

Well Name: SHARBRO FEDERAL	Well Location: T23S / R32E / SEC 7 / SWNW /	County or Parish/State: LEA / NM
Well Number: 06	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM62223	Unit or CA Name:	Unit or CA Number:
US Well Number: 300253504800S1	Well Status: Producing Oil Well	Operator: FOUNDATION ENERGY MANAGEMENT LLC

Notice of Intent

Type of Submission: Notice of Intent	Type of Action Plug Back
Date Sundry Submitted: 05/06/2021	Time Sundry Submitted: 08:56
Date proposed operation will begin: 06/14/2021	

Procedure Description: Procedure 1. MIRU WO Rig. 2. Unbeam and ND stuffing box. POOH and lay down rods. 3. ND WH. NU BOP. 4. Unseat TAC, hydrotest and tally TBG while POOH. 5. PICK UP BIT AND SCRAPER, MAKE RUN TO 6,750' (minimum) 6. POOH with Bit/Scraper, LD tbg. PERFORATING 7. MIRU wireline. NU lubricator, ensure pressure gauge is installed. 8. PU and RIH 5 ½" (10K rated) CIBP, Set at 6700'. (Ensure to not set on collars, caliper tools). 9. Bail dump 35 ft of cement w/ wireline dump bailer (BLM requires 35 ft. of cement, caliper tools). 10. Wait 2 hours for cement to set. 11. Load well w 2% KCL and pressure test CIBP to 500 psi then increasing by 500 psi (hold 5 min each) until 4000 psi is reached, hold for 15 minutes. 12. Swab down until 500 psi underbalanced, (1100 ft of water column). 13. PU and RIH with CCL, GR and 3 1/8" gun to perforate (caliper tools) a. Perf – 5978-92' – 3 SPF, 60 Deg. Phasing b. Perf - 6150-62' – 3 SPF, 60 Deg. Phasing c. Monitor surface pressure during shot 14. POOH with wireline guns. Ensure all shots have fired 15. RD Wireline 16. Setup 5k Frac Valve 17. RDMO WO rig, move tbg/racks, and other material to edge of location to clear pad for Frac.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Sharbro_6_FLP_for_BLM_NOI_20210504_20210506085600.pdf

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Conditions of Approval

Specialist Review

Plugback_COA_20210506151731.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: JAMES SMITH	Signed on: MAY 06, 2021 08:55 AM
Name: FOUNDATION ENERGY MANAGEMENT LLC	
Title: HSE Regulatory Supervisor	
Street Address: 15E. 5TH STREET, SUITE 1200	
City: TULSA	State: OK
Phone: (918) 526-5592	
Email address: JSMITH@FOUNDATIONENERGY.COM	

Field Representative

Representative Name: Ithan Navarro		
Street Address:		
City:	State:	Zip:
Phone: (469)704-2122		
Email address: INavarro@foundationenergy.com		

BLM Point of Contact

BLM POC Name: Jonathon W Shepard	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5752345972	BLM POC Email Address: jshepard@blm.gov
Disposition: Approved	Disposition Date: 05/06/2021
Signature: Jonathon Shepard	

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval for Permanent Abandonment of a Production Zone

1. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612
2. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,100 feet, a 3M system for a well not deeper than 13,600 feet, or a 5M system for a well not deeper than 22,700 feet (all depths are for measured well depth).
3. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.
4. Cement Requirement: Sufficient cement shall be used to bring any required plug to the approved depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours. In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement (or 35 feet with a bailer). Before pumping cement on top of CIBP, a tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary. Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.
5. Subsequent Plug back Reporting: Within 30 days after plug back work is completed, file a Subsequent Report (Form 3160-5) to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date work was completed. If plugging back to a new zone submit a Completion Report (Form 3160-4) with the Subsequent Report.
6. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.
7. If well location is within the Timing Limitation Stipulation Area for Lesser Prairie-Chicken: From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted.

Sharbro Federal #6
Brushy Canyon (Delaware) Frac Recompletion Setup

Purpose of Work

Purpose of this workover is to pull current BHA, set/cement a CIBP on top of the old perforations, and to add up hole perforations in the same Brushy Canyon formation.

