

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

**APPLICATION FOR OFF-LEASE MEASUREMENT
SUBMITTED BY FAE II OPERATING, LLC**

ORDER NO. OLM-224

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 to off-lease measure the oil and gas production (“Application”) from the wells, pool, and lease identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning a working interest in the oil and gas production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

4. 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, and 19.15.23 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
6. 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 off-lease measure oil and gas production from the wells, pool, and lease identified in Exhibit A.
2. The oil and gas production from the wells identified in Exhibit A shall be physically separated from the oil and gas production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC.
3. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.

4. Applicant shall measure the commingled gas at a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it is deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 12/01/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-224

Operator: FAE II Operating, LLC (329326)

Central Tank Battery: Sholes B 3 Central Tank Battery

Central Tank Battery Location (NMPM): Unit E, Section 30, Township 25 South, Range 37 East

Gas Custody Transfer Meter Location (NMPM): Unit B, Section 30, Township 25 South, Range 37 East

Pools

Pool Name

Pool Code

JALMAT; TAN-YATES-7 RVRS (GAS)

79240

Leases as defined in 19.15.12.7(C) NMAC

Lease

Location (NMPM)

Fee

E/2, E/2 NW/4
E/2 SE/4

Sec 30-T25S-R37E
Sec 19-T25S-R37E

Wells

Well API

Well Name

Location (NMPM)

Pool Code

Train

30-025-28637

Winningham #9

B-30-25S-37E

79240