

Blue Quail Federal 1

API 30-025-33222

Conversion Procedure – As Converted

- 5/1/2023 – NDWH and NU BOP and test
- 5/2/2023 – TOH w/ tubing. TIH w/ gauge ring 4.5", gamma ray and ccl. Tag up @ 4,761'. TIH w/ 10 stand kill string. SDFN
- 5/3/2023 – TOH w/ kill string. TIH w/ 147 jts and tag @ 4,761'. TOH. TIH w/ LIB. TOH and LIB shows 2-7/8" tubing. TIH w/ overshot and 2-7/8" grapple and 10 stands for kill string. SDFN
- 5/4/2023 – TIH w/ grapple and tagged TOF @ 4,761'. Attempted to retrieve fish. Unsuccessful. POOH. RU WL and PU CIBP. RIH w/ CIBP and set @ 4,759'. Dump bailed 35 gal (35') 17 ppg CMT on CIBP. TOOH and RD WL. RIH w/ 10 stands of TBG. Load CSG w/ 30 bbls 2% KCL and caught pressure. Walked PSI up to 750# and held good for 8 mins. Lost 125#, found CSG gate valve leaking. Close BOP pipe rams and closed TIW. SDFN.
- 5/8/2023 – Change out bad csg valve. Pressure test csg @ 750# for 1.1 hrs. POOH w/ kill string. RU WL, RIH w/ 3-1/8" CSG gun. 4 SPF, 60 degree phasing. Shot perfs 4,692-4,712'. 2<sup>nd</sup> perf gun 4 SPF, 60 degree phasing, shot perfs 4,680-4,700'. POOH. Pick up AS1X packer and start in hole testing tubing.
- 5/9/2023 – Set packer @ 4,567'. Pressure up to 500#. Good test.
- **SWAB Test new perfs**
  - SWAB pull from 1,290', 7.5 bbls, 100% WTR
  - SWAB pull from 2,580', 7.5 bbls, 100% WTR
  - SWAB pull from 3,698', 6.5 bbls, 100% WTR
  - SWAB pull from 4,560', 3.25 bbls, 100% WTR
  - SWAB pull from 4,560', 10 bbls, 100% WTR, wait 15 minutes
  - SWAB pull from 4,560', no fluid recovered
- **Step Rate Test.**
  - Pump into perfs ¼ BPM @ 800# pressure fell to 600#
  - Pump into perfs ½ BPM @ 700# pressure fell to 600#
  - Pump into perfs 1 BPM @ 750# stayed steady. Stopped pumping. ISIP 550#. SI PSI 75#.
- 5/9/2023 – NDBOP and NUWH
- 5/10/2023 – perform state witnessed MIT with Kerry Fortner @ 0930. MIT @ 550# for 30 minutes. Good test.
  
- 6/21/2023 – perform bottom hole pressure survey, results attached.

