

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Marshall Bates

Engineering Tech

6/25/2021

Print or Type Name

Signature

Title

Date

Marshall@FAEnergyus.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

FAE II Operating, LLC 11757 Katy Fwy. Ste. 1000, Houston, TX 77079

Operator Myers B	Address 6 A-11-24S-36E	County Lea
Lease 329326	Well No. 326397	Unit Letter-Section-Township-Range 30-025-31382
OGRID No.	Property Code	API No.
Lease Type: <input checked="" type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Fee		

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Jalmat		Langlie Mattix
Pool Code	79240		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,990 – 3,472'		3,514' – TBD
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.0 API / 1.314 BTU		35.0 API / 1.314 BTU
Producing, Shut-In or New Zone	Producing		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	See Attached Date: Rates:	Date: Rates:	See Attached Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % 84 %	Oil Gas % %	Oil Gas 100 % 16 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support allocation method or formula.
 - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE MBates TITLE Engineering Tech DATE 6/24/2021

TYPE OR PRINT NAME Marshall Bates TELEPHONE NO. (832) 706-0041

E-MAIL ADDRESS Marshall@FAEnergyus.Com

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May 21, 2021

Mr. Dean McClure
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Myers B #006: API 30-025-31382
Jalmat Pool: 79240
Langlie Mattix Pool: 37240

Dear Mr. McClure:

FAE II Operating LLC, as operator, will be filing applications with the New Mexico Oil Conservation Division for approval of the aforementioned commingling project. After a review of internal records, this letter serves as notice that the operator and interest owners are identical for the pools listed above.

If you have any questions, please feel free to contact the undersigned phone at (832) 220-9188 or by email at steven@faenergyus.com.

Thank you for your attention to this matter.

Sincerely,

FAE II Operating, LLC



Steven Lehrbass
Director of Land

faeIIoperating

May 23, 2021

VIA ONLINE FILING

Mr. Dean McClure
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application of FAE II Operating, LLC for Administrative Approval to Downhole Commingle and Sell Oil and Gas Production from the Jalmat and Langlie Mattix Pools for the Myers B #6 well located in Sec. 11, T-24S, R-36E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for downhole commingling of oil and gas production from the Jalmat and Langlie Mattix Pools for its Myers B #6 well located in Unit Letter A, Section 11, T-24S, R-36E, 660 feet FNL and 660 feet FEL, as shown in the attached C-102's for each zone.

Myers B #6 is currently open to the Yates-Seven Rivers interval, which translates to the JALMAT; TAN-YATES-7 RVRS [Pool ID: 79240]. The production curve for this interval is shown in Exhibit A. To develop a forecast for this zone, a decline curve was utilized based on the aforementioned historical production.

The zone that does not have production history in the Myers B #6 is the Seven Rivers-Queen, which translates to the LANGLEIE MATTIX; 7 RVRS-Q-GRAYBURG [Pool ID: 37240]. To develop a forecast for this zone, fifteen (15) surrounding wells with production history from the Seven Rivers-Queen were used as an offset to prove up hole potential in the Myers B #6 by taking the historical average of the oil, gas, and water production. The resulting historical average production curve for this interval is shown in Exhibit B. From there, a decline curve was utilized based on the aforementioned historical production.

Overall, the forecast for the proposed downhole commingled production was formed by combining the forecasts for both zones, as shown in the Synthetic Decline Curve column of Exhibit C. This forecast for the Myers B #6 proved that an IP of 2.7 BOPD and 41.8 MCFPD is the expected total, and of that, 2.7 BOPD and 6.8 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 0.0 BOPD and 35.0 MCFPD with the additional intervals that will be opened up. This information along with the percentage allocation across the zones is shown in Exhibit D.

After a review of internal records, the interest owners are identical for the aforementioned wells. As such, notification to the relevant parties of our intent to commingle production will not be necessary.

This proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. If there are further questions concerning this application, please feel free to contact the undersigned by email at marshall@faenergyus.com or by telephone at (832) 241-8080.

