

State of New Mexico
Energy, Minerals and Natural ResourcesForm **Page 1 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:

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: ☐

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.

Dependent upon the results of the initial testing the workover will continue as follows:

Assuming the casing inspection does not identify significant weak spots or a lack of integrity in the 7" production casing and the packer is tested the tubing will be replaced with a New String of 3 1/2" G3-125 CRA VAM-ACE connections, an ICONEL ALLOY highly resistant to corrosion. New tubing will be tested in the hole and will be run to the top of the existing packer. This new string will be onsite. Prior to latching onto the packer, the well will be circulated with corrosion resistant packer fluid consisting of diesel and corrosion inhibitor. After spotting packer fluid, latch onto the existing packer and test tubing and annulus. Pull blanking plugs with slickline, demob equipment, nipple up wellhead and run MIT as directed. Commence inject and restart the Red Hills Plant
See next page

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: Philip R. Letz TITLE Acting UIC Manager DATE 01/28/2021
 Conditions of Approval (if any):

Red Hills AGI #001

30-025-40448

WSP has provided a list of potential risks that could arise during the workover operations that could cause a significant increase in the time in which the well is done for repair. Lucid and WSP are working to minimize the workover time and are building in contingencies to minimize downtime.

Risk- weakened tubing could part while being retrieved. Consequence – fishing tools and fishing string are on Standby to quickly mobilize, if necessary

Risk – Casing logs identify lack of integrity in 7” casing. Consequence – materials such as expandable liner have been located and are available if necessary. If warranted, a cement squeeze prior to the installation may be necessary.

Risk – Casing pressure tests on packer fails. Consequence – a new packer has been purchased along with new seal assembly and new Subsurface Safety Valve and will be on location.

Risk – Baker Hughes Pressure Temperature Carrier may not be salvageable. Consequence – a replacement carrier has been located and will be available if necessary.

It is Lucid’s and WSP’s goal to communicate openly with NMOCD as each of these Risks are Occurring.

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CONDITIONS

Action 16252

CONDITIONS OF APPROVAL

Operator:				OGRID:	Action Number:	Action Type:
	LUCID ENERGY DELAWARE, LLC	3100 Mckinnon Suite 800	Dallas, TX75201	372422	16252	C-103X

OCD Reviewer	Condition
pgoetze	OCD to be notified by email to Engineering Bureau 48 hours prior to commencing field operations to service well and prior to conducting MIT for approval of return to operation. OCD shall approve any modification of proposed workover resulting from the investigation of the well. Operator shall provide copies of all documents to BLM related to the well repair..