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

Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

| APPLICA | ATION I | FOR SURFACE | COMMINGLING | G (DIVERS) | E OWNERSHIP) | |
|--|--|---|---|--------------------|------------------------------|---------------|
| OPERATOR NAME: | | perating, LLC | | | | |
| OPERATOR ADDRESS: | OPERATOR ADDRESS: 11757 Katy Fwy, Ste. 1000, Houston, TX 77079 | | | | | |
| APPLICATION TYPE: | | | | | | |
| ☐ Pool Commingling ☐ Lease | Comminglin | g ⊠Pool and Lease Co | ommingling Off-Lease | Storage and Meas | surement (Only if not Surfac | e Commingled) |
| LEASE TYPE: | e 🗆 | State Fede | eral | | | |
| Is this an Amendment to exis | ting Order | ? ☐Yes ☒No If | "Yes", please include | the appropriate | Order No. | |
| Have the Bureau of Land Man | nagement (| (BLM) and State Land | d office (SLO) been no | tified in writing | g of the proposed comm | ingling |
| ☐Yes ☑No | | | | | | |
| | | | OL COMMINGLIN ts with the following in | | | |
| | | Gravities / BTU of | Calculated Gravities / | | Calculated Value of | |
| (1) Pool Names and Codes | | Non-Commingled Production | BTU of Commingled | \$/mcf | Commingled | Volumes |
| [79240] JALMAT; TAN-YATES | S-7 | | Production | | Production | - |
| RVRS (GAS) | 5 / | 1.3862 BTU | | 3.90 | | 80 mcf/month |
| [37240] LANGLIE MATTIX; 7 RVR | 0.20 | | | | \$546/month | |
| GRAYBURG | CS-Q- | 1.362 BTU | 1.362 | | | 60 mcf/month |
| | | | | | | |
| (2) Are any wells producing at | top allowah | les? Tyes MNo | | | | |
| Pool Name and Code. Is all production from same Has all interest owners been in Measurement type: Met | notified by o | apply? Yes Neertified mail of the prop Other (Specify) | o oosed commingling? | □Yes □1 | No | |
| (1) Complete Sections A and E. | | | LEASE COMMING with the following in | | | |
| | | | | (/) ha | | |
| | (D) | OFF-LEASE ST | ORAGE and MEAS | SUREMENT | | |
| | | Please attached shee | ts with the following i | | | |
| (1) Is all production from same | | | 0 | | | |
| (2) Include proof of notice to all | I interest ow | ners. | | | | |
| | (E) ADI | | RMATION (for all | | ypes) | |
| A schematic diagram of facil | lity includir | | s with the following in | iormation | | |
| (2) A plat with lease boundaries | | | ons. Include lease number | s if Federal or St | ate lands are involved | |
| (3) Lease Names, Lease and We | ell Numbers, | and API Numbers. | | | million and million | |
| 1 1 10 14 | $\overline{}$ | | | | | |
| hereby certify that the information | mabbye is ti | rue and complete to the | best of my knowledge and | belief. | | |
| SIGNATURE: |) NVA | TIT | TLE: <u>Production F</u> | Engineer | DATE: 6 | /21/22 |
| TYPE OR PRINT NAME | Prittnon Ct | V | | | | |
| TIL OKTKINA INAME | Brittney Stor | Id | | TELEPHONE N | O.: <u>832-241-8080</u> | |
| E-MAIL ADDRESS: brittney@ | faenerovus | com | | | | |

fae∐operating

June 21, 2022

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 Surface Commingle and Sell Gas Production from the Jalmat; Tan-Yates-7 RVRS Pool for the Fluor Harrison #001 well at the Henry Harrison #001Tank Battery located in Unit N, Sec. 20, T-24S, R-37E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for surface commingling of gas production for its Henry Harrison lease located in Section 20 of Township 24S, Range 37E as shown on the map in Exhibit A. The lease is also identified by outline and legend. Exhibit B offers further detail on the relevant wells.

The attached battery diagrams, Exhibits C and D, are accurate schematics of the current facility and the proposed commingled facility, respectively. A new 2-inch gas flowline will be laid from the Fluor Harrison #001 and tie into the gas sales meter at the Henry Harrison #001.

After a review of internal records, the interest owners are not identical for the wells mentioned above. As such, we have notified all relevant parties of our intent to commingle production (see attached letter). The working, royalty, and overriding royalty interest owners as shown in Exhibit E have been notified of this application by certified mail. Copies of the certified mail receipts are attached as Exhibit F.

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 brittney@faenergyus.com or by telephone at (832) 241-8080.