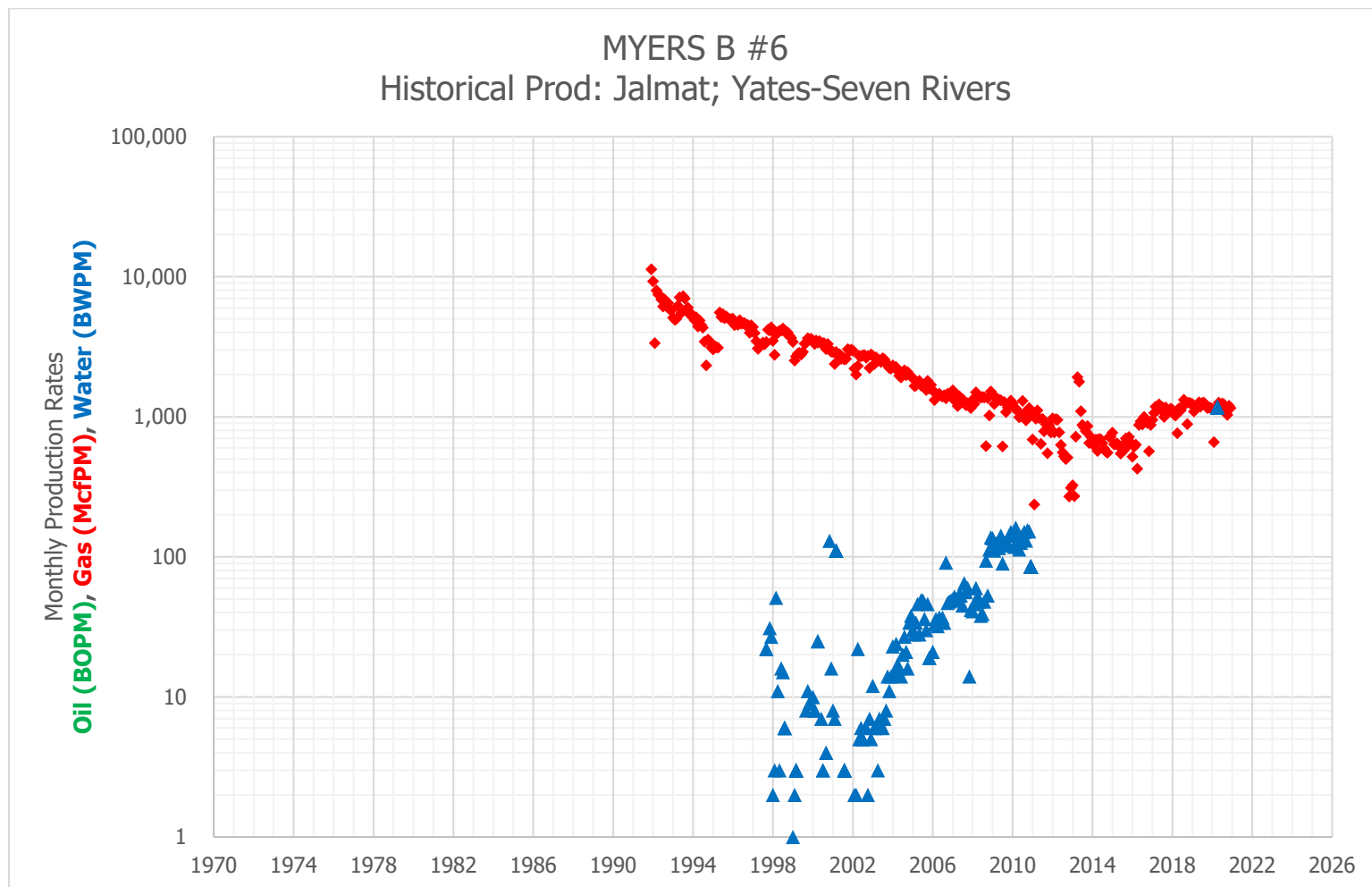
Very truly yours,



FAE II Operating, LLC

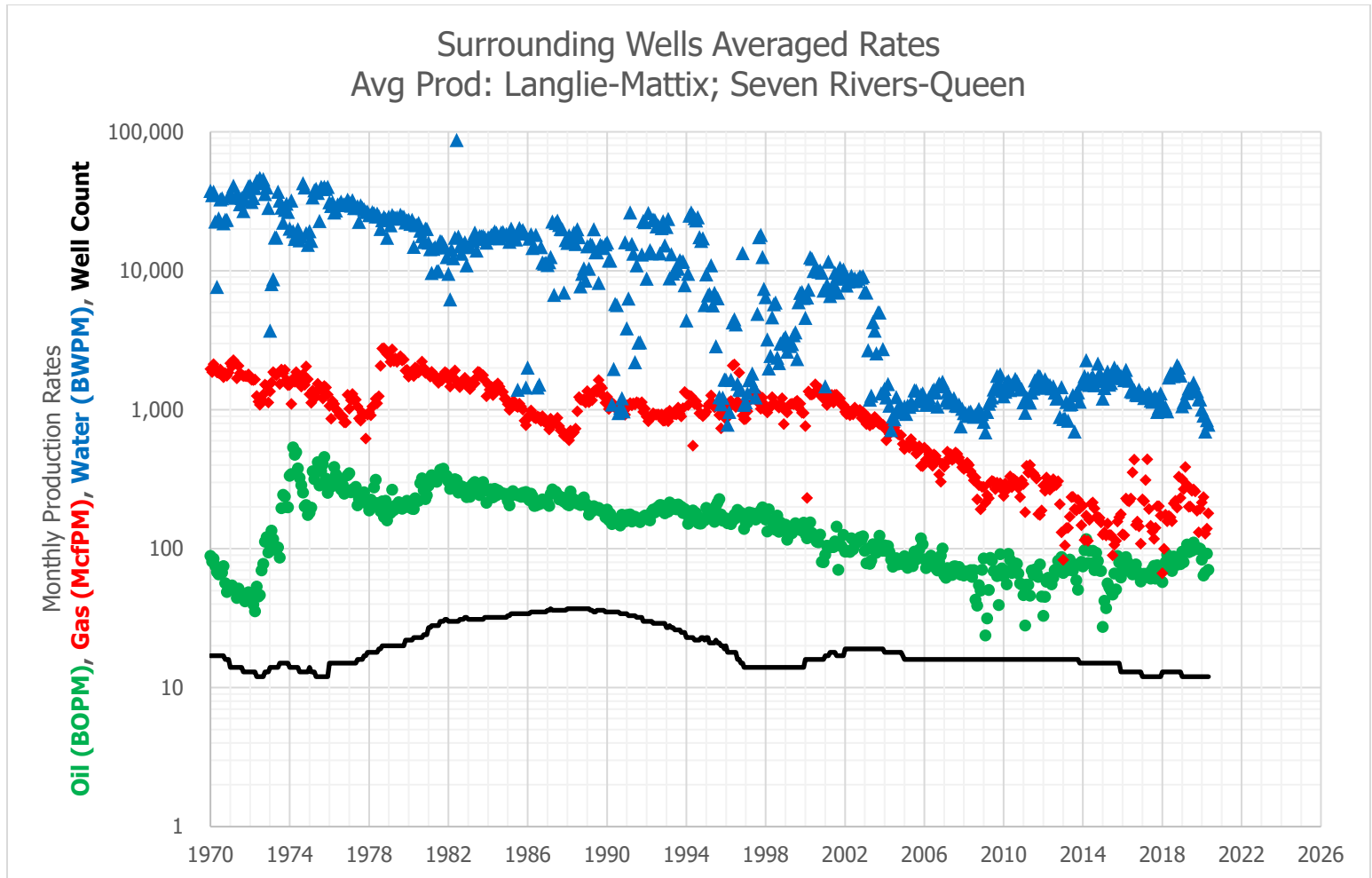
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Exhibit A – Historical and Forecast Production in the Current Zone