# Foundation Energy Management, LLC WELLBORE DIAGRAM

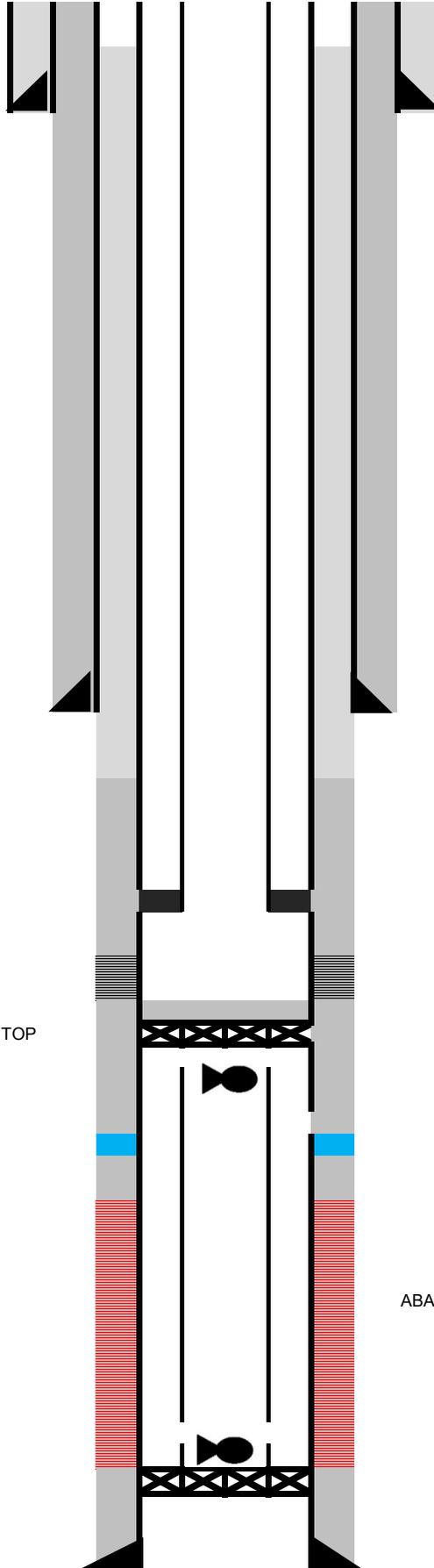
<b>Well / Battery</b> BLUE QUAIL 1	<b>Prospect Name</b> ENERVEST	<b>Total Depth</b> 8850	<b>Current Status</b> ACTIVE SWD
<b>Location</b>	<b>Sec-Twn-Rng</b> SWSE S7 T23S-R32E	<b>Producing Horizon</b> BELL CANYON	<b>County &amp; State</b> LEA, NM

## POST CONVERSION WELLBORE DIAGRAM

**Prepared Date:** 5-11-23  
**Prepared By:** SCHMIDT

**General Info**

API #:   
 KB Elevation:   
 GL Elevation:   
 Spud Date:   
 Completion Date: 5-10-23  
 TVD:   
 MD:   
 Last PBD: 4714



**Surface Casing**  
 13 3/8 inch (OD)  
 48 # (weight)  
 H 40 grade  
 850 depth from KB  
 SURF cement top Visual Returns  
 600 sacks of cement  
 17 1/2 inch (OD) HOLE SIZE

**Intermediate Casing**  
 ### inch (od)  
 32 weight  
 j-55 grade  
 ### depth from KB  
 surf cement top  
 ### sx cmt  
 ### hole size Visual Returns

**Production Casing**  
 5 1/2 inch (OD)  
 17 # (weight)  
 J55/N80 grade  
 8849 depth from KB  
 380 cement top  
 1350 sacks of cement  
 ### DV TOOL  
 7 7/8 inch (OD) HOLE SIZE CBL

**Open Perforations**  
 4680-4712 4 SPF

TBG 142 JTS 2 7/8 J-55 4559'

AS1X PKR WITH O/O TOOL  
AT 4567'

