

Peter Briggs - Addendum to work Plan submitted 7-20-11

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Date: 7/22/2011 1:15 PM
Subject: Addendum to work Plan submitted 7-20-11
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Attachments: Gallery 10 Work Plan Submitted 07-19-2011 revision 7-22-11.DOC

Peter

Attached is an addition to the work plan on gallery 10. I have added an additional page to Attachment A. It refers to well 52 which is included in Gallery 10. It is the original drilling plan with an addendum added at the bottom showing well 52 status. This will make the document complete for all the wells in Gallery 10 for evaluation purposes. Nothing else in the original work plan document was changed.

If you have any questions please give me a call.

Thanks Barry

Finger Lakes LPG Storage, LLC

Work Plan to Evaluate International Gallery 10

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Exhibit A:

- Well 18 Drilling Procedure**
- Well 57 Drilling Procedure**
- Well 52 Drilling Procedure with Addendum**

Based on all available information, the largest area of the International Gallery 10 cavern is around wells 57 and 18; most of the dissolution was near those wells and not well 52 since the latter was primarily the production well and the casing and cement bond are intact.

In summary, Finger Lakes has provided a very conservative FEA of a future operational Finger Lakes Gallery 1 vs. a potentially leaking International Gallery 10. That FEA determined that the lack of pressure in International Gallery 10 would not affect or be affected by LPG operation of the proposed Finger Lakes Gallery 1. In addition, based on the fact well 52 cement bond was intact all the way to the bottom of the production casing, Finger Lakes concluded the possible leakage in International Gallery 10 was through well 18, but with few records to support evaluation of its integrity.

The purpose of this overview has been to set the stage for additional evaluation Finger Lakes is proposing to conduct not only in Well 18, but also Wells 52 and 57, of which are part of International Gallery 10, to provide further assurance that there is no connection between Finger Lakes Gallery 1 and International Gallery 10 and that Gallery 10 is tight. The specific work identified in the Work Plan below will be done in coordination with DEC as noted in Section IV below.

II. Work Plan

Finger Lakes will initially install a wellhead and carefully drill out whatever plugs may be in place for Wells 18 and 57. Once the wells are drilled to their original total depth, cement bond and casing inspection logs will be obtained for each well. In addition, a sonar will be attempted on one of these wells to determine more precisely (instead of through historical production records) the shape of International Gallery 10 and the location and its southernmost wall or pillar. All logs and sonars and other documentation will be provided to DEC upon completion.

Once the wells have been drilled out and logged, Finger Lakes will evaluate the logs and sonar and prepare a recommended course of action with regard to whether each well can be completed to be used as a monitoring well or plugged and abandoned. Once an agreement has been reached with DEC as to how to treat each of these wells as noted, a separate procedure will be developed by Finger Lakes for submission and approval to DEC. Work may only begin on the completion of the well for monitoring purposes or for plugging and abandonment only upon the approval of DEC.

After the work over of wells 18 and 57 is completed, a hydrostatic pressure test will be performed on International Gallery 10 (wells 18, 52 and 57). Depending on the results of the well procedures set forth above, it may be necessary to run a liner or packer in one of these wells to accommodate the pressure test.

Exhibit A

Well Drilling Procedures

Well #18

Existing Casing

14" , 46#, J55
10 3/4", 40.5#, J55

@ 10' Conductor
@ 588'

Proposed Procedure

1. Grade road and location if necessary.
2. Move in and rig up drilling service rig. Notify DEC Inspector
3. Nipple up on 10 3/4" Casing w/ 11" 3000 # BOP & Air Bowl & Test to 500 psig for 10 minutes.
4. Pick up 9 7/8" bit, Drill cement to original TD 2494" W/Brine
5. TOH standing back & Laydown bit
6. Secure well and rig down.
7. Perform Sonar, Directional Survey, HR Vertilog and Gamma Ray Segmented Bond Log on well and casing. To be used for evaluation.

Note: All zones that require cementing will be evaluated and the final completion plans/abandonment plans will be discussed with DEC Region 8 for agreement of the procedures for wells 18,52 and 57.

Well #52

Existing Casing

8 5/8", 32#, J55 2750'

@ 2216' cemented to surface

Proposed Procedure

1. Grade road and location if necessary.
2. Move in and rig up drilling service rig. Notify DEC Inspector
3. Nipple up on 8 5/8" Casing w/ 11" 3000 # BOP & Air Bowl & Test to 500 psig.
4. Pick up 7 7/8" bit, Drill cement to 2750' W/Brine (bottom of cavern)
7. TOH standing back & Laydown bit
8. Secure well and rig down.
9. Perform Sonar, Directional Survey, Microvertalog, Gamma Ray on well and casing.

Well 52 Status as of 7-22-2011

Permit was issued by Department on November 6, 2009.

Well was drilled and TD at a depth of 2697' on 11-14-09 (No pressure was found when plug was drilled out).

A Gamma Ray Segmented Bond log was conducted on November 14, 2009

A MicroVertilog was conducted on the 8 5/8" casing on November 14, 2009

A Directional Survey was conducted on November 17, 2009

A Sonar Survey was conducted in well on November 19, 2009

Information above will be used in the well and cavern evaluation for gallery 10 including wells 57 and 18.

Well 52 procedure is an Addendum to original work plan submitted for reference in the gallery 10 work plan.