Very truly yours,

FAE II Operating, LLC

fae∏operating

Exhibit A - Lease Boundaries Map

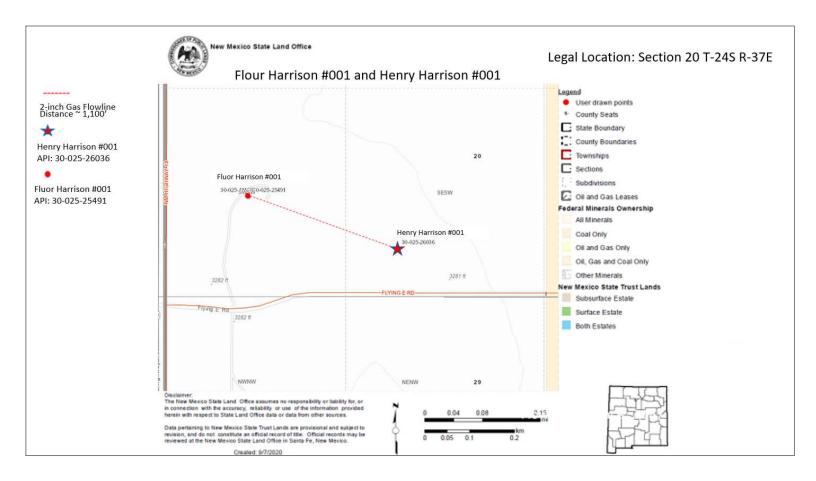


Exhibit B - Lease and Well Information

| Well Name | Property No. | API# | Pool ID |
|---------------------|--------------|--------------|---|
| Henry Harrison #001 | 329851 | 30-025-26036 | [37240] LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG |
| Fluor Harrison #001 | 332383 | 30-025-37342 | [79240] JALMAT; TAN-YATES-7 RVRS (GAS) |