PBTD 4714  
CIBP 4759 & 42' CMT ON TOP

FISH #1 4902-8024

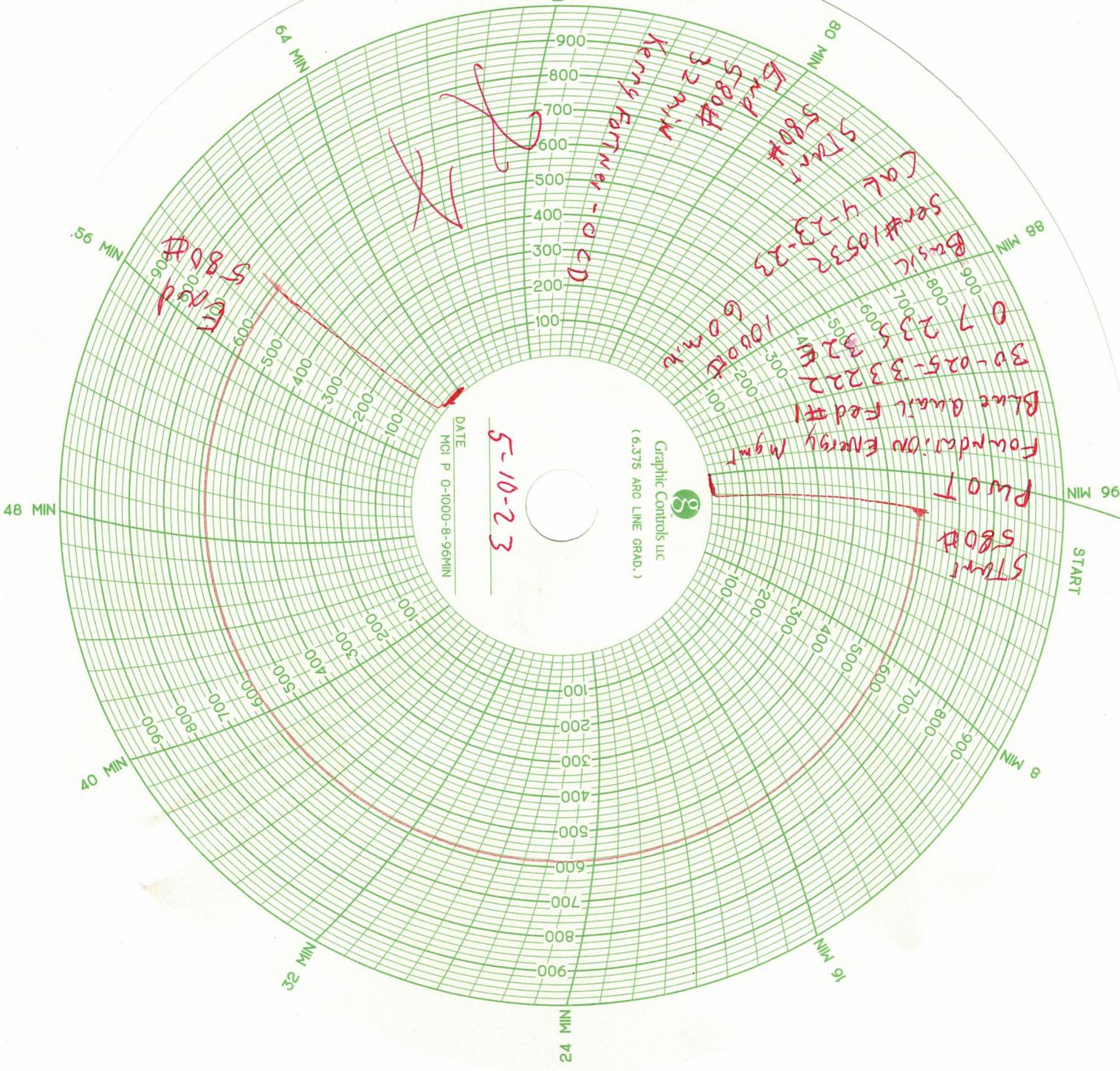
DV TOOL 6844'

ABANDONED DELEWARE PERFS  
6618-8467

FISH #2 8025-8128  
CIBP 8520

TD 8850

PRINTED IN U.S.A.



# Swab Report

TF: Tagged Fluid

PF: Pulled From

CP: Casing Pressure

TP: Tubing Pressure

DATE: 5/9/2023

WELL NAME:        BLUE QUAIL #1

Company Representative: R. SCHMIDT

RUN#	TIME	TF	PF	FL RECV	COLOR	% SAND	% WTR/OIL	CP	TP
1	12:23	surf	1290	7.5	dirty black	0	100% WTR	0	0
2	12:35	1290	2580	7.5	dirty black	0	100% WTR	0	0
3	12:42	2510	3698	6.5	dirty black	0	100% WTR	0	0
4	12:52	3600	sn 4560	3.25	dirty black	0	100% WTR	0	0
5	1:17	2840	sn 4560	10	dirty black	0	100% WTR	0	0
6	1:32	4350	sn 4560	0		0		0	0
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

change cups

wait 15 min

Arrival Time: \_\_\_\_\_

Departure Time: \_\_\_\_\_

REMARKS:

