

State of New Mexico
Energy, Minerals and Natural ResourcesForm Page 3 of 3
Revised July 18, 2013

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

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

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 checked="" type="checkbox"/> Other		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		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>EAST</u> line Section <u>13</u> Township <u>24S</u> Range <u>33E</u> NMPM County <u>LEA</u>		8. Well Number #001
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3580 GR		9. OGRID Number 372422
		10. Pool name or Wildcat EXPL. CHERRY CANYON

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" 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: <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.

Lucid has established that there is communication between the tubing injection string and the annulus by identifying pressure anomalies on the annulus and the presence of TAG in the annulus. Lucid has determined the best means of identifying the issue safely and minimizing flaring impacts is to perform a workover on the well. Lucid has contracted WSP Engineering to provide field supervision and project management for the workover operation.

Due to availability of equipment the workover is expected to commence on February 1st and should last 10 to 14 days of daylight operations only due to safety.

Initially, a Distributed Temperature Survey (DTS) using the Baker Hughes fiber optic lined currently installed in the well will be run to attempt to pinpoint the communication source. We will pump cold brine into the injection string and monitor temperature changes throughout the wellbore. Once the DTS is conducted the well will be killed with Methanol and diesel and blanking plugs will be run to isolate the injection zone.

At this point, the Red Hills Plant will be shut down and completely blocked. Gas will not be accepted from the field during this work. No flaring will occur at the plant. Lucid has notified upstream Operators of the workover and an estimated 25% of the upstream gas will be "offloaded" to another midstream market. Some Operators are planning to shut in to perform remedial work.

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 Paul Ragsdale TITLE Consultant Lucid Energy DATE Jan. 21, 2021

Type or print name Paul Ragsdale E-mail address: pragsdale3727@gmail.com PHONE: 575-626-7903

For State Use Only

APPROVED BY: Phillip R. Letz TITLE Acting UIC Manager DATE 01/28/2021

Conditions of Approval (if any)

Red Hills AGI #001

30-025-40448

Lucid is proactively communicating with all affected parties to help them plan ahead and minimize flaring.

A workover unit will be rigged up and BOP's installed.

After the well has stabilized and blanking plugs tested, the tubing will be unseated from the packer and pulled.

After the tubing is pulled, a Wireline Logging Truck will be rigged up and a Casing Inspection Log run from the top of the packer to the surface.

A complete analysis of the Casing Inspection Log and the DTS will be utilized to determine the actions to follow.

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 16250

CONDITIONS OF APPROVAL

Operator:				OGRID:	Action Number:	Action Type:
LUCID ENERGY DELAWARE, LLC	3100 Mckinnon Suite 800	Dallas, TX75201		372422	16250	C-103X

OCD Reviewer	Condition
pgoetze	BOP/BOPE shall be rated to 5000 PSI or greater. All test results and logs are to be submitted to the OCD for review. OCD is to be noticed via Engineering email 48 hours prior to commencing field activities at the wellhead.