,384 bbls
- 11/18/97 - 157,576 bbls
- 6/24/98 - 167,576 bbls
- 8/30/99 - 192,475 bbls
- 6/26/01 - 201,013 bbls

LONQUIST

Well No. 1 - 2007 Well Schematic

FIELD SERVICE

JAL Storage Facility

PROJECT NUMBER:

DRAWN:
ETB

REVIEWED:
ETB

APPROVAL:
NONE

SCALE:
NONE

DATE:
JUNE 2007

DRAWING NUMBER:

1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Road, 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-131A
 Revised June 10, 2003

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Submit one copy to Santa Fe
 and one copy to appropriate
 District Office postmarked by 24th
 day of succeeding month.
 See Rule 1131.

MONTHLY GAS STORAGE REPORT

Western Refining Company, L.P.
 (Company)

PO Box 1345 Jal, New Mexico 88252
 (Address)

NAME OF STORAGE PROJECT Jal Terminal COUNTY Lea Month/Year 05-07

WELL NAME AND NUMBER	LOCATION UNIT SEC. TWP. RANGE	MAXIMUM INJECTION PRESSURE	INJECTION (MCF)	WITHDRAWAL (MCF)
31055 State LPG Storage Well No. 1 30-025-35954	M32-23S-37E	700	28,655	0

TOTALS

TOTAL CAPACITY (MMCF)	<u>201,013 Barrels</u>	CALCULATED RESERVOIR PRESSURE @ END OF MONTH <u>885</u>
BEGINNING STORAGE (MMCF)	<u>24,218 Barrels</u>	I hereby certify that this report is true and complete to the best of my knowledge and belief.
NET CHANGE (MMCF)	<u>28,655 Barrels</u>	Signature _____
ENDING STORAGE (MMCF)	<u>52,873 Barrels</u>	Printed Name & Title <u>Ken Parker, Manager</u>
		E-mail Address <u>ken.parker@wnr.com</u>
		Date <u>6-19-07</u> Telephone No. <u>505-395-2632</u>

Submit 3 Copies 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35955
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other LPG STORAGE WELL		7. Lease Name or Unit Agreement Name 31055
2. Name of Operator Western Refining Company, LP		8. Well Number 2
3. Address of Operator PO Box 1345 Jal, NM 88252		9. OGRID Number 248440
4. Well Location Unit Letter <u>M</u> : <u>100</u> feet from the <u>SOUTH</u> line and <u>280</u> feet from the <u>NORTH</u> line Section <u>32</u> Township <u>23S</u> Range <u>37E</u> NMPM County <u>LEA</u>		10. Pool name or Wildcat Salado
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3313' - KB 3303' - GL		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 2:

- Pull the existing 2 7/8" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 5 1/2" cemented casing
- Complete a cavern sonar survey to determine the size of the cavern
- Complete a Nitrogen - Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE _____ TITLE Facility Manager _____ DATE 6-19-07

Type or print name _____ E-mail address: ken.Parker@wnr.com Telephone No. 505-395-2632
For State Use Only

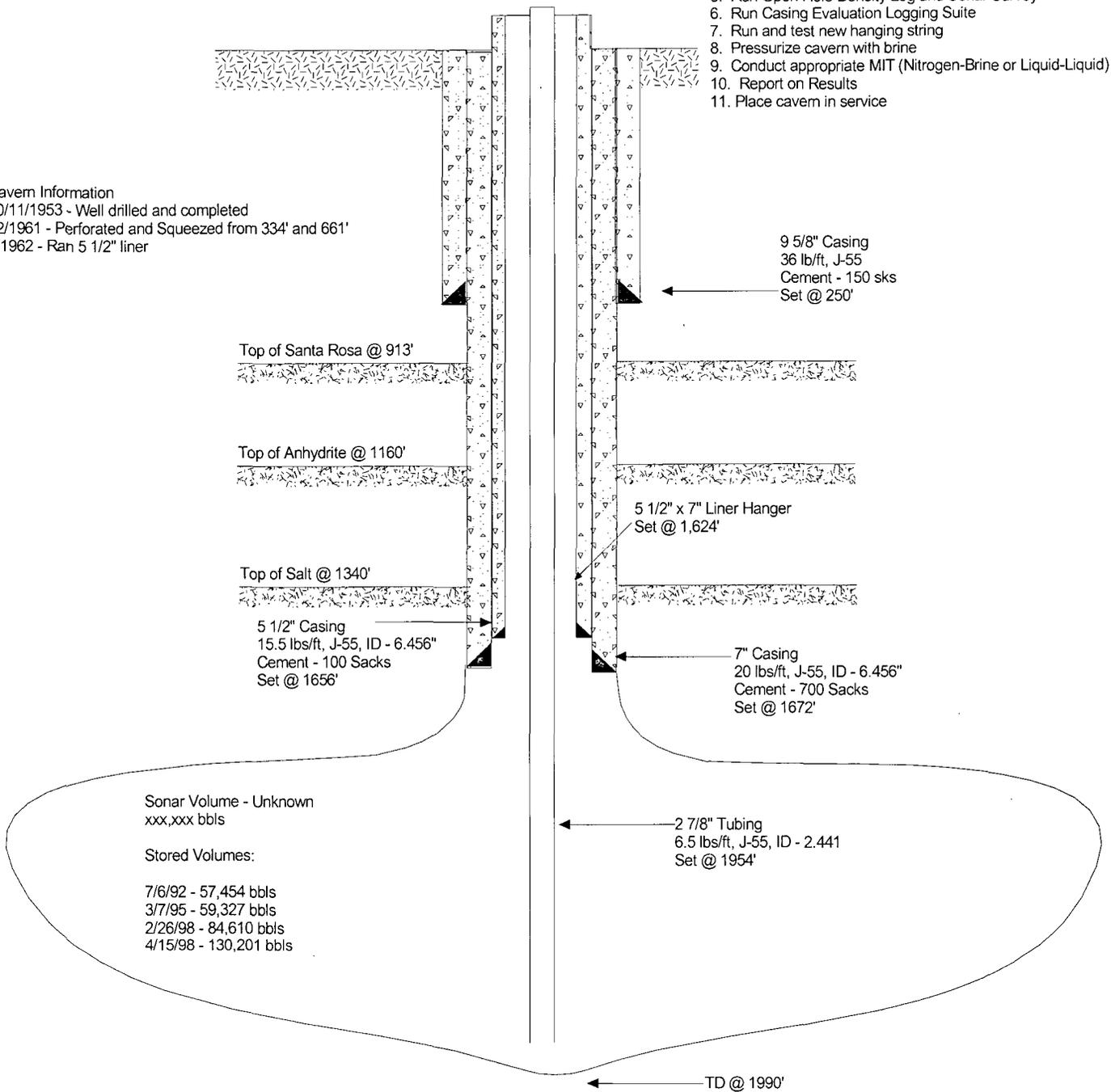
APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Well Information
 Well Name: State LPG Well No. 2
 API #: 30-025-35955
 County: Lea