Exhibit C – Current Facility Layout

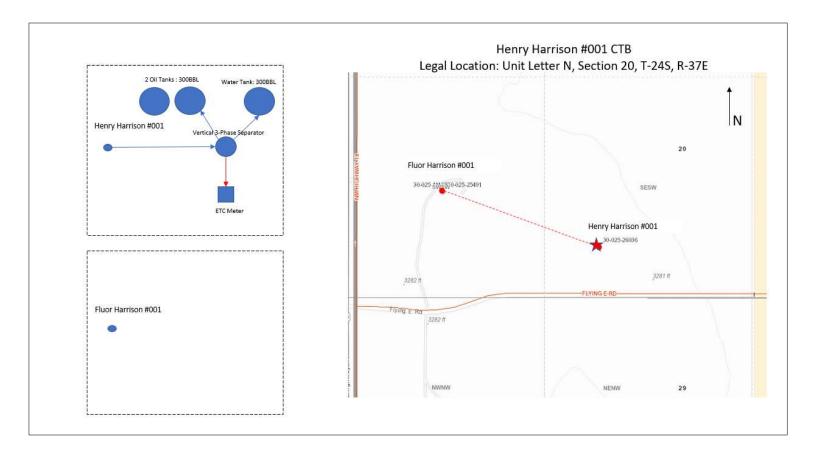


Exhibit D - Proposed Facility Layout

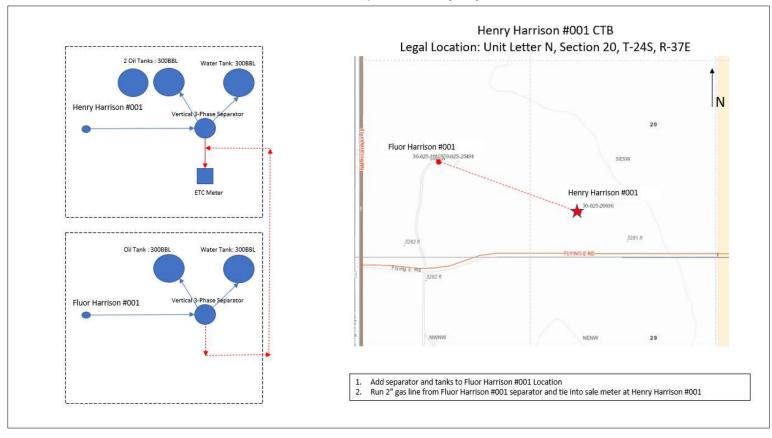


Exhibit E – Ownership Information

| NA/-II NI (-) | Ownership | Name | Adduses | C:t. | Chaha | 7: |
|---|-----------|--|--------------------|----------------|-------|--------|
| Well Name(s) | Type | Name | Address | City | State | Zip |
| Fluor Harrison #001 | Royalty | 76028, LP | P O Box 9289 | Wichita Falls | TX | 76308 |
| Fluor Harrison #001, | Dovoltv | Amy C. Davannart | D O Doy 10422 | Midland | TV | 70702 |
| Henry Harrison #001 | Royalty | Amy C. Davenport | P O Box 10422 | Midland | TX | 79702 |
| Fluor Homison #001 | | Aughhigh angia of Nov. Vaul | | | | |
| Fluor Harrison #001, Henry Harrison #001 | Povalty | Archbishopric of New York, c/o William B Watson, Agent | P O Box 470425 | Fort Worth | TV | 76147 |
| neilly namson #001 | Royalty | C/O William B Watson, Agent | 7134 S Yale Ave., | FOIL WOILII | TX | 70147 |
| Henry Harrison #001 | Royalty | Bandera Minerals, LLC | Ste 510 | Tulsa | ОК | 74136 |
| Henry Harrison #001 | Royalty | Bill Waldrop | P O Box 9289 | Wichita Falls | TX | 76308 |
| Fluor Harrison #001, | , | | | | | 7 0000 |
| Henry Harrison #001 | Royalty | Carol Cottingham Miles | P O Box 2006 | San Angelo | TX | 76902 |
| | , | | | - Carry magere | | 7 0002 |
| Henry Harrison #001 | Working | Childress Royalty Company | P O Box 66 | Joplin | МО | 79702 |
| 7 | | | | | | |
| Fluor Harrison #001, | | Clift Family Mineral Int., LLC, | 68 S. Parkgate | | | |
| Henry Harrison #001 | Royalty | Janet Miller, Manager | Circle | Shenandoah | TX | 77381 |
| , | | Corrigan-Goddard Ranch | 8117 Preston Road, | | | |
| Henry Harrison #001 | Working | Family, LP | Suite 610 | Dallas | TX | 74136 |
| Fluor Harrison #001, | | ,, | | | | |
| Henry Harrison #001 | Royalty | Daniel E. Foley | 121 Whittier | Wichita | KS | 67207 |
| Fluor Harrison #001, | , , | Davenport Conger Properties, | | | | |
| Henry Harrison #001 | Royalty | LP | P O Box 3511 | Midland | TX | 79702 |
| Fluor Harrison #001, | | | 11757 Katy | | | |
| Henry Harrison #001 | Working | FAE II Operating | Freeway, Suite 725 | Houston | TX | 77079 |
| | _ | - | - | | | |
| Fluor Harrison #001 | Royalty | Gist Mineral Investment, LLC | P O Box 50074 | Austin | TX | 78763 |
| Fluor Harrison #001, | | Henry H. Harrison, Jr. | | | | |
| Henry Harrison #001 | Royalty | Testamentary Trust | 1120 Wilma | Tyler | TX | 75701 |
| Fluor Harrison #001 | Working | Hugh Corrigan, III | P O Box 911 | Breckenridge | TX | 76424 |
| Fluor Harrison #001 | Royalty | J. Patrick Corrigan | P O Box 690068 | Vero Beach | FL | 32969 |
| Henry Harrison #001 | Working | James E. Gray | P O Box 179 | May | TX | 01545 |
| | | | | | | |
| | | Jay H. Stafford, Trustee | | | | |
| | | Stafford Family Revocable | | | | |
| Fluor Harrison #001 | Royalty | Trust | 127 Roadrunner | Ponca City | OK | 74604 |
| Henry Harrison #001 | Royalty | Jay Hawley Stafford | 127 Roadrunner | Ponca City | OK | 74604 |

| Henry Harrison #001 | Royalty | Jeanette E. Clift George Trust, c/o JPMorgan Chase Bank, NA | P O Box 99084 | Fort Worth | TX | 76199 |
|---|-----------|--|--------------------------------|-------------|-----|-------|
| Fluor Harrison #001, | | | | | | |
| Henry Harrison #001 | Royalty | John & Lyn Petree | RRI Box 230 | Taloga | ОК | 73667 |
| Fluor Harrison #001, | | | | | | |
| Henry Harrison #001 | Royalty | Lasca, Inc. | P O Box 470425 | Fort Worth | TX | 76147 |
| | | | | Oklahoma | | |
| Henry Harrison #001 | Royalty | Moon Royalty, LLC | P O Box 720070 | City | ОК | 73172 |
| Fluor Harrison #001, Henry Harrison #001 | Royalty | Oklahoma Medical Research Foundation, c/o Bank of Oklahoma, NA, Agent | P O Box 1588 | Tulsa | ОК | 74101 |
| Henry Harrison #001 | Working | P E Corrigan Power of Attorney Trust | P O Box 643726 | Vero Beach | FL | 32964 |
| TICITIY HATHSUH #UU1 | vvoikilig | ALLOHIES HUSE | 8750 N. Central | VEIO DEGUII | I'L | 32304 |
| Fluor Harrison #001 | Working | Patrick E. Corrigan Family Partnership, LLLP | Expressway, Ste 510 | Dallas | TX | 75231 |
| Fluor Harrison #001, | | Patsy Hinchey Family | | | | |
| Henry Harrison #001 | Royalty | Partnership | P O Box 53567 | Midland | TX | 79710 |
| Fluor Harrison #001, Henry Harrison #001 | Royalty | Rita L. Willis, Trust, c/o Bank of Oklahoma, Tulsa, NA | P O Box 1588 | Tulsa | ОК | 74101 |
| Fluor Harrison #001, Henry Harrison #001 | Royalty | Robert E. Stafford | 173 Sweetbay Dr | Aiken | SC | 29803 |
| Fluor Harrison #001, Henry Harrison #001 | Royalty | Robert M. Davenport, Jr. | 104 S Pecos | Midland | TX | 79701 |
| Fluor Harrison #001, Henry Harrison #001 | Royalty | Robertson B. Foley | 13121 Killenwood Dr | Wichita | KS | 67230 |
| Henry Harrison #001 | Royalty | Roca Properties, Ltd., A Texas Limited Partnership | 312 E Illinois St., Suite 1 | Midland | TX | 79701 |
| Fluor Harrison #001, | | Ronald M. Harrison | | | | |
| Henry Harrison #001 | Royalty | Testamentary Trust | 739 Parkway | Coppell | TX | 75019 |
| Fluor Harrison #001, Henry Harrison #001 | Royalty | Sally Birdsong Skaggs Revocable Trust, c/o Amarillo National Bank, Trustee | P O Box 1 | Amarillo | TX | 79105 |
| Fluor Harrison #001, | Povolty | Sally Ingerton, Grantor Trust, c/o Amarillo National Bank, | DO Boy 1 | Amarilla | TV | 70105 |
| Henry Harrison #001 Fluor Harrison #001, | Royalty | Trustee Sevenways Venture Capital | P O Box 1 6125 Luther Lane, | Amarillo | TX | 79105 |
| Henry Harrison #001 | Royalty | Ltd. | Suite 385 | Dallas | TX | 75225 |