NO OIL RECOVERED WHILE SWABBING. FLUID TO BOTTOM PERF 27.5 BBL

FLUID RECOVERED TODAY:        35 BBLS

SWAB COMPANY:        Ranger Well Service

TOTAL RECOVERED TO DATE:        BBLS

COST (TODAY): \_\_\_\_\_

FLUID LEFT TO RECOVER:        6 BBLS

ACCUM COST: \_\_\_\_\_



Form 3160-5  
(June 2019)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2021

**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

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

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

1. Type of Well  
 Oil Well     Gas Well     Other

8. Well Name and No. **BLUE QUAIL FED/01**

2. Name of Operator **FOUNDATION ENERGY MANAGEMENT LLC**

9. API Well No. **3002533222**

3a. Address **16000 DALLAS PARKWAY SUITE 875, DALLAS**    3b. Phone No. (include area code)  
**(918) 526-5595**

10. Field and Pool or Exploratory Area  
**COTTON DRAW/SAND DUNES**

4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)  
**SEC 7/T23S/R32E/NMP**

11. Country or Parish, State  
**LEA/NM**

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input 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 checked="" 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 checked="" 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 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 recomplete 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.)

Attached is the current WBD, procedure, step rate test, bottom hole pressure survey and swab test results. The swab test showed no oil shows.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
**JAMES SMITH / Ph: (918) 526-5592**

Title **HSE Regulatory Supervisor**

Signature \_\_\_\_\_ Date **06/27/2023**

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

Approved by  
**JONATHON W SHEPARD / Ph: (575) 234-5972 / Accepted**

Title **Petroleum Engineer** Date **07/05/2023**

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 **CARLSBAD**

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)

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13*: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

## Additional Information

### Location of Well

0. SHL: SWSE / 660 FSL / 1980 FEL / TWSP: 23S / RANGE: 32E / SECTION: 7 / LAT: 0.0 / LONG: 0.0 ( TVD: 0 feet, MD: 0 feet )

BHL: SWSE / 660 FSL / 1980 FEL / TWSP: 23S / SECTION: / LAT: 0.0 / LONG: 0.0 ( TVD: 0 feet, MD: 0 feet )

# Sundry Print Report.

105%

search report



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

## Sundry Print Report

07/06/2023

<b>Well Name:</b> BLUE QUAIL FED	<b>Well Location:</b> T23S / R32E / SEC 7 / SWSE /	<b>County or Parish/State:</b> LEA / NM
<b>Well Number:</b> 01	<b>Type of Well:</b> OIL WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM86151	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 300253322200S2	<b>Well Status:</b> Producing Oil Well	<b>Operator:</b> FOUNDATION ENERGY MANAGEMENT LLC

### Subsequent Report

**Sundry ID:** 2738150

**Type of Submission:** Subsequent Report

**Type of Action:** Convert to Injection or Disposal Well

**Date Sundry Submitted:** 06/27/2023

**Time Sundry Submitted:** 10:47

**Date Operation Actually Began:** 05/01/2023

**Actual Procedure:** Attached is the current WBD, procedure, step rate test, bottom hole pressure survey and swab test results. The swab test showed no oil shows.

### SR Attachments

#### Actual Procedure

Blue\_Quail\_Federal\_1\_SR\_packet\_20230627104704.pdf



**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [James Smith](#); [Engineer, OCD, EMNRD](#); [McClure, Dean, EMNRD](#); [Goetze, Phillip, EMNRD](#); [Gebremichael, Million, EMNRD](#)  
**Cc:** [Shepard, Jonathon W](#); [Cordero, Gilbert, EMNRD](#); [Regulatory](#); [Jeff Stark](#)  
**Subject:** RE: [EXTERNAL] FW: Sundry ID 236685 - please review and approve for authorization to inject  
**Date:** Friday, August 4, 2023 4:59:44 PM

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James,

Everything submitted thus far looks fine with the exception of the step rate test. During our earlier conversation, I had not realized the special conditions associated with R-22215; the one of import here being Paragraph 3 under the Special Conditions of SWD-2231.

Written approval of the SRT is not granted at this time and Foundation Energy Management, LLC is **NOT** granted approval to commence injection. You may submit your SRT results separately in its own sundry at your discretion, but I would urge you to reach out to our UIC group for guidance regarding SRTs conducted for the State.

