

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
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1000 Rio Brazos Rd., Aztec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

HOBBS OGD
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
JAN 08 2018

RECEIVED

| | | |
|---|--|---|
| 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.) | | WELL API NO. 30-025-40448 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other: Acid Gas Injection <input checked="" type="checkbox"/> | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 2. Name of Operator LUCID ENERGY DELAWARE, LLC | | 6. State Oil & Gas Lease No. NMLC063798 |
| 3. Address of Operator 3100 MCKINNON STREET, SUITE 800, DALLAS, TX 75201 | | 7. Lease Name or Unit Agreement Name Red Hills AGI |
| 4. Well Location Unit Letter <u>I</u> : <u>1600</u> feet from the <u>South</u> line and <u>150</u> feet from the <u>Easy</u> line Section <u>13</u> Township <u>24S</u> Range <u>33E</u> NMPM County <u>LEA</u> | | 8. Well Number #1 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3580 GR | | 9. OGRID Number 372422 |
| | | 10. Pool name or Wildcat EXPLORATION CHERRY CANYON |

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: (Verify No Recoverable Hydrocarbons) ☒

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.

Lucid Energy Delaware, LLC is submitting the No Recoverable Hydrocarbons Sundry for the Red Hills AGI #1. The recoverable hydrocarbon potential of the approved injection zone (Cherry Canyon Member) has been comprehensively evaluated. To accomplish this, Lucid has conducted an extensive analysis of the well logs, including a full suite of geophysical logs, mud logs, analysis of sidewall core samples, and formation fluid samples (Attachments A, B and C). The results of this detailed analysis, which are summarized in this form and its three attachments, clearly demonstrate that the proposed injection zone does not contain any recoverable hydrocarbons.

The results of these analyses indicate that the minor indications of residual hydrocarbons detected in portions of the proposed injection zone are not recoverable and the zones are wet with residual water saturations.

Based on the analyses detailed in the attachments to this form, Lucid respectfully requests BLM approval that there are no recoverable hydrocarbons in the injection zone.

Spud Date: October 23, 2013

Rig Release Date: November 20, 2013

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

SIGNATURE Dale T. Littlejohn
Type or print name Dale Littlejohn
For State Use Only

TITLE Consultant to Lucid Energy
E-mail address: dale@geolex.com

DATE 01/08/2018
PHONE: (505) 842-8000

APPROVED BY: Accepted for Record Only DATE 1/8/2018
Conditions of Approval (if any): W. Brown

Attachment A
Geophysical Logs and Sidewall Core Results

ATTACHMENT A

DEMONSTRATION OF NO RECOVERABLE HYDROCARBONS IN THE CHERRY CANYON MEMBER

EVALUATION OF GEOPHYSICAL LOGS, SIDEWALL CORE, AND FORMATION FLUID

Sec. 13- Twp. 24S-33E
Lea County, New Mexico

Prepared For:
Lucid Energy Delaware, LLC

Prepared By:
Geolex, Inc.
500 Marquette, NW Suite 1350
Albuquerque, NM 87102

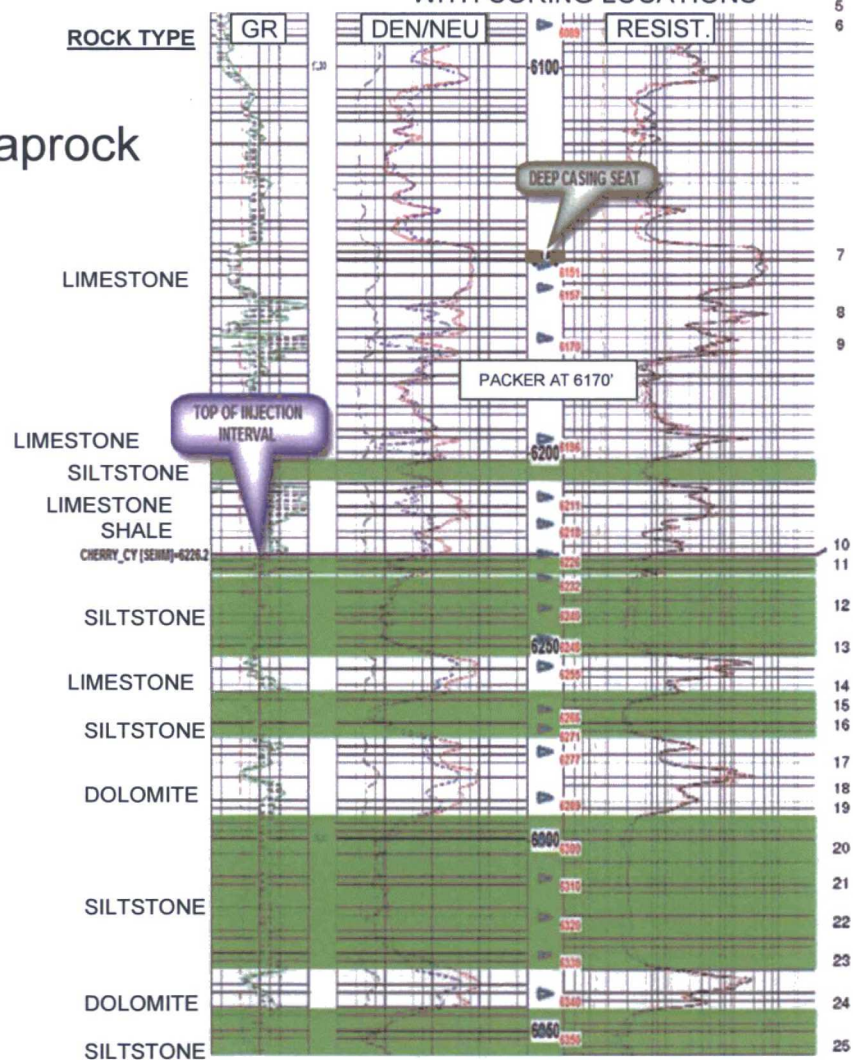
January 5, 2017

SUMMARY OF FACTORS CONSIDERED IN RESERVOIR EVALUATION FOR RECOVERABLE HYDROCARBONS AND INJECTION SUITABILITY

- The successful evaluation of recoverable hydrocarbon potential and reservoir properties using sidewall cores requires the careful considerations of the limitations of the samples obtained since each actual sidewall is only representative of a small portion of the sampled formation at each sample location.
- The overall evaluation of the reservoir requires the simultaneous consideration of various data types and sources in order to arrive at a reasonable conceptual model of predicted injection performance. These additional data types are evaluated and considered in this analysis and include the complete geophysical log suite for the well including the triple combo, porosity, and resistivity logs, mudlogs, drilling condition reports, and on-site observations. The overall evaluation and recommendations included herein for completion are the result of the analyses and evaluation of these multiple data types.
- In addition, the well appears to be accepting fluids as observed by a 60 psi drop in formation pressure and a 1,223 psi drop in surface pressure after 15 minutes of being shut-in at the end of the step rate test (see BLM and NMOCD Sundries)
- In the following pages, we have divided the injection interval into 2 log composite segments to integrate the results of the sidewall core analyses, the lithologic architecture of the interval, and the injection perforations. These consolidated log composites along with the supporting data form the basis for the determination of no recoverable hydrocarbons in the proposed injection zone.
- Attachment B includes the detailed evaluation of the mudlog and sidewall cores across the injection interval; which are also discussed in conjunction with the geophysical logs on the following pages.
- In addition to the geophysical logs and mudlogs, formation fluid samples that came from the injection zone (i.e. swabbing) provide further evidence for the lack of recoverable hydrocarbons (Attachment C).

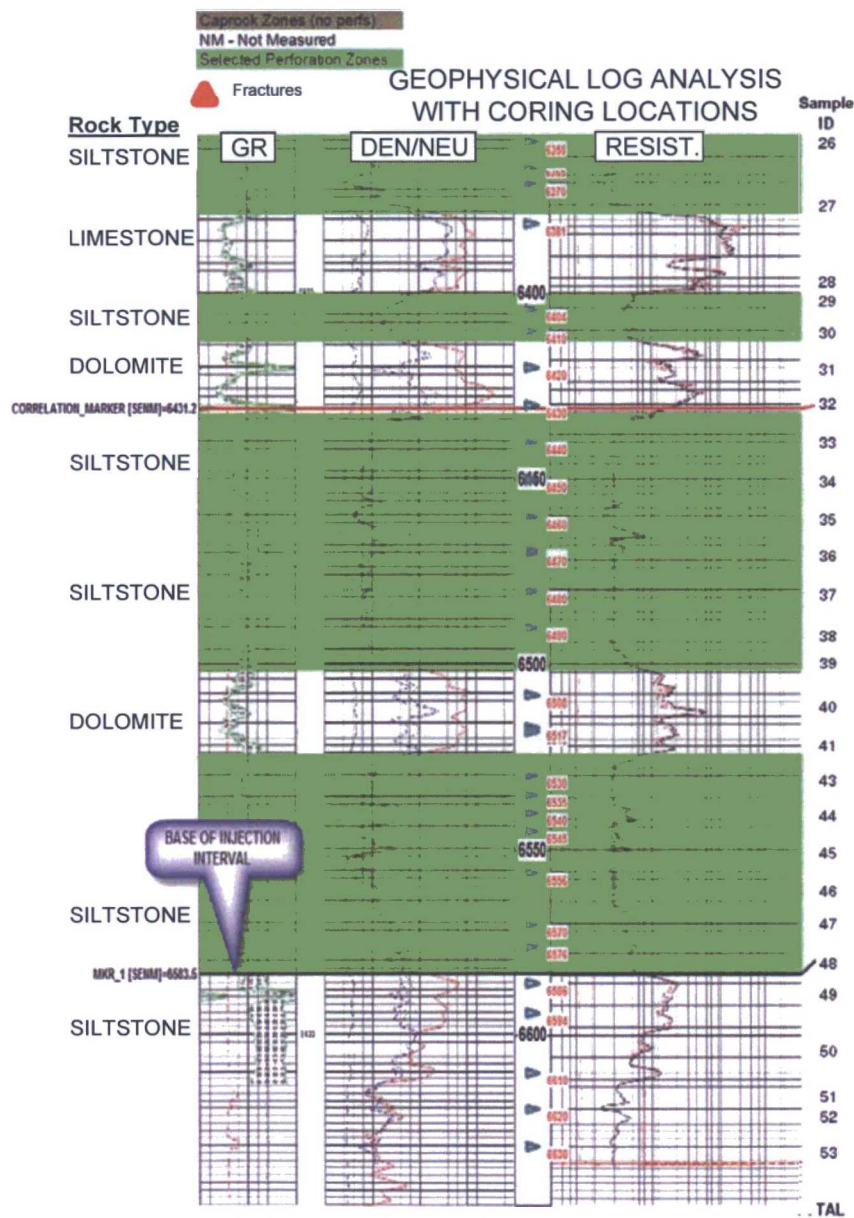
Fractures

Caprock



Caprock

[illegible]