6 | Page

| | Overriding | States Royalty Limited | | | | |
|----------------------|------------|--------------------------------|------------------|--------------|----|-------|
| Fluor Harrison #001 | Royalty | Partnership | P O Box 911 | Breckenridge | TX | 76424 |
| Henry Harrison #001 | Working | Stumprock, LP | P O Box 1028 | Manchacha | TX | 75284 |
| | | | | | | |
| | | Susan Landers, Grantor Trust, | | | | |
| Fluor Harrison #001, | | c/o Amarillo National Bank, | | | | |
| Henry Harrison #001 | Royalty | Trustee | P O Box 1 | Amarillo | TX | 79105 |
| | | | | | | |
| | | The Lolisa Horton Revocable | | | | |
| Fluor Harrison #001, | | Trust, c/o Amarillo National | | | | |
| Henry Harrison #001 | Royalty | Bank, Trustee | P O Box 1 | Amarillo | TX | 79105 |
| | | | | | | |
| | | Vink Family Trust, David E. | | | | |
| Fluor Harrison #001, | | Vink and Margaret F. Vink, Co- | | Hot Springs | | |
| Henry Harrison #001 | Royalty | Trustees | 10 Andorra Trace | Village | AR | 71909 |
| Fluor Harrison #001, | | | | | | |
| Henry Harrison #001 | Royalty | Yeager Resources, Ltd | P O Box 53567 | Midland | TX | 79408 |

Exhibit F - Certified Mail Receipt

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fae**∐**operating



































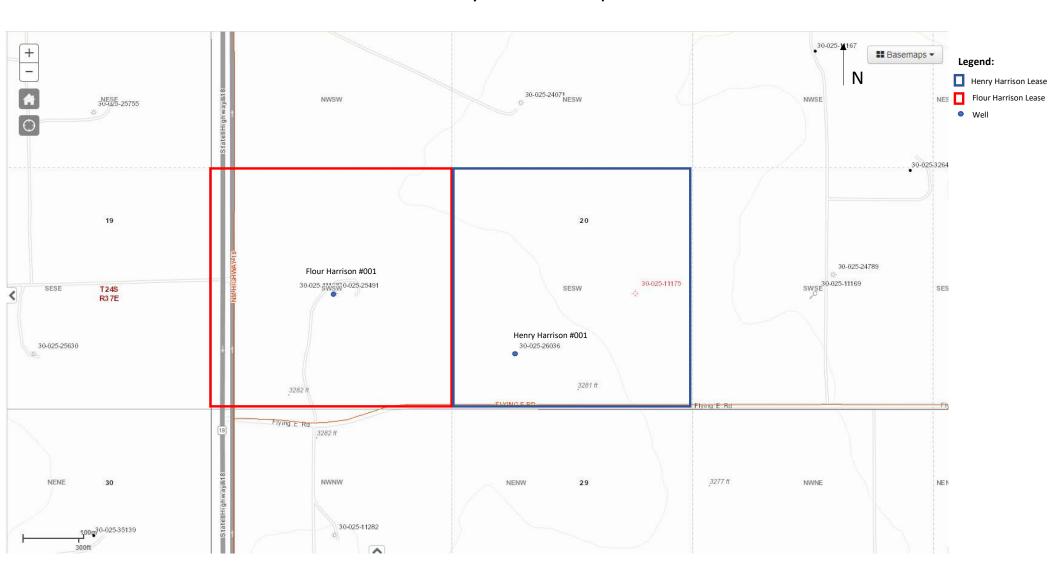








Fluor Harrison and Henry Harrison Lease Map

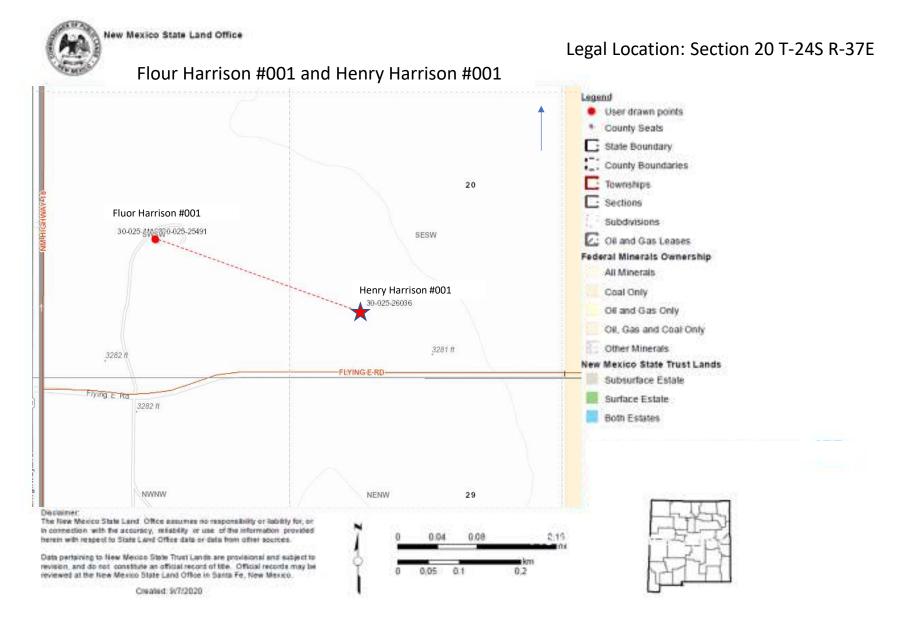


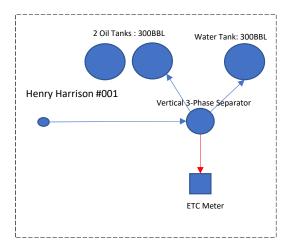
2-inch Gas Flowline Distance ~ 1,100'

