

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

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
HOBBBS OCD
MAY 30 2019

RECEIVED

WELL API NO. 30-025-33398
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED
6. State Oil & Gas Lease No. NM-86923
7. Lease Name or Unit Agreement Name Bitsy Federal SWD
8. Well Number 1
9. OGRID Number
10. Pool name or Wildcat Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,550' GL

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 SWD

2. Name of Operator
Foundation Energy Management, LLC

3. Address of Operator
5057 Keller Springs Rd, Suite 650, Addison, Texas 75001

4. Well Location
 Unit Letter **H** : **1980** feet from the **North** line and **660** feet from the **East** line
 Section **7** Township **23 South** Range **32 East** NMPM County **Lea**

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: Add Delaware Injection Perfs <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

NMOCD Order No. SWD-1156 dated 12/12/2008 authorized Enervest Operating, LLC (now Foundation Energy Management, LLC) to utilize the Bitsy Federal SWD No. 1 as a produced water disposal well. Injection can occur into the Delaware formation from 4660-6270 feet.

This well is currently completed as a produced water disposal well through perforations from 5301-5637, and 6166-6206 ft. In order to increase injectivity and reduce the injection pressure, Foundation Energy Management, LLC proposes to add injection perforations in the Delaware formation from 4990 to 5020, 5040 to 5070, and 5080 to 5110 feet. The exact location of the additional perforations, which is not known as this time will be determined by log analysis. However, all additional perforations will be in compliance with Oder No. SWD-1156, and will be reported in a subsequent sundry notice.

Upon completion of perforating and acidizing, plastic-coated injection tubing will be set in a packer located within 100 ft of the uppermost injection perforations.

Attached is a specific procedure describing the proposed operations.

Proposed Work
 Spud Date: **6/17/2019** Rig Release Date: **6/19/2019**

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

SIGNATURE *James Smith* TITLE HSE-Regulatory Supervisor DATE 5/29/19
 Type or print name JAMES SMITH E-mail address: j.smith@foundationenergy.com PHONE: 910-526-5592
For State Use Only
 APPROVED BY: *[Signature]* TITLE _____ DATE 06/04/19

Conditions of Approval (if any):

Bitsy Federal #1 SWD

Sand Dunes

Add Perfs to Increase Injection Capacity and Lower Pressure
Lea, County NM

Casing /Tubular Details and Capacities:

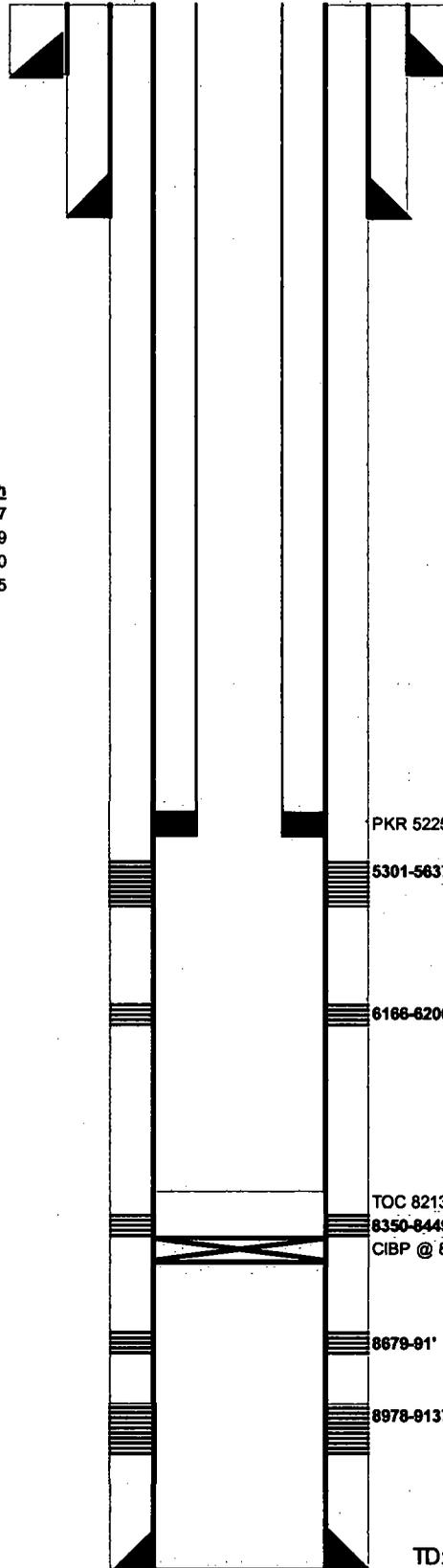
TUBULAR	SIZE	GRADE	DEPTH (ft)	WEIGHT (ppf)	CEMENT (sx)	TOC (ft)	
Surface Casing	13-3/8"	H-40	858	48	650	SFC	Circ
Intermediate Casing	8-5/8"	J-55	4338	32	1500	SFC	Circ
Production Casing	5-1/2"	K-55	9442	17	1330	SFC	Circ
Producing Tubing	2- 7/8"	IPC	4900	6.4	n/a	n/a	n/a

Procedure:

1. MIRU WO Rig
2. Kill well if necessary, using 2% KCL.
3. ND WH. NU BOP
4. Unseat Packer, PU joints and lower tubing to tag for fill.
5. TOO H with TBG. Tally as POOH and note tagged depth.
6. If fill is covering existing perfs, cleanout to TD before proceeding to next step.
7. MIRU wireline
8. RIH with 3 1/8" gun and perf new injection perfs from 4490-5020, 5040-5070, and 5080-5110.
9. POOH with WL guns
10. RD Wireline
11. PU and RIH with redressed packer and RIH with tubing.
12. Hydrotest as RIH to 6000 psi.
13. Set packer above new perfs at +/- 4910'
14. MIRU acid crew and test flowlines
15. Pump acid job according to pump schedule. 5,000-10,000 gals 7.5% NEFE HCl w/ scale inhibitor, clay stabilizer and ball sealers.
16. RDMO acid crew.
17. Pressure test packer is holding to 500 psi and 1000 psi for 10 min each.
18. Perform injection test to determine injection rate and pressure.
19. RDMO Wo Rig.
20. Reconnect equipment for disposal.