CORE SAMPLE ANALYSIS

| Net Porosity/ Zone (ft) | Avg Zone Porosity (%) | Zone | Depth (ft) | Porosity (%) | Perm (mD) |
|--|-------------------------------|--------------------------|---------------------|--------------|-----------|
| 10.872 | 18.120 | 6355'-6380' 25 FEET | 6365 | 16.6 | 2.1841 |
| | | | 6370 | 24.1 | 11.7823 |
| | 1.100 | 6380' - 6400' 20 FEET | 6381 | 1.1 | 0.0223 |
| 2.265 | 15.100 | 6400' - 6415' 15 FEET | 6404 | 15.4 | 9.4653 |
| | | | 6410 | 14.8 | 2.2694 |
| | 4.100 | 6415' - 6435' 20 FEET | 6420 | 4.1 | 0.0154 |
| | | | 6430 | 4.1 | 0.0052 |
| | | | 6440 | 18.4 | 3.3897 |
| | | | 6450 | 20.6 | 9.0986 |
| | | | 6460 | 23.2 | 2.3253 |
| 12.684 | 19.514 | 6435'-6500' 65 FEET | 6469 | 18.80 | 1.9095 |
| | | | 6470 | 15.10 | 0.4888 |
| | | | 6480 | 19.20 | 0.6569 |
| | | | 6490 | 21.30 | 0.8922 |
| | 3.400 | 6500' - 6525' 25 FEET | 6508 | 5.20 | 0.0494 |
| | | | 6517 | 5.00 | 0.0358 |
| | | | 6530 | 18.6 | 0.7110 |
| | | | 6540 | 14.3 | 0.1740 |
| 9.850 | 16.983 | 6525'-6583' 58 FEET | 6545 | 21.6 | 1.3120 |
| | | | 6556 | 21.5 | 1.3558 |
| | | | 6570 | 16.4 | 0.5977 |
| | | | 6576 | 9.5 | 0.1368 |
| | | | 6586 | 3.8 | 0.1434 |
| | 7.800 | 6583' - 6625' 42 FEET | 6594 | 6.8 | 0.0426 |
| | | | 6610 | 7.5 | 0.0439 |
| | | | 6620 | 9.1 | 0.0195 |
| This zone not perforated and remains behind pipe | | | 6630 | 21.1 | 2.0364 |
| Net Porosity (ft) | Inj. Zone Avg Porosity (%) | Feet of Perfs | BOTTOM OF INJECTION | | |
| 50.915 | 18.10132653 | 243 | | | |

**BOTTOM OF INJECTION
ZONE AT 6583'**

Red Hills AGI #1 – Sidewall Core Analysis

6,021' – 6,370'

VERY HIGH
> 15% POR
> 10 mD PERM

HIGH
10 - 14.9% POR
1 - 9 mD PERM

MODERATE
5.0 - 9.9% POR
0.1 - 0.9 mD PERM

LOW
1.0 - 4.9% POR
0.01 - 0.09 mD PERM

VERY LOW
< 1.0% POR
< 0.01 mD PERM

Potential Open Zones

Potential Tight Zones

| SAMPLE NO. | DEPTH ft | GRAIN DENSITY | POR % | PERM mD | SATURATIONS | | GAS UNITS | FLUORESCENCE | | LITHOLOGY |
|------------|----------|---------------|-------|---------|-------------|-----|-----------|--------------|----------|--|
| | | | | | Sw | So | | % | | |
| 1 | 6021.0 | 2.68 | 4.7 | 0.023 | 83.4 | 0.0 | 0 | 0 | Mf | Ss gy-tn-opaq vf-fgr sbang-sbrmd vcalc sc slty intrbd lam |
| 2 | 6055.0 | 2.69 | 4.2 | 0.064 | 82.5 | 0.0 | 0 | 0 | Mf | Ss gy-tn-opaq vf-fgr sbang-sbrmd vcalc tr slty intrbd |
| 3 | 6063.0 | 2.70 | 1.2 | 0.077 | 91.1 | 0.0 | 0 | 0 | DI mf | Ls dk gy-gy-tn ssly sc slty intrbd |
| 4 | 6068.0 | 2.71 | 0.5 | 0.003 | 60.5 | 0.0 | 0 | 0 | DI mf | Ls gy-tn ssly sc slty intrbd tr hl frac |
| 5 | 6078.0 | 2.72 | 17.4 | 0.174 | 84.9 | 0.0 | 0 | 0 | DI yl mf | Ls tn-crm sucro ssly sc slty intrbd abd sc sml vug ool |
| 6 | 6089.0 | 2.71 | 15.4 | 0.109 | 87.9 | 0.0 | 0 | 0 | DI yl mf | Ls tn-crm sucro ssly sc slty intrbd abd sc sml vug ool |
| 7 | 6151.0 | 2.70 | 2.7 | 0.070 | 74.0 | 0.0 | 0 | 0 | DI yl mf | Ls gy-tn ssly sc slty intrbd abd sc calc fd vug ool |
| 8 | 6157.0 | 2.71 | 2.0 | 0.031 | 67.6 | 0.0 | 0 | 0 | DI yl mf | Ls gy-tn ssly sc slty intrbd sc calc fd vug frac |
| 9 | 6170.0 | 2.71 | 6.5 | <0.001 | 52.5 | 0.0 | 0 | 0 | DI yl mf | Ls tn-crm ssly sc slty intrbd sc calc fd vug ool foss |
| 10 | 6196.0 | 2.69 | 5.0 | tbfa | 81.4 | 0.0 | 5 | 20 | DI brn | Sh blk-dk gy-gy ssly sc slty intrbd sc bent intrbd sc pyr |
| 11 | 6232.0 | 2.68 | 11.6 | 0.312 | 82.3 | 0.0 | 0 | 0 | | Ss gy-tn-opaq vf-fgr sbang-sbrmd vcalc sc slty intrbd |
| 12 | 6239.0 | 2.68 | 19.0 | 3.269 | 88.5 | 0.0 | 1 | 0 | | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale sc slty intrbd tr hal |
| 13 | 6247.0 | 2.66 | 20.4 | 3.099 | 92.3 | 0.0 | 0 | 0 | | Ss gy-tn-opaq vf-fgr sbang-sbrmd mcalc sc slty intrbd sc hal |
| 14 | 6255.0 | 2.71 | 1.0 | 0.076 | 69.2 | 0.0 | 0 | 0 | DI mf | Ls gy-tn ssly sc slty intrbd sc calc fd vug ool |
| 15 | 6266.0 | 2.77 | 24.2 | tbfa | 65.6 | 0.0 | 0 | 0 | DI mf | Ss gy-tn-opaq vf-fgr sbang-sbrmd vcalc sc slty intrbd |
| 16 | 6270.5 | 2.66 | 21.2 | 38.396 | 88.9 | 0.0 | 0 | 0 | DI mf | Ss gy-tn-opaq vf-fgr sbang-sbrmd vcalc sc slty intrbd tr hal |
| 17 | 6277.0 | 2.68 | 16.9 | 0.841 | 90.1 | 0.0 | 0 | 0 | DI mf | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale sc slty intrbd tr hal |
| 18 | 6289.0 | 2.69 | 7.9 | 0.049 | 86.2 | 0.0 | 0 | 0 | DI mf | Ss gy-tn-opaq vf-fgr sbang-sbrmd vcalc sc slty intrbd sc hal |
| 19 | 6300.0 | 2.71 | 4.0 | 0.036 | 85.7 | 0.0 | 0 | 0 | DI mf | Ss gy-tn-opaq vf-fgr sbang-sbrmd vcalc sc slty intrbd sc hal |
| 20 | 6309.5 | 2.67 | 20.4 | 1.386 | 93.5 | 0.0 | 0 | 0 | | Ss tn-gy-opaq vf-fgr sbang-sbrmd mcalc sc slty intrbd sc hal |
| 21 | 6320.0 | 2.68 | 20.1 | 1.532 | 93.7 | 0.0 | 0 | 0 | | Ss tn-gy-opaq vf-fgr sbang-sbrmd mcalc sc slty intrbd sc hal |
| 22 | 6330.0 | 2.68 | 19.5 | 1.072 | 93.0 | 0.0 | 0 | 0 | | Ss tn-gy-opaq vf-fgr sbang-sbrmd scale tr slty intrbd sc hal |
| 23 | 6340.0 | 2.68 | 16.9 | 0.894 | 93.0 | 0.0 | 0 | 0 | | Ss tn-gy-opaq vf-fgr sbang-sbrmd scale tr slty intrbd sc hal |
| 24 | 6350.0 | 2.71 | 1.8 | 0.037 | 76.9 | 0.0 | 0 | 0 | | Ss tn-gy-opaq vf-fgr sbang-sbrmd vcalc sc slty intrbd sc hal |
| 25 | 6358.0 | 2.67 | 18.6 | 0.925 | 93.5 | 0.0 | 0 | 0 | | Ss tn-gy-opaq vf-fgr sbang-sbrmd scale sc slty intrbd sc hal |
| 26 | 6365.0 | 2.69 | 16.6 | 2.184 | 91.2 | 0.0 | 1 | 0 | | Ss tn-gy-opaq vf-fgr sbang-sbrmd scale sc slty intrbd lam sc hal |
| 27 | 6370.5 | 2.65 | 24.1 | 11.782 | 95.6 | 0.0 | 0 | 0 | | Ss tn-gy-opaq vf-fgr sbang-sbrmd scale tr slty intrbd sc hal |

Red Hills AGI #1 – Sidewall Core Analysis

6,381' – 6,630'

