

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

Form C-103
Revised July 18, 2013

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. 0345111233 (STATE) 30-025-01153 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Foundation Energy Management, LLC ✓		6. State Oil & Gas Lease No. 315181
3. Address of Operator 16000 North Dallas Parkway, Suite 875, Dallas, TX 75248		7. Lease Name or Unit Agreement Name ABALONE AMB STATE ✓
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>26</u> Township <u>14S</u> Range <u>33E</u> NMPM County <u>LEA</u>		8. Well Number <u>1</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 4191'		9. OGRID Number 370740
		10. Pool name or Wildcat PERMO UPPER PENN

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.

12-19-2015: MIRU WO RIG

12-23-15: RUN WIRELINE CIBP AND SET AT 9700' DUMP BAILED 2 SX OF CEMENT ON PLUG. ABANDONED ALL BOUGH PERFS 9748-9812, 9848-9866, AND 9890-9907. FOLLOWED INSTRUCTIONS FROM HOBBS DISTRICT OFFICE

1-4-16: LOAD CSG WITH 164 BBL 2% KCL. PRESSURE TESTED CSG AND CIBP TO 500 PSI, THEN 700 PSI. BOTH TESTS HELD FOR 15 MINUTES WITHOUT LEAKOFF. PERFORATED WOLFCAMP ZONES 9196-9210 AND 9151-9164 @ 4SPF. RIH WITH TBG AND PKR. SET PKR @ 8991', LOAD ANNULUS WITH 2% KCL AND PRESSURE TEST PKR AND CSG TO 500PSI, HELD FOR 10 MINUTES.

1-5-16: ACIDIZED NEW WOLFCAMP PERF WITH 3400 GAL(81 BBL) 15%HCL AND FLUSHED WITH 82 BBL 2% KCL

1-6THRU 1-11: SWABBED

1-11-16: ONLY RECOVERED SLIGHT OIL SHOW, NOT ECONOMICAL TO PRODUCE OR CONTINUE SWABBING. SET WIRELINE CIBP @ 9600' (51' ABOVE TOP PERF) PER HOBBS DISTRICT OFFICE RECOMMENDATION.

1-12-16: RIH WITH TBG TO 9073', NDBOP, NUWH, CIRCULATED 150 BBL FRESH WTR WITH PKR CHEMICAL ADDED, SECURED WELL, RDMO, JOB COMPLETED.

Spud Date:

12-19-2015

Rig Release Date:

1-12-2016

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

SIGNATURE Reggie Schmidt TITLE DRILLING SUPERINTENDENT DATE 1-13-16
Type or print name REGGIE SCHMIDT E-mail address. regulatory@foundationenergy.com PHONE: 940-249-1155
For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 01/22/16
Conditions of Approval (if any):

JAN 25 2016