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Exhibit B – Historical Average Production in the Proposed Zone



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Exhibit C – Historical Production and Decline Curve

Surrounding Wells Averaged Rates					MYERS B #6				Synthetic Decline Curve			
Avg Prod: Langlie-Mattix; Seven Rivers-Queen					Historical Prod: Jalmat; Yates-Seven Rivers							
Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Month	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
7/1/2015	47	89	1,700	15	7/1/2015		626		1	80.9	1,269	1,326
8/1/2015	66	107	2,008	15	8/1/2015		578		2	80.5	1,266	1,321
9/1/2015	51	113	1,719	15	9/1/2015		700		3	80.2	1,263	1,317
10/1/2015	89	156	1,891	15	10/1/2015		619		4	79.8	1,260	1,313
11/1/2015	80	168	1,792	15	11/1/2015		718		5	79.4	1,257	1,308
12/1/2015	62	177	1,753	13	12/1/2015		656		6	79.0	1,254	1,304
1/1/2016	71	127	1,685	13	1/1/2016		519		7	78.6	1,250	1,300
2/1/2016	69	125	1,630	13	2/1/2016		613		8	78.3	1,247	1,295
3/1/2016	87	230	1,930	13	3/1/2016		631		9	77.9	1,244	1,291
4/1/2016	80	222	1,671	13	4/1/2016		425		10	77.5	1,241	1,287
5/1/2016	77	219	1,616	13	5/1/2016		873		11	77.1	1,238	1,283
6/1/2016	71	229	1,358	13	6/1/2016		929		12	76.8	1,235	1,278
7/1/2016	65	353	1,342	13	7/1/2016		882		13	76.4	1,232	1,274
8/1/2016	76	438	1,381	13	8/1/2016		997		14	76.0	1,229	1,270
9/1/2016	77	148	1,285	13	9/1/2016		939		15	75.7	1,226	1,266
10/1/2016	68	157	1,271	13	10/1/2016		902		16	75.3	1,223	1,262
11/1/2016	63	144	1,394	13	11/1/2016		567		17	75.0	1,220	1,258
12/1/2016	58	108	1,306	13	12/1/2016		876		18	74.6	1,216	1,253
1/1/2017	65	226	1,277	12	1/1/2017		953		19	74.2	1,213	1,249
2/1/2017	66	220	1,213	12	2/1/2017		1,064		20	73.9	1,210	1,245
3/1/2017	63	312	1,252	12	3/1/2017		1,183		21	73.5	1,207	1,241
4/1/2017	65	439	1,277	12	4/1/2017		1,113		22	73.2	1,204	1,237
5/1/2017	67	192	1,313	12	5/1/2017		1,229		23	72.8	1,201	1,233
6/1/2017	61	146	1,161	12	6/1/2017		1,132		24	72.5	1,198	1,229
7/1/2017	71	133	1,143	12	7/1/2017		1,169		25	72.1	1,195	1,225
8/1/2017	75	118	1,221	12	8/1/2017		999		26	71.8	1,192	1,221
9/1/2017	61	141	1,238	12	9/1/2017		1,164		27	71.4	1,189	1,217
10/1/2017	76	202	966	12	10/1/2017		1,120		28	71.1	1,186	1,213
11/1/2017	74	202	1,034	12	11/1/2017		1,106		29	70.8	1,183	1,209
12/1/2017	68	173	1,309	12	12/1/2017		1,143		30	70.4	1,181	1,205
1/1/2018	58	67	1,099	13	1/1/2018		1,123		31	70.1	1,178	1,201
2/1/2018	72	100	1,035	13	2/1/2018		1,038		32	69.8	1,175	1,197
3/1/2018	80	176	1,042	13	3/1/2018		1,022		33	69.4	1,172	1,193
4/1/2018	90	157	974	13	4/1/2018		763		34	69.1	1,169	1,189
5/1/2018	80	172	1,706	13	5/1/2018		1,149		35	68.8	1,166	1,185
6/1/2018	86	168	1,829	13	6/1/2018		1,113		36	68.4	1,163	1,181
7/1/2018	69	157	1,801	13	7/1/2018		1,172		37	68.1	1,160	1,177
8/1/2018	88	212	1,746	13	8/1/2018		1,323		38	67.8	1,157	1,174
9/1/2018	80	221	1,807	13	9/1/2018		1,275		39	67.5	1,154	1,170
10/1/2018	77	197	2,088	13	10/1/2018		889		40	67.1	1,151	1,166
11/1/2018	82	329	2,009	13	11/1/2018		1,263		41	66.8	1,149	1,162
12/1/2018	77	231	1,757	13	12/1/2018		1,243		42	66.5	1,146	1,158
1/1/2019	95	315	1,060	12	1/1/2019		1,231		43	66.2	1,143	1,154
2/1/2019	80	267	1,135	12	2/1/2019		1,089		44	65.9	1,140	1,151
3/1/2019	97	387	1,133	12	3/1/2019		1,173		45	65.5	1,137	1,147
4/1/2019	107	287	1,314	12	4/1/2019		1,223		46	65.2	1,134	1,143
5/1/2019	94	200	1,425	12	5/1/2019		1,268		47	64.9	1,131	1,139
6/1/2019	98	201	1,417	12	6/1/2019		1,182		48	64.6	1,129	1,136
7/1/2019	97	260	1,347	12	7/1/2019		1,256		49	64.3	1,126	1,132
8/1/2019	111	266	1,564	12	8/1/2019		1,264		50	64.0	1,123	1,128
9/1/2019	103	258	1,405	12	9/1/2019		1,220		51	63.7	1,120	1,124
10/1/2019	99	188	1,358	12	10/1/2019		1,157		52	63.4	1,117	1,121
11/1/2019	101	131	1,190	12	11/1/2019		1,165		53	63.1	1,115	1,117
12/1/2019	100	194	1,183	12	12/1/2019		1,158		54	62.8	1,112	1,113
1/1/2020	83	215	1,002	12	1/1/2020		1,140	-	55	62.5	1,109	1,110
2/1/2020	64	234	908	12	2/1/2020		659	-	56	62.2	1,106	1,106
3/1/2020	67	128	695	12	3/1/2020		1,151	-	57	61.9	1,103	1,102
4/1/2020	92	139	840	12	4/1/2020		1,154	1,172	58	61.6	1,101	1,099
5/1/2020	71	179	780	12	5/1/2020		1,264		59	61.3	1,098	1,095
6/1/2020	85	171	824	12	6/1/2020		1,191		60	61.0	1,095	1,092
7/1/2020	92	178	981	12	7/1/2020		1,247					
8/1/2020	81	228	1,016	12	8/1/2020		1,226					
9/1/2020	106	261	1,212	12	9/1/2020		1,131					
10/1/2020	76	144	628	12	10/1/2020		1,030					
11/1/2020	122	130	1,460	11	11/1/2020		1,201					
12/1/2020	132	187	1,442	10	12/1/2020		1,157					