3. The Permittee shall conduct a step-rate test ("SRT") on the Well and obtain OCD's written approval of the test results prior to commencing injection into the Well. The OCD Director reserves the right to lower the maximum injection pressure if the results of the SRT indicate that fracturing would occur at the administratively approved maximum injection pressure.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

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**From:** James Smith <[jsmith@foundationenergy.com](mailto:jsmith@foundationenergy.com)>  
**Sent:** Friday, August 4, 2023 10:10 AM  
**To:** [Engineer, OCD, EMNRD <OCD.Engineer@emnrd.nm.gov>](mailto:Engineer, OCD, EMNRD <OCD.Engineer@emnrd.nm.gov>); [McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>](mailto:McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>); [Goetze, Phillip, EMNRD <phillip.goetze@emnrd.nm.gov>](mailto:Goetze, Phillip, EMNRD <phillip.goetze@emnrd.nm.gov>); [Gebremichael, Million, EMNRD <Million.Gebremichael@emnrd.nm.gov>](mailto:Gebremichael, Million, EMNRD <Million.Gebremichael@emnrd.nm.gov>)  
**Cc:** [Shepard, Jonathon W <jshepard@blm.gov>](mailto:Shepard, Jonathon W <jshepard@blm.gov>); [Cordero, Gilbert, EMNRD <Gilbert.Cordero@emnrd.nm.gov>](mailto:Cordero, Gilbert, EMNRD <Gilbert.Cordero@emnrd.nm.gov>); [Regulatory <regulatory@foundationenergy.com>](mailto:Regulatory <regulatory@foundationenergy.com>); [Jeff Stark <jstark@foundationenergy.com>](mailto:Jeff Stark <jstark@foundationenergy.com>)  
**Subject:** RE: [EXTERNAL] FW: Sundry ID 236685 - please review and approve for authorization to inject

Dean, thank you for your time on the phone this morning.

I look forward to receiving the authorization to inject.

Thank you.

**James Smith | HSE/Regulatory Manager**  
5057 Keller Springs Rd., Ste 650  
Addison, TX 75001  
P: 972.707.2595  
C: 918.346.7350



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**From:** James Smith <[jsmith@foundationenergy.com](mailto:jsmith@foundationenergy.com)>  
**Sent:** Thursday, August 3, 2023 1:53 PM  
**To:** Engineer, OCD, EMNRD <[OCD.Engineer@emnrd.nm.gov](mailto:OCD.Engineer@emnrd.nm.gov)>; McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>; Goetze, Phillip, EMNRD <[phillip.goetze@emnrd.nm.gov](mailto:phillip.goetze@emnrd.nm.gov)>; Gebremichael, Million, EMNRD <[Million.Gebremichael@emnrd.nm.gov](mailto:Million.Gebremichael@emnrd.nm.gov)>  
**Cc:** Shepard, Jonathon W <[jsheward@blm.gov](mailto:jsheward@blm.gov)>; Cordero, Gilbert, EMNRD <[Gilbert.Cordero@emnrd.nm.gov](mailto:Gilbert.Cordero@emnrd.nm.gov)>; Regulatory <[regulatory@foundationenergy.com](mailto:regulatory@foundationenergy.com)>; Jeff Stark <[jstark@foundationenergy.com](mailto:jstark@foundationenergy.com)>  
**Subject:** RE: [EXTERNAL] FW: Sundry ID 236685 - please review and approve for authorization to inject

Good afternoon Dean.

The C-105 had been filed for this conversion.

Phillip and Million, I am checking in with you all on the status of the extension request that was submitted last week. Do either of you have an update?

Thank you.