- 2007 Cavern Workover and MIT Plan
1. Circulate well and remove all liquid product
 2. Move in and rig up workover rig
 3. Set BOP'S and circulate well
 4. Remove 2 7/8" Tubing and Inspect/Replace
 5. Run Open Hole Density Log and Sonar Survey
 6. Run Casing Evaluation Logging Suite
 7. Run and test new hanging string
 8. Pressurize cavern with brine
 9. Conduct appropriate MIT (Nitrogen-Brine or Liquid-Liquid)
 10. Report on Results
 11. Place cavern in service

Cavern Information
 10/11/1953 - Well drilled and completed
 12/1961 - Perforated and Squeezed from 334' and 661'
 2/1962 - Ran 5 1/2" liner



LONQUIST

Well No. 2 - 2007 Well Schematic

FIELD SERVICE

JAL Storage Facility

PROJECT NUMBER:

DRAWN:
ETB

REVIEWED:
ETB

APPROVAL:
NONE

SCALE:
NONE

DATE:
JUNE 2007

DRAWING NUMBER:

1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Road, 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-131A
 Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to Santa Fe
 and one copy to appropriate
 District Office postmarked by 24th
 day of succeeding month.
 See Rule 1131.

MONTHLY GAS STORAGE REPORT

Western Refining Company, L.P.
 (Company)

PO Box 1345 Jal, New Mexico 88252
 (Address)

NAME OF STORAGE PROJECT Jal Terminal COUNTY Lea Month/Year 05-07

WELL NAME AND NUMBER	LOCATION UNIT SEC. TWP. RANGE	MAXIMUM INJECTION PRESSURE	INJECTION (MCF)	WITHDRAWAL (MCF)
31055 State LPG Storage Well No. 2 30-025-35955	M32-23S-37E	830	14,494	13,850

TOTALS

TOTAL CAPACITY (MMCF) 130,201 Barrels
 BEGINNING STORAGE (MMCF) 13,850 Barrels
 NET CHANGE (MMCF) 644 Barrels
 ENDING STORAGE (MMCF) 14,494 Barrels

CALCULATED RESERVOIR PRESSURE @ END
 OF MONTH 978

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

Signature _____

Printed Name & Title Ken Parker, Manager

E-mail Address ken.parker@wnr.com

Date 6-19-07 Telephone No. 505-395-2632

Submit 3 Copies 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35956
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 30055
8. Well Number 3
9. OGRID Number 248440
10. Pool name or Wildcat Salado
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3314.5' - KB 3304' - GL
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 LPG STORAGE WELL

2. Name of Operator
Western Refining Company, LP

3. Address of Operator
PO Box 1345 Jal, NM 88252

4. Well Location
 Unit Letter_M _____ : _____ 1000 _____ feet from the _____ SOUTH _____ line and _____ 530 _____ feet from the _____ WEST _____ line
 Section 32 Township 23S Range 37E NMPM County LEA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 3:

- Pull the existing 4 1/2" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 9 5/8" cemented casing
- Complete a cavern sonar survey to determine the size of the cavern
- Complete a Nitrogen - Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE _____ TITLE Facility Manager DATE 6-19-07

