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

HOBBS OCD
JAN 16 2020
RECEIVED

Form C-103
Revised July 18, 2013

WELL API NO.
30-025-40448

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.
NMLC063798

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.)

7. Lease Name or Unit Agreement Name
Red Hills AGI

1. Type of Well: Oil Well ☐ Gas Well ☐ Other: Acid Gas Injection ☒

8. Well Number #1

2. Name of Operator
LUCID ENERGY DELAWARE, LLC

9. OGRID Number 372422

3. Address of Operator
3100 MCKINNON STREET, SUITE 800, DALLAS, TX 75201

10. Pool name or Wildcat
EXPLORATION CHERRY CANYON

4. Well Location
Unit Letter I : 1600 feet from the South line and 150 feet from the Easy line
Section 13 Township 24S Range 33E NMPM County LEA

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*: 3580 GR

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER: (Mechanical Integrity Test)	☒		

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.
proposed completion or recompletion.

The MIT was conducted on Wednesday, January 15, 2020 at 12:00 pm (MT). Gary Robinson (NMOCD) was on site to witness and approve the test, and conduct a Bradenhead Test. Below is a step-by-step summary and results:

1. The annular space pressure between the production casing and tubing was 87 psi at the casing valve prior to the start of the MIT; TAG was being injected at 1,272 psi. Air was bled from the annular space prior to the start of the MIT.
2. The annular space pressure valve was closed to the well while attaching a line from the diesel pump truck, with a separate line from the well valve to a chart recorder (calibrated on 1/2/20).
3. At 12:35 pm, diesel from the pump truck was added. At 12:43 pm the annular pressure reached 580 psi; the chart recorder and well were isolated from the pump truck. The pressure decreased initially but stabilized.
5. The MIT began at 12:48 pm (500 psi) and the chart recorded the annular pressure until 1:20 pm (32 minutes).
6. The annular pressure dropped from 500 to 460 psi; a loss of 40 psi (8.0% decrease) by the end of the test.
7. Diesel was then bled from the well annulus to the truck. At 425 psi (operation pressure) the valve to the well was shut and the remaining pressure was bled to the truck prior to disconnection of the line and chart.

In addition to the MIT, a Bradenhead test was conducted by the NMOCD by monitoring the intermediate and surface casing annular space pressures. Please see the attached MIT pressure chart (approved by NMOCD), calibration sheet, and Bradenhead test documentation.

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

SIGNATURE Dale T Littlejohn TITLE Consultant to Lucid Energy DATE 01/16/2020
Type or print name Dale Littlejohn E-mail address: dale@geolex.com PHONE: (505) 842-8000

