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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

5. Lease Serial No.
NMNM 82799

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
Grama Ridge Federal 8817 JV P #001

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

9. API Well No.
30-025-30686

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

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

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

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
NE1/4 of Sec. 9, T22S, R34E
660' FNL & 1980' FEL

11. Country or Parish, State
Lea County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☑ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☑ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☑ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 the attached workover.

Starting Date March 1, 2010.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
Daryl W. Gee

Title Director, Regulatory Affairs and Land Management

Signature

Date 02/12/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved by

Title

Date FEB 25 2010

/s/ Chris Walls

BUREAU OF LAND MANAGEMENT

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

CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. 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)

ENSTOR GRAMA RIDGE STORAGE & TRANSPORTATION LLC
GRMU #7 (GRAMA RIDGE FEDERAL 8817 JV-P #1/BTA #1)
METHANOL/ACETIC ACID STIMULATION

TEST TUBING WITH N2, ESTABLISH PUMP-IN RATES AND PRESSURES WITH N2, SPOT METHANOL/ACID ACROSS PERFS AND PUMP INTO FORMATION, REPEAT, UNLOAD AND FLOW WELL

LOCATION IS IN THE NE1/4 OF SEC 9, T22S R34E, LEA CTY., NM
February 3, 2010

Step No.	Activity (Depths ref. RKB)
1	Survey site, decide how to spot equipment.
2	MIRU slick line unit. PU wireline tools, install lubricator and wireline BOP on tree.
3	MIRU N2 unit Test N2 lines to 10,000 psi. Test slickline BOP to 1000 psi with N2.
4	RIH and set blanking plug in 2-7/8" BX nipple (2.313" ID) at 12,788'. POOH. RD slickline unit.
5	MI and spot 300 bbl blow down tank with gas buster with containment. RU flow back piping and choke manifold and route to blow down tank.
6	Install Tubing/Tree Saver on top of tree (Saver ID 2 416") and frac head to permit pumping N2 between coil tubing and Saver. Test flanged connections to 10,000 psi with N2.
7	MIRU kill truck with 6% KCl water.
8	Install a gauge and 5000 psi relief valve on 4-1/2"X7" annulus outlet and pressure annulus to 2500 psi with KCl water and close in and monitor. Open relief valve on Saver for pressure relief on tree should Saver packoffs leak .
9	Pressure tubing to 10,000 psi with N2 and monitor tubing and annulus pressures for 30 min. (Do not exceed 7500 psi differential pressure between tubing and annulus pressures). Bleed pressure off tubing then off annulus.
10	RU slick line unit. PU wireline tools, install lubricator and wireline BOP on tree and test to 1000 psi with N2 and RIH and pull blanking plug. RD slickline unit.
11	MIRU Coiled tubing unit. Test lines and equipment to 10,000 psi with N2. MU flowback line from outlet on Coiled tubing BOPs to choke manifold.
12	RIH with coiled tubing without a back pressure valve to 13,099' PBTD and blow well dry with N2. Route returns through choke manifold and do not exceed 4000 psig back pressure on manifold. Pull coiled tubing up into 4-1/2" tubing.
13	Pressure tubing/casing annulus to 2500 psi with KCl water and close in and monitor. Establish N2 injection into the Morrow formations by injecting N2 down backside between CT and tree saver and record rates and pressures. Moniter SI pressure on CT to a maximum of 10,000 psig.
14	MIRU methanol/acid equipment.
15	RIH with coiled tubing to below perfs and spot 10 bbl of 50/50 Methanol/HCl Acid treatment across perfs PU coiled tubing above acid.
16	With 2500 psi on tubing/casing annulus, displace acid into perforations pumping down coiled tubing backside with N2. Monitor pressure on CT and do not exceed a maximum pressure of 10,000 psig. Record N2 rates and all pressures.
17	Stop N2 injection and allow CT/Saver pressure to fall to <3000 psi Resume N2 injection noting rates and pressures with particular attention to rates at and below the maximum intended natural gas injection pressure of 3,850 psig as monitored on CT.
18	Lower CT to below perfs and spot another 10 bbl of 50/50 Methanol/Acid in well. PU coiled tubing above acid.
19	Maintain 2,500 psi annulus pressure and displace acid into perforations with N2 down CT backside to a maximum CTsurface pressure of 10,000 psig recording rates and pressures.
20	Repeat Step 16.
21	Repeat Steps 17-19 if the additional treatment improved injection performance.
22	Repeat Step 16.
23	Repeat Steps 17-19 if the additional treatment improved injection performance.
24	Lower coiled tubing to PBTD and blow well dry and POOH.
25	Bleed off annulus pressure and RD N2 and coiled tubing and remove Tubing/Tree saver with tubing pressure on well.
26	RU electric wireline unit and run temperature log to PBTD. POOH.
27	MIRU separator/flare test unit.
28	Open well and flow well through choke/separator/flare test unit recording rates, volumes and pressures.
29	RDMO.

Grama Ridge Federal 8817 JV P #1
30-025-30686
Enstor Grama Ridge Storage and Transportation
February 25, 2010
Conditions of Approval

1. **Surface disturbance beyond the existing pad must have prior approval.**
2. **Closed loop system required.**
3. **A minimum of a 5M BOP is required and must be tested prior to beginning operations.**
4. **Subsequent sundry required.**

CRW 022510