

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**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.***SUBMIT IN TRIPLICATE - Other Instructions on page 2**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM86923
2. Name of Operator FOUNDATION ENERGY MANAGEMENT		6. If Indian, Allottee or Tribe Name
3a. Address 16000 DALLAS PARKWAY SUITE 875 DALLAS, TX 75248		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 918-526-5592		8. Well Name and No. BITSY FEDERAL SWD 01
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T23S R32E SENE 1980FNL 660FEL		9. API Well No. 30-025-33398-00-S1
		10. Field and Pool or Exploratory Area SAND DUNES SWD
		11. County 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 type="checkbox"/> Other
	<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 checked="" 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 recompleate 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 recompletion 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.

NMOCD Order No. SWD-1156 dated 12/12/2008 authorized Enervest Operating, LLC (now Foundation Energy Management, LLC) to utilize the Bitsy Federal SWD No. 1 as a produced water disposal well. Injection can occur into the Delaware formation from 4660-6270 feet.

This well is currently completed as a produced water disposal well through perforations from 5301-5637, and 6166-6206 ft. In order to increase injectivity and reduce the injection pressure, Foundation Energy Management, LLC proposes to add injection perforations in the Delaware formation from 4990 to 5020, 5040 to 5070, and 5080 to 5110. The exact location of the additional perforations, which is not known as this time will be determined by log analysis. However, all additional perforations will be in compliance with Oder No. SWD-1156, and will be reported in a subsequent sundry notice.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #466939 verified by the BLM Well Information System For FOUNDATION ENERGY MANAGEMENT, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 06/03/2019 (19PP2077SE)</b>	
Name (Printed/Typed) JAMES A SMITH	Title HSE REGULATORY SUPERVISOR
Signature (Electronic Submission)	Date 05/29/2019
<b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE JUN 4 2019</b>	
Approved By	Title BLM Admin Asst
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.	Date
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.	Office BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

(Instructions on page 2)

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #466939 that would not fit on the form**

**32. Additional remarks, continued**

Upon completion of perforating and acidizing, plastic-coated injection tubing will be set in a packer located within 100 ft of the uppermost injection perforations.

Attached is a specific procedure describing the proposed operations.

1. MIRU WO Rig
2. Kill well if necessary, using 2% KCL.
3. ND WH. NU BOP
4. Unseat Packer, PU joints and lower tubing to tag for fill.
5. TOOH with TBG. Tally as POOH and note tagged depth.
6. If fill is covering existing perfs, cleanout to TD before proceeding to next step.
7. MIRU wireline
8. RIH with 3 1/8" gun and perf new injection perfs from 4490-5020, 5040-5070, and 5080-5110.
9. POOH with WL guns
10. RD Wireline
11. PU and RIH with redressed packer and RIH with tubing.
12. Hydrotest as RIH to 6000 psi.
13. Set packer above new perfs at +/- 4910?
14. MIRU acid crew and test flowlines
15. Pump acid job according to pump schedule. 5,000-10,000 gals 7.5% NEFE HCl w/ scale inhibitor, clay stabilizer and ball sealers.
16. RDMO acid crew.
17. Pressure test packer is holding to 500 psi and 1000 psi for 10 min each.
18. Perform injection test to determine injection rate and pressure.
19. RDMO Wo Rig.
20. Reconnect equipment for disposal.

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

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. <b>30-025-33398</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> <b>FED</b>
6. State Oil & Gas Lease No. <b>NM-86923</b>
7. Lease Name or Unit Agreement Name <b>Bitsy Federal SWD</b>
8. Well Number <b>1</b>
9. OGRID Number
10. Pool name or Wildcat <b>Delaware</b>

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 checked="" type="checkbox"/> Other SWD	
2. Name of Operator <b>Foundation Energy Management, LLC</b>	
3. Address of Operator <b>5057 Keller Springs Rd, Suite 650, Addison, Texas 75001</b>	
4. Well Location Unit Letter <b>H</b> : <b>1980</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>East</b> line Section <b>7</b> Township <b>23 South</b> Range <b>32 East</b> NMPM County <b>Lea</b>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3,550' GL</b>	

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: <b>Add Delaware Injection Perfs</b> <input checked="" type="checkbox"/>		OTHER: <input 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.