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Exhibit D – Decline Curve IP Rates and Zone Allocation Percentage

Zone (1)	Zone (2)	Oil IP (BOPD)	Gas IP (MCFD)	Water IP (BWPD)
Jalmat	Yates-Seven Rivers	0.0	35.0	0.6
Langlie Mattix	Seven Rivers-Queen	2.7	6.8	43.0
	Total	2.7	41.8	43.6
Jalmat	Yates-Seven Rivers	0%	84%	1%
Langlie Mattix	Seven Rivers-Queen	100%	16%	99%
	Total (%)	100%	100%	100%

FAE

MYERS B 6

SPUD_DATE : 9/29/1991

T24S R36E S11

Log
Depth(ft)

2950 -

3000 -

3050 -

3100 -

3150 -

3200 -

3250 -

3300 -

3350 -

3400 -

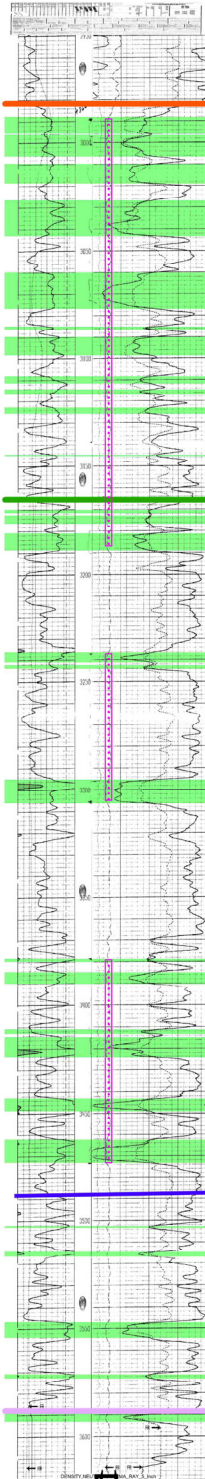
3450 -

3500 -

3550 -

3600 -

3650 -



YATES

7-RVRS_C

Jalmat Pool

Langlie Mattix Pool

QUEEN

Deepen well to 3750'

