

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

RECEIVED

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

MAY 20 2019

1220 South St. Francis Dr. Santa Fe, NM 87505

DISTRICT II-ARTESIA O.C.D.

WELL API NO. 30-015-31905
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VO-4917
7. Lease Name or Unit Agreement Name Dagger Draw Gas Plant Metropolis AGI
8. Well Number #1
9. OGRID Number 147831
10. Pool name or Wildcat AGI - Devonian
11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3498 GR

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 [] Gas Well [] Other: Acid Gas Injection [X]

2. Name of Operator Lucid Energy Group

3. Address of Operator 201 South 4th Street, Artesia, NM 88210

4. Well Location
Unit Letter K : 1650 feet from the South line and 1650 feet from the West line
Section 36 Township 18S Range 25E NMPM County Eddy

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: (Mechanical Integrity Test) [X]

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 after providing notice to NMOCD on Thursday, May 16, 2019 at 10:00 am (MT). Dan Smolik (NMOCD) was 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 165 psig at the casing valve prior to the start of the MIT.
2. The annular space pressure was opened to a diesel line (pump), bled to zero, and a chart recorder was installed.
3. The calibrated pressure chart began recording the annular space pressure at 10:09 am.
4. The pressure was slowly increased by pumping diesel from the truck to achieve a pressure of 560 psig.
5. When annulus space pressure reached 560 psig the valve to the pump truck was closed. The MIT began at 10:11 am.
6. The chart recorded the annular space pressure for 32 minutes.
7. At 10:43 am the annulus pressure was 540 psig, a loss of 20 psig (3.6% decrease).
8. The diesel was bled from the annulus to reduce the pressure to 0 psig and the chart recorder was stopped.
9. Prior to disconnection from the truck, the annular pressure was increased to 300 psig for normal operations.

Subsequent to setting the annular pressure for operations, a Bradenhead test was conducted by the NMOCD by bleeding off the casing/tubing annular and surface/intermediate casing annular space pressures to zero and observing the discharge.

Please see the attached MIT pressure chart (approved by the NMOCD), calibration information, and Bradenhead test documentation.

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

SIGNATURE Dale T Littlejohn
Type or print name Dale T Littlejohn

TITLE Consultant to Lucid Energy Group
E-mail address: dale@geolex.com

DATE 05/16/2019
PHONE: (505) 842-8000

For State Use Only

APPROVED BY: [Signature] TITLE Compliance Officer DATE 5-20-19
Conditions of Approval (if any):

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



Date: 5-16-19

API# 30-015-31905

A Mechanical Integrity Test (M.I.T.) was performed on, Well Metropolis Disposal #1

M.I.T. is successful, the original chart has been retained by the Operator on site. Send a legible scan of the chart with an attached **Original C-103 Form** indicating reason for the test, via post mail to District NMOCD field office. A scanned image will appear online via NMOCD website, www.emnrd.state.nm.us/ocd/OCDOOnline.htm 7 to 10 days after postdating.

M.I.T. is unsuccessful, the original chart is returned to the Operator. Repairs will be made; Operator is to schedule for a re-test within a 90-day period. If this is a test of a repaired well currently in non-compliance, all dates and requirements of the original are still in effect.
No expectation of extension should be construed because of this test.

M.I.T. for Temporary Abandonment, shall include a detailed description on **Form C-103**, including the location of the CIBP and any other tubular goods in the well including the Operator's request for TA status timeline.

M.I.T. is successful, after the secondary request of a scheduled M.I.T. is performed. Therefore, Operator has within a 30-day period from the M.I.T. to submit a current C-103 along with a legible scan of the Chart, including a detailed description of the repair(s). **Only after receipt of the C-103 will the non-compliance be closed.**

M.I.T. is successful, Initial of an injection well, you must submit a **form C-103** to NMOCD within 30 days. A **C-103 form** must include a detailed description of the work performed on this well including the position of the packer, tubing Information, the date of first Injection, the tubing pressure and Injection volume.

Please contact me for verification to ensure documentation requirements are in place prior to injection process.

If I can be of additional assistance, please feel free to contact me at (575) 748-1283 ext.103

Thank You,

Handwritten signature of Dan Smolik in black ink.

Dan Smolik, Compliance Officer
EMNRD-O.C.D.
District II - Artesia, NM

District II - Artesia

811 S. 1st Street, Artesia, NM 88210

Phone: (575) 748-1283 - Fax: (575)-748-9720

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

BRADENHEAD TEST REPORT

Operator Name <i>Lucid Artesia Company</i>	API Number <i>20-015-31905</i>
Property Name <i>Metropolis Disposal</i>	Well No. <i>001</i>

7. Surface Location

UL - Lot <i>K</i>	Section <i>36</i>	Township <i>18</i>	Range <i>25</i>	Feet from <i>1650</i>	N/S Line <i>1650</i>	Feet From <i>1650</i>	W Line <i>1650</i>	County <i>Eddy</i>
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Well Status

TA'D Well	SHUT-IN	INJECTOR	PRODUCER	DATE
YES NO	YES NO	<u>INJ</u> SWD	OIL GAS	<i>5-16-19</i>

OBSERVED DATA

	(A) Surf-Interm.	(B) Interm. (1)	(C) Interm. (2)	(D) Prod Casing	(E) Tubing
Pressure					
Flow Characteristics		<i>NA</i>	<i>NA</i>		
Puff	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	CO2 _____
Steady Flow	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	WTR _____
Surges	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	GAS _____
Down to nothing	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	If applicable type
Gas or Oil	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	fluid injected for
Water	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	Waterflood

If Braden head flowed water, check all the descriptions that apply:

CLEAR	FRESH	SALTY	SULFUR	BLACK
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Remarks: Please state for each string (A, B, C, D, E) pertinent information regarding bleed down or continuous build up if applies.

Signature: <i>Dan Smolik</i>	OIL CONSERVATION DIVISION
Printed name: Dan Smolik	Entered RBDMS
Title: Compliance officer	Re-test
E-mail Address: danny.smolik@state.nm.us	
Date: <i>5-16-19</i>	Phone: <i>575-626-0836</i>
Witness:	

American Valve & Meter, Inc.

1113 W. BROADWAY

P.O. BOX 166 HOBBS, NM 88240

T0: McKlasky

DATE: 4/22/18

This is to certify that:

I, Justin Harris, Technician for American Valve & Meter Inc. Has checked the calibration of the following instrument.

8" Pressure recorder

Ser#50071501800

at these points.

Pressure #			Temperature *or Pressure #		
Test	Found	Left	Test	Found	Left
- 0	-	- 0	-	-	-
- 500	-	- 500	-	-	-
- 700	-	- 700	-	-	-
- 1000	-	- 1000	-	-	-
- 200	-	- 200	-	-	-
- 0	-	- 0	-	-	-

Remarks:

Signature: 