VERY HIGH
> 15% POR
> 10 mD PERM

HIGH
10 - 14.9% POR
1 - 9 mD PERM

MODERATE
5.0 - 9.9% POR
0.1 - 0.9 mD PERM

LOW
1.0 - 4.9% POR
0.01 - 0.09 mD PERM

VERY LOW
< 1.0% POR
< 0.01 mD PERM

Potential Open Zones

Potential Tight Zones

| SAMPLE NO. | DEPTH ft | GRAIN DENSITY | POR % | PERM mD | SATURATIONS Sw | So | GAS UNITS | FLUORESCENCE % | LITHOLOGY |
|------------|----------|---------------|-------|---------|----------------|-----|-----------|----------------|--|
| 28 | 6381.0 | 2.72 | 1.1 | 0.022 | 75.2 | 0.0 | 0 | 0 | DI mf Ls gy-tn ssilty sc slty intrbd tr calc fd frac |
| 29 | 6404.0 | 2.67 | 16.4 | 9.465 | 89.7 | 0.0 | 0 | 0 | Ss tn-gy-opaq vf-fgr sbang-sbrmd scale tr slty intrbd sc hal |
| 30 | 6410.0 | 2.68 | 14.8 | 2.289 | 90.8 | 0.0 | 0 | 0 | Ss tn-gy-opaq vf-fgr sbang-sbrmd scale tr slty intrbd sc hal |
| 31 | 6420.0 | 2.77 | 4.1 | 0.015 | 91.5 | 0.0 | 0 | 0 | DI mf Dol gy-tn ssilty sc slty intrbd tr sml vug |
| 32 | 6430.0 | 2.81 | 4.1 | 0.005 | 84.7 | 0.0 | 9 | 0 | DI mf Dol gy-tn ssilty sc slty intrbd tr sml vug sc A/I |
| 33 | 6440.0 | 2.66 | 16.4 | 3.390 | 91.0 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale tr slty intrbd tr hal |
| 34 | 6450.0 | 2.66 | 20.6 | 9.099 | 92.1 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd mcalc tr slty intrbd sc hal |
| 35 | 6460.0 | 2.66 | 23.2 | 2.325 | 93.3 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd mcalc tr slty intrbd sc hal |
| 36 | 6469.0 | 2.66 | 18.8 | 1.909 | 92.2 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale tr slty intrbd sc hal |
| 37 | 6470.0 | 2.67 | 15.1 | 0.489 | 93.1 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale tr slty intrbd tr hal |
| 38 | 6480.0 | 2.67 | 19.2 | 0.657 | 89.5 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd mcalc tr slty intrbd sc hal |
| 39 | 6490.0 | 2.67 | 21.3 | 0.892 | 92.3 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale tr slty intrbd tr hal |
| 40 | 6508.0 | 2.84 | 5.2 | 0.049 | 81.7 | 0.0 | 0 | 0 | DI yl mf Dol gy-tn ssilty sc slty intrbd sc A/I nod |
| 41 | 6517.0 | 2.78 | 5.0 | 0.036 | 90.4 | 0.0 | 0 | 0 | DI yl mf Dol tn-crm ssilty sc slty intrbd abd sc A/I |
| 42 | 6518.0 | 2.82 | 5.0 | <0.001 | 82.5 | 0.0 | 0 | 0 | DI yl mf Dol tn-gy ssilty sc slty intrbd tr A/I |
| 43 | 6530.5 | 2.65 | 18.6 | 0.711 | 87.1 | 0.0 | 0 | 0 | DI mf Ss gy-tn-opaq vf-fgr sbang-sbrmd mcalc tr slty intrbd tr sml vug |
| 44 | 6540.0 | 2.67 | 14.3 | 0.174 | 88.3 | 0.0 | 0 | 0 | DI mf Ss gy-tn-opaq vf-fgr sbang-sbrmd scale tr slty intrbd sc hal |
| 45 | 6545.0 | 2.67 | 21.6 | 1.312 | 90.7 | 0.0 | 0 | 0 | DI mf Ss gy-tn-opaq vf-fgr sbang-sbrmd scale tr slty intrbd tr hal |
| 46 | 6556.0 | 2.66 | 21.5 | 1.356 | 92.4 | 0.0 | 0 | 0 | DI mf Ss gy-tn-opaq vf-fgr sbang-sbrmd mcalc tr slty intrbd sc hal |
| 47 | 6570.0 | 2.67 | 16.4 | 0.598 | 90.5 | 0.0 | 0 | 0 | DI mf Ss tn-gy-opaq vf-fgr sbang-sbrmd mcalc tr slty intrbd tr hal |
| 48 | 6576.0 | 2.69 | 9.5 | 0.137 | 88.5 | 0.0 | 0 | 0 | DI mf Ss gy-tn-opaq vf-fgr sbang-sbrmd scale sc slty intrbd sc hal |
| 49 | 6586.0 | 2.74 | 3.8 | 0.143 | 86.5 | 0.0 | 0 | 0 | DI mf Ss gy-tn-opaq vf-fgr sbang-sbrmd scale sc slty lam intrbd tr hal |
| 50 | 6594.0 | 2.70 | 6.8 | 0.043 | 86.3 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale sc slty intrbd sc hal |
| 51 | 6610.0 | 2.70 | 7.5 | 0.044 | 90.5 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale sc slty intrbd sc hal |
| 52 | 6620.0 | 2.69 | 9.1 | 0.010 | 87.9 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale sc slty intrbd tr hal |
| 53 | 6630.0 | 2.66 | 21.1 | 2.036 | 90.0 | 0.0 | 0 | 0 | Ss gy-tn-opaq vf-fgr sbang-sbrmd scale tr slty intrbd sc hal |

SUMMARY OF RESERVOIR CHARACTERISTICS OF THE PROPOSED INJECTION INTERVAL DEMONSTRATES NO RECOVERABLE HYDROCARBONS

- Injection is proposed into porous sandstones of the Cherry Canyon Member in the Red Hills AGI #1 well. This interval is composed of fine-medium grained sandstones that contain primary porosity, with interbedded intervals of low porosity and permeability limestone. Secondary porosity (i.e. fractures) may be present in the Cherry Canyon Member.
- Based on nearby wells in the area, this interval is not productive of hydrocarbons.
- Mudlog sample shows throughout the injection interval are very weak (Attachment B). Sample cuts, in the few places found, were likewise weak and very localized, with either no or minor hydrocarbon shows at these locations. Sample cuts indicate wet formation conditions over the entire injection interval. These factors clearly indicate a lack of any movable (recoverable) hydrocarbons.
- Sidewall core results indicate mineral fluorescence, with no shows of hydrocarbon fluorescence across the injection zone. Furthermore, core analysis shows no residual or ambient oil saturation throughout the injection interval, and moderate to high water saturations.
- Formation fluids collected during swabbing show very small concentrations of TPH (Attachment C).
- The sidewall cores, when combined with the lack and quality of mudlog shows and very low TPH in the formation fluid samples, this interval clearly lacks any recoverable hydrocarbons.

END OF ATTACHMENT A

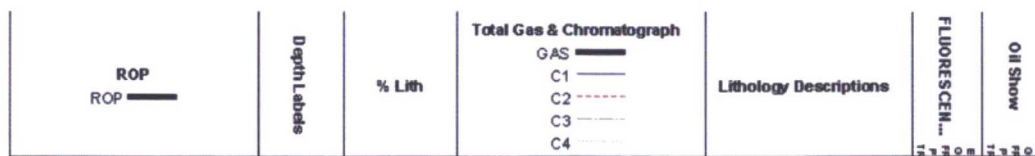
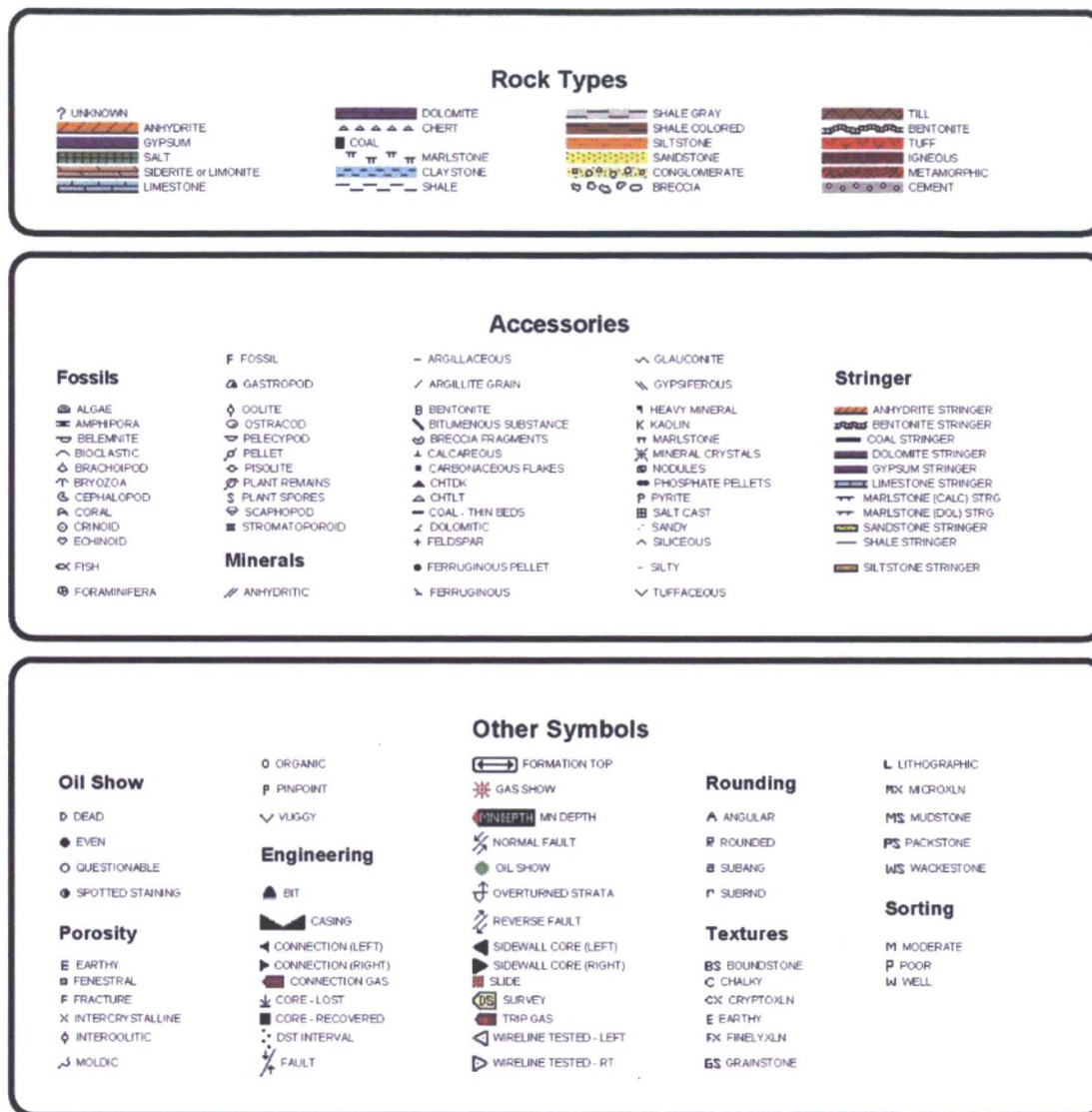
Attachment B
Mud Log with Sidewall Core Images