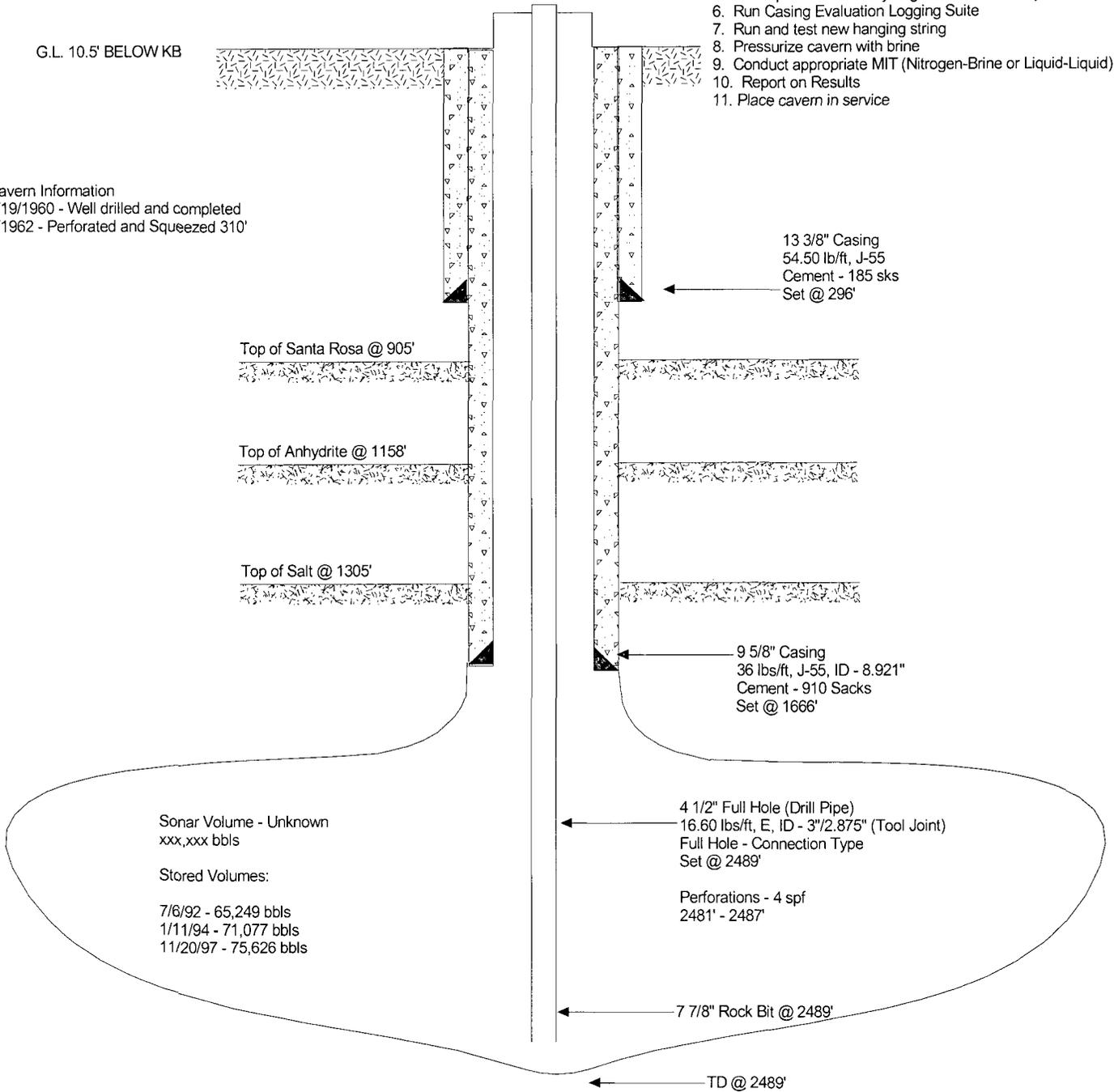
Type or print name _____ E-mail address: ken.parker@wnr.com Telephone No. 505-395-2632
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____

Well Information
 Well Name: State LPG Well No. 3
 API #: 30-025-35956
 County: Lea

- 2007 Cavern Workover and MIT Plan
1. Circulate well and remove all liquid product
 2. Move in and rig up workover rig
 3. Set BOP'S and circulate well
 4. Remove 4 1/2" Tubing and Inspect/Replace
 5. Run Open Hole Density Log and Sonar Survey
 6. Run Casing Evaluation Logging Suite
 7. Run and test new hanging string
 8. Pressurize cavern with brine
 9. Conduct appropriate MIT (Nitrogen-Brine or Liquid-Liquid)
 10. Report on Results
 11. Place cavern in service

Cavern Information
 6/19/1960 - Well drilled and completed
 3/1962 - Perforated and Squeezed 310'



Note: All measurements are from KB

LONQUIST

Well No. 3 - 2007 Well Schematic

FIELD SERVICE

JAL Storage Facility

PROJECT NUMBER:

DRAWN:
ETB

REVIEWED:
ETB

APPROVAL:
NONE

SCALE:
NONE

DATE:
JUNE 2007

DRAWING NUMBER:

1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Road, 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-131A
 Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to Santa Fe
 and one copy to appropriate
 District Office postmarked by 24th
 day of succeeding month.
 See Rule 1131.