Well Location

County and State: Lea, NM

Section – Township – Range: 7H-23S-32E

Latitude/Longitude: 32.3206596, -103.7208481

Diving directions from Carlsbad, New Mexico (55 min Drive)

Follow US Highway 285 S, NM-31 and NM 128E to Red Road

Turn left onto Red Rd

Turn Right (6 miles) onto Mills Rach Road (797)

Follow Road until it dead ends (1 mile)

Turn right when road dead ends

Follow road until it dead ends (0.75 miles)

Turn right when road dead ends

Follow road until it dead ends (0.5 miles)

Turn right when road dead ends

The well is on the 3rd pad on the left (0.25 miles)

Nearest Hospital (1 hour 10 min from location)

Lea Regional Medical Center

5419 N Lovington Hwy

Hobbs NM 88240

575-492-5000

Carlsbad Medical Center

2430 W. Pierce St.

Carlsbad, NM

575-887-4100

Emergency Services Number (other than 911)

Lea's SHERIFF'S DEPT: (575) 396-3611

Lea's FIRE DEPT: (575) 396-2359

General Information**API:** 35-025-35048**Producing Formation:** Brushy Canyon**Current Perfs:** 6,919'-28' (20 holes), 7122'-31' (18 holes), 7396'-7698' (32 holes), 8194'-8364' (26 holes)**MD/TVD:** 8522'**Wellhead Pressure Rating:** 5000 psi**KB:** 16 '**Estimated Pr:** ~ 2100 psi**Assumed Frac Gradient:** 0.55 psi/ft (Based on offset data, latest frac BQ3 FG: .52 psi/ft)**BHT:** 130 Deg F (.0175 Deg F/ft)**H2S/CO2:** 6 ppm/No CO2 report on file**Casing /Tubular Details and Capacities**

TUBULAR	Size	Grade	Depth (ft)	Weight (ppf)	Burst (psi)	Yield (K#)	Collapse (psi)	CMT (sx)	TOC (ft)	
Surface Casing	13-3/8"	H-40	880	48	1,730	541	770	700	SFC	Circ
Intermediate Casing	8-5/8"	J-55	4,801	32	3,930	503	2,530	1890	SFC	Circ
Production Casing	5-1/2"	J-55	8,522	15.5	4810	248	4,040	770	4,114	Calc
Producing Tubing	2- 7/8"	J-55	7,460	6.5	7,260	99	7,680	n/a	n/a	n/a

Capacities	OD (in)	ID (in)	Drift(in)	bbl/ft
2 7/8" – J-55	2.875	2.441	2.347	0.00579
2 7/8" – J-55 TBG and 5 1/2" CSG	-	-	-	0.0152
5 1/2" CSG – J-55	5.500	4.892	4.767	0.0232

PROCEDURE

Procedure

1. MIRU WO Rig.
2. Unbeam and ND stuffing box. POOH and lay down rods.
3. ND WH. NU BOP.
4. Unseat TAC, hydrotest and tally TBG while POOH.
5. PICK UP BIT AND SCRAPER, MAKE RUN TO 6,750' (minimum)
6. POOH with Bit/Scraper, LD tbg.

PERFORATING

7. MIRU wireline. NU lubricator, ensure pressure gauge is installed.
8. PU and RIH 5 ½" (10K rated) CIBP, Set at 6700'. (Ensure to not set on collars, caliper tools).
9. Bail dump 35 ft of cement w/ wireline dump bailer (NM requires 35 ft. of cement, caliper tools).
10. Wait 2 hours for cement to set.
11. Load well w 2% KCL and pressure test CIBP to 500 psi then increasing by 500 psi (hold 5 min each) until 4000 psi is reached, hold for 15 minutes.
12. Swab down until 500 psi underbalanced, (1100 ft of water column).
 - a) Expected Pr: 2100 psi
 - b) $.433 \times 6100 = 2640$ psi
13. PU and RIH with CCL, GR and 3 1/8" gun to perforate (caliper tools)
 - a. Send log to Tulsa for review before perforating.
 - b. Confirm via text that they have been received
 - c. Perf – 5978-92' – 3 SPF, 60 Deg. Phasing
 - d. Perf - 6150-62' – 3 SPF, 60 Deg. Phasing
 - e. Monitor surface pressure during shot
14. POOH with wireline guns. Ensure all shots have fired
15. RD Wireline
16. Setup 5k Frac Valve
17. RDMO WO rig, move tbg/racks, and other material to edge of location to clear pad for Frac.

Post-Procedure:

1. Maintain communication with HSE/Regulatory for BLM/NMOCD permit approval.
2. Move rig to the Sharbro 4 for next frac prep.
3. MI tanks/material prefill before frac.
4. Get new SIFL.

