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

HOBBS OCD

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

JUL 27 2017 1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-103
Revised July 18, 2013

WELL API NO. 30-025-38822	
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: Acid Gas Injection ☒

7. Lease Name or Unit Agreement Name
Jal 3 AGI

8. Well Number #1

2. Name of Operator
Energy Transfer

9. OGRID Number 371183

3. Address of Operator
8111 Westchester Drive, Suite 600, Dallas, Texas 75225

10. Pool name or Wildcat
AGI

4. Well Location

Unit Letter E : 1550 feet from the North line and 1000 feet from the West line

Section 33 Township 24S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3268 GR

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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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: (MIT & BH Test) ☒

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.

The MIT and Bradenhead Test were conducted on Thursday, July 27, 2017 at 8:27 am. George Bower, Technician for the NMOCD was on site to witness and approve the test. Below is a step-by-step summary of the MIT and observed results:

1. The annular space pressure between casing and tubing was 0 psig at the start of the MIT.
2. Placed chart on annular space and began recording annular space pressure.
3. Slowly raised annular pressure by introducing packer fluid (brine) to the annulus to bring pressure to 610 psig.
4. When annulus pressure reached 610 psig, closed valves to pumping truck.
5. Recorded annular space pressure for 32 minutes.
6. After 32 minutes (8:59 am) the annulus pressure was 640 psig, a gain of 30 psig (4.9% increase).
7. The brine was bled from the annulus to reduce observed pressure to 0 psig at which time recording was stopped and the test completed.
8. Restored annular pressure to normal operating pressure (300 psig). *Chart Attached*

A Bradenhead test was also performed on the same day as the MIT and recorded on the NMOCD Bradenhead Test Report form.

Please see the attached pages for proposed well schematic and proposed tubing and equipment schematic.

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

SIGNATURE *Dale T. Littlejohn*   TITLE Consultant to Energy Transfer   DATE 07/27/2017
Type or print name Dale Littlejohn   E-mail address: dale@geolex.com   PHONE: (505) 842-8000

For State Use Only

APPROVED BY: *Maley J Brown*   TITLE AO/II   DATE 7/27/2017
Conditions of Approval (if any):

Handwritten notes on chart:

Annual EFC field Series #)
Jal 3 AGI
30-025-38823
4-33-245-37
Calib. Date - 5/8/17
Seal- 4846
Start- 610#
End- 640#
32min
[signature] Bowen OD
Pate Trucking
W/ Dee
Date [signature] (John)

Start
End
7/27/17

American Valve & Meter, Inc.

1113 W. BROADWAY

P.O. BOX 166 HOBBS, NM 88240

TO: PATE TRUCKIG

DATE:05/12/17

This is to certify that:

I, R L Larmon, Technician for American Valve & Meter Inc. has checked the

calibration of the following instrument.

8 " _Pressure recorder   Ser# 4842

at these points.

Pressure #			* Pressure #		
Test	Found	Left	Test	Found	Left
- 0	-	- 0	-	-	-
- 500	- S	- 500	-	-	-
- 700	- A	- 700	-	-	-
- 1000	- M	- 1000	-	-	-
- 200	- E	- 200	-	-	-
- 0	-	- 0	-	-	-

Remarks: _____

_____

_____

Signature: _____