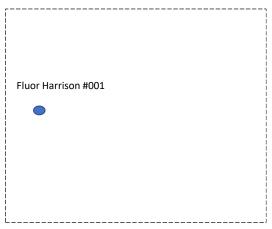
Henry Harrison #001 API: 30-025-26036

Floor House at 400

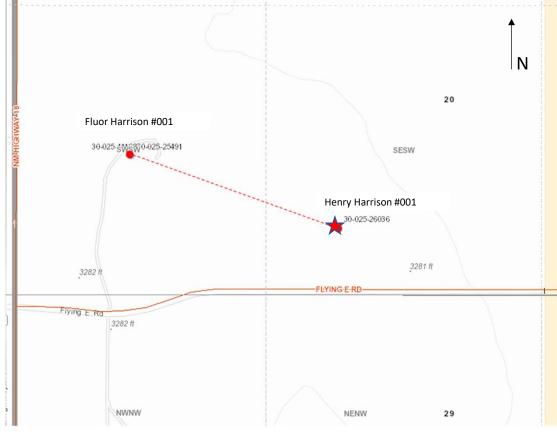
Fluor Harrison #001 API: 30-025-25491

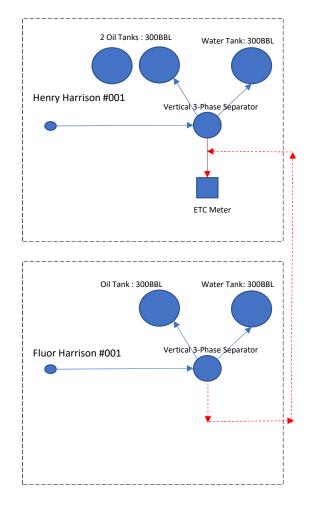




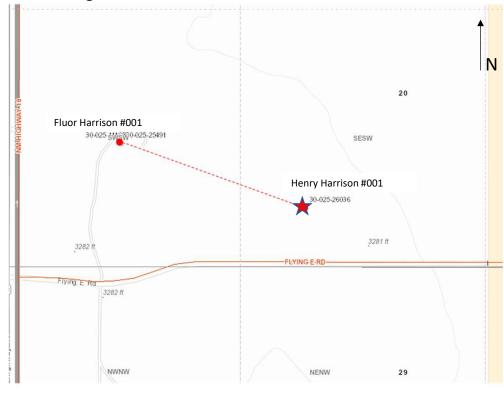


Henry Harrison #001 CTB Legal Location: Unit Letter N, Section 20, T-24S, R-37E





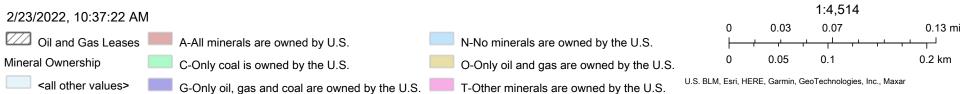
Henry Harrison #001 CTB Legal Location: Unit Letter N, Section 20, T-24S, R-37E



- 1. Add separator and tanks to Fluor Harrison #001 Location
- 2. Run 2" gas line from Fluor Harrison #001 separator and tie into sale meter at Henry Harrison #001