MONTHLY GAS STORAGE REPORT

Western Refining Company, L.P.
 (Company)

PO Box 1345 Jal, New Mexico 88252
 (Address)

NAME OF STORAGE PROJECT Jal Terminal COUNTY Lea Month/Year 05-07

WELL NAME AND NUMBER	LOCATION UNIT SEC. TWP. RANGE	MAXIMUM INJECTION PRESSURE	INJECTION (MCF)	WITHDRAWAL (MCF)
31055 State LPG Storage Well No. 3 30-025-35956	M32-23S-37E	750	12,813	8,568

TOTALS

TOTAL CAPACITY (MMCF) 75,626 Barrels
 BEGINNING STORAGE (MMCF) 12,120 Barrels
 NET CHANGE (MMCF) 8,569 Barrels
 ENDING STORAGE (MMCF) 16,365 Barrels

CALCULATED RESERVOIR PRESSURE @ END
 OF MONTH 867

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

Signature _____

Printed Name & Title Ken Parker, Manager

E-mail Address ken.parker@wnr.com

Date 6-19-07 Telephone No. 505-395-2632

Submit 3 Copies 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35957
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 30055
8. Well Number 4
9. OGRID Number 248440
10. Pool name or Wildcat Salado
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3311' - KB 3304' - GL
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 LPG STORAGE WELL

2. Name of Operator
Western Refining Company, LP

3. Address of Operator
PO Box 1345 Jal, NM 88252

4. Well Location
 Unit Letter M : 1000 feet from the SOUTH line and 1230 feet from the WEST line
 Section 32 Township 23S Range 37E NMPM County LEA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <input checked="" type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
---	--

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 3:

- Pull the existing 4 1/2" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 9 5/8" cemented casing
- Complete a cavern sonar survey to determine the size of the cavern
- Complete a Nitrogen - Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE _____ TITLE Facility Manager DATE 6-19-07

Type or print name _____ E-mail address: ken.parker@wnr.com Telephone No. 505-395-2632
 For State Use Only

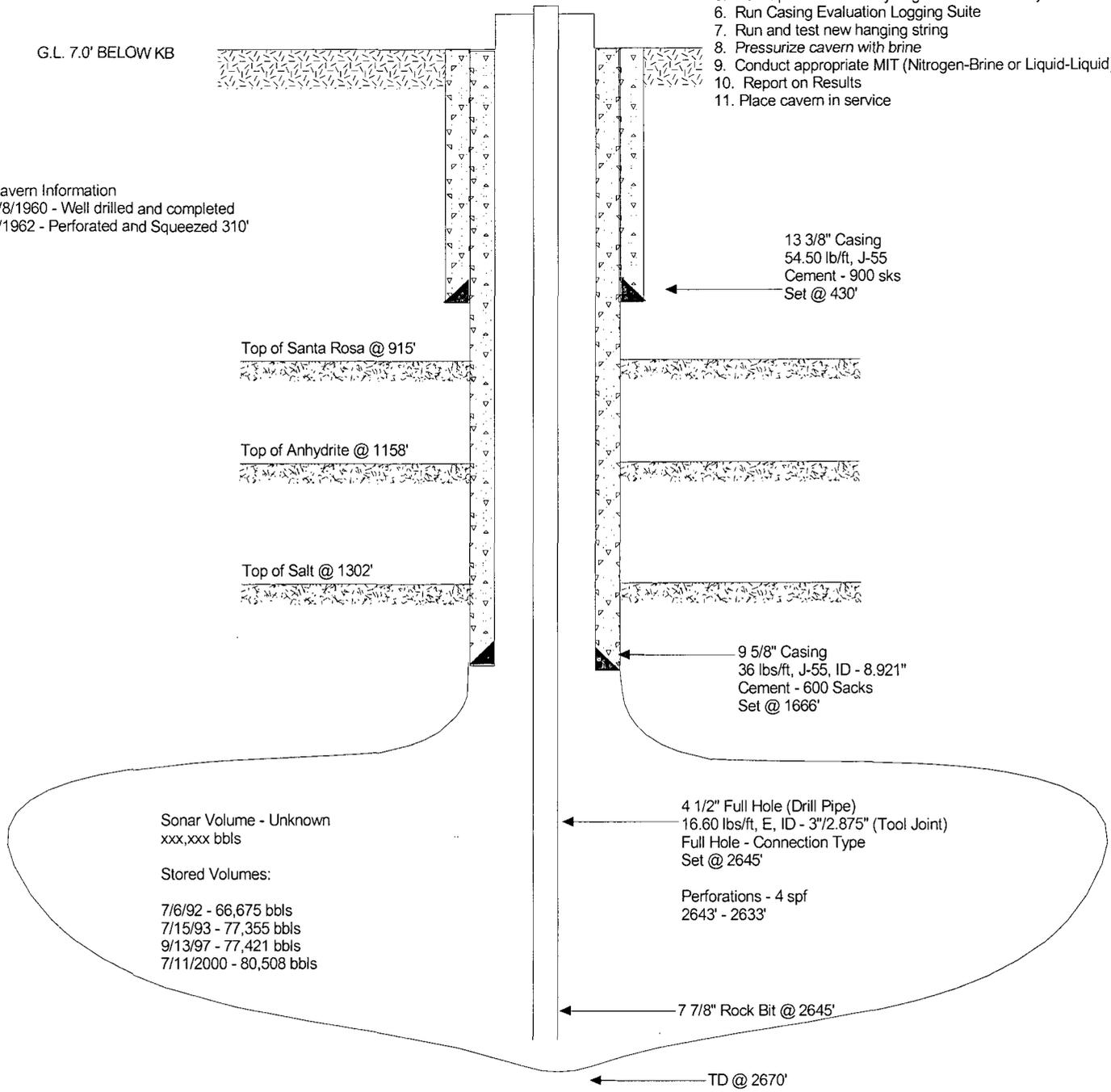
APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Well Information
 Well Name: State LPG Well No. 4
 API #: 30-025-35957
 County: Lea