ATTACHMENT B

MUDLOG EVALUATION FROM 6,230' TO 6,650' (TD)

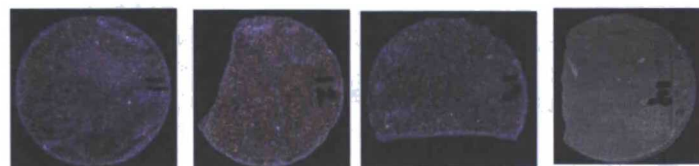
Selman Mudlog Header

- The contents of the mudlog, including all symbols and readings, are described here.
- Fluorescence from sidewall cores collected across the injection interval were analyzed by Weatherford Laboratories.
- Sidewall core results show mineral fluorescence and no significant shows across the entire injection interval. The cores shown on the following slides were taken under UV light. Sidewall core locations are discussed below.

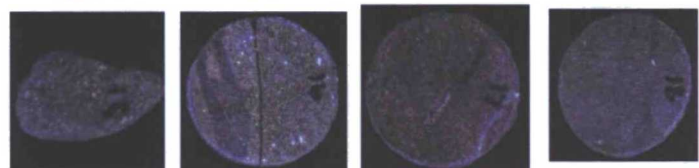


Interval from 6,230' to 6,400'

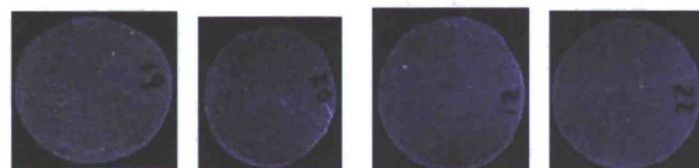
- The top of the injection interval is primarily composed of Sandstone and Limestone



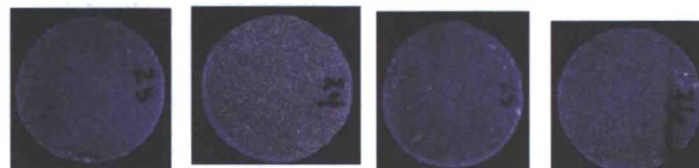
6,232' 6,239' 6,247' 6,255'



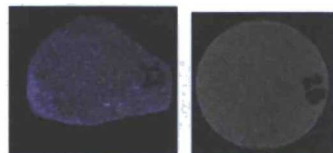
6,266' 6,270' 6,277' 6,289'



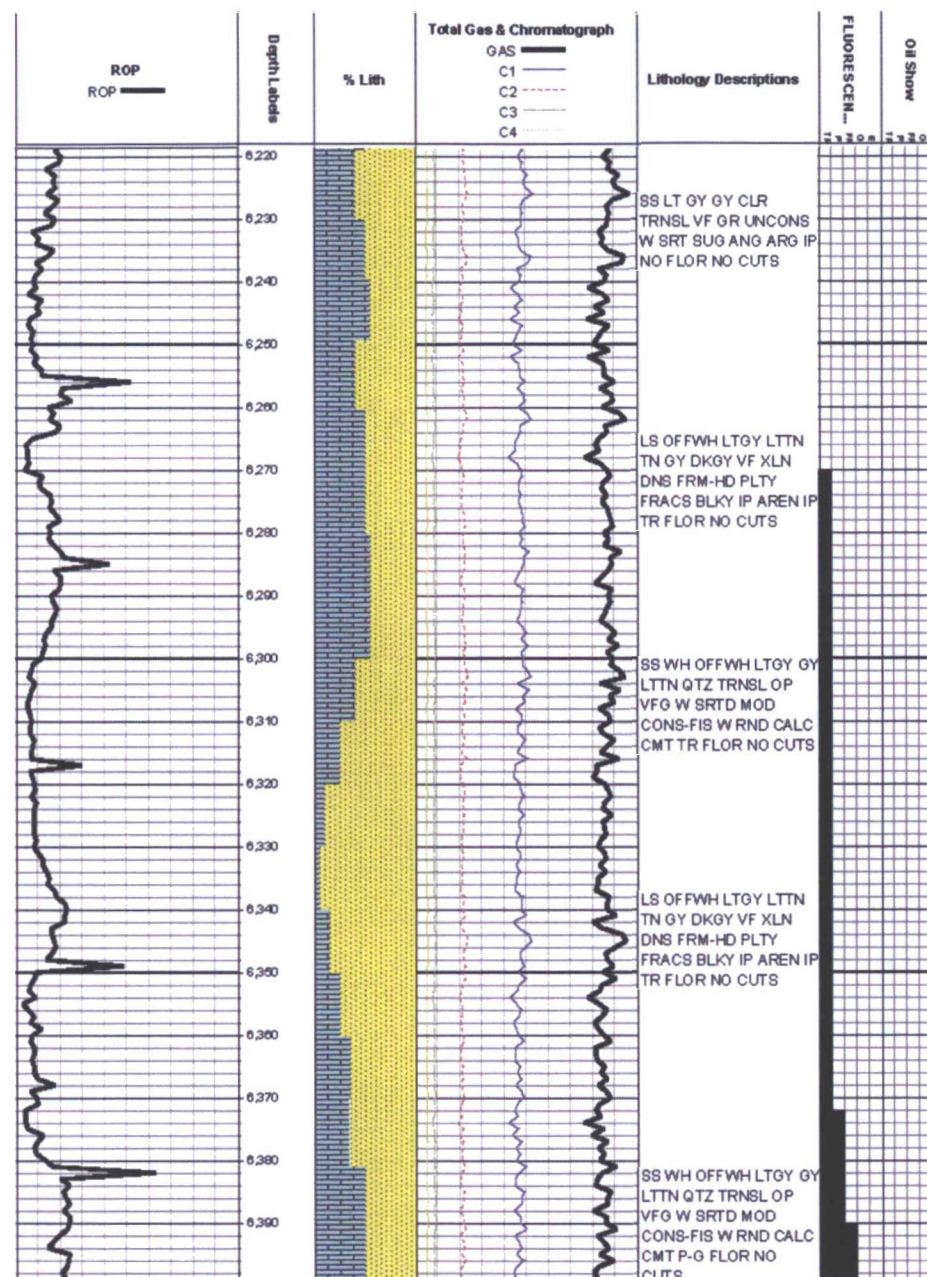
6,300' 6,309' 6,320' 6,330'



6,340' 6,350' 6,358' 6,365'

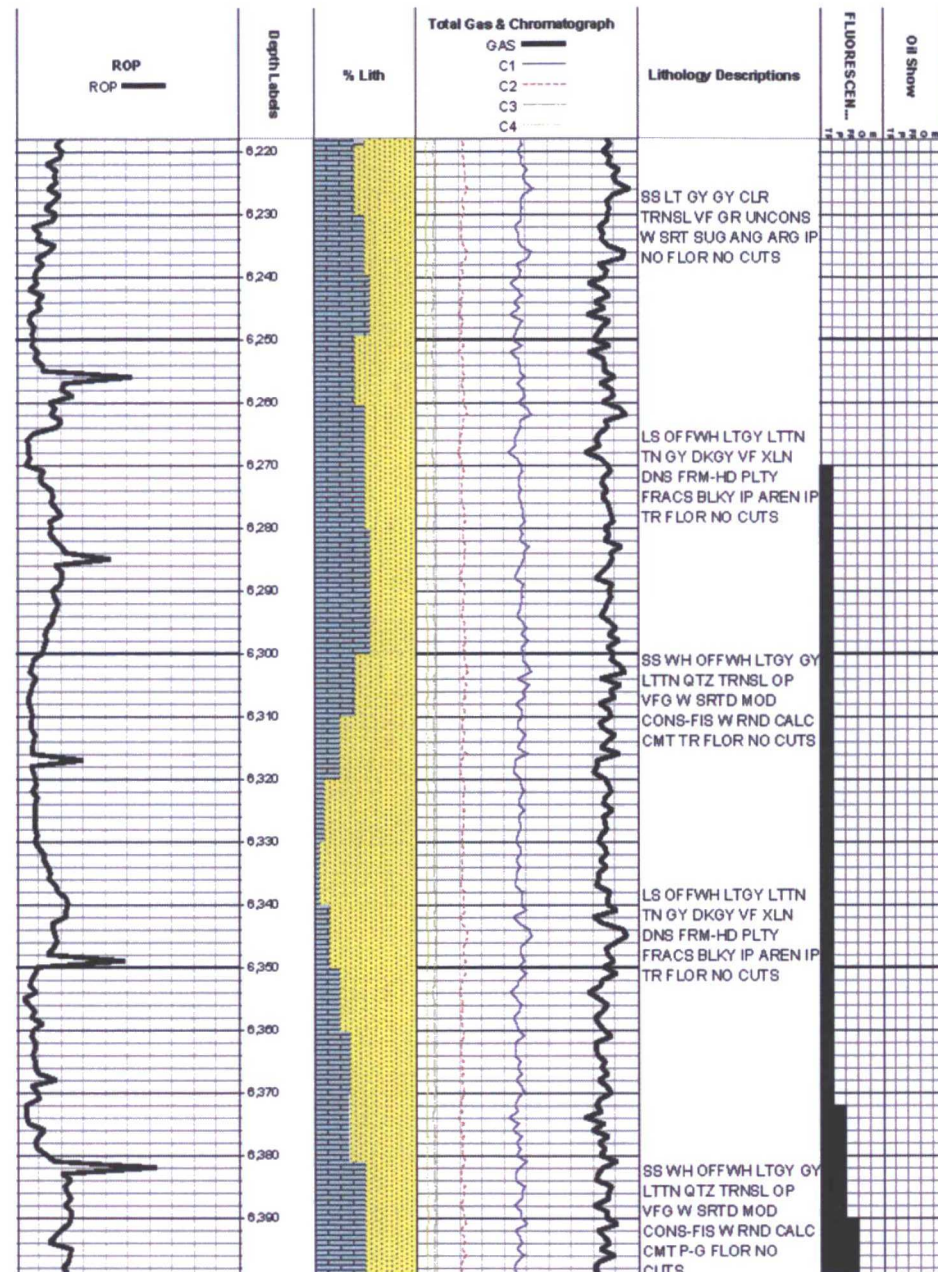


6,370' 6,381'