Henry Harrison CRP





Received by OCD: 6/23/2022 11:28:44 AM Page 22 of 32

| Property ID# | Well Name(s) | Ownership Type | Name | Address | City | State | e Zip Tracking Number |
|--------------|--|--------------------|--|-------------------------------------|---------------------|-------|----------------------------|
| | Fluor Harrison #001 | Royalty | 76028, LP | P O Box 9289 | Wichita Falls | TX | 76308 70212720000064686854 |
| HEHAR1 | Fluor Harrison #001, Henry Harrison #001 | Royalty | Amy C. Davenport | P O Box 10422 | Midland | TX | 79702 70212720000064686861 |
| HEHAR1 | Fluor Harrison #001, Henry Harrison #001 | Royalty | Archbishopric of New York, c/o William B Watson, Agent | P O Box 470425 | Fort Worth | TX | 76147 70212720000064685819 |
| HEHAR1 | Henry Harrison #001 | Royalty | Bandera Minerals, LLC | 7134 S Yale Ave., Ste 510 | Tulsa | ОК | 74136 70212720000064685826 |
| HEHAR1 | Henry Harrison #001 | Royalty | Bill Waldrop | P O Box 9289 | Wichita Falls | TX | 76308 70212720000064685833 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Carol Cottingham Miles | P O Box 2006 | San Angelo | TX | 76902 70212720000064685840 |
| HEHAR1 | Henry Harrison #001 | Working | Childress Royalty Company | P O Box 66 | Joplin | МО | 79702 70212720000064685857 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Clift Family Mineral Int., LLC, Janet Miller, Manager | 68 S. Parkgate Circle | Shenandoah | TX | 77381 70212720000064685864 |
| HEHAR1 | Henry Harrison #001 | Working | Corrigan-Goddard Ranch Family, LP | 8117 Preston Road, Suite 610 | Dallas | TX | 74136 70212720000064685871 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Daniel E. Foley | 121 Whittier | Wichita | KS | 67207 70212720000064685888 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Davenport Conger Properties, LP | P O Box 3511 | Midland | TX | 79702 70212720000064685895 |
| | Fluor Harrison #001, Henry Harrison #001 | Working | FAE II Operating | 11757 Katy Freeway, Suite 725 | Houston | TX | 77079 |
| | Fluor Harrison #001 | Royalty | Gist Mineral Investment, LLC | P O Box 50074 | Austin | TX | 78763 70212720000064685918 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Henry H. Harrison, Jr. Testamentary Trust | 1120 Wilma | Tyler | TX | 75701 70212720000064685925 |
| | Fluor Harrison #001 | Working | Hugh Corrigan, III | P O Box 911 | Breckenridge | TX | 76424 70212720000064685932 |
| | Fluor Harrison #001 | Royalty | J. Patrick Corrigan | P O Box 690068 | Vero Beach | FL | 32969 70212720000064685949 |
| HEHAR1 | Henry Harrison #001 | Working | James E. Gray | P O Box 179 | May | TX | 01545 70212720000064685956 |
| | Fluor Harrison #001 | Royalty | Jay H. Stafford, Trustee Stafford Family Revocable Trust | 127 Roadrunner | Ponca City | OK | 74604 70212720000064685963 |
| HEHAR1 | Henry Harrison #001 | Royalty | Jay Hawley Stafford | 127 Roadrunner | Ponca City | OK | 74604 70212720000064685970 |
| HEHAR1 | Henry Harrison #001 | Royalty | Jeanette E. Clift George Trust, c/o JPMorgan Chase Bank, NA | P O Box 99084 | Fort Worth | TX | 76199 70212720000064685987 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | John & Lyn Petree | RRI Box 230 | Taloga | OK | 73667 70212720000064685994 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Lasca, Inc. | P O Box 470425 | Fort Worth | TX | 76147 70212720000064686007 |
| HEHAR1 | Henry Harrison #001 | Royalty | Moon Royalty, LLC | P O Box 720070 | Oklahoma City | OK | 73172 70212720000064686014 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Oklahoma Medical Research Foundation, c/o Bank of Oklahoma, NA, Agent | P O Box 1588 | Tulsa | OK | 74101 70212720000064686021 |
| HEHAR1 | Henry Harrison #001 | Working | P E Corrigan Power of Attorney Trust | P O Box 643726 | Vero Beach | FL | 32964 70212720000064686038 |
| | Fluor Harrison #001 | Working | Patrick E. Corrigan Family Partnership, LLLP | 8750 N. Central Expressway, Ste 510 | Dallas | TX | 75231 70212720000064686045 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Patsy Hinchey Family Partnership | P O Box 53567 | Midland | TX | 79710 70212720000064686052 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Rita L. Willis, Trust, c/o Bank of Oklahoma, Tulsa, NA | P O Box 1588 | Tulsa | OK | 74101 70212720000064686069 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Robert E. Stafford | 173 Sweetbay Dr | Aiken | SC | 29803 70212720000064686076 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Robert M. Davenport, Jr. | 104 S Pecos | Midland | TX | 79701 70212720000064686083 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Robertson B. Foley | 13121 Killenwood Dr | Wichita | KS | 67230 70212720000064686090 |
| HEHAR1 | Henry Harrison #001 | Royalty | Roca Properties, Ltd., A Texas Limited Partnership | 312 E Illinois St., Suite 1 | Midland | TX | 79701 70212720000064686106 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Ronald M. Harrison Testamentary Trust | 739 Parkway | Coppell | TX | 75019 70212720000064686113 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Sally Birdsong Skaggs Revocable Trust, c/o Amarillo National Bank, Trustee | P O Box 1 | Amarillo | TX | 79105 70212720000064686120 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Sally Ingerton, Grantor Trust, c/o Amarillo National Bank, Trustee | P O Box 1 | Amarillo | TX | 79105 70212720000064686137 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Sevenways Venture Capital Ltd. | 6125 Luther Lane, Suite 385 | Dallas | TX | 75225 70212720000064686144 |
| | Fluor Harrison #001 | Overriding Royalty | States Royalty Limited Partnership | P O Box 911 | Breckenridge | TX | 76424 70212720000064686151 |
| HEHAR1 | Henry Harrison #001 | Working | Stumprock, LP | P O Box 1028 | Manchacha | TX | 75284 70212720000064686168 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Susan Landers, Grantor Trust, c/o Amarillo National Bank, Trustee | P O Box 1 | Amarillo | TX | 79105 70212720000064686175 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | The Lolisa Horton Revocable Trust, c/o Amarillo National Bank, Trustee | P O Box 1 | Amarillo | TX | 79105 70212720000064686182 |
| | Fluor Harrison #001, Henry Harrison #001 | Royalty | Vink Family Trust, David E. Vink and Margaret F. Vink, Co-Trustees | 10 Andorra Trace | Hot Springs Village | AR | 71909 70212720000064686199 |
| HEHAR1 | Fluor Harrison #001, Henry Harrison #001 | Royalty | Yeager Resources, Ltd | P O Box 53567 | Midland | TX | 79408 70212720000064686205 |
| | | | | | | | |

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated June 30, 2022 and ending with the issue dated June 30, 2022.

