

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 87414
District IV - (505) 476-3460
1220 S St. Francis Dr., Santa Fe, NM 87505

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NOV 08 2012

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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 State LPG Storage Well
8. Well Number 4
9 OGRID Number 248440
10. Pool name or Wildcat Langlie Matlix

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
2. Name of Operator Western Refining Company, L.P.
3 Address of Operator 6500 Townbridge Drive, El Paso, Texas 79905
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 NMMP County Lea
11 Elevation (Show whether DR, RKB, RT, GR, etc.) 3310 ft GL

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

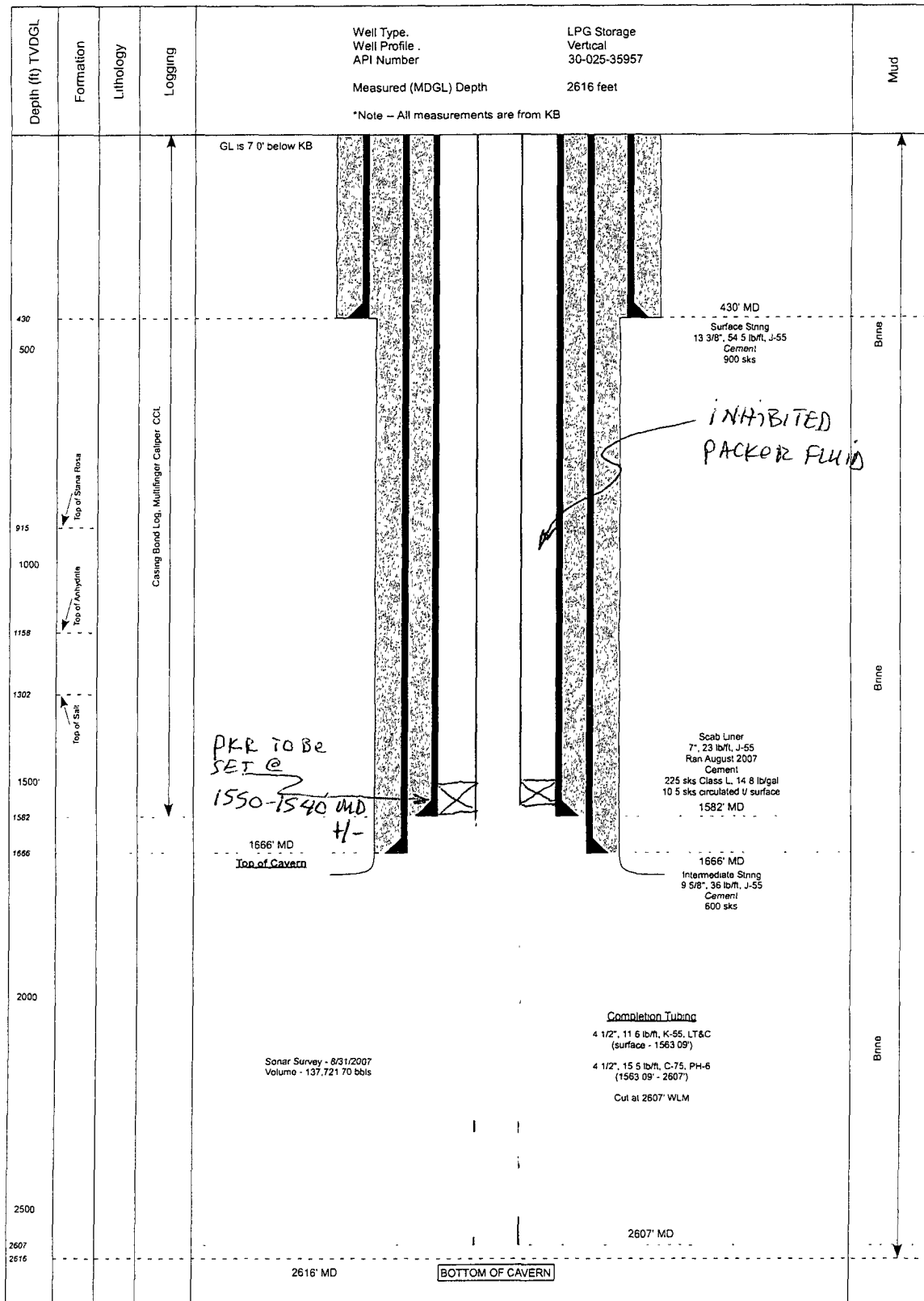
Type or print name: Paul T. Hughes, Jr., P.E. E-mail address: phughes@geostockus.com PHONE: 832-715-9060


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		Jal Storage, State LPG Well #4	
DRAWN BY J A Powers		DATE 8/30/12	
CHECKED BY P Hughes		DATE 8/30/12	
APPROVED BY R Kleinenberg		DATE 8/30/12	
CLIENT: Western Refining Company, L.P		DRAWING REF. / No..	
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Project Name	Type	Discipline	Task
12	004	D	P
Year	Chrono log	Activity Code	Type of doc
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			Revision index



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

UNDERGROUND STORAGE CONSULTING ENGINEERS
HOBBS OCD

Jal Storage - State LPG Well No. 4
MIT Workover Procedure
Thursday, November 08, 2012

NOV 08 2012

Chrono: JA3300/12 006/O/Z/O

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Subject: Jal Storage Revised Request for workover - Procedure - State LPG Well No. 4 - Workover

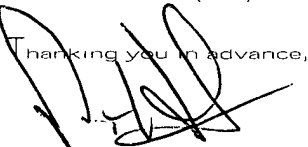
Dear Mr. Elido Gonzales, District Supervisor

Geostock US has put together the technical and commercial components for the revised operations for the Well #4 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 400-450 psig 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. 4
API Number: 30-025-35957
County: Lea
TVD: 2471'
KB: 7' above GL

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Procedure:

Workover Operations Begin

1. MI Aztec rig 471 which is presently on well #3
2. The fishing attempt has been concluded on this well prior to mobbing back to the well #3.
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 ppr, 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, back haul equipment, ensure site is clean and conclude operations, prepare reports

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.