**James Smith | HSE/Regulatory Manager**  
5057 Keller Springs Rd., Ste 650  
Addison, TX 75001  
P: 972.707.2595  
C: 918.346.7350



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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)> **On Behalf Of** Engineer, OCD,

EMNRD

**Sent:** Thursday, July 27, 2023 3:27 PM

**To:** James Smith <[jsmith@foundationenergy.com](mailto:jsmith@foundationenergy.com)>; Engineer, OCD, EMNRD <[OCD.Engineer@emnrd.nm.gov](mailto:OCD.Engineer@emnrd.nm.gov)>; McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>

**Cc:** Shepard, Jonathon W <[jsheward@blm.gov](mailto:jsheward@blm.gov)>; Goetze, Phillip, EMNRD <[phillip.goetze@emnrd.nm.gov](mailto:phillip.goetze@emnrd.nm.gov)>; Cordero, Gilbert, EMNRD <[Gilbert.Cordero@emnrd.nm.gov](mailto:Gilbert.Cordero@emnrd.nm.gov)>; Regulatory <[regulatory@foundationenergy.com](mailto:regulatory@foundationenergy.com)>; Jeff Stark <[jstark@foundationenergy.com](mailto:jstark@foundationenergy.com)>; Gebremichael, Million, EMNRD <[Million.Gebremichael@emnrd.nm.gov](mailto:Million.Gebremichael@emnrd.nm.gov)>

**Subject:** RE: [EXTERNAL] FW: Sundry ID 236685 - please review and approve for authorization to inject

That is likely a good idea just to be on the safe side. Phil Goetze, our UIC manager, is already CCed on this email, but I will make a point of forwarding your request onto the UIC group as a whole. Please touch base with either Phillip Goetze or Million Gebremichael directly regarding the UIC extension going forward.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

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**From:** James Smith <[jsmith@foundationenergy.com](mailto:jsmith@foundationenergy.com)>

**Sent:** Thursday, July 27, 2023 9:29 AM

**To:** Engineer, OCD, EMNRD <[OCD.Engineer@emnrd.nm.gov](mailto:OCD.Engineer@emnrd.nm.gov)>; McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>

**Cc:** Shepard, Jonathon W <[jsheward@blm.gov](mailto:jsheward@blm.gov)>; Goetze, Phillip, EMNRD <[phillip.goetze@emnrd.nm.gov](mailto:phillip.goetze@emnrd.nm.gov)>; Cordero, Gilbert, EMNRD <[Gilbert.Cordero@emnrd.nm.gov](mailto:Gilbert.Cordero@emnrd.nm.gov)>; Regulatory <[regulatory@foundationenergy.com](mailto:regulatory@foundationenergy.com)>; Jeff Stark <[jstark@foundationenergy.com](mailto:jstark@foundationenergy.com)>

**Subject:** RE: [EXTERNAL] FW: Sundry ID 236685 - please review and approve for authorization to inject

Good morning Dean.

While we work on getting the paperwork all squared away, I am proactively submitting a permit extension request, attached. This is also being FedEx'd to OCD Engineering Bureau.

Attached is the approved BLM sundry along with a screenshot from AFMSS showing the attachment ("Blue Quail Federal 1 SR packet") that was submitted with that sundry. The SR packet contains the conversion procedure as conducted with dates, along with the MIT, swab test report and bottom hole pressure survey.

I will work on filing a C-105 in the meantime.

Thank you.

**James Smith | HSE/Regulatory Manager**

5057 Keller Springs Rd., Ste 650

Addison, TX 75001

P: 972.707.2595

C: 918.346.7350



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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)> **On Behalf Of** Engineer, OCD, EMNRD

**Sent:** Thursday, July 27, 2023 9:11 AM

**To:** James Smith <[jsmith@foundationenergy.com](mailto:jsmith@foundationenergy.com)>; McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>

**Cc:** Engineer, OCD, EMNRD <[OCD.Engineer@emnrd.nm.gov](mailto:OCD.Engineer@emnrd.nm.gov)>; Shepard, Jonathon W <[jsheward@blm.gov](mailto:jsheward@blm.gov)>; Goetze, Phillip, EMNRD <[phillip.goetze@emnrd.nm.gov](mailto:phillip.goetze@emnrd.nm.gov)>; Cordero, Gilbert, EMNRD <[Gilbert.Cordero@emnrd.nm.gov](mailto:Gilbert.Cordero@emnrd.nm.gov)>; Regulatory <[regulatory@foundationenergy.com](mailto:regulatory@foundationenergy.com)>

**Subject:** RE: [EXTERNAL] FW: Sundry ID 236685 - please review and approve for authorization to inject

Mr. Smith,

The completion sundry which needs to be submitted should include a description of the rig work conducted along with its associated dates. If memory serves, I believe this is the sundry that was submitted along with the MIT that Mr. Cordero rejected and was submitted on a form C-103 rather than an approved BLM sundry.