API	SOURCE	PERF TYPE	TOP PERF	BTM PERF
30025313820000	CJH	PROPOSED	3514	3517
30025313820000	CJH	PROPOSED	3547	3555
30025313820000	CJH	PROPOSED	3570	3573
30025313820000	CJH	PROPOSED	3590	3593
30025313820000	CJH	PROPOSED	Queen TBD	Queen TBD

MYERS B 6

TD : 3,620

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

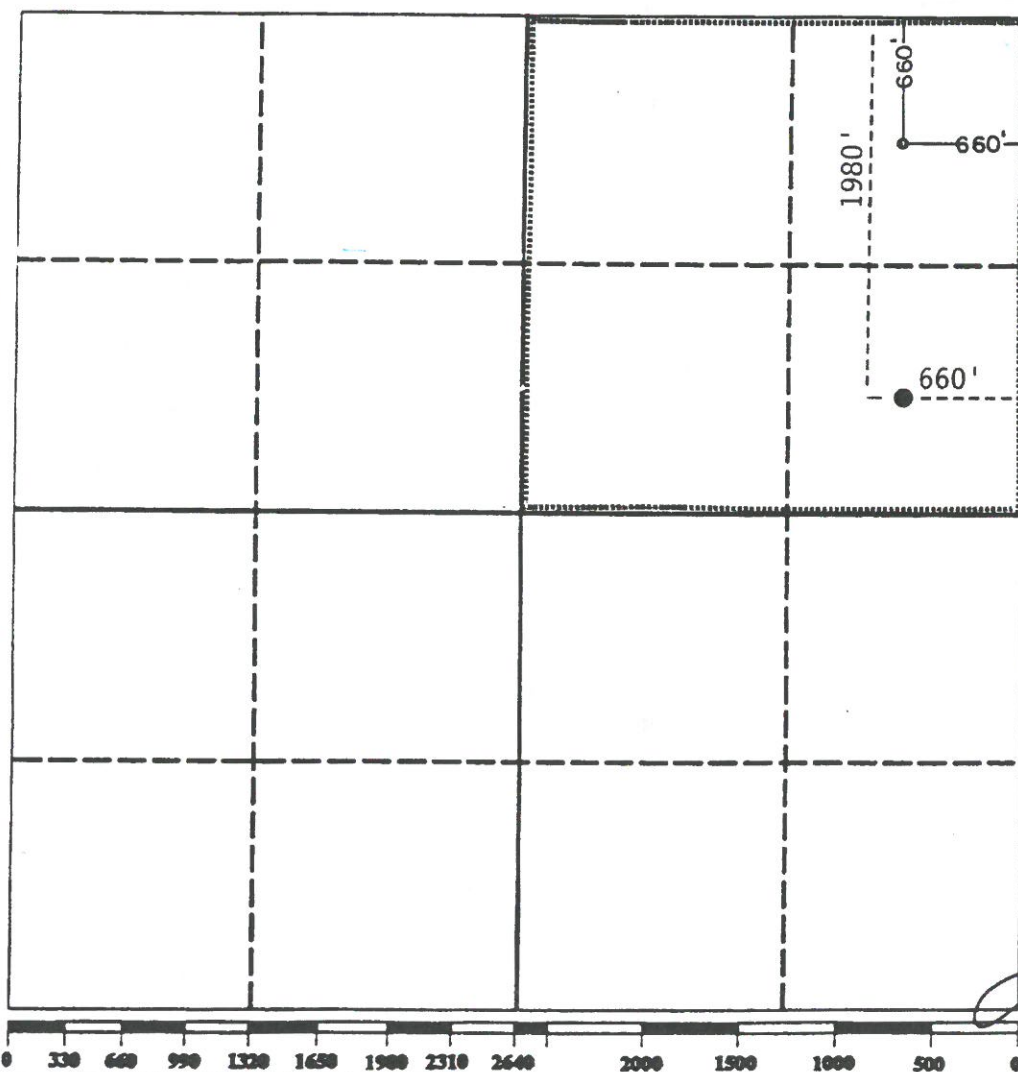
All Distances must be from the outer boundaries of the section

Operator FAE II Operating, LLC			Lease MYERS B		Well No. 6
Unit Letter A	Section 11	Township 24 SOUTH	Range 36 EAST	County LEA	
Actual Footage Location of Well: 660 feet from the NORTH line and 660 feet from the EAST line					
Ground level Elev. 3350.5	Producing Formation Yates-7 Rvrs	Pool Jalmat-Tansill-Yates-7Rvrs	Dedicated Acreage: 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

