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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

#### **State of New Mexico**

Form C-101 Revised July 18, 2013

# **Energy Minerals and Natural Resources Oil Conservation Division** 1220 South St. Francis Dr.

☐AMENDED REPORT

Prione: (505) 470-3						Fe, NM 8					
APPLIC	ATIO]	N FOR	PERMIT TO  1. Operator Name			TER, DEI	EPEN,	PLUGBA(	CK, OR AI		<u>IE</u>
			FAE II Opera						32932		
		1	1757 Katy Freew Houston, TX	vay, Suite 7	725				<sup>3.</sup> API Nun 30-025-25		
4. Proper 330	ty Code 689				5. Property Na C D WOOLW			•		<sup>6</sup> Well No. #005	
				7.	Surface Loca	ntion			<u> </u>		
UL - Lot	Section	Township	Range	Lot Idn	Feet fro	m N	/S Line	Feet From	E/W Line	С	County
М	30	24S	37E	4	660		S	660	W	l	LEA
		T	T _	1	osed Bottom	1		T	T	<del></del>	
UL - Lot	Section	Township		Lot Idn			/S Line	Feet From	E/W Line		County
М	30	24S	37E	4	660	ı	S	660	W		LEA
				9.	Pool Informa	ation					ol Code
	JA	ALMAT; T	AN-YATES-7 R	VRs (OIL)		ATTIX; 7 R	VRS-Q-G	RAYBURG			) // 37240
				Additi	ional Well Inf	ormation	DH	HC-1480			
	17				13. Cable/Ro	otary		14. Lease Type P	15.	15. Ground Level Elevation 3261'	
16. Mu			17. Proposed Depth		18. Formation 19. Contractor 20. Spud Date						
YE	ES		3750		7 RVRS/Q	UEEN	JEEN TBD 12/16/2022				
Depth to Groun	Depth to Ground water Distance from nearest fresh water well			rell		Distar	ice to nearest surf	ace water			
∕⁄We will be u	sing a cla	sed-loon	system in lieu of l	lined nits							
Z	<b></b>	· · · ·		-	Casing and C	ement Pro	gram				
Туре	Hol	e Size	Casing Size		g Weight/ft		g Depth	Sacks	of Cement	Estimate	ed TOC
Surface	12.	250"	9.625"		36#	3	371'		0 sxs	Surfa	ace
Production	7.8	375"	4.500"		9.5#	37	'50'	80	0 sxs	Surfa	ace
			Casing	/Cement	Program: Ad	ditional Co	mments	3			
			22. <b>F</b>	Proposed 1	Blowout Prev	ention Pro	gram				
	Type		,	Working Pre			Test Pre			Manufacturer	
Double Ram 3,000#			#		3,000	0#		Unknown			
<sup>23.</sup> I hereby cer	tify that th	e information	on given above is tr	ue and comp	lete to the best						
of my knowled I further cert	lge and be ify that I l	lief. have compl	ljed with 19.15.14.9	•				CONSERV	ATION DIV	ISION	
<b>19.15.14.9 (B)</b> Signature:	NMAC [	], if appli	lable.			Approved By					
- ·	\ <u>\</u>	<u> </u>	1			P Kai	rtz_				
Printed name: Title: SR RES						Title: Approved Da	ote: 17	/21/2022	Expiration Date	a. 12/21/20	 024
E-mail Addres						Approved Di	aic. 14/	21/2V22	Ехрианоп Dat	· 12/21/2	U <b>44</b>
E-man Addres	s. vanessa	wiaenergyt	18.COIII								

