

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.**5. Lease Serial No.  
NMNM86151

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on page 2**8. Well Name and No.  
BLUE QUAIL FED 3

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

FOUNDATION ENERGY MANAGEMENT  
Contact: JAMES A SMITH  
Email: REGULATORY@FOUNDATIONENERGY.COM

9. API Well No.

30-025-39818-00-S1

3a. Address

16000 DALLAS PARKWAY SUITE 875  
DALLAS, TX 75248

3b. Phone No. (include area code)

Ph: 918-526-5592

10. Field and Pool or Exploratory Area  
SAND DUNES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 7 T23S R32E SESW 660FSL 1980FWL

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 checked="" type="checkbox"/> Plug Back	<input 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 recomple 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.

Scope of Work: Abandon Avalon Sand and Re-Complete Well in Brushy Canyon

Procedure:

- 1) MIRU WO Rig.
- 2) If necessary, kill well with 2% KCl. Keep kill truck on location as needed.
- 3) POOH w/ rods and pump. Inspect for any build up and/or rod damage.
- 4) ND Wellhead, NU BOP.
- 5) Unset TAC, TOOH with tubing. Hydrotest as POOH.
- 6) MIRU Wireline.
- 7) PU and RIH with CIBP, Set at +/- 8500'.
- 8) Dump 2 sx cement on top.
- 9) Pressure test CIBP to 500 psi, and 750 psi for 10 min each.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #460342 verified by the BLM Well Information System  
For FOUNDATION ENERGY MANAGEMENT, sent to the Hobbs  
Committed to AFMSS for processing by PRISCILLA PEREZ on 04/08/2019 (19PP1521SE)**

Name (Printed/Typed) JAMES A SMITH

Title HSE-REGULATORY SUPERVISOR

Signature (Electronic Submission)

Date 04/04/2019

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By JONATHON SHEPARD

Title PETROELUM ENGINEER

Date 04/11/2019

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.

Office Hobbs

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.

(Instructions on page 2)

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

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**Additional data for EC transaction #460342 that would not fit on the form**

**32. Additional remarks, continued**

- 10) RIH with perf guns and perf 8424-387, and 8390-8400.
- 11) POOH with guns and RD wireline.
- 12) MIRU acid company.
- 13) Pump 2000 gal 15% HCL, using balls for diversion.
- 14) Swab back acid job and test formation.
- 15) MIRU frac company.
- 16) Frac well following pump schedule.
- 17) Swab test production.
- 18) Release packer and POOH with tubing.
- 19) PU and RIH with gas anchor, pump and rod. Space out, hang on and load and test. Ensure good pump action.
- 20) RDMO

## Revisions to Operator-Submitted EC Data for Sundry Notice #460342

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	RCMPL NOI	PLUGBACK NOI
Lease:	NMNM86151	NMNM86151
Agreement:		
Operator:	FOUNDATION ENERGY MANAGEMENT 15 E 5TH ST SUITE 1200 TULSA, OK 74103-3103 Ph: 918-526-5592	FOUNDATION ENERGY MANAGEMENT 16000 DALLAS PARKWAY SUITE 875 DALLAS, TX 75248 Ph: 918.526.5595
Admin Contact:	JAMES A SMITH HSE-REGULATORY SUPERVISOR E-Mail: REGULATORY@FOUNDATIONENERGY.COM  Ph: 918-526-5592	JAMES A SMITH HSE-REGULATORY SUPERVISOR E-Mail: REGULATORY@FOUNDATIONENERGY.COM  Ph: 918-526-5592
Tech Contact:	JAMES A SMITH HSE-REGULATORY SUPERVISOR E-Mail: REGULATORY@FOUNDATIONENERGY.COM  Ph: 918-526-5592	JAMES A SMITH HSE-REGULATORY SUPERVISOR E-Mail: REGULATORY@FOUNDATIONENERGY.COM  Ph: 918-526-5592
Location:		
State:	NM	NM
County:	LEA	LEA
Field/Pool:	SAND DUNES, DELAWARE EAST	SAND DUNES
Well/Facility:	BLUE QUAIL FEDERAL 3 Sec 7 T23S R32E SESW 660FSL 1980FWL	BLUE QUAIL FED 3 Sec 7 T23S R32E SESW 660FSL 1980FWL

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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

HOBBS OGD  
APR 12 2019  
RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-39818	<sup>2</sup> Pool Code 24330	<sup>3</sup> Pool Name TRAISTE DRAW Sand Dunes: Delaware, East, WEST
<sup>4</sup> Property Code 35960	<sup>5</sup> Property Name Blue Quail Federal	<sup>6</sup> Well Number #3
<sup>7</sup> OGRID No. 370740	<sup>8</sup> Operator Name Foundation Energy Management, LLC	<sup>9</sup> Elevation 3548'

<sup>10</sup> Surface Location

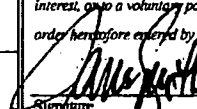
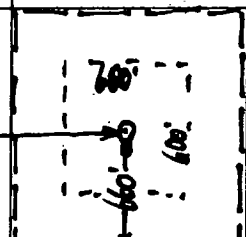
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	7	23S	32E		660'	South	1980'	West	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> Lot 1 45.96 ac				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.   Signature 4/3/19 Date JAMES SMITH Printed Name jsmith@foundationenergy.com E-mail Address
Lot 2 45.98 AC				
Lot 3 45.98 AC				
Lot 4 46.00 AC				
				<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number