Publisher

Sworn and subscribed to before me this 30th day of June 2022.

Business Manager

My commission expires

January 29, 2023

GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526
My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE June 30, 2022

Commingling Notification: Interested parties must file objections or requests for hearing in writing with the Oil Conservation Division Santa Fe office within 20 days after publication, or the division may approve the application.

days after publication, of the days after publication.
FAE II Operating, LLC
11757 Katy Freeway, Suite 725
Houston, TX 77079
832-241-8080
Brittney Stofa

Location: T24S-R37E, Section 20 Facility Location: T24S-R37E, Section 20: Unit Letter

Henry Harrison #001 – API: 30-025-26036
Fluor Harrison #001 – API: 30-025-37342
Commingling production is pooled from the Jalmat;
Tan-Yates-7 Rivers (79240 – Gas) & Langlie Mattix;
7 RVRS-Q-Grayburg (37240 – Gas)

#37806

MAILED MAILED

67115951

00268391

MARITZA SANTANA FORTY ACRES ENERGY 11757 KATY FREEWAY, STE 725 HOUSTON, TX 77079

Revised March 23, 2017

| RECEIVED: | EVIEWER: | TYPE: | APP NO: | |
|---------------------------------|---|--|---|--|
| | | ABOVE THIS TABLE FOR OCD | DIVISION USE ONLY | |
| 122 | - Geological | & Engineerin | /ATION DIVISION g Bureau – ta Fe, NM 87505 | |
| | ADMINISTRAT | IVE ADDITOAT | ION CHECKLIST | |
| | MANDATORY FOR ALL AD | MINISTRATIVE APPLIC | CATIONS FOR EXCEPTIONS E DIVISION LEVEL IN SANTA | |
| pplicant: FAE II Operating, L | LC | | OGR | RID Number: 329326 |
| ell Name: Henry Harrison #1 | | | | 30-025-26036 |
| LANGLIE MATTIX, 7 RV | RS-Q-GRAYBURG | | | Code: 37240 |
| | J | NDICATED BELO | WC | THE TYPE OF APPLICATION |
| A. Location – Spacing | | | | |
| A. Localion − spacing | 9 Orill − Simonario □ NSP _{(PROJEC} | | | SD |
| | LI 1101 (FROJEC | I AKEA) | (PRORATION UNIT) | 30 |
| [II] Injection – Dis | Storage – Mease CTB PLC posal – Pressure I PMX SWD D TO: Check thoos or lease holders ling royalty owner pulished red/or concurrent of cove, proof of noticed concurrent and core concurrent of coverify that the lis accurate and con will be taken | PC Concrease - Enhance - E | anced Oil Recovers OR PPR Veners O O O O O O O O O O O O O | FOR OCD ONLY Notice Complete Application Content Complete hed, and/or, application for owledge. I also |
| Note: Statemen | t must be completed b | y an individual with | managerial and/or sup | ervisory capacity. |
| | | | | |
| | | | 6/21/22 | |
| nitte on Chaufe | | | | |
| ittney Storia | | | Date | |
| | | | Date | |
| rittney Storfa int or Type Name | 3A_ | | 832-241-8080 Phone Number brittney@FAEner | FOURIS COM |

From: Engineer, OCD, EMNRD

To: <u>Brittney Storfa</u>

Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com

Subject: Approved Administrative Order PLC-839

Subject: Approved Administrative Order PLC-839

Date: Wednesday, September 14, 2022 12:17:02 PM

Attachments: PLC839 Order.pdf

NMOCD has issued Administrative Order PLC-839 which authorizes FAE II Operating, LLC (329326) to surface commingle or off-lease measure, as applicable, the following wells:

| Well API | Well Name | UL or Q/Q | S-T-R | Pool |
|--------------|-------------------|-----------|------------|-------|
| 30-025-26036 | Henry Harrison #1 | N | 20-24S-37E | 37240 |
| 30-025-25491 | Fluor Harrison #1 | M | 20-24S-37E | 79240 |

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

Brittney Storfa McClure, Dean, EMNRD RE: [EXTERNAL] RE: surface commingling application PLC-839 Friday, June 24, 2022 7:02:39 AM

image002.png
image003.png
image003.png
Project Cover Letter - Henry Harrison #001 - Brittney Signed.pdf
Fluor Harrison - Henry Harrison Lease Map.pdf
Owner Letter - Henry Harrison Lease Map.pdf
Owner Letter - Henry Harris

Dean,

I apologize, I was a little confused on the lease map. Thank you for the example it was very helpful. I have attached a new lease map and hope it is more what you are looking for.

Yes, we will be using the shut-in method for testing.

And I didn't answer your question before about the Fluor Harrison.... Yes, that is the correct well. I have changed the Project letter to reflect the correct well, please see attached.

Thank you so much for all your help. Please let me know if you need anything else.

