

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 OGD**  
State of New Mexico  
Energy, Minerals and Natural Resources  
**JAN 12 2018**  
**RECEIVED**  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised July 18, 2013

WELL API NO. 30-025-40448
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. NMLC063798
7. Lease Name or Unit Agreement Name Red Hills AGI
8. Well Number #1
9. OGRID Number 372422
10. Pool name or Wildcat EXPLORATION CHERRY CANYON

**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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other: Acid Gas Injection <input checked="" type="checkbox"/>
2. Name of Operator LUCID ENERGY DELAWARE, LLC
3. Address of Operator 3100 MCKINNON STREET, SUITE 800, DALLAS, TX 75201

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>	11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3580 GR
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**12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data**

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: (Mechanical Integrity Test) <input checked="" type="checkbox"/>	

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 was conducted on Friday, January 12, 2018 at 10:37 am. George Bower (NMOCD) and Paul Swartz (BLM) were 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 (diesel) to the annulus to bring pressure to 600 psig.
4. When annulus pressure reached 600 psig, closed valves to pumping truck, and disconnected the piping.
5. Recorded annular space pressure for 35 minutes.
6. After 35 minutes (11:12 am) the annulus pressure was 560 psig, a loss of 40 psig (6.7% decrease).
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 (250 psig).

Please see the attached pages for pressure chart and calibration information.

Spud Date: <u>October 23, 2013</u>	Rig Release Date: <u>November 20, 2013</u>
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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 Lucid Energy DATE 01/12/2018  
Type or print name Dale Littlejohn E-mail address: dale@geolex.com PHONE: (505) 842-8000

For State Use Only

APPROVED BY: George Bower TITLE Compliance Officer DATE 1/12/18  
Conditions of Approval (if any):

HOBBS OCD

JAN 12 2018

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# American Valve & Meter, Inc.

1113 W. BROADWAY

P.O. BOX 166 HOBBS,  
NM 88240

T0:Pate Trucking

DATE 07/24/17

This is to certify that:

I, RLLarmon Technician for American Valve & Meter Inc. has checked the calibration of the following instrument. These points

8 " Pressure recorder

Ser#12517

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: RLL

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division Hobbs District Office

JAN 12 2019

RECEIVED

BRADENHEAD TEST REPORT

Operator Name <i>Lucid</i>		API Number <i>30-025-40448</i>	
Property Name <i>Red Hills AGI</i>		Well No. <i>1</i>	

1. Surface Location

UL - Lot <i>I</i>	Section <i>13</i>	Township <i>24S</i>	Range <i>33E</i>	Feet from <i>1600</i>	N/S Line <i>S</i>	Feet From <i>150E</i>	E/W Line <i>LCA</i>	County <i>LCA</i>
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Well Status

TA'D WELL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	SHUT-IN <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	INJ <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	PRODUCER <input checked="" type="checkbox"/> OIL <input type="checkbox"/> GAS	DATE <i>1/12/18</i>
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OBSERVED DATA

	(A)Surface	(B)Interm(1)	(C)Interm(2)	(D)Prod Csing	(E)Tubing
Pressure	<i>0</i>	<i>0</i>	<i>—</i>	<i>0</i>	<i>0</i>
Flow Characteristics					
Pull	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	CO2 <input type="checkbox"/>
Steady Flow	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	WTR <input type="checkbox"/>
Surges	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	GAS <input type="checkbox"/>
Down to nothing	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	Type of Fluid
Gas or Oil	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	Injected for
Water	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	Waterflood if
					applies

Remarks - Please state for each string (A,B,C,D,E) pertinent information regarding bleed down or continuous build up if applies.

Signature:		OIL CONSERVATION DIVISION	
Printed name:		Entered into RBOMS	
Title:		Re-test	
E-mail Address:			
Date: <i>1/12/18</i>	Phone:	<i>[Signature]</i>	
Witness: <i>[Signature]</i>			

INSTRUCTIONS ON BACK OF THIS FORM

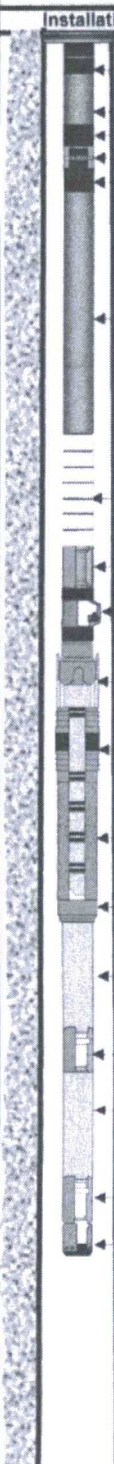
JAN 12 2013

HALLIBURTON

LUCID ENERGY WESTEX LLC

RED HILLS -AGI- 1

LEA/NM  
12-Jan-18Company Rep.  
Tool Specialist  
OfficeTERRY DICKMAN  
JOHNATHAN PHILLIPS  
Odessa

FINAL INSTALLATION		LEA/NM 12-Jan-18		Tool Specialist Office		JOHNATHAN PHILLIPS Odessa	
Installation	Length	Depth	NUM	Description	OD	ID	
	4.42	4.42		HANGER+SUB			
	4.10	8.52		3-1/2" 9.2# L80 EUE 8RD PUP JOINT	3.500		
	235.77	244.29	7	3-1/2" 9.2# L80 EUE 8RD TUBING			
	5.95	250.24		3-1/2" 9.2# L80 EUE 8RD SUB	3.530	2.992	
	4.38	254.62		SSSV	5.500	2.813	
	6.30	260.92		3-1/2" 9.2# L80 EUE 8RD SUB	3.540	2.992	
	5,598.01	5,858.93	166	3-1/2" 9.2# L80 EUE 8RD TUBING	3.500		
	302.23	6,161.16	7	CHROME TUBING SUPPLIED BY CUSTOMER			
	1.27	6,162.43		2.750 X-NIPPLE; SN:0003938739 PN:212S4067-D/102351212	3.930	2.880	
	16.03	6,178.46		BAKER GAUGE			
	1.76			STRAIGHT SLOT LOCATOR/SEAL ASSEMBLY	4.450	2.880	
	8.86	6,187.32		7" 26-32# BWD PERMANENT PACKER/212BWD70412-D/101303583 4 3/4 -8UN 2B BOX; SN-C3923562	5.875	4.000	
	8.45	6,195.77		SEAL BORE EXTENSION; 4" 8 UN B PIN X PIN PN 212C7674 120051359; SN 0003938755-1	5.050	4.000	
	0.82	6,196.59		4" 8 UN BOX X 3.5" 9.2# VAM-TOP PIN; SN 0003938734-1 PN 212N100131 101719647	5.660	2.965	
	8.45	6,205.04		8' TUBING SUB; 3.5" VAM-TOP B X P; 925 INCOLOY	3.520	2.989	
	1.33	6,206.37		2.562 'R' NIPPLE; PN 811R25635 102204262 SN 0003938735-1	2.920	2.562	
	7.95	6,214.32		8' TUBING SUB; 3.5" VAM-TOP B X P; 925 INCOLOY	3.520	2.989	
	1.3	6,215.62		2.562 'RN' NIPPLE WITH 2.321 NO-GO; SN 0003938736-1 PN 811RN25642 102204972	3.920	2.321	
	0.64	6,216.26		RE-ENTRY GUIDE CONVERTED TO A P.O.P.; SN 0003938737-1 PN 812M1182-D 101959861	3.950	3.000	
				160	TOTAL JOINTS IN WELL		
	6,216.26			END OF TOOL			