- 2007 Cavern Workover and MIT Plan
1. Circulate well and remove all liquid product
 2. Move in and rig up workover rig
 3. Set BOP'S and circulate well
 4. Remove 4 1/2" Tubing and Inspect/Replace
 5. Run Open Hole Density Log and Sonar Survey
 6. Run Casing Evaluation Logging Suite
 7. Run and test new hanging string
 8. Pressurize cavern with brine
 9. Conduct appropriate MIT (Nitrogen-Brine or Liquid-Liquid)
 10. Report on Results
 11. Place cavern in service

Cavern Information
 7/8/1960 - Well drilled and completed
 3/1962 - Perforated and Squeezed 310'

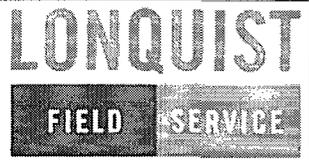


Sonar Volume - Unknown
 xxx,xxx bbls

Stored Volumes:

- 7/6/92 - 66,675 bbls
- 7/15/93 - 77,355 bbls
- 9/13/97 - 77,421 bbls
- 7/11/2000 - 80,508 bbls

Note: All measurements are from KB



Well No. 4 - 2007 Well Schematic

JAL Storage Facility

PROJECT NUMBER:

DRAWN: ETB	REVIEWED: ETB	APPROVAL: NONE	SCALE: NONE	DATE: JUNE 2007	DRAWING NUMBER:
---------------	------------------	-------------------	----------------	--------------------	-----------------

1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Road, 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-131A
 Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to Santa Fe
 and one copy to appropriate
 District Office postmarked by 24th
 day of succeeding month.
 See Rule 1131.

MONTHLY GAS STORAGE REPORT

Western Refining Company, L.P.
 (Company)

PO Box 1345 Jal, New Mexico 88252
 (Address)

NAME OF STORAGE PROJECT Jal Terminal COUNTY Lea Month/Year 05-07

WELL NAME AND NUMBER	LOCATION UNIT SEC. TWP. RANGE	MAXIMUM INJECTION PRESSURE	INJECTION (MCF)	WITHDRAWAL (MCF)
31055 State LPG Storage Well No. 4 30-025-35957	M32-23S-37E	0	0	0

TOTALS

TOTAL CAPACITY (MMCF) 80,508 Barrels

BEGINNING STORAGE (MMCF) 0 Barrels

NET CHANGE (MMCF) 0 Barrels

ENDING STORAGE (MMCF) 0 Barrels

CALCULATED RESERVOIR PRESSURE @ END
 OF MONTH 367

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

Signature _____

Printed Name & Title Ken Parker, Manager

E-mail Address ken.parker@wnr.com

Date 6-19-07 Telephone No. 505-395-2632

AUSTIN
3345 Bee Cave Road
Suite 201
Austin, Texas 78746 USA
Tel 512.732.9812
Fax 512.732.9816



HOUSTON
1001 McKinney
Suite 1445
Houston, Texas 77002 USA
Tel 713.559.9950
Fax 713.559.9959

February 18, 2008

Mr. Carl J. Chavez
Oil Conservation District
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Western Refining Company, LP – Well No. 1 (30-025-35954) & Well No. 2 (30-025-35954) Form C-103

(GW-7)

Dear Mr. Chavez:

Lonquist Field Service, LLC (LFS) has recently been contracted by Western Refining Company, LP. to complete a workover and testing program on Well Nos. 1 and 2 at their Jal, NM Storage Facility. Please find the Form C-103 for Well Nos. 1 and 2 attached to this letter. The general workover prognosis is as follows:

- Pull existing tubing string
 - Well No. 1 – 3 ½” Tubing
 - Well No. 2 – 2 7/8” Tubing
- Complete casing inspection logs on cemented production casing
 - Well No. 1 – 7” Casing
 - Well No. 2 – 5 ½” Casing
- Replace and repair wellhead equipment and valves
- Run tubing string
 - Well No. 1 – 3 ½” or 4 ½” PH-6 Tubing
 - Well No. 2 – 2 7/8” or 3 ½” PH-6 Tubing
- Run a directional survey and cavern sonar survey
 - Sonar survey may not be possible based on the wellbore issues or well configuration
- Complete a Nitrogen-Brine Interface Test on each well
 - A complete test procedure will be submitted prior to starting the test

The work on Well No. 1 and Well No. 2 is tentatively scheduled to start the week of February 25, 2008. Well No. 2 will be the first well to be scheduled and both wells will be out of service during the workover and testing program.

RECEIVED
2008 FEB 21 PM 2 00

AUSTIN
3345 Bee Cave Road
Suite 201
Austin, Texas 78746 USA
Tel 512.732.9812
Fax 512.732.9816



HOUSTON
1001 McKinney
Suite 1445
Houston, Texas 77002 USA
Tel 713.559.9950
Fax 713.559.9959

Please feel free to contact me (832-216-0785) or via email (eric@lonquist.com) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Busch".