Bitsy Federal 1

Current WBD



Surface Casing

13-3/8" inch (OD)
 48 # (weight)
 H-40 grade
 858' depth from KB
 surface cement top
 650 sacks of cement
 17-1/2" inch (OD) HOLE SIZE

Intermediate Casing

8-5/8" inch (OD)
 32 # (weight)
 J-55 grade
 4338' depth from KB
 surface cement top
 1500 sacks of cement
 12-1/2" inch (OD) HOLE SIZE

Production Casing

5-1/2" inch (OD)
 17 # (weight)
 J55/N80 grade
 9442' depth from KB
 SURFACE cement top
 1330 sacks of cement
 7-7/8" inch (OD) HOLE SIZE

PERMIT INJ ZONE
 4,660-6,270'

Tubing Detail

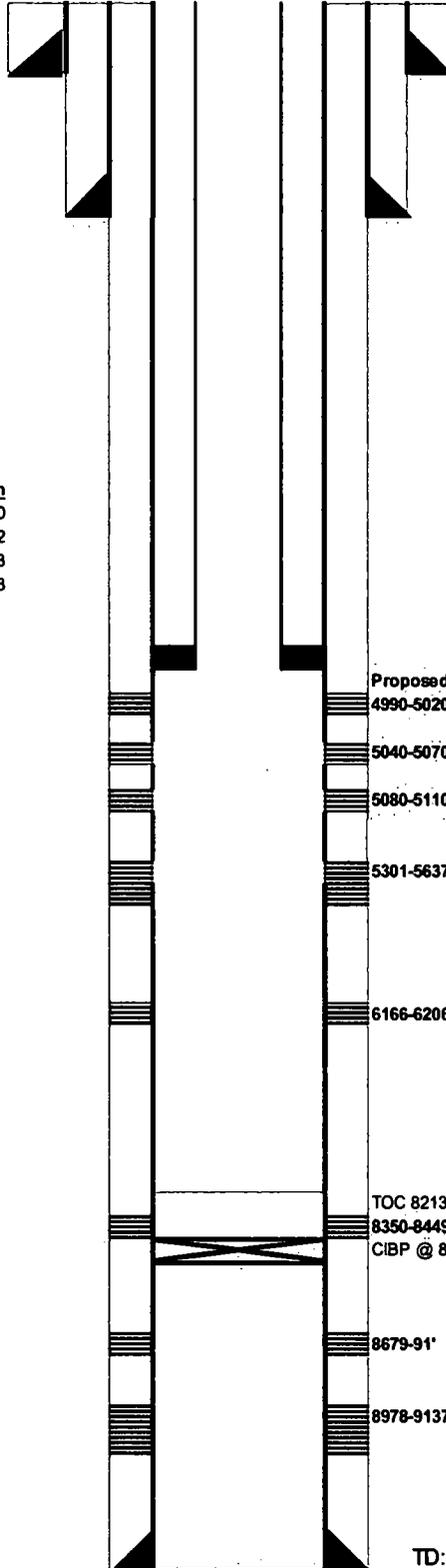
2-7/8 inch(OD)
(weight)
IPC grade

Tubing Tally	Length	Depth
164JTS 2-7/8" IPC TBG	5217	5217
ON/OFF	2	5219
2.25 PROFILE NIPPLE	1	5220
2-7/8"X5-1/2 AEROSET PKR	5	5225

TD: 9442

Bitsy Federal 1

Proposed WBD



Tubing Detail

2-7/8	Inch(OD)
	# (weight)
IPC	grade

Tubing Tally	Length	Depth
164JTS 2-7/8" IPC TBC	4900	4900
ON/OFF	2	4902
2.25 PROFILE NIPPLE	1	4903
2-7/8"X5-1/2 AEROSET PKR	5	4908

Surface Casing

13-3/8"	Inch (OD)
48	# (weight)
H-40	grade
858	depth from KB
surface cement top	
650	sacks of cement
17-1/2"	Inch (OD) HOLE SIZE

Intermediate Casing

8-5/8"	Inch (OD)
32	# (weight)
J-55	grade
4338	depth from KB
surface cement top	
1500	sacks of cement
12-1/2"	Inch (OD) HOLE SIZE

Production Casing

5-1/2"	Inch (OD)
17	# (weight)
J55/N80	grade
9442	depth from KB
SURFACE cement top	
1330	sacks of cement
7-7/8"	Inch (OD) HOLE SIZE

Proposed Perfs
4990-5020

5040-5070

5080-5110

5301-5637'

6166-6206'

TOC 8213'
8350-8449' 150 ex (2/16/2000)
CIBP @ 8629'

8679-91'

8978-9137'

PERMIT INJ ZONE
4,660-6,270'

TD: 9442