NMOCD Order No. SWD-1156 dated 12/12/2008 authorized Enervest Operating, LLC (now Foundation Energy Management, LLC) to utilize the Bitsy Federal SWD No. 1 as a produced water disposal well. Injection can occur into the Delaware formation from 4660-6270 feet.

This well is currently completed as a produced water disposal well through perforations from 5301-5637, and 6166-6206 ft. In order to increase injectivity and reduce the injection pressure, Foundation Energy Management, LLC proposes to add injection perforations in the Delaware formation from 4990 to 5020, 5040 to 5070, and 5080 to 5110 feet. The exact location of the additional perforations, which is not known as this time will be determined by log analysis. However, all additional perforations will be in compliance with Order No. SWD-1156, and will be reported in a subsequent sundry notice.

Upon completion of perforating and acidizing, plastic-coated injection tubing will be set in a packer located within 100 ft of the uppermost injection perforations.

Attached is a specific procedure describing the proposed operations.

*Proposed Work*

Spud Date:

6/17/2019

Rig Release Date:

6/19/2019

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

SIGNATURE

TITLE

DATE

Type or print name

E-mail address:

PHONE:

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

## Bitsy Federal #1 SWD

Sand Dunes

Add Perfs to Increase Injection Capacity and Lower Pressure  
Lea, County NM

### Casing /Tubular Details and Capacities:

TUBULAR	SIZE	GRADE	DEPTH (ft)	WEIGHT (ppf)	CEMENT (sx)	TOC (ft)	
Surface Casing	13-3/8"	H-40	858	48	650	SFC	Circ
Intermediate Casing	8-5/8"	J-55	4338	32	1500	SFC	Circ
Production Casing	5-1/2"	K-55	9442	17	1330	SFC	Circ
Producing Tubing	2- 7/8"	IPC	4900	6.4	n/a	n/a	n/a

### Procedure:

1. MIRU WO Rig
2. Kill well if necessary, using 2% KCL.
3. ND WH. NU BOP
4. Unseat Packer, PU joints and lower tubing to tag for fill.
5. TOO H with TBG. Tally as POOH and note tagged depth.
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12. Hydrotest as RIH to 6000 psi.
13. Set packer above new perfs at +/- 4910'
14. MIRU acid crew and test flowlines
15. Pump acid job according to pump schedule. 5,000-10,000 gals 7.5% NEFE HCl w/ scale inhibitor, clay stabilizer and ball sealers.
16. RDMO acid crew.
17. Pressure test packer is holding to 500 psi and 1000 psi for 10 min each.
18. Perform injection test to determine injection rate and pressure.
19. RDMO Wo Rig.
20. Reconnect equipment for disposal.

# Bitsy Federal 1

## Current WBD

### Tubing Detail

2-7/8 inch(OD)  
# (weight)  
IPC grade

Tubing Tally	Length	Depth
164JTS 2-7/8" IPC TPG	5217	5217
ON OFF	2	5219
2.25 PROFILE NIPPLE	1	5220
2-7/8"XS-1/2 AEROSET PKR	5	5225

### Surface Casing

13-3/8" inch (OD)  
48 # (weight)  
H-40 grade  
858 depth from KB  
surface cement top  
650 sacks of cement  
17-1/2" inch (OD) HOLE SIZE