A form C-105 is the completion report which will also need submitted. With the exception of the fields included for production wells (such as well test and disposition of sold production), this form will need to be filled out and submitted. This report is required regardless of whether the well is a production or injection well, and as such it may not have been specifically called out in prior conversations regarding injection. I apologize for any confusion this may have caused.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

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**From:** James Smith <[jsmith@foundationenergy.com](mailto:jsmith@foundationenergy.com)>

**Sent:** Tuesday, July 25, 2023 7:03 PM

**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>

**Cc:** Engineer, OCD, EMNRD <[OCD.Engineer@emnrd.nm.gov](mailto:OCD.Engineer@emnrd.nm.gov)>; Shepard, Jonathon W <[jsheward@blm.gov](mailto:jsheward@blm.gov)>; Goetze, Phillip, EMNRD <[phillip.goetze@emnrd.nm.gov](mailto:phillip.goetze@emnrd.nm.gov)>; Cordero, Gilbert,

EMNRD <[Gilbert.Cordero@emnrd.nm.gov](mailto:Gilbert.Cordero@emnrd.nm.gov)>; Regulatory <[regulatory@foundationenergy.com](mailto:regulatory@foundationenergy.com)>

**Subject:** RE: [EXTERNAL] FW: Sundry ID 236685 - please review and approve for authorization to inject

Good afternoon Dean.

I appreciate a clarification on what needs to occur in order to obtain the authorization to inject. In the email in this chain from June 27<sup>th</sup>, Mr. Cordero indicated that the prior submitted sundry was rejected and needed to submit **Federal Forms - approved and signed 3160-5 or AFMSS form**, the 3160-5 is attached and approved by Jonathon Shepherd at the BLM. I had also received guidance from Mr. Goetze to file our reports via a form C-103Z which I have. This C-105 is a new requirement that wasn't in any prior communication with OCD or in the order for the well to be converted. I am a bit confused as to what needs to be submitted now in order to gain the authorization to inject.

Per the order we must commence injecting into this well prior to 8/29/2023. The only thing holding us up is obtaining this authorization.

I appreciate your guidance on this matter.

**James Smith | HSE/Regulatory Manager**

5057 Keller Springs Rd., Ste 650

Addison, TX 75001

P: 972.707.2595

C: 918.346.7350



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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)> **On Behalf Of** Engineer, OCD, EMNRD

**Sent:** Tuesday, July 25, 2023 9:41 AM

**To:** James Smith <[jsmith@foundationenergy.com](mailto:jsmith@foundationenergy.com)>; Engineer, OCD, EMNRD <[OCD.Engineer@emnrd.nm.gov](mailto:OCD.Engineer@emnrd.nm.gov)>

**Subject:** RE: [EXTERNAL] FW: Sundry ID 236685 - please review and approve for authorization to inject

Mr. Smith,

Please submit a BLM approved completion sundry for this well. Additionally, please submit a form C-105.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

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**From:** James Smith <[jsmith@foundationenergy.com](mailto:jsmith@foundationenergy.com)>  
**Sent:** Friday, July 21, 2023 7:49 AM  
**To:** Engineer, OCD, EMNRD <[OCD.Engineer@emnrd.nm.gov](mailto:OCD.Engineer@emnrd.nm.gov)>  
**Subject:** [EXTERNAL] FW: Sundry ID 236685 - please review and approve for authorization to inject  
**Importance:** High

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning.

I submitted Sundry ID 236685 with the BLM accepted Form 3160-5 and relevant documentation for the conversion of the well.

I am seeking authorization to inject.

Thank you.