Conditions of Approval Attached

Phone: 832-219-0990

Date: 05 DEC 2022

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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	er	<sup>2</sup> Pe	ool Code		<sup>3</sup> Pool Name					
30	-025-257	90	3	3820	JALMAT; TANSILL-YATES-7 RV				VRs (OIL)		
<sup>4</sup> Property	Code		<b>I</b>	5	Property Name			<sup>6</sup> We	ll Number		
33068	39			CDV	WOOLWORT	H		#	#005		
<sup>7</sup> OGRID	No.			8	Operator Name			9 E	levation		
32932	26			FAE II O	OPERATING,	LLC		3	261'		
	<sup>10</sup> Surface Location										
UL - Lot	Section	Township	Range	Lot Idn	n Feet from N/S Line Feet From E/W Line						
М	30	24S	37E	4	660	S	660	W	LEA		
			11 Bottom	Hole Locat	ion If Differe	ent From Sur	face				
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County		
									I		
12 Dedicated Acre	s 13 Joint o	or Infill 14 (	Consolidation Code	15 Order No.							
40					DHC-1480						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16		1	1	"OBED ATION CERTIFICATION
				<sup>17</sup> OPERATOR CERTIFICATION
				I hereby certify that the information contained herein is true and complete to
				the best of my knowledge and belief, and that this organization either owns a
				working interest or unleased mineral interest in the land including the
				proposed bottom hole location or has a right to drill this well at this location
				pursuant to a contract with an owner of such a mineral or working interest,
				or to a voluntary pooling agreement or a compulsory pooling order
				heretofore entered by the division.
				12/05/2022
				Signature Date
				VANESSA NEAL
				Printed Name
				vanessa@faenergyus.com
				E-mail Address
				18SURVEYOR 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 belief.
				and conserve and c
				Date of Survey
				Signature and Seal of Professional Surveyor:
	SW/4 SW/4			· ·
	Sec 30 (40 acres)			
	, ,			
<b>O</b>				
660'				
,099				Certificate Number
999				

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# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

1	<sup>1</sup> API Number <sup>2</sup> Pool					<sup>3</sup> Pool Name					
30-025-25790 37/				7240	0 LANGLIE MATTIX; 7 RVRs-QUEEN-GRAYBURG						
<sup>4</sup> Property (	Code		<u>,                                    </u>	<sup>5</sup> Property Name <sup>6</sup> Well Number					ll Number		
33068	9			CDV	WOOLWORT	Н		7	#005		
<sup>7</sup> OGRID	No.			8	Operator Name			9 E	levation		
329326 FAE II OPERATING, LLC 33						261'					
	<sup>10</sup> Surface Location										
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County		
М	30	24S	37E	4	660	S	660	W	LEA		
			11 Bottom	Hole Locati	ion If Differe	ent From Sur	face				
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County		
12 Dedicated Acres	13 Joint o	r Infill	Consolidation Code	15 Order No.	DHC-148						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	I	1	1	
16				<sup>17</sup> OPERATOR CERTIFICATION
				I hereby certify that the information contained herein is true and complete to
				the best of my knowledge and belief, and that this organization either owns a
				working interest or unleased mineral interest in the land including the
				proposed bottom hole location or has a right to drill this well at this location
				pursuant to a contract with an owner of such a mineral or working interest,
				or to a voluntary pooling agreement or a compulsory pooling order
				heretofore entered by the division.
				12/05/2022
				VV IIM
				Signature Date
				VANESSA NEAL
				Printed Name
				vanessa@faenergyus.com
				E-mail Address
				18SURVEYOR 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 belief.
				, , ,
				Date of Survey
	CANALA CANALA			Signature and Seal of Professional Surveyor:
	SW/4 SW/4			
	Sec 30 (40 acres)			
660'				
,099				Certificate Number
9				

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

# NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

# Section 1 – Plan Description <u>Effective May 25, 2021</u>

I. Operator:	FAE II Opera	ting, LLC	OGRID:	329326		Date:	12/05	5/2022
II. Type: ☐ Original ☐	☐ Amendment	due to □ 19.15.27	7.9.D(6)(a) NMA	C □ 19.15.27.9.D(	6)(b) NN	ИАС ⊠ О	Other.	
If Other, please describe	: <u>Drill out</u>	CIBP, Add Perfs	& Acidize 7 RVR	Rs-QUEEN in C D	Woolwo	rth #005,	DHC v	w/ Jalmat
III. Well(s): Provide the be recompleted from a s					vells pro	posed to l	be drill	led or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	O Gas MCF/D Produced Water			
C D WOOLWORTH #005	30-025-25790	M-30-24S-37E	660' FSL & 660' FWL	5		8		86
IV. Central Delivery P V. Anticipated Schedul proposed to be recomple	le: Provide the eted from a sing	following informagle well pad or con	ation for each new	v or recompleted w ral delivery point.	ell or set	of wells	propos	
Well Name	API	Spud Date	TD Reached Date	Completion Commencement		Initial F Back D		First Production Date
C D WOOLWORTH #005	30-025-25790	12/16/2022	12/16/2022	12/16/2022		12/22/20	)22	12/23/2022
VI. Separation Equipment:   Attach a complete description of how Operator will size separation equipment to optimize gas capture.  VII. Operational Practices:   Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.								
VIII. Best Managemen		-	ete description of	f Operator's best n	nanagem	ent practi	ices to	minimize venting

# Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☑ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

#### IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

#### X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. $\square$ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting	ng the
production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacitant of the natural gas gathering system(s), and the maximum daily capacitant of the natural gas gathering system(s).	city of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.	