Eric Busch
Operations Manager

Cc: NM OCD – District I, Hobbs, NM
Ron Weaver – Western Refining
Ken Parker – Western Refining
LFS – Project Files

Submit 3 Copies 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35955
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 31055
8. Well Number 2
9. OGRID Number 248440
10. Pool name or Wildcat Salado
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3313' - KB 3303' - GL
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 LPG STORAGE WELL

2. Name of Operator
Western Refining Company, LP

3. Address of Operator
PO Box 1345 Jal, NM 88252

4. Well Location
 Unit Letter M _____ : _____ 100 _____ feet from the _____ SOUTH _____ line and _____ 280 _____ feet from the _____ NORTH _____ line
 Section 32 Township 23S Range 37E NMPM County LEA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
--	--	---	--

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 2:

- Estimated Start Date February 25, 2008
- Pull the existing 2 7/8" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 5 1/2" cemented casing
- Run 2 7/8" or 3 1/2" tubing into the well
- Complete a cavern sonar survey to determine the size of the cavern - If possible based on wellbore and well configuration
- Complete a Nitrogen - Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Eric Busch TITLE Operations Manager - Lonquist Field Service DATE 02/19/2008

Type or print name Eric Busch E-mail address: eric@lonquist.com Telephone No. 713.559.9953
For State Use Only

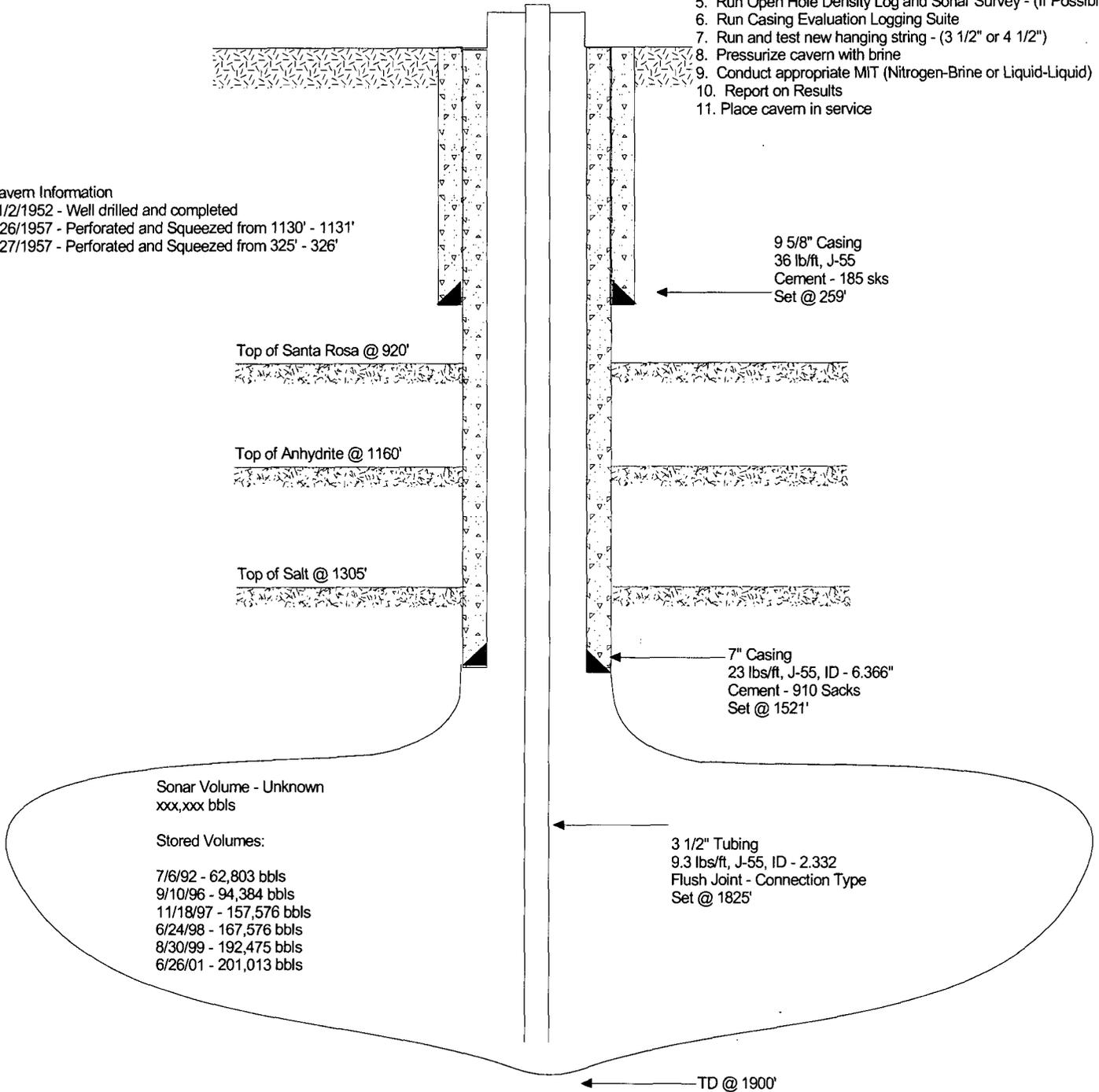
APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Well Information
 Well Name: State LPG Well No. 1
 API #: 30-025-35954
 County: Lea