**James Smith | HSE/Regulatory Manager**  
5057 Keller Springs Rd., Ste 650  
Addison, TX 75001  
P: 972.707.2595  
C: 918.346.7350



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**From:** James Smith  
**Sent:** Friday, July 21, 2023 8:47 AM  
**To:** 'OCDOnline@state.nm.us' <[OCDOnline@state.nm.us](mailto:OCDOnline@state.nm.us)>; 'Cordero, Gilbert, EMNRD' <[Gilbert.Cordero@emnrd.nm.gov](mailto:Gilbert.Cordero@emnrd.nm.gov)>; 'Goetze, Phillip, EMNRD' <[phillip.goetze@emnrd.nm.gov](mailto:phillip.goetze@emnrd.nm.gov)>  
**Cc:** 'ocd.engineering@emnrd.nm.gov' <[ocd.engineering@emnrd.nm.gov](mailto:ocd.engineering@emnrd.nm.gov)>  
**Subject:** Sundry ID 236685 - please review and approve for authorization to inject  
**Importance:** High

Good morning.

I submitted Sundry ID 236685 with the BLM accepted Form 3160-5 and relevant documentation for the conversion of the well.

I am seeking authorization to inject.

Thank you.

**James Smith | HSE/Regulatory Manager**

5057 Keller Springs Rd., Ste 650

Addison, TX 75001

P: 972.707.2595

C: 918.346.7350



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**From:** James Smith

**Sent:** Thursday, July 6, 2023 2:27 PM

**To:** [OCDOnline@state.nm.us](mailto:OCDOnline@state.nm.us); Cordero, Gilbert, EMNRD <[Gilbert.Cordero@emnrn.d.gov](mailto:Gilbert.Cordero@emnrn.d.gov)>

**Subject:** RE: The Oil Conservation Division (OCD) has rejected the application, Application ID: 219334

Good afternoon.

has been submitted with the BLM accepted Form 3160-5 and relevant documentation for the conversion of the well.

I am seeking to obtain the authorization to inject.

Thank you.

**James Smith | HSE/Regulatory Manager**

5057 Keller Springs Rd., Ste 650

Addison, TX 75001

P: 972.707.2595

C: 918.346.7350



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**From:** [OCDOnline@state.nm.us](mailto:OCDOnline@state.nm.us) <[OCDOnline@state.nm.us](mailto:OCDOnline@state.nm.us)>

**Sent:** Tuesday, June 27, 2023 11:05 AM

**To:** James Smith <[jsmith@foundationenergy.com](mailto:jsmith@foundationenergy.com)>

**Subject:** The Oil Conservation Division (OCD) has rejected the application, Application ID: 219334

To whom it may concern (c/o James Smith for FOUNDATION ENERGY MANAGEMENT, LLC),

The OCD has rejected the submitted *Subsequent Report - General Sundry* (C-103Z), for API number (30-#) 30-025-33222, for the following reasons:

- **Must submit Federal Forms - approved and signed 3160-5 or AFMSS form**

The rejected C-103Z can be found in the OCD Online: Permitting - Action Status, under the Application ID: 219334.

Please review and make the required correction(s) prior to resubmitting.

If you have any questions why this application was rejected or believe it was rejected in error, please contact me prior to submitting an additional C-103Z.

Thank you,  
Gilbert Cordero  
Staff Manager  
575-626-0830

[Gilbert.Cordero@emnrd.nm.gov](mailto:Gilbert.Cordero@emnrd.nm.gov)

**New Mexico Energy, Minerals and Natural Resources Department**  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**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 236685

**CONDITIONS**

Operator: FOUNDATION ENERGY MANAGEMENT, LLC 5057 KELLER SPRINGS RD ADDISON, TX 75001	OGRID: 370740
	Action Number: 236685
	Action Type: [C-103] Sub. General Sundry (C-103Z)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	The SRT results are not sufficient to approve upon this sundry. Additionally, the parameters of the test may not be sufficient to meet the SWD permit's requirements. The SRT results may be submitted on a stand alone sundry at your discretion, but you may wish to consult the UIC group regarding the SRT requirements.	8/7/2023
dmcclure	Approval to commence injection is NOT granted at this time.	8/7/2023