CURRENT WBD

Prepared Date: 1.11.2018
Prepared By: Allie Sullivan

General Info

API #: 30-025-35048

KB Elevation:
GL Elevation: 3,515'

Spud Date: 8/10/2000
Completion Date: 10/18/2000

TVD: 8,522'
MD: 8,522'
Last PBTD: 8,424'

Tubing Detail

2-7/8 inch (OD)
6.5 # (weight)
J-55 grade

<u>Tubing Tally</u>	<u>Length</u>	<u>Depth</u>
KB	16	16
203 jts 2-7/8" J-55	6669	6685
2-7/8" x 5-1/2" TAC	3.5	6689
21 jts 2-7/8" J-55	696	7385
2-1/2" MHD SN	1	7386
2-7/8" Perf sub	4	7390
3" BP MA	66	7456

<u>Rod Design</u>	<u>Length</u>	<u>Depth</u>
1-1/2 X 26' Polish Rod w/ Liner	26	26
103 -1" X 25' Steel rods	2600	2626
104 -7/8" X 25' Steel rods	2575	5201
74 -3/7" X 25' Steel rods	1850	7051
12 -1" X 25' Sinker bars	300	7351
2-1/2 X 1-1/2 X 24' Pump	24	7375
Gas anchor	6	7381

Pump Details:
2 X 1-1/2 X 24' HRVC insert pump

Pumping Unit Details:
American 912-365-168

Surface Casing

13-3/8 inch (OD)
48 # (weight)
H-40 grade
880' depth from KB
Surface cement top
700 sacks of cement
17-1/2 inch (OD) HOLE SIZE
Sharbro

Intermediate Casing

8-5/8 inch (OD)
32 # (weight)
grade
4,801' depth from KB
Surface cement top
1890 sacks of cement
12-1/4 inch (OD) HOLE SIZE

Production Casing

5-1/2 inch (OD)
17 & 15.5 # (weight)
J-55 grade
depth from KB
4,114' cement top
770 sacks of cement
7-7/8 inch (OD) HOLE SIZE

Open Perforations

6,919-28' (2 SPF, 0.4")
Brushy Canyon (20 holes)

7,122'-31' (2 SPF, 0.4")
Brushy Canyon

7,396'-7,698' (2 SPF, 0.4", 32 holes)
Brushy Canyon
8,194"-8,364 (2 SPF, 0.4", 26 holes)
Brushy Canyon

PROPOSED WBD

Prepared Date: 1/27/2021
Prepared By: Ithian Navarro

General Info

API #: 30-025-35048

KB Elevation:

GL Elevation: 3,515'

Spud Date: 8/10/2000

Completion Date: 10/18/2000

TVD: 8,522'

MD: 8,522'

Last PBTD: 8,424'

Tubing Detail

2-7/8 inch (OD)

6.5 # (weight)