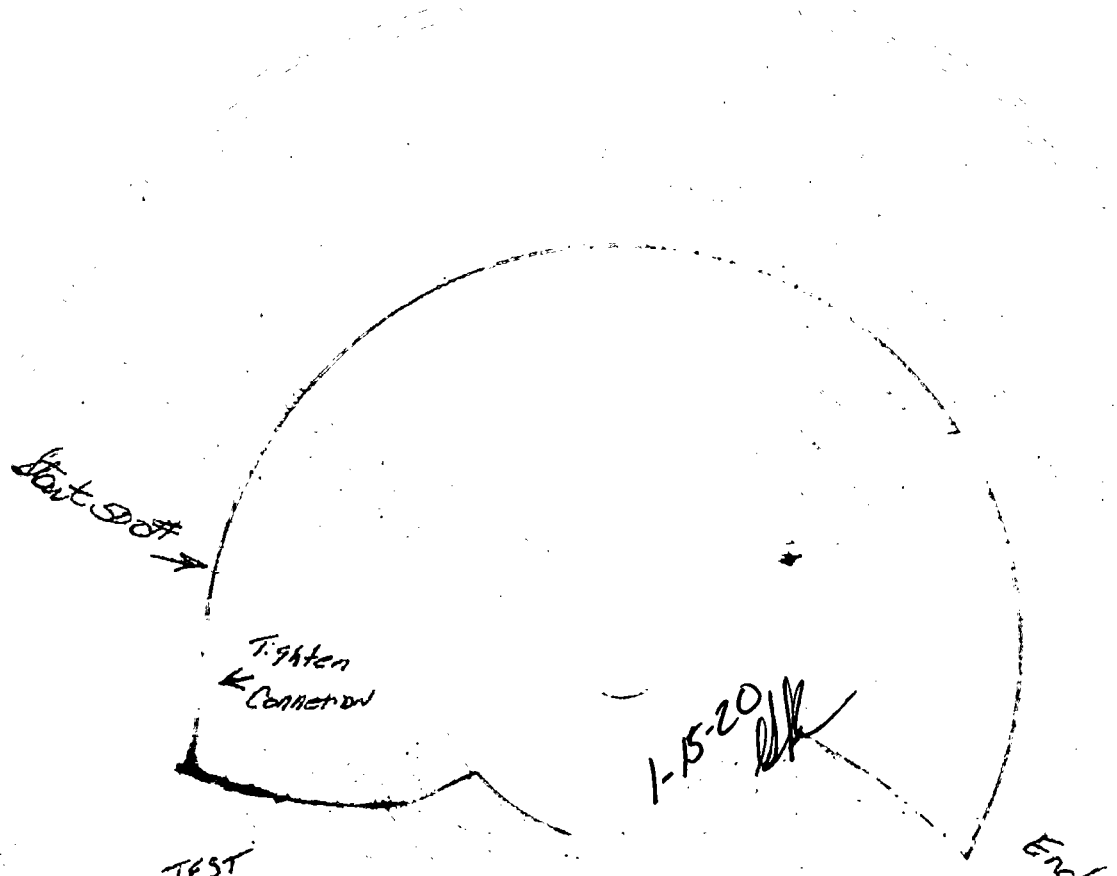
For State Use Only

APPROVED BY: Gary Robinson TITLE Compliance Officer DATE 1-16-20
Conditions of Approval (if any):

HOBBS OCD

JAN 16 2020

RECEIVED



AGI TEST
Lucid
Red Hills AGI #1
30-025-40448
I-13-24S-33E
cal date 1-2-20
ser. # 07333
1000 # 60 min.

Start 90 #
End 460 #
32 min.

Gary Robinson - OCD
JR: MJ Mackaskey

HOBBS OCD

JAN 16 2020

RECEIVED

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division Hobbs District Office

BRADENHEAD TEST REPORT

Operator Name	API Number
Lucid Energy Delaware	30-025-40448
Property Name	**Well No.**
Red Hills AGI	#1

Surface Location

Ul. - Lot	Section	Township	Range		Feet from	N/S Line	Feet From	E/W Line	County
I	13	24S	33E		1600	S	150	E	LEA

Well Status

TA'D WELL		SHUT-IN		INJECTOR		PRODUCER		DATE
YES	NO	YES	NO	INJ	SWD	OIL	GAS	1-15-20

OBSERVED DATA

	(A)Surface	(B)Interm(1)	(C)Interm(2)	(D)Prod Csng	(E)Tubing
Pressure	0	0		87	1272
Flow Characteristics					CO2 .
Puff	Y / N	Y / N	Y / N	Y / N	WTR __
Steady Flow	Y / N	Y / N	Y / N	Y / N	GAS ✓
Surges	Y / N	Y / N	Y / N	Y / N	Type of Fluid Injected for Waterflood if applies
Down to nothing	Y / N	Y / N	Y / N	Y / N	
Gas or Oil	Y / N	Y / N	Y / N	Y / N	
Water	Y / N	Y / N	Y / N	Y / N	

Remarks – Please state for each string (A,B,C,D,E) pertinent information regarding bleed down or continuous build up if applies.

AGI WELL MIT TEST

Signature:		OIL CONSERVATION DIVISION
Printed name:		Entered into RBDMS
Title		Re-test
E-mail Address:		
Date:	Phone:	
	Witness: Gary Robinson	

INSTRUCTIONS ON BACK OF THIS FORM

[illegible]

OILFIELD SERVICES

[illegible]

[illegible] 1-2-[illegible]

[illegible] 1000 [illegible]

[illegible] NUMBER
02333

TESTED AT THESE POINTS

PRESSURE 500			PRESSURE 1000		
TEST	AS FOUND	CORRECTED	TEST	AS FOUND	CORRECT
0	100	✓			✓
100	200	✓			✓
200	300	✓			✓
300	400	✓			✓
400	500	✓			✓

REMARKS:

SIGNED: [signature]