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

Phone: (505) 476-3	3460 Fax: (505) 476-3462			Santa Fe,	NM 8	7505				
APPLIC	ATIO		ERMIT TO		RE-ENTER	, DEE	PEN,	PLUGBAC		OR ADD	
			•						,	329326	oci
		117	FAE II Operat 757 Katy Freew Houston, TX	yay, Suite 725		^{3.} API Number 30-025-47990					
	rty Code 1919		,	3	Property Name TT RAMSAY NO	СТ-В		•		6. W	ell No. 020
		<u>l</u>			face Location						<u></u>
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S	S Line	Feet From		E/W Line	County
L	32	25S	37E		2240		S	350		W	LEA
		<u>. </u>		8. Proposed	Bottom Hole	Locati	on				
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S	S Line	Feet From		E/W Line	County
L	32	25S	37E		2240		S	350		W	LEA
				9. Poo	l Information						
	Pool Name JALMAT; TANSILL-YATES-7 RVRs (OIL) // LANGLI					(; 7 RV	Rs-QUE			5090	Pool Code 33820 // 37240
				Additiona	l Well Informa	ation					
11. Worl			12. Well Type		13. Cable/Rotary			14. Lease Type		^{15.} Gro	und Level Elevation
				R 18. Formation			S 19. Contractor			2977' 20. Spud Date	
YI			17. Proposed Depth 18. F 3500' 7 I					OUEST			5/18/2021
Depth to Groun				nce from nearest f		I	Distance to nearest surface water				
∐We will be ι	ısing a clo	sed-loop sys	stem in lieu of l	ined pits				·			
		ı	21. P	roposed Casi	ing and Cemer	nt Prog	ram	<u> </u>			
Type	Hole	Size	Casing Size	Casing We	eight/ft	Setting	Depth	Sacks	of Cem	ent	Estimated TOC
Surface	12.	250"	8.625"	24#	!	94	5'	61	0 sxs		Surface
Production	7.8	375"	5.500"	15.5	#	349	98'	102	25 sxs	,	Surface
			Casing	/Cement Pro	gram: Additio	nal Co	mments				
				•	vout Preventio	n Prog					
	Туре		7	Working Pressure	;		Test Pres				anufacturer
Do	ouble R	am		3,000#		1500# Shaffer				Shaffer	
^{23.} I hereby cer	tify that the	e information	given above is tru	ue and complete t	o the best						
of my knowled	dge and bel	ief.	c d with 19.15.14.9	•	and/or			CONSERV	ATIC	ON DIVIS	ION
19.15.14.9 (B) MAC ⊠, if applicable. Signature:						Approved By: P Kauta					
Printed name:	Vanessa N	eal			Title:						
Title: Sr Reser						oved Da	te: oo	15/2022	Exnir	ation Date:	09/15/2025
THE ST RESCI	.on rugili				дррі	o rea Da	··· ()9/	15/2023	Lybii	anon Date.	U9/13/2U23

Conditions of Approval Attached

E-mail Address: vanessa@faenergyus.com

Phone: 832-219-0990

Date: 07/27/2023

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DISTRICT IV

State of New Mexico Energy, Minerals and Natural Resources Department Form C-102 Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

 \square AMENDED REPORT

API Number		Pool Code			
30-025-47990		33820	JALMAT; TANSILL-YATES-SEV	EN RIVERS (OIL)	
Property Code	-	Prop	erty Name	Well Number	
326919		ARNOTT RA	20		
OGRID No.		Elevation			
329326		FAE II OPI	ERATING, LLC	2977'	

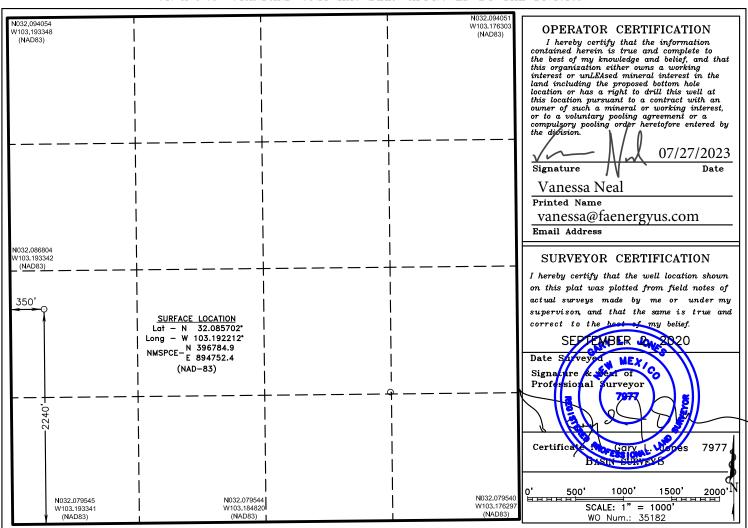
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	32	25 S	37 E		2240	SOUTH	350	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres Joint or Infill Consolidation Code			Code Or	der No.	•				
40									

