

HOBBS

JUL 21 2011

OPERATOR'S COPY

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No
NM-82799

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No
14-08-0001-14277 (NMNM 70953X)

8. Well Name and No
Gramma Ridge Fed., 8817 JV-P #1 ✓

9. API Well No
30-025-30686 ✓

10. Field and Pool, or Exploratory Area
Gramma Ridge, Morrow (Gas)

11. County or Parish, State
Lea, NM

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Enstor Gramma Ridge Storage and Transportation, LLC

3a. Address
20329 State Highway 249, Suite 400, Houston, TX 77070

3b. Phone No (include area code)
281-374-3050

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE/4 of Sec. 9 T22S, R34E Unit 8 ✓
660' FNL & 1980' FEL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please see attached program.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

**ENTERED
IN AFMSS**

MRS. OCD 7/21/2011

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) **Matt Morrow**

Title Authorized Signatory, **Enstor Operating Company, LLC its mgr**

Signature **Matt Morrow** Date **07/12/2011**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Ed Morrow** **Petroleum Engineer** **JUL 19 2011**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office **BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Grama Ridge Federal, 8817 JV-P #1
Enstor Grama Ridge Storage and Transportation, LLC
30-025-30686
July 18, 2011
Conditions of Approval

Summary of Current Status:

- Well drilled by Oryx Energy in October 1989. Morrow Gas Producer.
- Casing Program 13-3/8" 54.5 ppf K-55 x 9-5/8" 36 ppf K-55 x 7" 26 ppf N-80 x 4-1/2" 13.5 ppf N-80 Liner. Vertical well. TD 13,348'
- TOC Data:
 - 13-3/8" to surface
 - 9-5/8" to surface,
 - 7" to 6550' confirmed by temp survey
- FWHP 4660 psi in Jan 1990.
- Sold to BTA Oil Producers May 1995. Sold to Enstor Oct 2009.
- Jan 2010 – Completed workover for conversion to Natural Gas Injection. PBTD 13099'.
- Logs Run During Conversion: Caliper, CIT in 7" csg, CIT in 4-1/2" Liner, GR/CCL
- Existing Perfs:
 - 12677' – 12699' in Morrow Limestone
 - 12828' – 12862' in Morrow A
 - 12975' – 13057' in Morrow C
- Plan of Operations submitted 21 April 2011

Operator Request:

1. Operator requesting approval for Propane Fracture Stimulation up to 6,504 psi Surface Pressure. This will include a permanent upgrade of the Tubing Head, Tubing Hanger, and Bottom Master Valve to 10M psi.

Conditions of Approval:

- a) Closed Loop System to be used.
- b) Test casing as per Onshore Order 2.III.B.1.h.
- c) BLM to witness tag of PBTD. Phone number to call is 575 393-3612, at least 24 hours ahead.
- d) Surface disturbance not to exceed originally approved pad dimensions unless prior approval is obtained.
- e) Wellhead upgrade work is expected to begin within 30 days after this permit is issued.
- f) Frac jobs are expected to be initiated within 60 days after this permit is issued.
- g) Sundry for completion work to be submitted to BLM after work is completed, and will describe the work done and the resulting well status. If any annular pressure surveys were conducted on the well, the results should also be included in the sundry report.
- h) If any procedural changes are necessary while the work is in progress BLM must be contacted for approval. Contact number for Lea County locations is 575 393-3612.

TMM 07/18/2011