

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD  
Hobbs

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.**

5. Lease Serial No.  
NMNM 106916

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
Regeneration Energy Corp.

3a. Address  
PO Box 210  
Artesia NM 88210

3b. Phone No. (include area code)  
575 736 3535

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SHL: 190 FSL 1862 FWL Unit Letter N Sec. 31 T22S R32E

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.  
E. Livingston 31 Federal #7H

9. API Well No.  
30-025-42975

10. Field and Pool or Exploratory Area  
Sand Dunes; Bone Spring

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                                |   |  |   |
|---|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent  | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                   |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                   |
| <input type="checkbox"/> Final Abandonment Notice     | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other Remedial Cement |
|   | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |   |
|   | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> 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 recompleat 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 recompleat 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.)

See Attachment.  
Thanks

Summary needs to be here next time  
Cement Remediation to raise TOC on 5-1/2" production string.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)  
William Miller

Title Landman

Signature

Date 03/27/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE MAY 9 2016

Approved by

Title

Office

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.

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)

MSB/OCB  
5/23/2016



Kill well, release packer or on-off tool, POH

TIH with RBP on tubing, set and test ~100' above current packer seat, spot 2+ sks sand on Bridge Plug, TOH, let sand settle.

Rig up wireline with 5K lubricator, trip in with gauge ring and junk basket, tag fill on plug. Trip out of hole and change toolstring, run in hole with drillable bridge plug to ~5125', set and test to ~5000 psi. TOH

Pick up 2 ft gun with 4 shots 90\* phasing, Gamma Ray, and CCL, TIH to perf 4576'-4580', correlate depth off collars and Gamma at 4582' (bottom of sand). Pressure 5-1/2" casing to ~5000 psi before shooting, and monitor open 9-5/8" casing valve for flow/returns. Observe pressure break/leak-off. TOH with W/L.

Rig down Wireline and run in with retainer on workstring. TIH to place EOT at ~4582 and spot 2 bbls acid out EOT. Pull up hole, removing 3-4 joints, and placing retainer ~80-100' above top perf of 4576'. Close 5-1/2" annulus valve or set retainer and attempt injection through tubing while monitoring 9-5/8" for flow. If returns are observed during breakdown, close 9-5/8 and continue to monitor intermediate casing pressure while injecting through squeeze perfs. Max Allowable Pressure of 2800 psi at surface on 9-5/8". Displace acid to perfs, record ISIP, release pressure on 9-5/8 if valve was closed and observe any pressure drop on workstring or flow rate increase on 9-5/8" returns. Release pressure on workstring and or 5-1/2".

Set retainer (if not previously set), Shear sleeve and test as per tool operator instruction. Pressure 5-1/2" to 500 psi and monitor. 5000 Max tubing pressure Allowed, If 9-5/8" is closed during squeeze, Max psi 2800 at surface. If returns are observed on 9-5/8 during squeeze, shut in with minimum of 50 sacks or 12 bbls tail slurry left in pipe above perfs and continue hesitation squeeze. If squeeze is not obtained, over displace to perfs and order additional cement. Close 9-5/8" if still open (even if Squeeze is successful).

Cement plan: Lead Slurry, 100 sacks "C" mixed at 14.8 lb/gal and 1.33 cu ft per sk, containing 0.5% bwoc Halad 344, and 0.3% CFR-3. 100 sack "C" neat, tail slurry, mixed at 14.8 lb/gal & 1.32 cu ft/sk. Will need service company to bring sack Calcium Chloride to mix tail at up to 2% in Tail Slurry if needed based on injectivity before cementing.

After completion of squeeze, TOH with setting tool, shutdown and wait on cement cure time from Lab testing before drill out and test. Leave bridge plug in place at ~5125'.

After successful testing of squeeze perfs, proceed up hole to raise TOC above current level.

CBL recommended to confirm TOC has not raised during squeeze due to Micro Annulus channel.

Current TOC is indicated ~4528' in intermediate casing set at 4550'.

Rig up wireline and run in hole with gauge ring to ~4550', TOH and pick up tool string with Gamma, CCL, and gun loaded with 2 Knockout shots at 180\* phasing to perf 5-1/2" only. Correlate depth to collars

and gamma. Current plan without new CBL information is to locate collar at 4515' pull gun 3-5 ft above, and shoot at 4510'-4512' with 2500 psi on 5-1/2". TOH with wireline.

Establish circulation between casings before setting a retainer. Pipe currently shows to be free at collar located at 4515. Once communication is established, proceed with recementing 5-1/2 through retainer set approx. 100 ft or 3 joints above perforations.

Cement with 600 sacks Lead slurry, EconoCem C (HLC) mixed at 12.7 lbs/gal and 1.84 cu ft per sack;  
follow with 100 sacks "C" tail with 2% CaCl<sub>2</sub> mixed at 14.8 lb/gal and 1.35 cu ft per sack.

Return well to production.

**E. Livingston 31 Federal 7H  
30-025-42975  
Regeneration Energy Corp.  
May 09, 2016  
Conditions of Approval**

**Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.**

**Work to be completed by August 09, 2016.**

- 1. Cement squeeze approved as written. Submit CBL results to BLM.**
- 2. Pressure test casing after squeeze per Onshore Order 2.III.B.1.h. Contact BLM if test fails.**
- 3. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 4. Surface disturbance beyond the originally approved pad must have prior approval.**
- 5. Closed loop system required.**
- 6. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 7. Operator to have H2S monitoring equipment on location.**
- 8. A minimum of a 3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 9. Subsequent sundry required detailing work done. Operator to include well bore schematic of current well condition when work is complete.**

**JAM 050916**