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



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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name		
30-025-47990	37240	LANGLIE MATTIX; SEVEN RIVERS-Q	UEEN-GRAYBURG	
Property Code	Prop	erty Name	Well Number	
326919	ARNOTT RA	AMSEY NCT-B	20	
OGRID No.	0per	Elevation		
329326	FAE II OP	2977'		

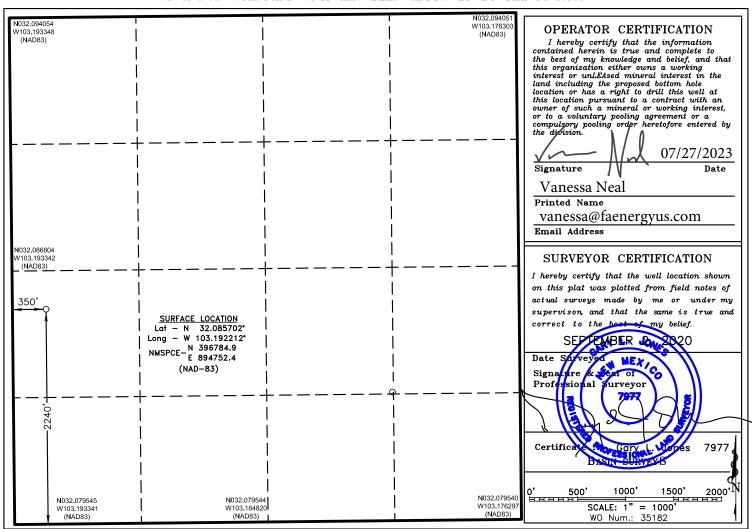
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	32	25 S	37 E		2240	SOUTH	350	WEST	LEA

Bottom Hole Location If Different From Surface

	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Ī	Dedicated Acres Joint or Infill Consolidation Code				Code Or	der No.				
	40									

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



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 Effective May 25, 2021

or: FAE II Operating, LLC		OGRID:	329326	Date:	07/27/2023					
II. Type: ☐ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☒ Other.										
If Other, please describe: Add Perfs & Acidize 7 RVRs (DHC Jalmat & Langlie Mattix pools) in ARNOTT RAMSAY NCT-B #020										
				vells proposed to	be drilled or proposed to					
API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D					
30-025-47990	L-32-25S-37E	2240' FSL & 350' FWL	5	5	100					
	following informa	tion for each nev	v or recompleted w ral delivery point.	ell or set of wells Initial F	proposed to be drilled or Tlow First Production					
30-025-47990	06/18/2021	06/24/2021	09/02/2021	09/04/20	09/05/2021					
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 Management Practices: Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.										
	Amendment of the single well pad of the singl	Amendment due to □ 19.15.27 E: Add Perfs & Acidize 7 RVRs e following information for each single well pad or connected to a connected to	Amendment due to □ 19.15.27.9.D(6)(a) NMA(action of the content o	Amendment due to □ 19.15.27.9.D(6)(a) NMAC □ 19.15.27.9.D(c) E: Add Perfs & Acidize 7 RVRs (DHC Jalmat & Langlie Mattix pool e following information for each new or recompleted well or set of veringle well pad or connected to a central delivery point. API ULSTR Footages Anticipated Oil BBL/D 30-025-47990 L-32-25S-37E 2240' FSL & 5 350' FWL Soint Name: ARNOTT RAMSAY NCT-B BATTERY [S] Re: Provide the following information for each new or recompleted we deted from a single well pad or connected to a central delivery point. API Spud Date TD Reached Completion Date Commencement 30-025-47990 06/18/2021 06/24/2021 09/02/2021 Thent: ☒ Attach a complete description of how Operator will size sepurices: ☒ Attach a complete description of the actions Operator will of 19.15.27.8 NMAC. The Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices: ☒ Attach a complete description of Operator's best in the Practices i	Amendment due to □ 19.15.27.9.D(6)(a) NMAC □ 19.15.27.9.D(6)(b) NMAC □ 29.15.27.9.D(6)(b) NMAC □ 29.15.27.D(6)(b) NMAC □ 29.15.27.D					

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. Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the
production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity 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 g	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	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).