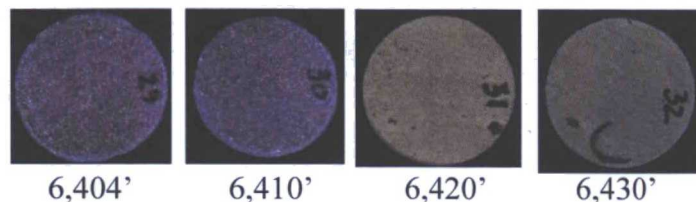
Interval from 6,230' to 6,400' Continued

- Trace gas (mainly methane) detections are shown on the mudlog near the top of the injection zone that do not exceed 55u/5.5 kppm.
- Sidewall cores collected at 6232', 6239', 6247', 6255', 6266', 6270', 6277', 6289', 6300', 6309', 6320', 6330', 6340', 6350', 6358', 6365', 6370', and 6381' have mineral fluorescence with no significant shows.
- The average porosity and permeability from sidewall cores collected between 6190' and 6400' are 14.9% and 3.9 mD, respectively

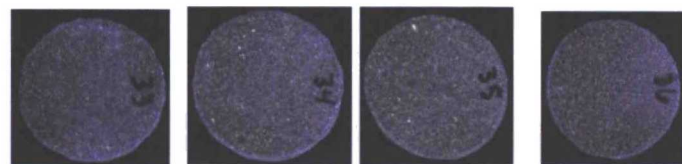


Interval from 6,400' to 6,620'

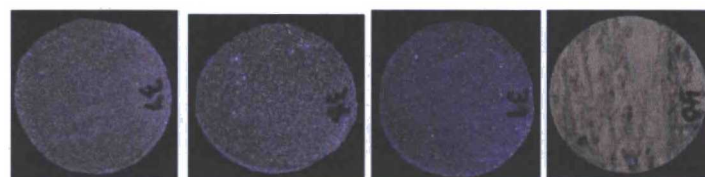
- The center of the injection interval is composed primarily of sandstone



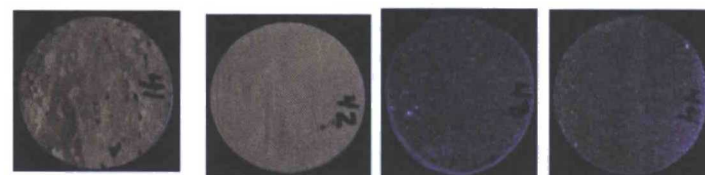
6,404' 6,410' 6,420' 6,430'



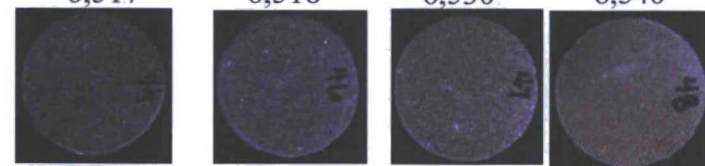
6,440' 6,450' 6,460' 6,469'



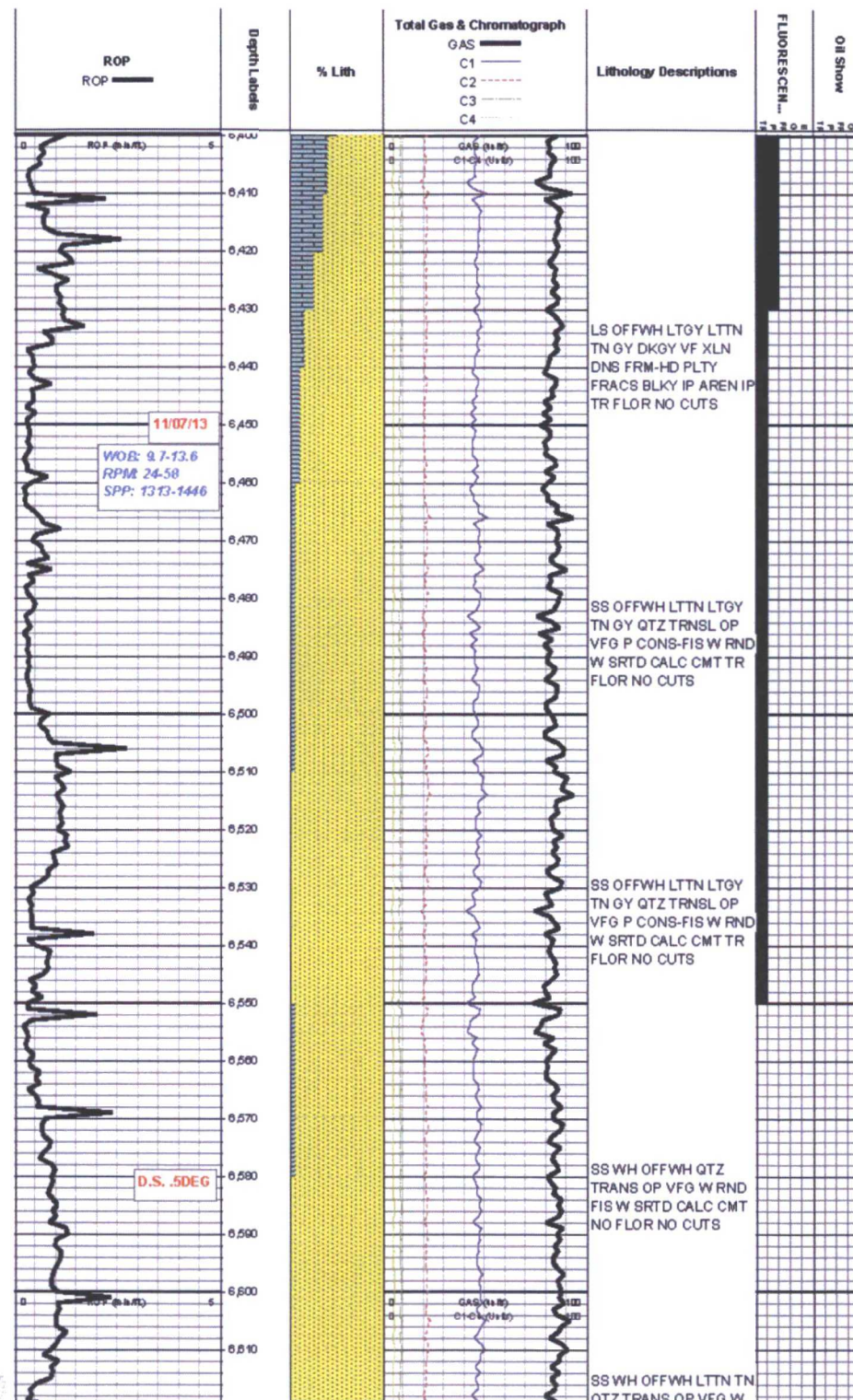
6,470' 6,480' 6,490' 6,508'



6,517' 6,518' 6,530' 6,540'

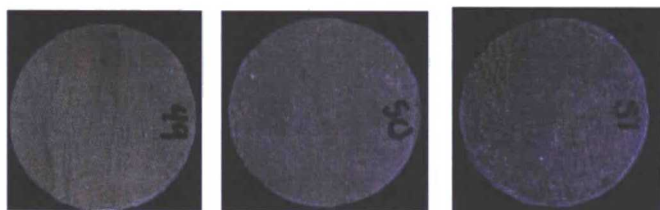


6,545' 6,556' 6,570' 6,576'