M. Bates

Printed Name

Marshall Bates

Position

Engineering Tech

Company

Forty Acres Energy

Date

5/23/2021

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

7-24-91

Signature & Seal of
Professional Surveyor

John W. West
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

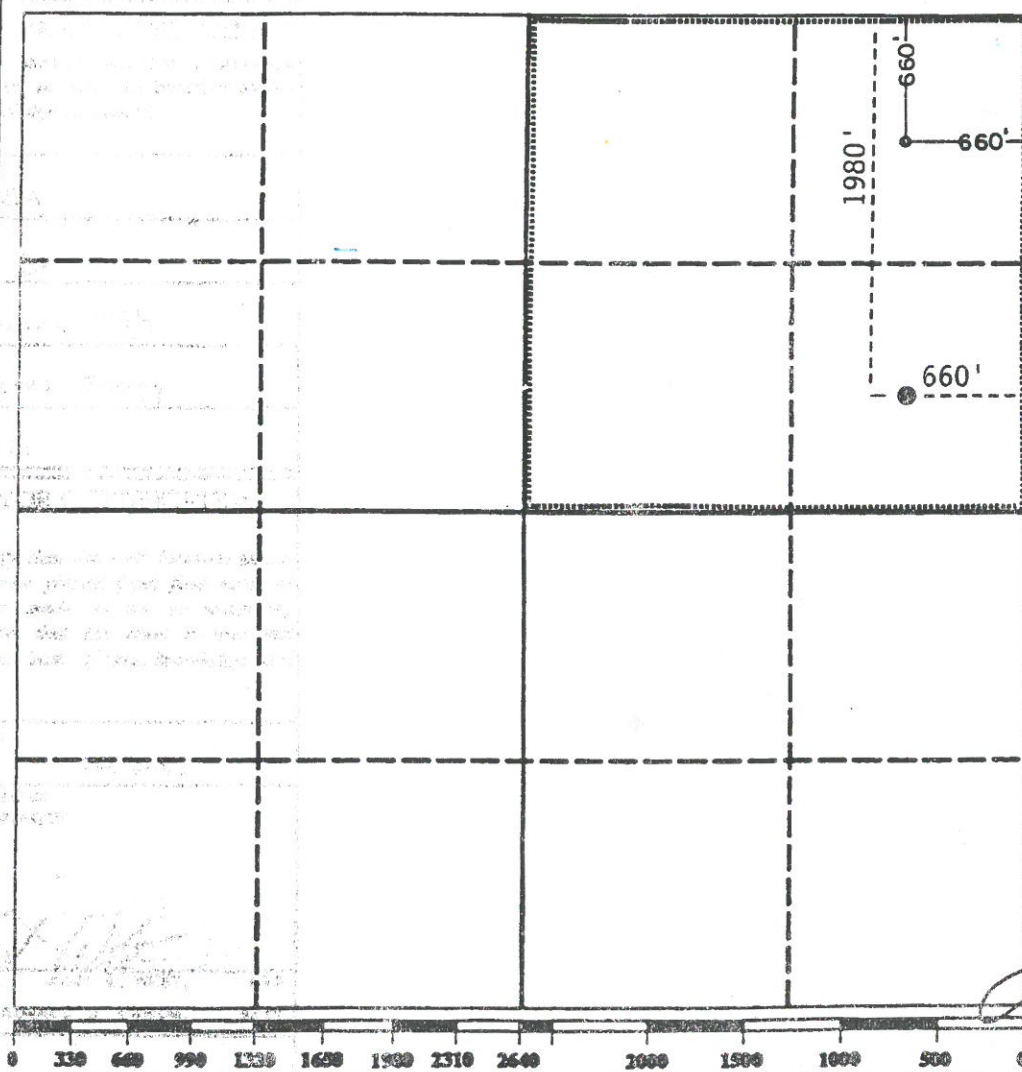
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator FAE II Operating, LLC			Lease MYERS B		Well No. 6
Unit Letter A	Section 11	Township 24 SOUTH	Range 36 EAST	County NMPM	LEA
Actual Footage Location of Well: 660 feet from the NORTH line and 660 feet from the EAST line					
Ground level Elev. 3350.5	Producing Formation 7 Rvrs - Queen	Pool Langlie Mathix	Dedicated Acreage: 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

M. Bates

Printed Name

Marshall Bates

Position

Engineering Tech

Company

Forty Acres Energy

Date

5/23/2021

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

7-24-91

Signature & Seal of
Professional Surveyor

Certificate No. JOHN W. WEST, 876
RONALD J. EIDSON, 3239

Well Name: **Myers B #006** Lease No: **NM 12611** Lease Type: **Federal**
 Township: **24-S** Range: **36-E** Sec: **11-A** Location: **660' FNL & 660' FEL**
 County: **Lea** State: **NM** API: **30-025-31382** Formation: **Jalmat; Tansill-Yates-7 Rvrs**

CURRENTSurface Csg

Size: **8-5/8"**
 Wt.&Thrd: **28#**
 Grade: **K-55 BTC**
 Set @: **429'**
 Sxs cmt: **300 sxs**
 Circ: **55 sxs**
 TOC: **Surface**
 Hole Size: **12-1/4"**

KB: **3362'**
 DF: **3361'**
 GL: **3350'**
 Spud Date: **9/29/1991**
 Compl. Date: **10/6/1991**

Directional Survey

<u>Deg</u>	<u>Depth (ft)</u>
0.75	207'
0.50	429'
0.50	900'
0.25	1377'
1.00	1715'
1.75	2325'
4.00	2450'
4.50	2516'
5.50	2612'
6.00	2756'
5.25	2827'
5.00	2877'
4.75	2970'
4.25	3061'
3.00	3292'
2.75	3535'
2.50	3620'

TANSILL (Top @ 2778')YATES (Top @ 2982')

