

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised August 1, 2011

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)		WELL API NO. 30-025-35956 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Western Refining Company, L.P.		6. State Oil & Gas Lease No.
3. Address of Operator 6500 Townbridge Drive, El Paso, Texas 79905		7. Lease Name or Unit Agreement Name State LPG Storage Well ✓
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		8. Well Number 3 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3310 ft GL		9. OGRID Number 248440 ✓
		10. Pool name or Wildcat Langlie Matrix ✓

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

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

See attached documents

Spud Date:

Rig Release Date:

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

SIGNATURE [Signature] TITLE Drilling Manager DATE 8 Nov 2012

On behalf of Western Refining Co, L.P

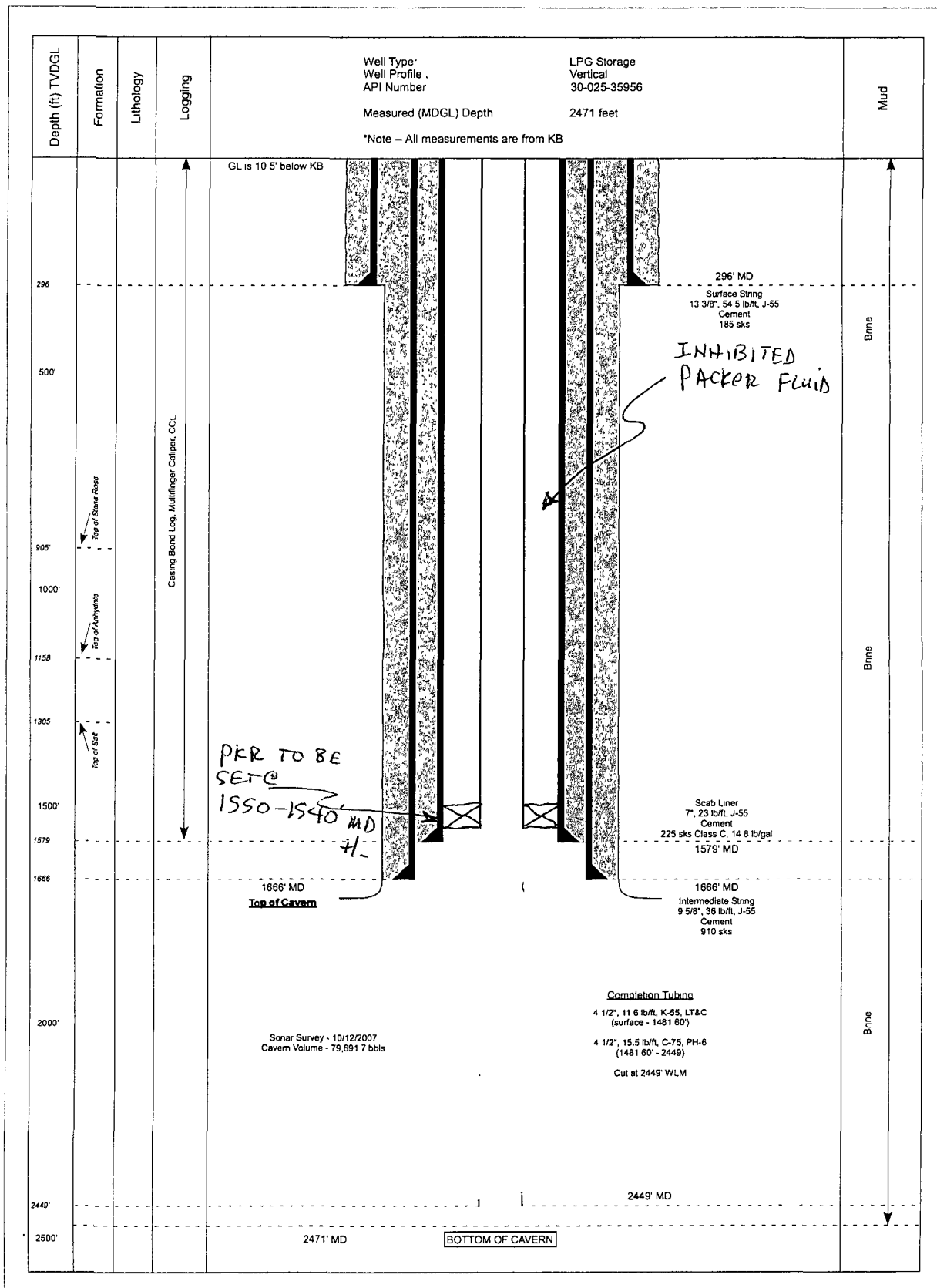
Type or print name: Paul T. Hughes, Jr., P.E. E-mail address: phughes@geostockus.com PHONE: 832-715-9060