Interval from 6,400' to 6,620' Continued

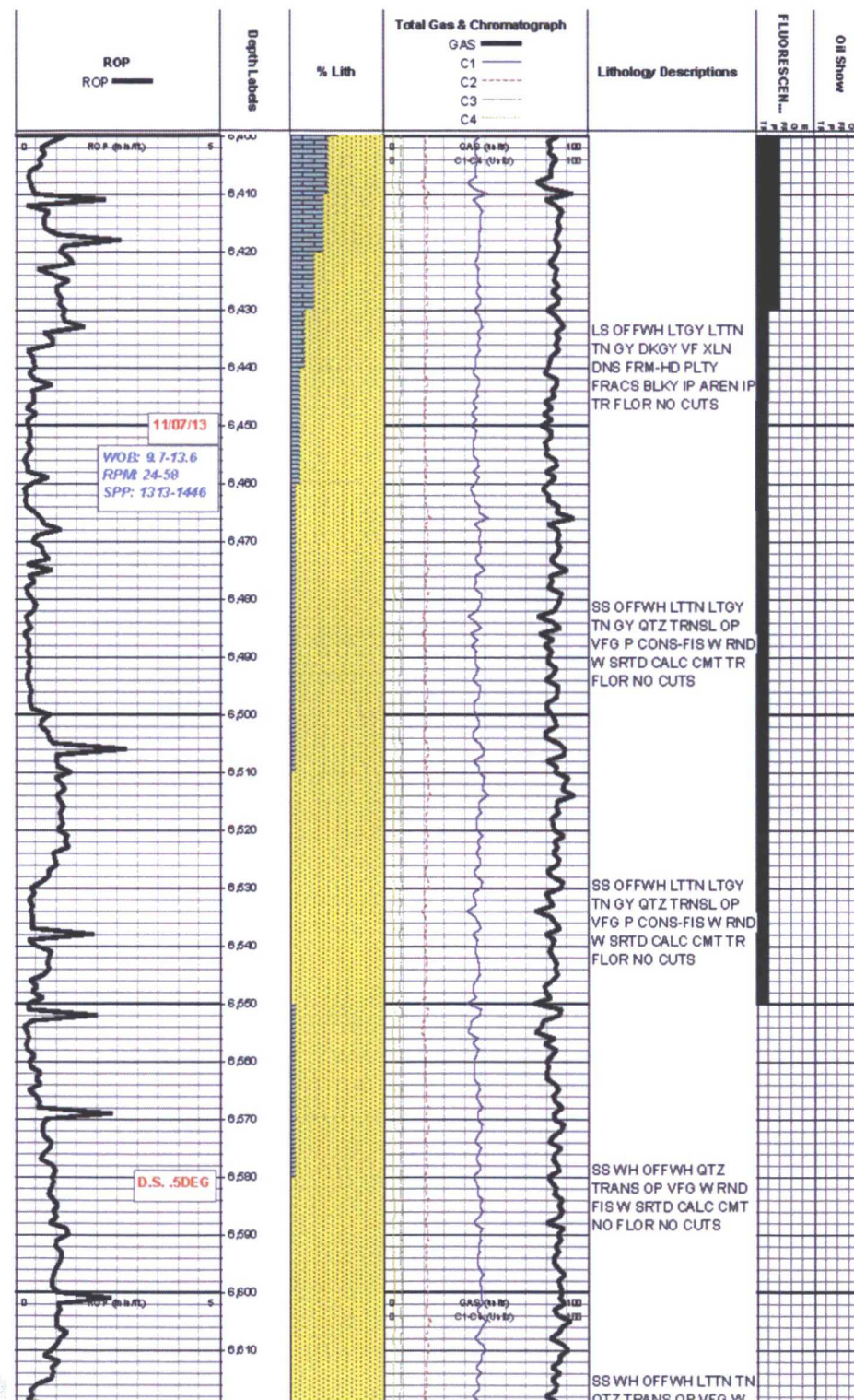
- Trace gas (mainly methane) detections are shown on the mudlog that do not exceed 55u/5.5 kppm.
- Sidewall cores collected at 6404', 6410', 6420', 6430', 6440', 6450', 6460', 6469', 6470', 6480', 6490', 6508', 6517', 6518', 6530', 6540', 6545', 6556', 6570', 6576', 6586', 6594', and 6610' have mineral fluorescence with no significant shows.
- The average porosity and permeability from sidewall cores collected between 6400' and 6620' are 13.5% and 1.6 mD, respectively



6,586'

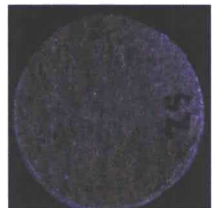
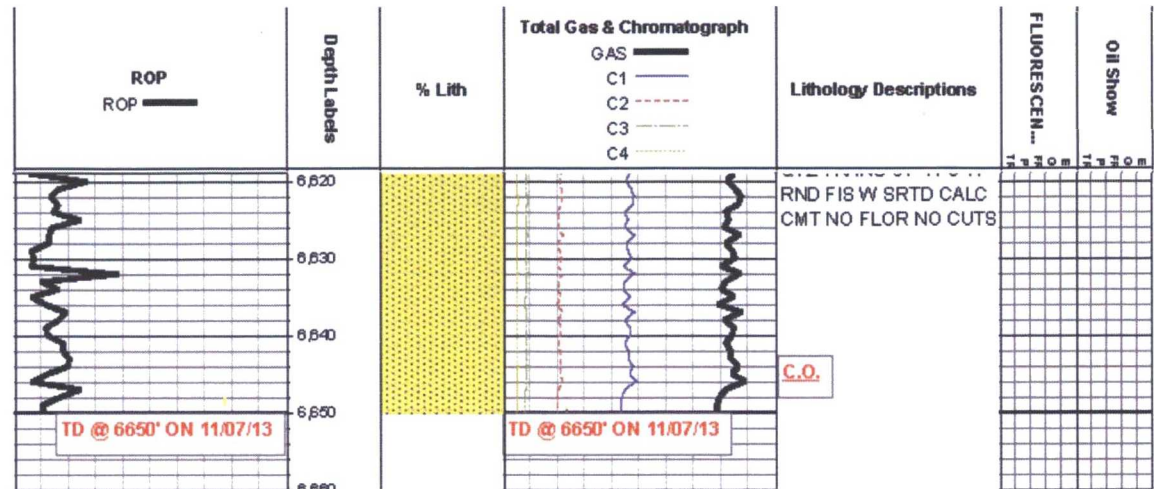
6,594'

6,610'

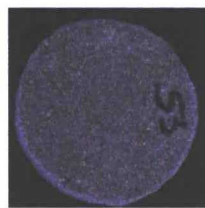


Interval from 6,620' to 6,650'

- The bottom of the injection zone is primarily composed sandstone
- Trace gas (mainly methane) detections are shown on the mudlog that do not exceed 55u/5.5 kppm.
- Sidewall cores collected at 6620' and 6630' have mineral fluorescence with no significant shows.
- The average porosity and permeability from sidewall cores collected between 6620' and 6650' are 15.1% and 1.0 mD, respectively



6,620'



6,630'

Attachment C
Formation Fluid Results

ATTACHMENT C

FORMATION FLUID EVALUATION ACROSS INJECTION INTERVAL

RED HILLS AGI #1 INJECTION ZONE FORMATION-FLUID RESULTS

| Sample ID | Alkalinity, Bicarbonate | Alkalinity, Carbonate | Cl | Conductivity | pH | SO ₄ | TDS | Alkalinity, Total | DRO >C10-C28 | EXT DRO >C28-C36 | TPH | Ca | Mg | K | Na |
|---------------------|-------------------------|-----------------------|--------|--------------|------|-----------------|--------|-------------------|--------------|------------------|-------|-------|------|------|-------|
| 485 bbls. Recovered | 1590 | <1.0 | 178000 | 253000 | 5.87 | 897 | 243000 | 1300 | 5.87 | 2.46 | 8.33 | 26300 | 3790 | 1630 | 63900 |
| 522 bbls. Recovered | 1460 | <1.0 | 174000 | 266000 | 5.84 | 640 | 274000 | 1200 | 10.6 | 5.39 | 15.99 | 26900 | 4060 | 1640 | 61700 |
| 560 bbls. Recovered | 1340 | <1.0 | 170000 | 276000 | 5.85 | 580 | 247000 | 1100 | 8.75 | 5.16 | 13.91 | 27100 | 3970 | 1690 | 63800 |
| 580 bbls. Recovered | 1880 | <1.0 | 182000 | 278000 | 5.40 | 477 | 296000 | 1540 | 6.25 | 3.41 | 9.66 | 25900 | 3820 | 1600 | 60500 |

- Total Petroleum hydrocarbons range from 8.33 ppm to 15.99 ppm. Laboratory Analytical results are on the following pages.
- This clearly demonstrates there are no commercially available hydrocarbons .

January 05, 2018

Alberto A. Gutierrez

GEOLEX INC.

500 MARQUETTE AVE, STE. 1350

ALBUQUERQUE, NM 87102

RE: LUCID ENERGY GROUP RED HILLS AGI #1

Enclosed are the results of analyses for samples received by the laboratory on 12/28/17 10:50.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-17-10. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|--------------------------------|
| Method EPA 552.2 | Total Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Cardinal Laboratories is accredited through the State of New Mexico Environment Department for:

| | |
|------------------|---|
| Method SM 9223-B | Total Coliform and E. coli (Colilert MMO-MUG) |
| Method EPA 524.2 | Regulated VOCs and Total Trihalomethanes (TTHM) |
| Method EPA 552.2 | Total Haloacetic Acids (HAA-5) |

Accreditation applies to public drinking water matrices for State of Colorado and New Mexico.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

GEOLEX INC.
500 MARQUETTE AVE, STE. 1350
ALBUQUERQUE NM, 87102

Project: LUCID ENERGY GROUP RED HILLS
Project Number: 17-026
Project Manager: Alberto A. Gutierrez
Fax To:

Reported:
05-Jan-18 11:18

| Sample ID | Laboratory ID | Matrix | Date Sampled | Date Received |
|--------------------|---------------|--------|-----------------|-----------------|
| 485 BBLS RECOVERED | H703610-01 | Water | 23-Dec-17 00:00 | 28-Dec-17 10:50 |
| 522 BBLS RECOVERED | H703610-02 | Water | 23-Dec-17 03:00 | 28-Dec-17 10:50 |
| 560 BBLS RECOVERED | H703610-03 | Water | 23-Dec-17 06:00 | 28-Dec-17 10:50 |
| 580 BBLS RECOVERED | H703610-04 | Water | 23-Dec-17 08:00 | 28-Dec-17 10:50 |

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

GEOLEX INC.
500 MARQUETTE AVE, STE. 1350
ALBUQUERQUE NM, 87102

Project: LUCID ENERGY GROUP RED HILLS
Project Number: 17-026
Project Manager: Alberto A. Gutierrez
Fax To:

Reported:
05-Jan-18 11:18

485 BBLS RECOVERED
H703610-01 (Water)

| Analyte | Result | MDL | Reporting Limit | Units | Dilution | Batch | Analyst | Analyzed | Method | Notes |
|---------|--------|-----|-----------------|-------|----------|-------|---------|----------|--------|-------|
|---------|--------|-----|-----------------|-------|----------|-------|---------|----------|--------|-------|

Cardinal Laboratories
Inorganic Compounds

| | | | | | | | | | | |
|-------------------------|--------|--|-------|----------|----|---------|----|-----------|-----------|--|
| Alkalinity, Bicarbonate | 1590 | | 5.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |
| Alkalinity, Carbonate | <1.00 | | 1.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |
| Chloride* | 178000 | | 4.00 | mg/L | 1 | 7122106 | AC | 28-Dec-17 | 4500-Cl-B | |
| Conductivity* | 253000 | | 1.00 | uS/cm | 1 | 7122809 | AC | 28-Dec-17 | 120.1 | |
| pH* | 5.87 | | 0.100 | pH Units | 1 | 7122809 | AC | 28-Dec-17 | 150.1 | |
| Sulfate* | 897 | | 250 | mg/L | 25 | 7122811 | AC | 29-Dec-17 | 375.4 | |
| TDS* | 243000 | | 5.00 | mg/L | 1 | 7122803 | AC | 02-Jan-18 | 160.1 | |
| Alkalinity, Total* | 1300 | | 4.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |

Petroleum Hydrocarbons by GC FID

| | | | | | | | | | | |
|------------------|------|--|------|------|-----|---------|----|-----------|-------|--|
| DRO >C10-C28* | 5.87 | | 1.00 | mg/L | 0.1 | 7122808 | MS | 29-Dec-17 | 8015B | |
| EXT DRO >C28-C36 | 2.46 | | 1.00 | mg/L | 0.1 | 7122808 | MS | 29-Dec-17 | 8015B | |

Surrogate: 1-Chlorooctane 95.6 % 37.1-138 7122808 MS 29-Dec-17 8015B

Surrogate: 1-Chlorooctadecane 94.3 % 44.6-151 7122808 MS 29-Dec-17 8015B

Green Analytical Laboratories
Total Recoverable Metals by ICP (E200.7)

| | | | | | | | | | | |
|------------|-------|--|------|------|-----|---------|-----|-----------|----------|--|
| Calcium* | 26300 | | 25.0 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Magnesium* | 3790 | | 25.0 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Potassium* | 1630 | | 250 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Sodium* | 63900 | | 250 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |

Cardinal Laboratories

*=Accredited Analyte

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Caley D. Keene, Lab Director/Quality Manager

Analytical Results For:

GEOLEX INC.
500 MARQUETTE AVE, STE. 1350
ALBUQUERQUE NM, 87102

Project: LUCID ENERGY GROUP RED HILLS
Project Number: 17-026
Project Manager: Alberto A. Gutierrez
Fax To:

Reported:
05-Jan-18 11:18

522 BBLS RECOVERED
H703610-02 (Water)

| Analyte | Result | MDL | Reporting Limit | Units | Dilution | Batch | Analyst | Analyzed | Method | Notes |
|---------|--------|-----|-----------------|-------|----------|-------|---------|----------|--------|-------|
|---------|--------|-----|-----------------|-------|----------|-------|---------|----------|--------|-------|

Cardinal Laboratories
Inorganic Compounds

| | | | | | | | | | | |
|-------------------------|--------|--|-------|----------|------|---------|----|-----------|-----------|--|
| Alkalinity, Bicarbonate | 1460 | | 5.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |
| Alkalinity, Carbonate | <1.00 | | 1.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |
| Chloride* | 174000 | | 4.00 | mg/L | 1 | 7122106 | AC | 28-Dec-17 | 4500-Cl-B | |
| Conductivity* | 266000 | | 1.00 | uS/cm | 1 | 7122809 | AC | 28-Dec-17 | 120.1 | |
| pH* | 5.84 | | 0.100 | pH Units | 1 | 7122809 | AC | 28-Dec-17 | 150.1 | |
| Sulfate* | 640 | | 83.3 | mg/L | 8.33 | 7122811 | AC | 29-Dec-17 | 375.4 | |
| TDS* | 274000 | | 5.00 | mg/L | 1 | 7122803 | AC | 02-Jan-18 | 160.1 | |
| Alkalinity, Total* | 1200 | | 4.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |

Petroleum Hydrocarbons by GC FID

| | | | | | | | | | | |
|-------------------------------|------|--|-------|----------|-----|---------|----|-----------|-------|--|
| DRO >C10-C28* | 10.6 | | 1.00 | mg/L | 0.1 | 7122808 | MS | 29-Dec-17 | 8015B | |
| EXT DRO >C28-C36 | 5.39 | | 1.00 | mg/L | 0.1 | 7122808 | MS | 29-Dec-17 | 8015B | |
| Surrogate: 1-Chlorooctane | | | 101 % | 37.1-138 | | 7122808 | MS | 29-Dec-17 | 8015B | |
| Surrogate: 1-Chlorooctadecane | | | 101 % | 44.6-151 | | 7122808 | MS | 29-Dec-17 | 8015B | |

Green Analytical Laboratories
Total Recoverable Metals by ICP (E200.7)

| | | | | | | | | | | |
|------------|-------|--|------|------|-----|---------|-----|-----------|----------|--|
| Calcium* | 26900 | | 25.0 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Magnesium* | 4060 | | 25.0 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Potassium* | 1640 | | 250 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Sodium* | 61700 | | 250 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 GEOLEX INC.
 500 MARQUETTE AVE, STE. 1350
 ALBUQUERQUE NM, 87102

 Project: LUCID ENERGY GROUP RED HILLS
 Project Number: 17-026
 Project Manager: Alberto A. Gutierrez
 Fax To:

 Reported:
 05-Jan-18 11:18

560 BBLS RECOVERED
H703610-03 (Water)

| Analyte | Result | MDL | Reporting Limit | Units | Dilution | Batch | Analyst | Analyzed | Method | Notes |
|---------|--------|-----|-----------------|-------|----------|-------|---------|----------|--------|-------|
|---------|--------|-----|-----------------|-------|----------|-------|---------|----------|--------|-------|

Cardinal Laboratories
Inorganic Compounds

| | | | | | | | | | | |
|-------------------------|--------|--|-------|----------|------|---------|----|-----------|-----------|--|
| Alkalinity, Bicarbonate | 1340 | | 5.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |
| Alkalinity, Carbonate | <1.00 | | 1.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |
| Chloride* | 170000 | | 4.00 | mg/L | 1 | 7122106 | AC | 28-Dec-17 | 4500-Cl-B | |
| Conductivity* | 276000 | | 1.00 | uS/cm | 1 | 7122809 | AC | 28-Dec-17 | 120.1 | |
| pH* | 5.85 | | 0.100 | pH Units | 1 | 7122809 | AC | 28-Dec-17 | 150.1 | |
| Sulfate* | 580 | | 125 | mg/L | 12.5 | 7122811 | AC | 29-Dec-17 | 375.4 | |
| TDS* | 247000 | | 5.00 | mg/L | 1 | 7122803 | AC | 02-Jan-18 | 160.1 | |
| Alkalinity, Total* | 1100 | | 4.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |

Petroleum Hydrocarbons by GC FID

| | | | | | | | | | | |
|-------------------------------|------|--|--------|----------|-----|---------|----|-----------|-------|--|
| DRO >C10-C28* | 8.75 | | 1.00 | mg/L | 0.1 | 7122808 | MS | 29-Dec-17 | 8015B | |
| EXT DRO >C28-C36 | 5.16 | | 1.00 | mg/L | 0.1 | 7122808 | MS | 29-Dec-17 | 8015B | |
| Surrogate: 1-Chlorooctane | | | 101 % | 37.1-138 | | 7122808 | MS | 29-Dec-17 | 8015B | |
| Surrogate: 1-Chlorooctadecane | | | 98.3 % | 44.6-151 | | 7122808 | MS | 29-Dec-17 | 8015B | |

Green Analytical Laboratories
Total Recoverable Metals by ICP (E200.7)

| | | | | | | | | | | |
|------------|-------|--|------|------|-----|---------|-----|-----------|----------|--|
| Calcium* | 27100 | | 25.0 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Magnesium* | 3970 | | 25.0 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Potassium* | 1690 | | 250 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Sodium* | 63800 | | 250 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

GEOLEX INC.
500 MARQUETTE AVE, STE. 1350
ALBUQUERQUE NM, 87102

Project: LUCID ENERGY GROUP RED HILLS
Project Number: 17-026
Project Manager: Alberto A. Gutierrez
Fax To:

Reported:
05-Jan-18 11:18

580 BBLS RECOVERED
H703610-04 (Water)

| Analyte | Result | MDL | Reporting Limit | Units | Dilution | Batch | Analyst | Analyzed | Method | Notes |
|---------|--------|-----|-----------------|-------|----------|-------|---------|----------|--------|-------|
|---------|--------|-----|-----------------|-------|----------|-------|---------|----------|--------|-------|

Cardinal Laboratories
Inorganic Compounds

| | | | | | | | | | | |
|-------------------------|--------|--|-------|----------|------|---------|----|-----------|-----------|--|
| Alkalinity, Bicarbonate | 1880 | | 5.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |
| Alkalinity, Carbonate | <1.00 | | 1.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |
| Chloride* | 182000 | | 4.00 | mg/L | 1 | 7122106 | AC | 28-Dec-17 | 4500-Cl-B | |
| Conductivity* | 278000 | | 1.00 | uS/cm | 1 | 7122809 | AC | 28-Dec-17 | 120.1 | |
| pH* | 5.40 | | 0.100 | pH Units | 1 | 7122809 | AC | 28-Dec-17 | 150.1 | |
| Sulfate* | 477 | | 125 | mg/L | 12.5 | 7122811 | AC | 29-Dec-17 | 375.4 | |
| TDS* | 296000 | | 5.00 | mg/L | 1 | 7122803 | AC | 02-Jan-18 | 160.1 | |
| Alkalinity, Total* | 1540 | | 4.00 | mg/L | 1 | 7121901 | AC | 28-Dec-17 | 310.1 | |

Petroleum Hydrocarbons by GC FID

| | | | | | | | | | | |
|-------------------------------|------|--|--------|----------|-----|---------|----|-----------|-------|--|
| DRO >C10-C28* | 6.25 | | 1.00 | mg/L | 0.1 | 7122808 | MS | 29-Dec-17 | 8015B | |
| EXT DRO >C28-C36 | 3.41 | | 1.00 | mg/L | 0.1 | 7122808 | MS | 29-Dec-17 | 8015B | |
| Surrogate: 1-Chlorooctane | | | 91.2 % | 37.1-138 | | 7122808 | MS | 29-Dec-17 | 8015B | |
| Surrogate: 1-Chlorooctadecane | | | 91.8 % | 44.6-151 | | 7122808 | MS | 29-Dec-17 | 8015B | |

Green Analytical Laboratories
Total Recoverable Metals by ICP (E200.7)

| | | | | | | | | | | |
|------------|-------|--|------|------|-----|---------|-----|-----------|----------|--|
| Calcium* | 25900 | | 25.0 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Magnesium* | 3820 | | 25.0 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Potassium* | 1600 | | 250 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |
| Sodium* | 60500 | | 250 | mg/L | 250 | B801010 | JDA | 04-Jan-18 | EPA200.7 | |