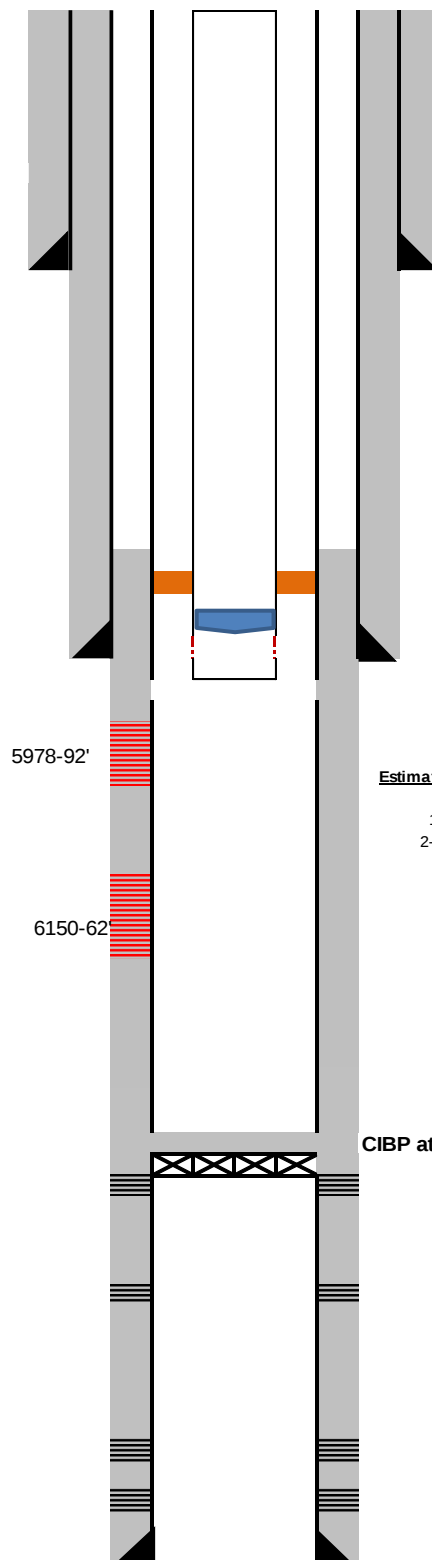
J-55 grade

Zone - B

14' Perfs
Upper BC 1
3 SPF, 60 Deg phasing

ZONE - A

15' New Perfs
Upper BC 2
3 SPF, 60 Deg Phasing

Surface Casing

13-3/8 inch (OD)

48 # (weight)

H-40 grade

880' depth from KB

Surface cement top

700 sacks of cement

17-1/2 inch (OD) HOLE SIZE

Sharbro

Visual Returns

Intermediate Casing

8-5/8 inch (OD)

32 # (weight)

grade

4,801' depth from KB

Surface cement top

1890 sacks of cement

12-1/4 inch (OD) HOLE SIZE

Visual Returns

Production Casing

5-1/2 inch (OD)

17 & 15.5 # (weight)

J-55 grade

depth from KB

4,114' cement top

770 sacks of cement

7-7/8 inch (OD) HOLE SIZE

CBL

<u>Estimated Tubing Tally</u>	<u>Length</u>	<u>Depth</u>
KB	16	16
182 jts 2-7/8" J-55	5688	5704
2-7/8" x 5-1/2" TAC	3.5	5707
7 jts 2-7/8" J-55	218.8	5926
2-1/2" MHD SN	1	5927
2-7/8" Perf sub	4	5931
3" BP MA	64	5995

CIBP at 6700', TOC 6680'

6,919-28' (2 SPF, 0.4")

Brushy Canyon (20 holes)

7,122'-31' (2 SPF, 0.4")

Brushy Canyon

7,396'-7,698' (2 SPF, 0.4", 32 holes)

Brushy Canyon

8,194"-8,364 (2 SPF, 0.4", 26 holes)

Brushy Canyon

Foundation Energy Management, LLC
WELLBORE DIAGRAM

Well / Battery	Prospect Name		Total Depth	Current Status
Sharbro Federal #6	Sand Dunes		8415	Producing
Location	Sec-Twn-Rng		Producing Horizon	County & State
1,980' FNL & 660' FWL	7-23S-32E		Brushy Canyon	Lea, NM

WELLBORE DIAGRAM

Prepared Date: 1/26/2021
Prepared By: Ithan Navarro

General Info

API #: 30-025-35048

KB Elevation:

GL Elevation: 3,515'

Spud Date: 8/10/2000

Completion Date: 10/18/2000

TVD: 8,522'

MD: 8,522'

Last PBTD: 8,424'

Tubing Detail

2-7/8 inch (OD)
6.5 # (weight)
J-55 grade

Surface Casing

13-3/8 inch (OD)
48 # (weight)
H-40 grade
880' depth from KB
Surface cement top
700 sacks of cement
17-1/2 inch (OD) HOLE SIZE
Sharbro

Intermediate Casing

8-5/8 inch (OD)
32 # (weight)
grade
4,801' depth from KB
Surface cement top
1890 sacks of cement
12-1/4 inch (OD) HOLE SIZE

Production Casing

5-1/2 inch (OD)
17 & 15.5 # (weight)
J-55 grade
8522 depth from KB
4,114' cement top
770 sacks of cement
7-7/8 inch (OD) HOLE SIZE

<u>Tubing Tally</u>	<u>Length</u>	<u>Depth</u>
KB	16	16
203 jts 2-7/8" J-55	6669	6685
2-7/8" x 5-1/2" TAC	3.5	6689
21 jts 2-7/8" J-55	696	7385
2-1/2" MHD SN	1	7386
2-7/8" Perf sub	4	7390
3" BP MA	66	7456

<u>Rod Design</u>	<u>Length</u>	<u>Depth</u>
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Brushy Canyon (20 holes)