For State Use Only

APPROVED BY: [Signature] TITLE Dist Mgr DATE 11-8-2012

Conditions of Approval (if any):

NOV 08 2012



16420 PARK TEN PLACE S450 HOUSTON, TX 77084		<h2 style="margin: 0;">Jal Storage, State LPG Well #3</h2>							
Pre-Workover Wellbore Schematic									
DRAWN BY	DATE	CLIENT: Western Refining Company, L.P.						DRAWING REF. / No	
J A Powers	8/30/12								
CHECKED BY	DATE								
P. Hughes	8/30/12								
APPROVED BY	DATE								
R Kleinenberg	8/30/12								

Project Name	3	3	00	12	003	D	P	O
Type	Discipline	Task	Year	Chrono log	Activity Code	Type of doc	Revision	Index

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16420 Park Ten Place Drive
Suite 450
Houston, TX, 77084
Phone: 281 944 3000
Fax: 281 944 3042

UNDERGROUND STORAGE CONSULTING ENGINEERS

Jai Storage - State LPG Well No. 3
MIT Workover Procedure
Thursday, November 08, 2012

HOBBS OCD

NOV 08 2012

Chrono: JA3300/12 005/O/Z/O

RECEIVED

Subject: Jai Storage Revised Request for workover-Procedure - State LPG Well No. 3 - Workover

Dear Mr. Elido Gonzales, District Supervisor

Geostock US has put together the technical and commercial components for the revised operations for the Well #3 as per below and attached. Please find in this document all pertinent action items and steps planned during the revised intervention of this well per our meeting and discussions of today. The objective now, due to leaving a fish in this well, below the base of the 7 inch protection casing, would be run in the hole with an appropriate packer on 4 1/2", 11.6 ppf, K55, LTC tubing, displace the backside between the 7 inch and 4 1/2" with a double inhibited, effective packer fluid to assist in protecting the tubing from corrosion, protecting any potential fresh water already cemented to the surface, set packer in compression, nipple of tree, hang off, test the tree, then with a pump and chart, place 400-450psig on the backside to test the integrity of the packer and 7 inch casing, for 30 minutes and then temporarily leave this well in this fashion until a higher level plan for the ultimate development of the caverns and wells can be technically supported by Western Refining in conjunction with Geostock US.

We are respectfully requesting your approval for this modified procedure. We believe the attached documents are also needed and are attached for your information and perusal.

Please note all site operations will be during daylight hours only and the following procedure may be altered to accommodate this schedule.

Any questions, concerns, or you require greater detail, please contact Paul Hughes, (832) 715-9060, or Austin Powers, (281) 216-0911

Thanking you in advance,

Paul T. Hughes, Jr., P.E.

Drilling Manager, Geostock US



Well Information:

Well Name: State LPG Well No. 3
API Number: 30-025-35956
County: Lea
TVD: 2471'
KB: 10.5' above GL

HOBBS OCD

NOV 08 2012

RECEIVED

Revised Procedure:

Workover Operations Begin

1. Aztec rig 471 is presently on location
2. The fishing attempt has been concluded and the drill string has been removed from the wellbore and the well has been secured for the night by running on the hole with stands of 4 1/2" tubing, closing the Hydril and placing a TIW safety valve in the closed position on the 4 1/2" tubing.
3. R/U and check equipment
4. Ensure pressure on wellhead is null
5. M/U to tree and circulate well and ensure well is static
6. Safety meeting and JSA to be conducted prior to the revised plan below
7. Pick up a 4 1/2" X 7 inch nominal hydraulic-set or mechanical set packer on the end of the 4 1/2", 11.1 ppf, K55, LTC tubing and go in hole,
8. Since 7 inch was set to 1,579 ft MD, go down to 1,550-1,540 ft MD, circulate with a double-inhibited packer fluid to protect any fresh water and to reduce corrosion to the tubulars,
9. Set packer in compression, NU tree, test same (Note: Xmas tree is a new Xmas tree with 1 gate valve and a 4 inch cross with a cap)
10. After tree is successfully tested, rig up Basic or Key Energy pump unit, with chart recorder, and place 400-450 psig on annulus and record same for integrity for at least 30 minutes on a 60 minute chart.
11. Release rig to well #4, back haul equipment, ensure site is clean and

MIT Operations as planned previously will be delayed until a "high level" plan for the caverns is established in the ensuing weeks/months

END OF OPERATIONS UNTIL A SUB-SURFACE AND SURFACE PLAN FOR THE OVERALL FIELD/CAVERNS CAN BE SCRUTINIZED