- 2008 Cavern Workover and MIT Plan
1. Circulate well and remove all liquid product
 2. Move in and rig up workover rig
 3. Set BOP'S and circulate well
 4. Remove 3 1/2" Tubing and Inspect/Replace
 5. Run Open Hole Density Log and Sonar Survey - (If Possible)
 6. Run Casing Evaluation Logging Suite
 7. Run and test new hanging string - (3 1/2" or 4 1/2")
 8. Pressurize cavern with brine
 9. Conduct appropriate MIT (Nitrogen-Brine or Liquid-Liquid)
 10. Report on Results
 11. Place cavern in service

Cavern Information
 11/2/1952 - Well drilled and completed
 3/26/1957 - Perforated and Squeezed from 1130' - 1131'
 3/27/1957 - Perforated and Squeezed from 325' - 326'



LONQUIST

Well No. 1 - 2008 Existing Well Schematic

FIELD SERVICE

JAL Storage Facility

PROJECT NUMBER:

F140

DRAWN:
ETB

REVIEWED:
ETB

APPROVAL:
NONE

SCALE:
NONE

DATE:
JUNE 2007

DRAWING NUMBER:

Submit 3 Copies 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
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35954
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 30055
8. Well Number 1
9. OGRID Number 248440
10. Pool name or Wildcat Salado

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 LPG STORAGE WELL

2. Name of Operator
Western Refining Company, LP

3. Address of Operator
PO Box 1345 Jal, NM 88252

4. Well Location
 Unit Letter M : 450 feet from the SOUTH line and 780 feet from the WEST line
 Section 32 Township 23S Range 37E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3313' - KB 3300' - GL

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

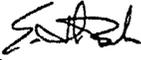
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities are planned for Well No. 1:

- Estimated Start Date February 25, 2008
- Pull the existing 3 1/2" brine string and replace
- Remove the wellhead and repair or replace as necessary
- Complete a suite of casing evaluation logs on the final 7" cemented casing
- Run 3 1/2" or 4 1/2" tubing
- Complete a cavern sonar survey to determine the size of the cavern – If possible based on wellbore and well configuration
- Complete a Nitrogen – Brine Interface Mechanical Integrity Test to evaluate the integrity of the cavern, cemented casing, and wellhead

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE  TITLE Operations Manager – Lonquist Field Service DATE 02/19/2008

Type or print name Eric Busch E-mail address: eric@lonquist.com Telephone No. 713.559.9953

For State Use Only

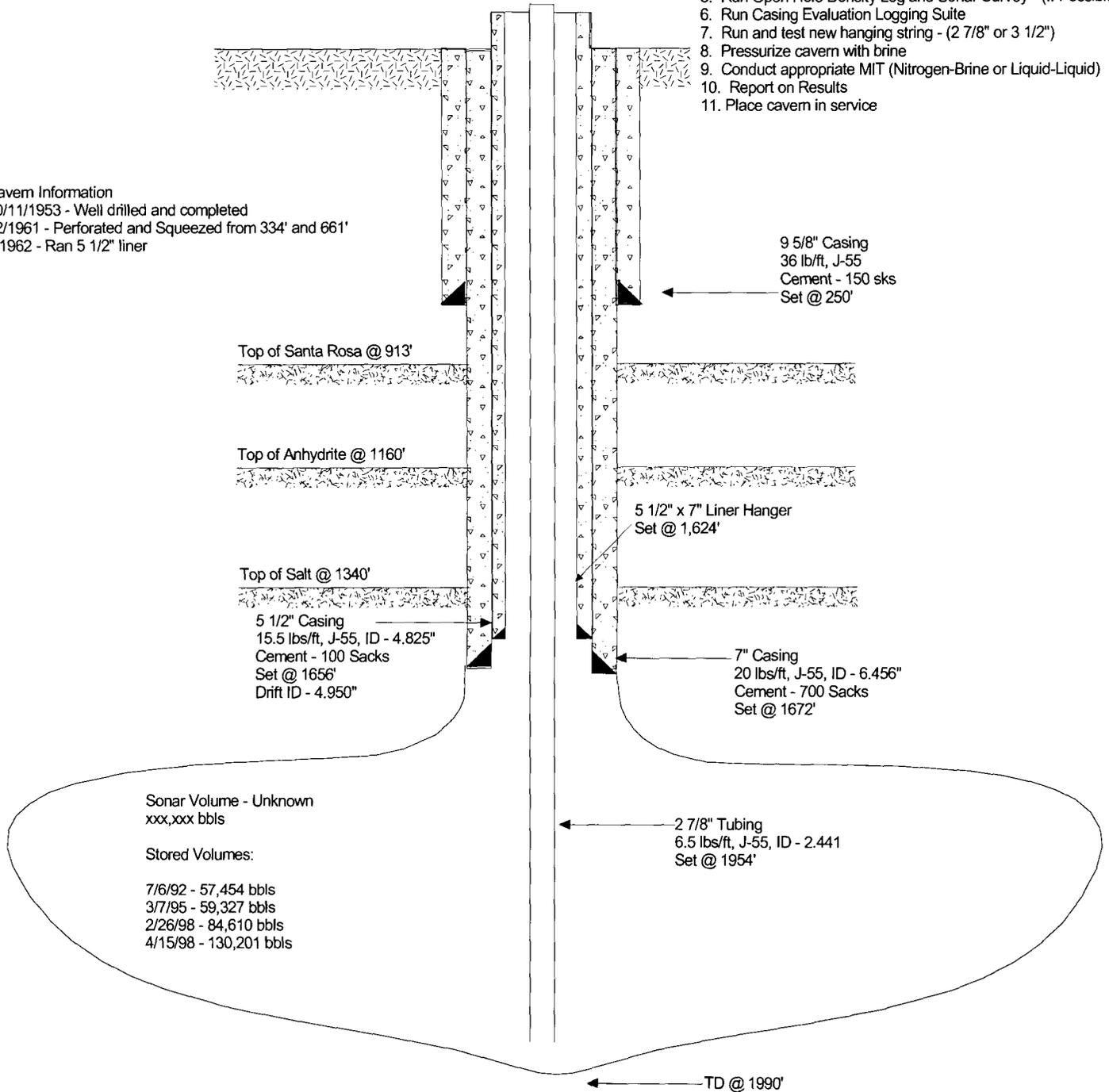
APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Well Information
 Well Name: State LPG Well No. 2
 API #: 30-025-35955
 County: Lea