Brittney

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

Sent: Thursday, June 23, 2022 4:40 PM

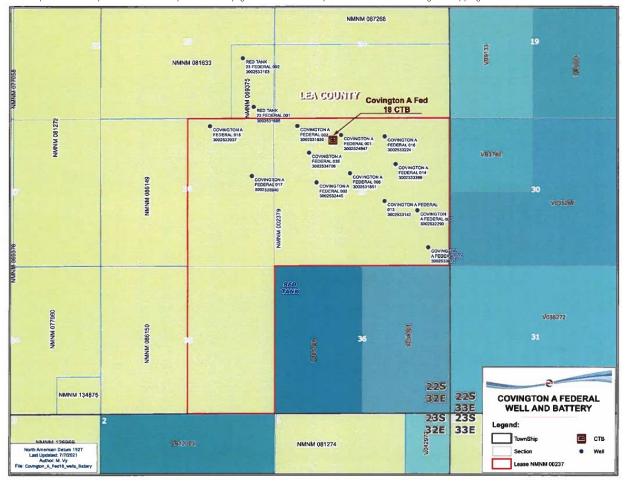
To: Brittney Storfa <bri>drittney@faenergyus.com>

Subject: RE: [EXTERNAL] RE: surface commingling application PLC-839

Brittney,

What is FAE's proposal for conducting the well tests? Is the intent to shut in one well while a well test is being conducted on the other?

I think there may be a misunderstanding about what a lease map entails. See below for an example. Using a screen shot of the State's GIS while not ideal, usually works, but since the State GIS does not depict fee leases they will need to be manually drawn in overlaying the screen shot. You may need to reference FAE's lease agreement(s) to get the boundaries.



Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

From: Brittney Storfa < brittney@faenergyus.com >

Sent: Thursday, June 23, 2022 2:30 PM

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

Subject: [EXTERNAL] RE: surface commingling application PLC-839

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

Please see attached lease map, spreadsheet with owners and tracking numbers. I have also attached the affidavit of publication that we submitted to the Hobbs news. As soon as they run the ad and send us the notarized ad I will forward it to you.

We will be using well testing as the method of production allocation.

Please let me know if you need anything else or different lease maps.

Brittney Storfa | Engineer

forty acres energy

11757 Katy Freeway, Suite 725 | Houston, TX 77079

- O 832.241.8080 (ext. 161)
- C 406,860,9065
- E brittney@faenergyus.com

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

Sent: Thursday, June 23, 2022 1:38 PM To: Brittney Storfa < brittney@faenergyus.com> Subject: surface commingling application PLC-839

I am reviewing surface commingling application PLC-839 which involves a commingling project that includes the Henry Harrison 1 Central Tank Battery and is operated by FAE II Operating, LLC

Please submit the following:

- A lease map with wells and leases depicted
- List of noticed persons including the tracking numbers for the notices provided to each in a table format
- A summary of the allocation method that will be used to allocate production to each well

If time is of an interest and there is any concern that an address for one of the interest owners is incorrect, then FAE may wish to consider conducting public notice. If public notice is conducted, then the avadavat of publication will need to be provided.

Additionally confirm that the following well is the correct well to be included in this application as the API number included in the application seems to be incorrect:

Fluor Harrison #1

M 20-24S-37E 79240

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 SURFACE COMMINGLING SUBMITTED BY FAE II OPERATING, LLC

ORDER NO. PLC-839

ORDER

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

FINDINGS OF FACT

- 1. FAE II Operating, LLC ("Applicant") submitted a complete application to surface commingle the gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
- 4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 6. Applicant certified the commingling of gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the gas production to less than if it had remained segregated.

CONCLUSIONS OF LAW

- 7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

Order No. PLC-839 Page 1 of 3

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 11. Commingling of gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 12. 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 surface commingle gas production from the pools, leases, and wells identified in Exhibit A.
 - Applicant is authorized to store and measure gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.
- 2. The gas production for each well identified in Exhibit A shall be allocated by conducting a minimum of one (1) well test per month.
 - Applicant shall conduct a well test by separating and measuring the gas production from that well for a minimum of twenty-four (24) consecutive hours.
 - The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than thirty (30) days until the well commences production.
- 3. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
- 4. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 5. If the commingling of gas production from any pool, lease, or well reduces the value of the commingled 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 surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose gas production 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.

Order No. PLC-839 Page 2 of 3

- 6. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 7. 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).
- 8. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

DATE: 9/14/2022

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

| ame |
|----------------------|
| ADRIENNE E. SANDOVAL |
| DIRECTOR |

Order No. PLC-839 Page 3 of 3

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-839

Operator: FAE II Operating, LLC (329326)

Central Tank Battery: Henry Harrison 1 Central Tank Battery

Central Tank Battery Location: UL N, Section 20, Township 24 South, Range 37 East Gas Title Transfer Meter Location: UL N, Section 20, Township 24 South, Range 37 East

Pools

Pool Name Pool Code
LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG 37240
JALMAT; TAN-YATES-7 RVRS (GAS) 79240

Leases as defined in 19.15.12.7(C) NMAC

| Lease | UL or Q/Q | S-T-R |
|-------|-----------|------------|
| Fee | N | 20-24S-37E |
| Fee | M | 20-24S-37E |

Wells

| Well API | Well Name | UL or Q/Q | S-T-R | Pool |
|--------------|-------------------|-----------|------------|-------|
| 30-025-26036 | Henry Harrison #1 | N | 20-24S-37E | 37240 |
| 30-025-25491 | Fluor Harrison #1 | M | 20-24S-37E | 79240 |

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

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 119885

CONDITIONS

| Operator: | OGRID: |
|-------------------------------|---|
| FAE II Operating LLC | 329326 |
| 11757 Katy Freeway, Suite 725 | Action Number: |
| Houston, TX 77079 | 119885 |
| | Action Type: |
| | [C-107] Surface Commingle or Off-Lease (C-107B) |

CONDITIONS

| Created By | | 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. | 9/14/2022 |