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 GEOLEX INC.
 500 MARQUETTE AVE, STE. 1350
 ALBUQUERQUE NM, 87102

 Project: LUCID ENERGY GROUP RED HILLS
 Project Number: 17-026
 Project Manager: Alberto A. Gutierrez
 Fax To:

 Reported:
 05-Jan-18 11:18

Inorganic Compounds - Quality Control
Cardinal Laboratories

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|--|--------|-----------------|-------|---|---------------|------|-------------|------|-----------|-------|
| Batch 7121901 - General Prep - Wet Chem | | | | | | | | | | |
| Blank (7121901-BLK1) | | | | Prepared & Analyzed: 19-Dec-17 | | | | | | |
| Alkalinity, Carbonate | ND | 1.00 | mg/L | | | | | | | |
| Alkalinity, Bicarbonate | 10.0 | 5.00 | mg/L | | | | | | | |
| Alkalinity, Total | 8.00 | 4.00 | mg/L | | | | | | | |
| LCS (7121901-BS1) | | | | Prepared & Analyzed: 19-Dec-17 | | | | | | |
| Alkalinity, Carbonate | ND | 2.50 | mg/L | | | | 80-120 | | | |
| Alkalinity, Bicarbonate | 330 | 12.5 | mg/L | | | | 80-120 | | | |
| Alkalinity, Total | 270 | 10.0 | mg/L | 250 | | 108 | 80-120 | | | |
| LCS Dup (7121901-BSD1) | | | | Prepared & Analyzed: 19-Dec-17 | | | | | | |
| Alkalinity, Carbonate | ND | 2.50 | mg/L | | | | 80-120 | | 20 | |
| Alkalinity, Bicarbonate | 318 | 12.5 | mg/L | | | | 80-120 | 3.86 | 20 | |
| Alkalinity, Total | 260 | 10.0 | mg/L | 250 | | 104 | 80-120 | 3.77 | 20 | |
| Batch 7122106 - General Prep - Wet Chem | | | | | | | | | | |
| Blank (7122106-BLK1) | | | | Prepared & Analyzed: 21-Dec-17 | | | | | | |
| Chloride | ND | 4.00 | mg/L | | | | | | | |
| LCS (7122106-BS1) | | | | Prepared & Analyzed: 21-Dec-17 | | | | | | |
| Chloride | 104 | 4.00 | mg/L | 100 | | 104 | 80-120 | | | |
| LCS Dup (7122106-BSD1) | | | | Prepared & Analyzed: 21-Dec-17 | | | | | | |
| Chloride | 104 | 4.00 | mg/L | 100 | | 104 | 80-120 | 0.00 | 20 | |
| Batch 7122803 - Filtration | | | | | | | | | | |
| Blank (7122803-BLK1) | | | | Prepared: 28-Dec-17 Analyzed: 02-Jan-18 | | | | | | |
| TDS | ND | 5.00 | mg/L | | | | | | | |

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 GEOLEX INC.
 500 MARQUETTE AVE, STE. 1350
 ALBUQUERQUE NM, 87102

 Project: LUCID ENERGY GROUP RED HILLS
 Project Number: 17-026
 Project Manager: Alberto A. Gutierrez
 Fax To:

 Reported:
 05-Jan-18 11:18

Inorganic Compounds - Quality Control
Cardinal Laboratories

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---------|--------|-----------------|-------|-------------|---------------|------|-------------|-----|-----------|-------|
|---------|--------|-----------------|-------|-------------|---------------|------|-------------|-----|-----------|-------|

Batch 7122803 - Filtration
LCS (7122803-BS1) Prepared: 28-Dec-17 Analyzed: 02-Jan-18

TDS 218 5.00 mg/L 213 102 80-120

Duplicate (7122803-DUP1) Source: H703604-03 Prepared: 28-Dec-17 Analyzed: 02-Jan-18

TDS 21800 5.00 mg/L 21400 1.73 20

Batch 7122809 - General Prep - Wet Chem
LCS (7122809-BS1) Prepared & Analyzed: 28-Dec-17

pH 7.23 pH Units 7.00 103 90-110

Conductivity 101000 uS/cm 100000 101 80-120

Duplicate (7122809-DUP1) Source: H703610-01 Prepared & Analyzed: 28-Dec-17

pH 5.88 0.100 pH Units 5.87 0.170 20

Conductivity 279000 1.00 uS/cm 253000 9.93 20

Batch 7122811 - General Prep - Wet Chem
Blank (7122811-BLK1) Prepared: 28-Dec-17 Analyzed: 29-Dec-17

Sulfate ND 10.0 mg/L

LCS (7122811-BS1) Prepared: 28-Dec-17 Analyzed: 29-Dec-17

Sulfate 23.4 10.0 mg/L 20.0 117 80-120

LCS Dup (7122811-BSD1) Prepared: 28-Dec-17 Analyzed: 29-Dec-17

Sulfate 24.0 10.0 mg/L 20.0 120 80-120 2.32 20

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

GEOLEX INC.
500 MARQUETTE AVE, STE. 1350
ALBUQUERQUE NM, 87102

Project: LUCID ENERGY GROUP RED HILLS
Project Number: 17-026
Project Manager: Alberto A. Gutierrez
Fax To:

Reported:
05-Jan-18 11:18

Petroleum Hydrocarbons by GC FID - Quality Control
Cardinal Laboratories

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|--|--------|-----------------|-------|-------------|---------------|------|-------------|-------|-----------|-------|
| Batch 7122808 - General Prep - Organics | | | | | | | | | | |
| Blank (7122808-BLK1) | | | | | | | | | | |
| Prepared: 28-Dec-17 Analyzed: 29-Dec-17 | | | | | | | | | | |
| GRO C6-C10 | ND | 1.00 | mg/L | | | | | | | |
| DRO >C10-C28 | ND | 1.00 | mg/L | | | | | | | |
| EXT DRO >C28-C35 | ND | 1.00 | mg/L | | | | | | | |
| EXT DRO >C28-C36 | ND | 1.00 | mg/L | | | | | | | |
| Surrogate: 1-Chlorooctane | 4.15 | | mg/L | 5.00 | | 82.9 | 37.1-138 | | | |
| Surrogate: 1-Chlorooctadecane | 4.63 | | mg/L | 5.00 | | 92.6 | 44.6-151 | | | |
| LCS (7122808-BS1) | | | | | | | | | | |
| Prepared: 28-Dec-17 Analyzed: 29-Dec-17 | | | | | | | | | | |
| GRO C6-C10 | 46.2 | 1.00 | mg/L | 50.0 | | 92.4 | 72.8-108 | | | |
| DRO >C10-C28 | 48.5 | 1.00 | mg/L | 50.0 | | 97.0 | 77.5-117 | | | |
| EXT DRO >C28-C35 | 0.394 | 1.00 | mg/L | 0.00 | | | 0-0 | | | |
| Surrogate: 1-Chlorooctane | 4.31 | | mg/L | 5.00 | | 86.2 | 37.1-138 | | | |
| Surrogate: 1-Chlorooctadecane | 4.64 | | mg/L | 5.00 | | 92.7 | 44.6-151 | | | |
| LCS Dup (7122808-BSD1) | | | | | | | | | | |
| Prepared: 28-Dec-17 Analyzed: 29-Dec-17 | | | | | | | | | | |
| GRO C6-C10 | 46.8 | 1.00 | mg/L | 50.0 | | 93.6 | 72.8-108 | 1.35 | 12 | |
| DRO >C10-C28 | 48.6 | 1.00 | mg/L | 50.0 | | 97.3 | 77.5-117 | 0.305 | 12.1 | |
| EXT DRO >C28-C35 | ND | 1.00 | mg/L | 0.00 | | | 0-0 | | 20 | |
| Surrogate: 1-Chlorooctane | 4.49 | | mg/L | 5.00 | | 89.7 | 37.1-138 | | | |
| Surrogate: 1-Chlorooctadecane | 4.90 | | mg/L | 5.00 | | 98.0 | 44.6-151 | | | |

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

GEOLEX INC.
500 MARQUETTE AVE, STE. 1350
ALBUQUERQUE NM, 87102

Project: LUCID ENERGY GROUP RED HILLS
Project Number: 17-026
Project Manager: Alberto A. Gutierrez
Fax To:

Reported:
05-Jan-18 11:18

Total Recoverable Metals by ICP (E200.7) - Quality Control

Green Analytical Laboratories

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---------|--------|--------------------|-------|----------------|------------------|------|----------------|-----|--------------|-------|
|---------|--------|--------------------|-------|----------------|------------------|------|----------------|-----|--------------|-------|

Batch B801010 - Total Rec. 200.7/200.8/200.2

Blank (B801010-BLK1)

Prepared: 03-Jan-18 Analyzed: 04-Jan-18

| | | | |
|-----------|----|-------|------|
| Sodium | ND | 1.00 | mg/L |
| Magnesium | ND | 0.100 | mg/L |
| Potassium | ND | 1.00 | mg/L |
| Calcium | ND | 0.100 | mg/L |

LCS (B801010-BS1)

Prepared: 03-Jan-18 Analyzed: 04-Jan-18

| | | | | | | |
|-----------|------|-------|------|------|------|--------|
| Magnesium | 19.8 | 0.100 | mg/L | 20.0 | 99.2 | 85-115 |
| Potassium | 8.13 | 1.00 | mg/L | 8.00 | 102 | 85-115 |
| Calcium | 3.92 | 0.100 | mg/L | 4.00 | 98.0 | 85-115 |
| Sodium | 6.32 | 1.00 | mg/L | 6.48 | 97.6 | 85-115 |

LCS Dup (B801010-BSD1)

Prepared: 03-Jan-18 Analyzed: 04-Jan-18

| | | | | | | | | |
|-----------|------|-------|------|------|------|--------|--------|----|
| Magnesium | 19.9 | 0.100 | mg/L | 20.0 | 99.3 | 85-115 | 0.0902 | 20 |
| Potassium | 7.91 | 1.00 | mg/L | 8.00 | 98.9 | 85-115 | 2.68 | 20 |
| Calcium | 3.92 | 0.100 | mg/L | 4.00 | 98.0 | 85-115 | 0.0158 | 20 |
| Sodium | 6.31 | 1.00 | mg/L | 6.48 | 97.4 | 85-115 | 0.231 | 20 |

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

| | |
|-----|--|
| ND | Analyte NOT DETECTED at or above the reporting limit |
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |

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