

Ezeanyim, Richard, EMNRD

From: Alberto A. Gutierrez, RG [aag@geolex.com]
Sent: Friday, September 03, 2010 10:39 AM
To: Ezeanyim, Richard, EMNRD
Cc: russell@carbonfreeco.com; 'Shaefer, Mark'; 'Haught, Jeff'
Subject: WGR AGI Well Update NMOCD Order 14329

Case

R-13201

Dear Richard,

Pursuant to our telephone conversation this morning regarding the tubing we will be installing in the WGR Pathfinder AGI#1, I am writing to confirm that we will be using corrosion-resistant 2 7/8" L80 tubing with ultra premium threads consistent with the requirement in the order. The tubing will not be fiberglass-lined because the injection fluid in this well is dry gas only and therefore fiberglass lining is not needed as it is in a combined acid gas/wastewater well such as the SUGS Jal 3 AGI #1.

Pursuant to item 3 on page 4 of the above-referenced order we are using corrosive resistant materials as we discussed. Below is a brief description of what we will use just to keep you updated.

In a "dry gas" acid injection project like this one, acid gas is compressed through 5-7 stages of compression before being injected down the well. At each stage of compression, "free water" is knocked out of the acid gas so that when the acid gas reaches its dense state prior to injection (about 1000 psig), it is essentially water free. With no free water to cause corrosion, the acid gas can be safely injected down regular carbon steel tubular pipe. However, an L80 grade tubing utilizing premium threads is used to provide superior performance in the presence of H₂S. This is fully consistent with the above referenced requirement in the order as we discussed. I just wanted to provide this update to you. Of course, as is our practice in all of these projects we will provide you with a comprehensive end of well report which will contain details on the final construction of the well.

Please confirm receipt of this email and our understanding from our phone conversation such that we can proceed with this tubing procurement and installation before you leave.

Thanks very much. Please call me upon your return so I can update you on our progress. After our detailed log core analysis and arrival of all the well components we anticipate perforating and completing the well in mid October.

Regards
Alberto

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