2989-3187' (25 holes) - Oct 1991

Acidized w/ 750 gal 7.5% NEFE HCL acid; Foam Frac w/ 48,000 gals 50% CO2 foam & 145,000# 12/20 sand

SEVEN RIVERS (Top @ 3237')

3237-3305' (15 holes) - Oct 1991

Acidized w/ 750 gals 7.5% NEFE HCL acid

3379-3473' (17 holes) - Oct 1991

Acidized w/ 750 gals 7.5% NEFE HCL acid; Foam Frac w/ 19,500 gals 50% CO2 foam & 74,000# 12/20 sand

EOT 2970'

Production Csg

Size: **4-1/2"**
 Wt.&Thrd: **11.6#**
 Grade: **K-55 LTC**
 Set @: **3620'**
 Sxs Cmt: **930 sxs**
 Circ: **48 sxs**
 TOC: **Surface**
 Hole Size: **7-7/8"**

PBTD 3573'
 TD 3620'

Tubulars - Capacities and Performance

2-3/8" 4.7# Tubing @ 2970'
 2" x 1-1/4" x 12' pump

Well Name: **Myers B #006** Lease No: **NM 12611** Lease Type: **Federal**
 Township: **24-S** Range: **36-E** Sec: **11-A** Location: **660' FNL & 660' FEL**
 County: **Lea** State: **NM** API: **30-025-31382** Formation: **Jalmat & Langlie-Mattix pools**

Surface Csg

Size: **8-5/8"**
 Wt.&Thrd: **28#**
 Grade: **K-55 BTC**
 Set @: **429'**
 Sxs cmt: **300 sxs**
 Circ: **55 sxs**
 TOC: **Surface**
 Hole Size: **12-1/4"**

KB: **3362'**
 DF: **3361'**
 GL: **3350'**
 Spud Date: **9/29/1991**
 Compl. Date: **10/6/1991**

PROPOSED**Directional Survey**

<u>Deg</u>	<u>Depth (ft)</u>
0.75	207'
0.50	429'
0.50	900'
0.25	1377'
1.00	1715'
1.75	2325'
4.00	2450'
4.50	2516'
5.50	2612'
6.00	2756'
5.25	2827'
5.00	2877'
4.75	2970'
4.25	3061'
3.00	3292'
2.75	3535'
2.50	3620'

EOT 2970'

Production Csg

Size: **4-1/2"**
 Wt.&Thrd: **11.6#**
 Grade: **K-55 LTC**
 Set @: **3620'**
 Sxs Cmt: **930 sxs**
 Circ: **48 sxs**
 TOC: **Surface**
 Hole Size: **7-7/8"**

Open Hole

Size: **3-3/4"**
 Down to: **3750'**

TANSILL (Top @ 2778')**YATES (Top @ 2982')**

2989-3187' (25 holes) - Oct 1991
 Acidized w/ 750 gal 7.5% NEFE HCL acid; Foam Frac w/ 48,000 gals 50% CO2 foam & 145,000# 12/20 sand

SEVEN RIVERS (Top @ 3237')

3237-3305' (15 holes) - Oct 1991
 Acidized w/ 750 gals 7.5% NEFE HCL acid
 3379-3473' (17 holes) - Oct 1991
 Acidized w/ 750 gals 7.5% NEFE HCL acid; Foam Frac w/ 19,500 gals 50% CO2 foam & 74,000# 12/20 sand

QUEEN (Top @ 3588')

3514-3593' (34 holes) - Jul 2021
 Acidize w/ 2500 gals 15% NEFE HCL acid, 750# rock salt & flush w/ 500 bbls 2% KCL water
 Open Hole 3620-3750'
 Acidize w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt & flush w/ 1000 bbls 2% KCL water

PBTD 3750'
 TD 3750'

Tubulars - Capacities and Performance

2-3/8" 4.7# Tubing @ 2970'
 2" x 1-1/4" x 12' pump

From: [Vanessa Neal](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] DHC Applications Format & Missing Items?
Date: Wednesday, November 3, 2021 12:16:21 PM
Attachments: [image001.png](#)
[BLM DHC C E Lamunyon #090 Sundry Submittal 2021-11-03.pdf](#)

Awesome, thank you Dean!

Here are the tracking numbers we have for the submitted DHCs. I'm not sure which ones you were waiting on, so I included all the tracking numbers we had documented.

I've also attached a PDF of the DHC submitted to the BLM for C E Lamunyon #90; a DHC application was submitted earlier this week to the OCD. Is the PDF attached an acceptable substitute for the BLM tracking numbers for future submissions?