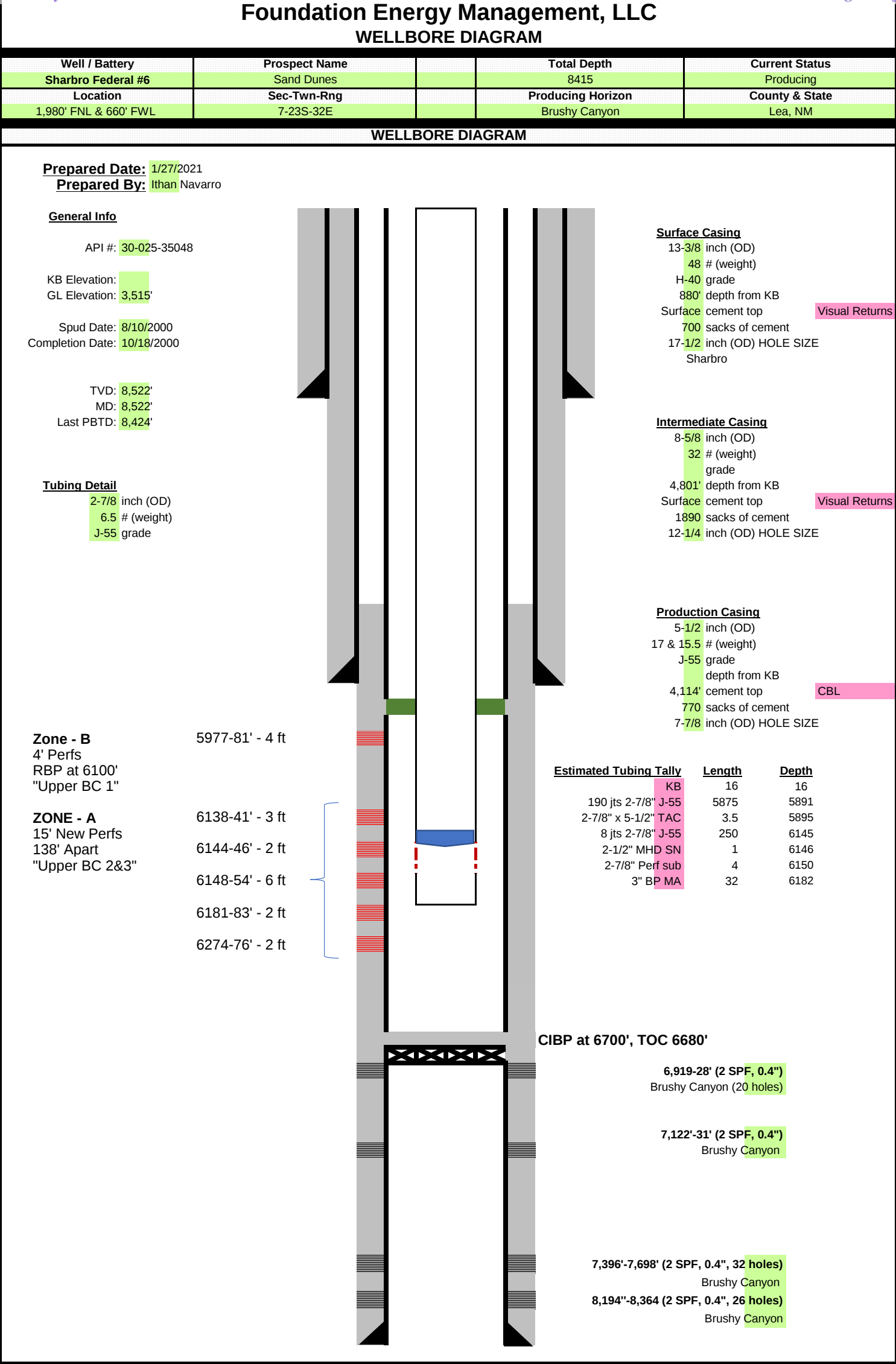
7,122'-31' (2 SPF, 0.4")
Brushy Canyon

7,396'-7,698' (2 SPF, 0.4", 32 holes)
Brushy Canyon

8,194"-8,364 (2 SPF, 0.4", 26 holes)
Burshy Canyon

Pump Details:
2 X 1-1/2 X 24' HRVC insert pump

Pumping Unit Details:
American 912-365-168



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 48567

CONDITIONS

Operator: FOUNDATION ENERGY MANAGEMENT, LLC 5057 KELLER SPRINGS RD ADDISON, TX 75001	OGRID: 370740
	Action Number: 48567
	Action Type: [C-103] NOI Workover (C-103G)

CONDITIONS

Created By	Condition	Condition Date
pkautz	None	9/14/2021