XII. Line Capacity. The natural s	gas gathering system	will □ will not hav	e capacity to gather	100% of the anticipa	ited natural gas
production volume from the well	prior to the date of first p	production.			

XIII. Line Pressure. Operator $\square$ does $\square$ does not anticipate that its existing well(s) connected to the same segment, or portion, of the
natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

$\Box$	A 441- C	<b>.</b> 4? .	1 4		L: :	sponse to the	: 1 1	:
1 1	Allach U	merator	s bian to ma	nage produci	non in res	sponse to the	increased i	ine pressure

XIV. Confidenti	ality: 🗌 Operat	or asserts confidentia	lity pursuant to	Section 7	71-2-8 NMSA	1978 for the	information	provided in
Section 2 as prov	ded in Paragraph	(2) of Subsection D	of 19.15.27.9 N	MAC, and	l attaches a full	description of	f the specific	information
for which confide	ntiality is asserte	d and the basis for suc	ch assertion.					

# Section 3 - Certifications Effective May 25, 2021

Effective May 25, 2021							
Operator certifies that, after	er reasonable inquiry and based on the available information at the time of submittal:						
☑ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or							
☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. <i>If Operator checks this box, Operator will select one of the following:</i>							
Well Shut-In. □ Operator D of 19.15.27.9 NMAC; of	will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection or						
	n. □ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential for the natural gas until a natural gas gathering system is available, including: power generation on lease; power generation for grid; compression on lease; liquids removal on lease; reinjection for underground storage; reinjection for temporary storage;						
(1) (g) (h) (i)	reinjection for temporary storage, reinjection for enhanced oil recovery; fuel cell production; and other alternative beneficial uses approved by the division.						

# **Section 4 - Notices**

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- **(b)** Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

# FAE II Operating, LLC ("FAE") Natural Gas Management Plan

#### VI. Separation Equipment

- Separation equipment is sized to allow for retention time and velocity to adequately separate oil, gas, and water at anticipated peak rates.
- Valves and meters are designed to service without flow interruption or venting of gas.
- Gas from treater and wellhead will be tied into the sales line.

#### **VII. Operational Practices**

#### 19.15.27.8 (A)

FAE's field operations are designed with the goal of minimizing venting of natural gas. Wellhead and existing production equipment are tied into the gas sales line.

# 19.15.27.8 (B) Venting and Flaring during drilling operations

- Venting will only occur if there is an equipment malfunction and/or to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment.
- Daily vented volumes during drilling operations will be estimated on the daily report.
- All equipment will be available to process wellhead production upon completion of the well.

#### 19.15.27.8 (C) Venting and Flaring during completions or recompletions operations.

- During all phases of flowback, wells will flow through a sand separator, or other appropriate
  flowback separation equipment, and the well stream will be directed to a central tank battery (CTB)
  through properly sized flowlines.
- The CTB will have properly sized separation equipment for maximum anticipated flowrates.
- All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks;
   vented gas volumes from oil tanks will be estimated based on annual GOR since expected production from well is <60 MCFPD.</li>

#### 19.15.27.8 (D) Venting and Flaring during production operations.

- During production, the well stream will be routed to the CTB where multiple stages of separation will separate gas from liquids. All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks; vented gas volumes from oil tanks will be estimated based on annual GOR since expected production from will is <60 MCFPD.</p>
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. Any active leaks or releases will be reported as required and repaired in a timely manner.
- Gas sales volumes are recorded and monitored via EFMS.

