

DEC 16 2015

Form C-103

Revised July 18, 2013

Submit 1 Copy To Appropriate 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

State of New Mexico
 Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

RECEIVED NO. 30-025-01153	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. 315181	
7. Lease Name or Unit Agreement Name Abalone AMB State	
8. Well Number #001	
9. OGRID Number 370740	
10. Pool name or Wildcat Saunders Permo Upper Penn	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4209' DF	

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 ☐

2. Name of Operator Foundation Energy Management, LLC

3. Address of Operator
 16000 North Dallas Parkway, Suite 875, Dallas, TX 75248

4. Well Location D 660 feet from the North line and 660 feet from the West line
 Unit Letter : 660
 Section 26 Township 14S Range 33E NMPM County Lea

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.

Please see attached procedures and wellbore digram.

Spud Date:

Rig Release Date:

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

SIGNATURE Caitlin O'Hair TITLE HSE/Regulatory Tech DATE 12/16/2015
 Type or print name Caitlin O'Hair E-mail address: regulatory@foundationenergy.com PHONE: 918-526-5591
 For State Use Only

APPROVED BY: Bill Sumanak TITLE Staff Manager DATE 12/17/15
 Conditions of Approval (if any):

DEC 21 2015

Overall plan for the Abalone #1:

- Conduct a workover to pull the tubing & ESP pump within the next two weeks. Target date of December 21 or sooner, depending on rig availability.
- Once the tubing & pump have been removed, run a pulsated neutron log to determine the exact recompletion interval in the Wolf camp. During the same WO we will also swab test each Bough interval to see if we can identify where the current water production is coming from.
- Upon determining the recompletion interval 2-3 weeks after running the log (target date is second week of January), regroup and commence the recompletion workover. Depending on the Swabbing results we will decide whether or not to co-mingle the Bough and the Wolcamp

Below is the procedure for the first WO; the second WO procedure will vary depending on the results of the first WO.

Day 1

1. MIRU – (include laying of a flare or flare trailer hooked up, in case the need to get rid of the h2s gas is needed.)
2. ND WH, NU BOP
3. Pressure test BOP to 5000 PSI
4. POOH TBG + Cord + ESP

Day 2-4

5. RIH w/ TBG & PKR + RBP as needed to isolate Bough intervals and swab to determine inflow
 - a. Hydro test while running in hole with tools
 - b. Move RBP + PKR to each bough zones and swab 2 bottoms up. Record results.
6. POOH w/ tools and TBG, laying TBG on the ground.
7. RU wireline,
8. Run RPM Log, use CBL to correlate logging tool
 - a. Analyze results on location with analyst and geology
9. Based on results, decide what intervals to swab test
10. ND BOP, ND WH
11. RDMO

BS
12/17/15

Foundation Energy Management, LLC

WELLBORE DIAGRAM

Well Name	API number	Total Depth	Current Status
Abalone AMB State #1	30-025-01153	10,500'	SI
Location	Sec-Twn-Rng	Prod. Horizon	County & State
660 FNL & 660 FWL	26-14S-33E	Bough A, B, C & D	Lea, NM

WELLBORE DIAGRAM

Prepared Date: Juan Posada

Prepared By: 12/15/2015

General Info

API #: 0313111233

KB Elevation:

GL Elevation: 4,191'

Spud Date: 3/55 (original drill)

Completion Date: 11/92 - re-entry

TVD: 10,500'

Last PBTD: 9,892'

Tubing Detail

2-7/8 inch(OD)

(weight)

L-80 grade

9069 feet

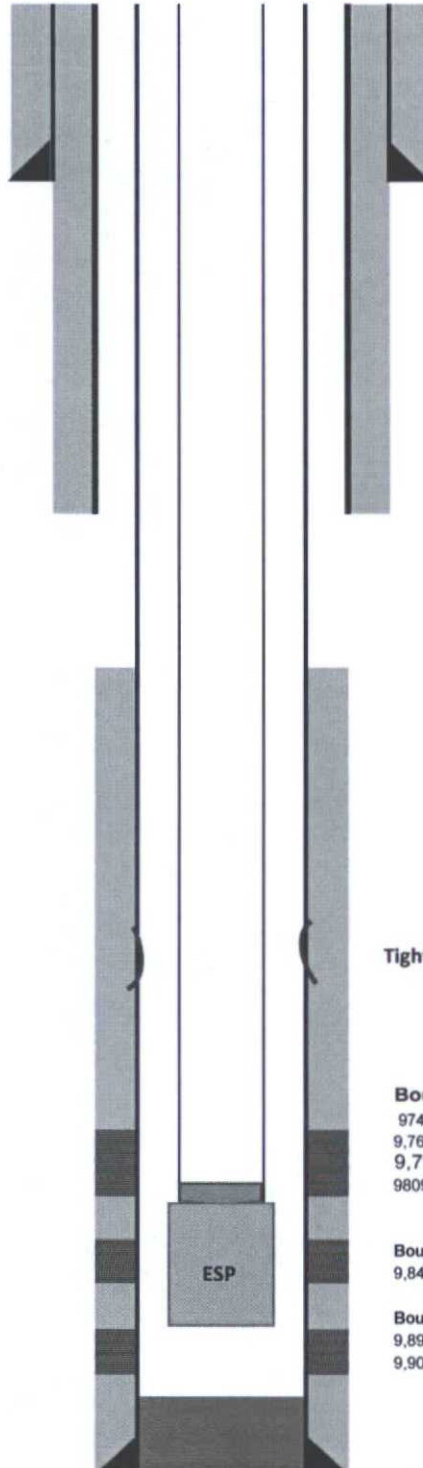
Tubing Tally	Length	Depth
277 jts of 2-7/8 - L-80	9065	9065
2-7/8" 4' sub	4	9069
SN	1	9070
ESP	83	9153

Well notes:

This well is a re-entry, CSG tied in @ 8,751' with existing 5-1/5 CSG

During previous WO they found tight spots @ around 7,200 & 7,400

11/92 - original completion:
9,748 - 9,907' treated with 30,000 gal 15% NEFE + 4000# Block (2700# Rock Salt + 1300# Benzoic Flake) w/ 200 balls



Surface Casing

13-3/8 inch (OD)

48 # (weight)

grade

350 depth from KB

surface cement top **Visual Returns**

375 sacks of cement

17 inch hole

Intermediate Casing

8-5/8 inch (OD)

28 & 32 # (weight)

grade

4,179 depth from KB

surface cement top **CBL**

1786 sacks of cement

11 inch hole

Production Casing

5-1/2 inch (OD)

17 & 20 # (weight)

N-80 grade

10,500 depth from KB (conection @ 8,751)

8,855 cement top **CBL**

1090 sacks of cement

7-7/8 inch hole

Tight stpots from 7,200-7,400

Open Perforations

Bough A & B:

9748' - 56'

9,769, 70', 74', 76', 82', 83'

9,792' - 98'

9809' - 12'

Bough C

9,848-66'

Bough C

9,890-95'

9,901 - 07'

PBTD: 9,892' - 8/21/2014

BS
12/17/15