Attach Operator's p	lan to managa r	araduation	in reconnec to	the increased	lina proceura
Attach Unerator's n	ijan to manage r	aroduction	in response to	ine increased	line 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 NI	MAC, and	attaches a full	description of	f the specific	information
for which confide	ntiality is asserted	d and the basis for suc	ch assertion.					

(i)

Section 3 - Certifications Effective May 25, 2021

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

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

other alternative beneficial uses approved by the division.

- (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.

Signature:
Printed Name: Vanessa Neal
Title: Sr Reservoir Engineer
E-mail Address: <u>vanessa@faenergyus.com</u>
Date: 27 JUL 2023
Phone: (832) 219-0990
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

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.

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.
- 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

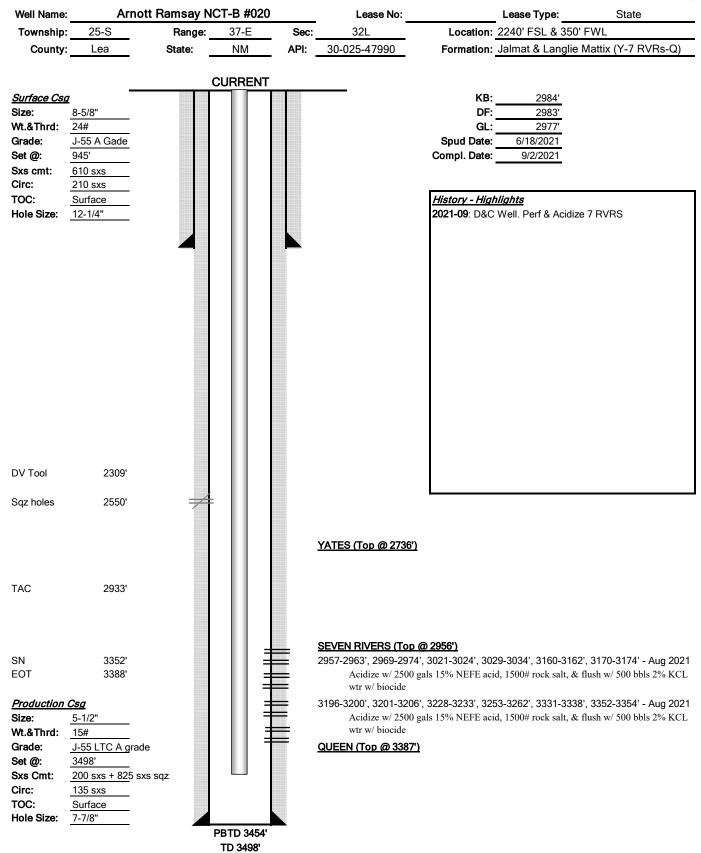
- Production equipment will be designed to handle maximum anticipated rates and pressure.
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. 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.



Tul	bulars - Capacities and Performance
	2-7/8" 6.5# J-55 Tubing (91 jts 2-7/8" tbg, TAC, 13 jts 2-7/8" tbg, SN, 4' perf sub, Bull Plug Mud jt) @ 3388'
	Rods: 10' ga, 2.5" x 1-1/2" x 16' 4 RXBC Pump, RHRB 7/8" x 1' LS, 10- 1.5" sinker bars, 121- 7/8" KD rods, 2', 4', 8' subs, 1-
I	1/4" x 26' polish rod w/ 1-1/2" x 26' PR liner.
I	

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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 245040

CONDITIONS

Operator:	OGRID:
FAE II Operating LLC	329326
11757 Katy Freeway, Suite 725	Action Number:
Houston, TX 77079	245040
	Action Type:
	[C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By		Condition Date
pkautz	None	9/15/2023