#### 19.15.27.8 (E) Performance Standards

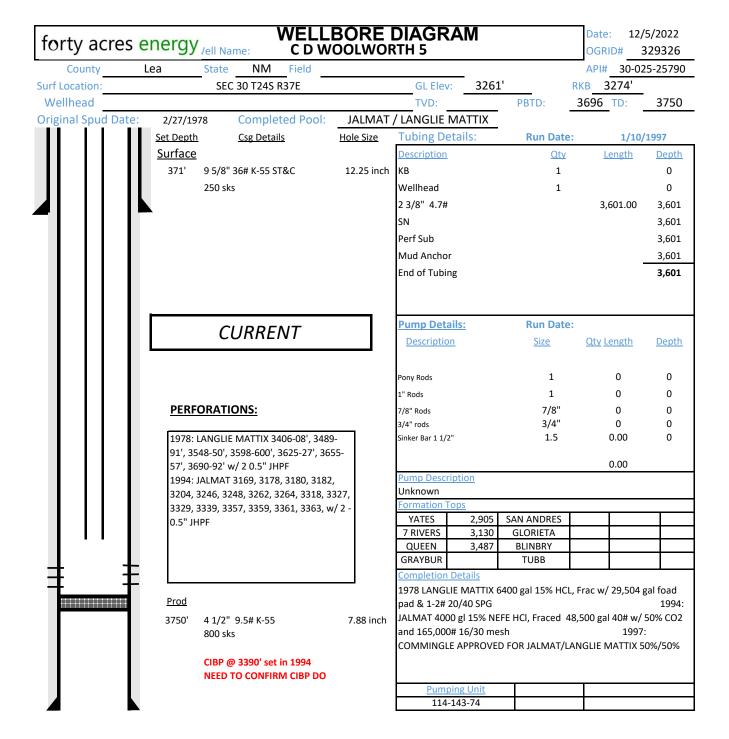
- Production equipment will be designed to handle maximum anticipated rates and pressure.
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. Any active leaks or releases will be reported as required and repaired in a timely manner.
- Gas/H2S detectors will be installed throughout the facilities and wellheads to detect leaks and enable timely repairs.

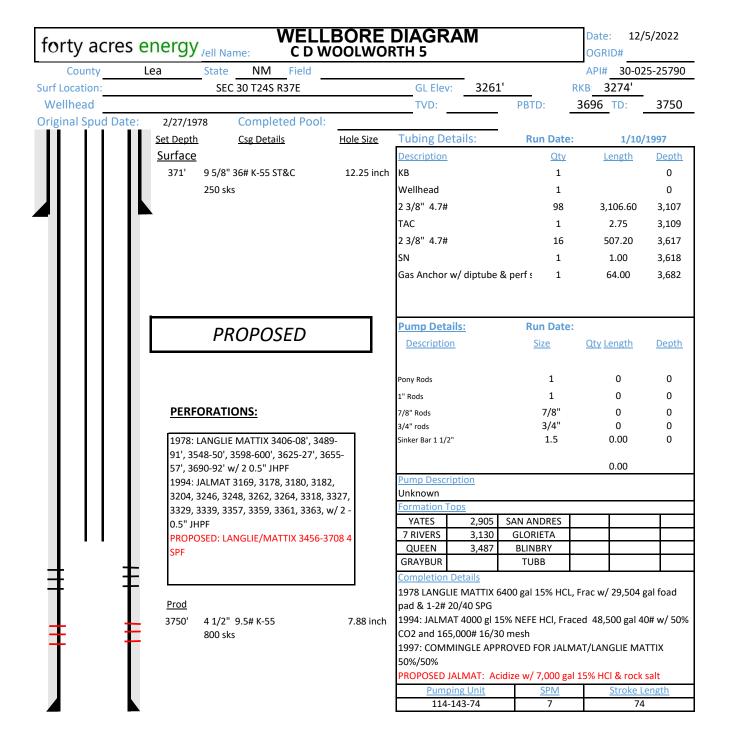
# 19.15.27.8 (F) Measurement or estimation of vented and flared natural gas

- All gas from wellhead and treater will be routed to a sales outlet.
- When metering is not practical due to low pressure/low rate (<60 MCFPD), the vented volume will be estimated based on annual GOR.

#### **VIII. Best Management Practices**

- FAE will use best management practices to vent as minimally as possible during well intervention operations and downhole well maintenance.
- All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks; vented gas volumes from oil tanks will be estimated based on annual GOR since expected production from will is <60 MCFPD. All venting events will be recorded and all start-up, shutdown, maintenance logs will be kept for control equipment
- All equipment will be maintained to provide highest run-time possible.
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. Any active leaks or releases will be reported as required and repaired in a timely manner.
- Gas sales volumes are recorded and monitored via EFMS.
- All procedures are drafted to keep venting to the absolute minimum.





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**State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505** 

CONDITIONS

Action 164086

#### **CONDITIONS**

Operator:	OGRID:	
FAE II Operating LLC	329326	
11757 Katy Freeway, Suite 725 Houston, TX 77079	Action Number: 164086	
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)	

#### CONDITIONS

Created By	Condition	Condition Date
pkautz	None	12/21/2022