### Intermediate Casing

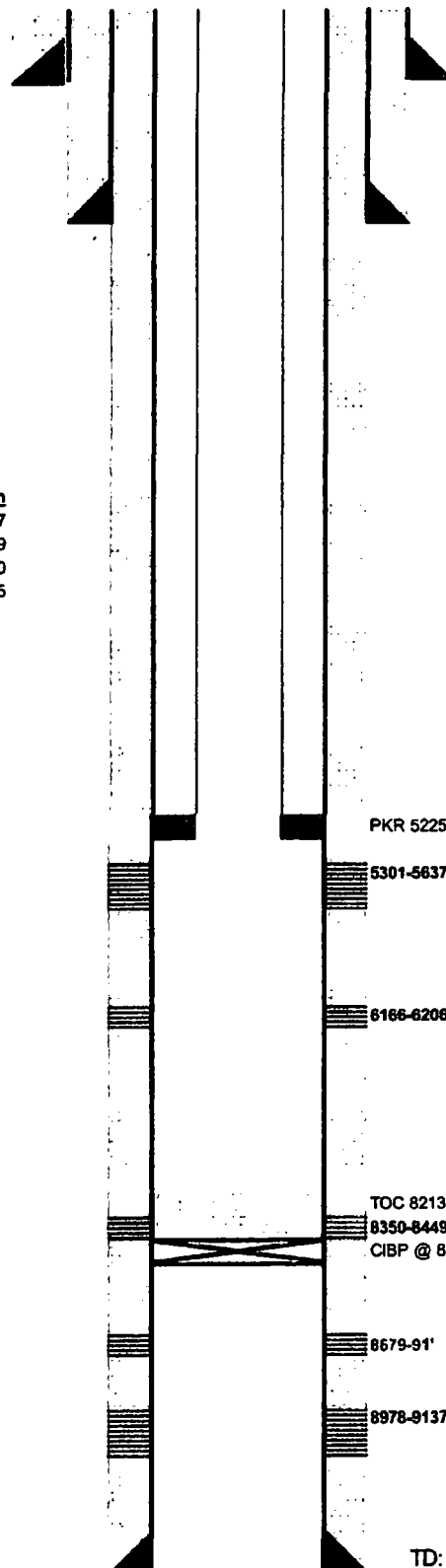
8-5/8" inch (OD)  
32 # (weight)  
J-55 grade  
4338 depth from KB  
surface cement top  
1600 sacks of cement  
7-1/2" inch (OD) HOLE SIZE

### Production Casing

5-1/2" inch (OD)  
17 # (weight)  
J55/N80 grade  
9442 depth from KB  
SURFACE cement top  
1330 sacks of cement  
7-7/8" inch (OD) HOLE SIZE

### PERMIT INJ ZONE

4,660-6,270'



PKR 5225'

5301-5637'

6166-6206'

TOC 8213'

8350-8449' 150 ss (2/16/2000)

CIBP @ 8629'

8679-91'

8978-9137'

TD: 9442'

# Bitsy Federal 1

## Proposed WBD

### Tubing Detail

2-7/8" Inch(OD)  
# (weight)  
IPC grade

Tubing Tally	Length	Depth
164JTS 2-7/8" IPC FBG	4900	4900
ON OFF	2	4902
2.25 PROFILE NIPPLE	1	4903
2-7/8"XS-1/2 AEROSET C-GRP	4	4908

### Surface Casing

13-3/8" Inch (OD)  
48 # (weight)  
H-40 grade  
858 depth from KB  
surface cement top  
850 sacks of cement  
17-1/2" Inch (OD) HOLE SIZE

### Intermediate Casing

8-5/8" Inch (OD)  
32 # (weight)  
J-55 grade  
4338 depth from KB  
surface cement top  
1500 sacks of cement  
12-1/2" Inch (OD) HOLE SIZE

### Production Casing

5-1/2" Inch (OD)  
17 # (weight)  
J55/N80 grade  
9442 depth from KB  
SURFACE cement top  
1330 sacks of cement  
7-7/8" Inch (OD) HOLE SIZE

### Proposed Perfs

4990-5020

5040-5070

5080-5110

5301-5637'

6166-6206'

**PERMIT INJ ZONE**  
**4,660-6,270'**

TOC 8213'

8350-8449' 150 ex (2/16/2000)

CIBP @ 8629'

8679-91'

8978-9137'

TD: 9442