

Re: Work Over and Test of State Well No. 1
Tubing: 2 7/8 - J-55
Casing: 5 1/2 - J-55

Well No. 1 has a storage capacity of 62,803 barrels. Due to a leak in the tubing, there was a cavern storage loss of 66.56%. At the time of the leak there was 21,000 barrels of LPG stored in No.1. All 21,000 barrels were recovered.

All Brine displaced from this well is stored into two 100,000 barrel brine ponds. These brine ponds are designed with a leak detection system. The monitors are checked weekly and the readings are recorded.

The liner in the South pond was replaced in 1991 and the liner in the North pond was replaced in 1994.

- 4-24-96 Pulled 2 7/8 tubing, found last nine joints bent and corkscrewed. In hole with 4 3/4 bit. Hydrostat unit, tested new 2 7/8 tubing string to 8,000 psig. Tubing test O.K.
- 4-25-96 Drilled down to 1802. Shot bit off at 1796 feet.
- 4-26-96 The Well head was blinded off. The casing pressure was 0 psig and the tubing pressure was 0 psig. A 0-1000 psig dual pen pressure recorder was connected to the tubing and casing pressured up to 975 psig with 600 barrels of propane down the casing let well stabilize.

	Casing	Tubing
4-26-96	975	482
4-27-96	939	455
4-28-96	938	450
4-29-96	938	448
4-30-96	935	442
5-01-96	938	442
5-02-96	938	442

5-02-96 - Well stabilized for 3 day test. Charts furnished for test.