Project	API	SLO/BLM Submittal Tracking Info
State A A/C 2 #062	30-025-25542	7020 0640 0000 9346 5293
State C TR 11 #003	30-025-23103	7020 0640 0000 9346 5293
State C TR 11 #005	30-025-25517	7020 0640 0000 9346 5293
State I Com #002	30-025-06133	7020 0640 0000 9346 5293
C D Woolworth #008	30-025-32862	7020 0640 0000 9346 5293
Cagle C #005	30-025-34450	7021 0350 0001 5380 9936
Cagle C Federal Com #006	30-025-37342	7021 0350 0001 5380 9936
Myers B #006	30-025-31382	7021 0350 0001 5380 9936
Rhodes Federal Unit #047	30-025-20011	7021 0350 0001 5380 9936
Rhodes Federal Unit #096	30-025-24536	7021 0350 0001 5380 9936
Rhodes Federal Unit #098	30-025-37514	7021 0350 0001 5380 9936
Rhodes Federal Unit #102	30-025-24537	7021 0350 0001 5380 9936
Shell A State COM #006	30-025-32030	7020 0640 0000 9346 3985
State A A/C 1 #096	30-025-09250	7020 0640 0000 9346 5293
State A A/C 1 #129	30-025-34877	7020 0640 0000 9346 5293
State A A/C 2 #057	30-025-20297	7020 0640 0000 9346 5293
Stevens A-35 Com #002	30-025-09467	7021 0350 0001 5380 9936

Thank you,
 Vanessa Neal | Sr Reservoir Engineer

forty acres energy

O [832.219.0990 \(ext 165\)](tel:832.219.0990)

C [979.255.3476](tel:979.255.3476)

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, November 2, 2021 6:41 PM
To: Vanessa Neal <vanessa@faenergyus.com>

Subject: RE: [EXTERNAL] DHC Applications Format & Missing Items?

Hello Vanessa,

Quite busy, but I suppose I can't complain; hopefully everything in your world is going great.

Based off my conversations with Marshall, I think he had mentioned that there may be some applications in the current batch that require notice to either the BLM or SLO which the evidence of which has not been provided, but I have not had a chance to sit down and go through them all quite yet. Regarding format and future submittals, I have an outdated guidance document regarding DHCs, but I will see if I can update it and help make it more specific to what would be more relevant to FAE. Please note that there are different requirements based upon whether the pools being commingled have been commonly commingled in the area or not. For FAE, this becomes relevant because some of your proposed pools to be commingled are common and some are not. An example of an application that is not is DHC-5150 for the E C Hill A 7.

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

From: Vanessa Neal <vanessa@faenergyus.com>

Sent: Tuesday, November 2, 2021 5:25 PM

To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Subject: [EXTERNAL] DHC Applications Format & Missing Items?

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

Hi Dean,

I hope everything is going great in your world.

I am going to be helping Marshall Bates submit downhole commingle applications in the future and I was wondering if you had a preferred format for submissions? I would also like to make sure you get everything you need for approval upon initial submission, if possible; is there anything that we have repeatedly missed in the past that you have had to ask for?

I know that we are planning a lot of work in 2022 that will require DHC permits, so I am hoping to get those to you as soon as possible. For the DHC applications currently in your queue, are you waiting on any missing items from us? If you let me know what you need I will get it to you ASAP.

Looking forward to working with you!

Vanessa Neal | Sr Reservoir Engineer

forty acres **energy**

11757 Katy Freeway, Suite 725 | Houston, TX 77079

O [832.219.0990 \(ext 165\)](tel:832.219.0990)

C [979.255.3476](tel:979.255.3476)

E vanessa@faenergyus.com

From: [Engineer, OCD, EMNRD](#)
To: [Marshall Bates](#); [Vanessa Neal](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James , EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order DHC-5147
Date: Wednesday, December 8, 2021 11:23:52 AM
Attachments: [DHC5147 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5147 which authorizes FAE II Operating, LLC (329326) to downhole commingle production from 2 pools in their Myers B 6 well (30-025-31382).

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

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

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR DOWNHOLE COMMINGLING
SUBMITTED BY FAE II OPERATING, LLC**

ORDER NO. DHC-5147

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. FAE II Operating, LLC (“Applicant”) submitted a complete application (“Application”) to downhole commingle the pools described in Exhibit A (“the Pools”) within the well bore of the well identified in Exhibit A (“the Well”).
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
7. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
3. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
4. Prior to commingling production from the Pools within the Well's well bore, Applicant shall confirm the depth of the top of the Queen Formation with OCD's Engineering Bureau. If the depth confirmed by OCD's Engineering Bureau is different than the depth submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after commingling production, Applicant shall submit Form C-103 to the OCD Engineering Bureau correcting the depth of the top of the Queen Formation.
5. If the Well is deepened, then Applicant shall conduct and, no later than forty-five (45) days after the Well is deepened, provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant

shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 12/07/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5147**

Operator: **FAE II Operating, LLC (329326)**

Well Name: **Myers B #6**

Well API: **30-025-31382**

Pool Name: **JALMAT;TAN-YATES-7 RVRS (GAS)**

Upper Zone

Pool ID: **79240**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **0%**

Gas: **84%**

Interval: **Perforations**

Top: **2,990**

Bottom: **3,472**

Pool Name:

Intermediate Zone

Pool ID:

Current:

New:

Allocation:

Oil:

Gas:

Interval:

Top:

Bottom:

Bottom of Interval within 150% of Upper Zone's Top of Interval:

Pool Name: **LANGLIE MATTIX;7 RVRS-Q-GRAYBURG**

Lower Zone

Pool ID: **37240**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **100%**

Gas: **16%**

Interval: **Open-Hole**

Top: **3,514**

Bottom: **3,750**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **YES**

Top of Queen Formation: **3,588**

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 33764

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 1000 Houston, TX 77079	OGRID: 329326
	Action Number: 33764
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/8/2021