- 2008 Cavern Workover and MIT Plan
1. Circulate well and remove all liquid product
 2. Move in and rig up workover rig
 3. Set BOP'S and circulate well
 4. Remove 2 7/8" Tubing and Inspect/Replace
 5. Run Open Hole Density Log and Sonar Survey - (If Possible)
 6. Run Casing Evaluation Logging Suite
 7. Run and test new hanging string - (2 7/8" or 3 1/2")
 8. Pressurize cavern with brine
 9. Conduct appropriate MIT (Nitrogen-Brine or Liquid-Liquid)
 10. Report on Results
 11. Place cavern in service

Cavern Information
 10/11/1953 - Well drilled and completed
 12/1961 - Perforated and Squeezed from 334' and 661'
 2/1962 - Ran 5 1/2" liner



LONQUIST

FIELD SERVICE

Well No. 2 - 2008 Existing Well Schematic

JAL Storage Facility

PROJECT NUMBER:
F141

DRAWN:
 ETB

REVIEWED:
 ETB

APPROVAL:
 NONE

SCALE:
 NONE

DATE:
 JUNE 2007

DRAWING NUMBER:

GW-007

Chavez, Carl J, EMNRD

From: Eric Busch [eric@lonquist.com]
Sent: Wednesday, February 20, 2008 9:52 AM
To: Chavez, Carl J, EMNRD; 'Ken Parker'; 'Hains, Allen'; 'Ron Weaver'; dlindt@peoplepc.com
Subject: Western Workovers and Well Testing
Attachments: WESTERN 2008 - C103 LETTER OF TRANSMITTAL INITAL.pdf

Mr. Chavez:

Please find the procedures for Well No. 1 and Well No. 2 at the Western Refining – Jal Storage Facility. This work is tentatively scheduled to start February 25, 2008 on Well No. 2 with Well No. 1 to follow. A hard copy will be sent to you and to the Hobbs District office today via Priority FedEx. The plan for Well No. 1 and Well No. 2 is similar to the work done on Well No. 3 and Well No. 4 in 2007.

Please contact me with any questions or concerns.

Eric Busch
Operations Manager
Lonquist and Company
1001 McKinney - Suite 1445
Houston, TX 77002
Office: 713.559.9953
Fax: 713.559.9959
Mobile: 832.216.0785

***Please note the change in address**

This inbound email has been scanned by the MessageLabs Email Security System.

2/20/2008

GW-007

Chavez, Carl J, EMNRD

From: Parker, Ken [Ken.Parker@wnr.com]
Sent: Thursday, August 02, 2007 12:28 PM
To: Williams, Chris, EMNRD
Cc: Chavez, Carl J, EMNRD; Price, Wayne, EMNRD
Subject: Well 3, API 30-025-35956

Attachments: Casing Test, Well 30001.pdf



Casing Test, Well
30001.pdf (4...

Chris,

Plug set at 1602 to isolate the cavern dome from the casing. Casing was pressured with water to 300 psig. See attached chart.

Ken

This inbound email has been scanned by the MessageLabs Email Security System.

GIW-007

Chavez, Carl J, EMNRD

From: Price, Wayne, EMNRD
Sent: Monday, April 16, 2007 4:35 PM
To: Brooks, David K., EMNRD
Cc: Chavez, Carl J, EMNRD; Phillips, Dorothy, EMNRD
Subject: RE: Change of Operator

Carl Chavez is handling these wells, please see him

From: Brooks, David K., EMNRD
Sent: Monday, April 16, 2007 2:47 PM
To: Price, Wayne, EMNRD
Subject: FW: Change of Operator

Wayne

This sounds like these wells may be for injection of hydrocarbons for storage (name of operator suggests that). Do you know anything about it?

David

From: Phillips, Dorothy, EMNRD
Sent: Monday, April 16, 2007 1:31 PM
To: Brooks, David K., EMNRD
Subject: Change of Operator

David, Texas LPG Storage Co. OGRID 218000 has 5 wells that they are trying to transfer to Western Refining Company LP. They have submitted a letter of credit for your approval. You have it from Bank of America for \$38,295.00. I don't know how they came to that amount and should they not be individual bonds? Do I treat them just as I would regular bonding? The wells in question are:

30-025-10920
30-025-35957
30-025-35954
30-025-35955
30-025-35956

Let me know if you approve the LOC or should I ask for individual bonding? Thanks

4/17/2007