DATE IN SUSPENSE ENGINEER LOGGED IN TYPE APP NO.						
	DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -





		-			
		ADMINISTRATIVE A	APPLICATION CI	HECKLIST	
			APPLICATIONS FOR EXCEPTION NG AT THE DIVISION LEVEL IN S		REGULATIONS
Appli	[DHC-Dow [PC-Po	indard Location] [NSP-Non-Sta	ase Commingling] [PLC ease Storage] [OLM-Of [PMX-Pressure Maintena ] [IPI-Injection Pressure	-Pool/Lease Comming ff-Lease Measurement ance Expansion] - Increase]	gling] t]
[1]	TYPE OF A	PPLICATION - Check Those W	hich Apply for [A]		
[-]	[A]	Location - Spacing Unit - Sim	11		
	Checl	Cone Only for [B] or [C]			
	[B]	Commingling - Storage - Mea	surement PLC PC OLS	⊠ OLM	
	[C]	Injection - Disposal - Pressure WFX PMX	Increase - Enhanced Oil F SWD IPI EOR		
	[D]	Other: Specify			
[2]	NOTIFICAT [A]	TION REQUIRED TO: - Check  Working, Royalty or Ove			
	[B]	Offset Operators, Leaseho	olders or Surface Owner		
	[C]	Application is One Which	n Requires Published Lega	l Notice	
	[D]	Notification and/or Concu	arrent Approval by BLM o	r SLO Office	
	[E]	For all of the above, Proo	f of Notification or Publica	ation is Attached, and/o	or,
	[F]	Waivers are Attached			
[3]		CURATE AND COMPLETE I	INFORMATION REQU	IRED TO PROCESS	THE TYPE
	val is <b>accurate</b> a	TION: I hereby certify that the and complete to the best of my knequired information and notification	nowledge. I also understar	nd that <b>no action</b> will b	
	Note:	Statement must be completed by an	individual with managerial and	or supervisory capacity.	
Da	wid Schel	Stale //		(00	10/23/2
Print o	or Type Name	Signature	Title		Date

e-mail Address

Released to Imaging: 7/2/2021 5:30:15 PM

Received by OCD: 11/4/2020 4:27:20 PM

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

Released to Imaging: 7/2/2021 5:30:15 PM

## 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.

APPLICATION	FOR SURFACE	COMMINGLING	G (DIVERSE	OWNERSHIP)	
OPERATOR NAME: FAE II O	Operating, LLC			)	
OPERATOR ADDRESS: 11757 KG APPLICATION TYPE:	aty Fwy, Ste. 1000, He	ouston, TX 77079			
☐ Pool Commingling ☐ Lease Commingling	ng Pool and Lease Co	mmingling   DOff-Lease	Storage and Measur	rament (Only if not Sunfa-	- 6
LEASE TYPE:   Fee	State  Fede	eral			e Commingled)
Is this an Amendment to existing Order	? Tyes No If	"Ves" please include	the appropriate (	Order No.	
Have the Bureau of Land Management ⊠Yes □No	(BLM) and State Land	d office (SLO) been not	tified in writing	of the proposed comm	ingling
	(A) POO Please attach sheet	OL COMMINGLINGS with the following in	G iformation		
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	\$/Mcf	Calculated Value of Commingled Production	Volumes MCF/Month
33820 JALMAT! TAN-	1.406		1.2		724
YATES - 7 RVRS (DIL)		. 227		b	727
		1.373		\$495/Month \$990/Month	
79240 JALMAT: TAN-	1.133		1.2	\$ 990 (month	101
YATES - 7 RVRS (GAS)  (2) Are any wells producing at top allowal			1 - 6.00	7	101
(3) Has all interest owners been notified by (4) Measurement type: ☑Metering ☐ (5) Will commingling decrease the value o	y certified mail of the pro		Yes No.	ng should be approved	
		E COMMINGLING  with the following in		1	
<ol> <li>Pool Name and Code.</li> <li>Is all production from same source of st</li> <li>Has all interest owners been notified by 6</li> <li>Measurement type:</li></ol>	upply? Yes No		□Yes □No	)	
	(C) POOL and Please attach sheets	LEASE COMMING with the following in	GLING formation		
(1) Complete Sections A and E.					
(D)	OFF-LEASE STO	ORAGE and MEAS s with the following in	UREMENT		
<ul> <li>(1) Is all production from same source of su</li> <li>(2) Include proof of notice to all interest ow</li> </ul>	pply? XYes \(\princt{\text{No}}\)				
(E) ADI	DITIONAL INFOR	RMATION (for all a with the following inf	application typer	pes)	
<ol> <li>A schematic diagram of facility, includir</li> <li>A plat with lease boundaries showing all</li> <li>Lease Names, Lease and Well Numbers,</li> </ol>	ng legal location.  I well and facility location			e lands are involved.	
I hereby certify that the information above is tr	rue and complete to the b	est of my knowledge and	belief.		
SIGNATURE: MBates				DATE: 10/2	9/2020
TYPE OR PRINT NAME Marshall	Bates	LE: Engineerin	TELE	PHONE NO.: (713)	253-2885
E-MAIL ADDRESS: Marshall @ F.	AEDERAYUS COM	1			

# Received by OCD: 11/4/2020 4:27:20 PM

# fae∏operating

October 24, 2020

#### 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, Store, and Sell Oil and Gas Production from the Jalmat Oil and Gas Pool for the Winningham #9 Well and the Sholes B 30 #3 Tank Battery located in Sec. 30, T-25S, R-37E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for surface commingling, off-lease storage, and off-lease marketing of oil and gas production from the Jalmat Oil and Gas Pool for its Sholes B 30 #3 and Winningham #9 wells located in Section 30 of Township 25S, Range 37E as shown on the map in Exhibit A. The two separate leases are also identified by outline and legend. Exhibit B offers further detail on the relevant leases and wells.

The attached battery diagrams, Exhibits C and D, are accurate schematics of the current facility and the proposed commingled facility, respectively. A new 3-phase flowline will be laid from the Winningham #9 well to the Sholes B 30 #3 Tank Battery and tie in to its own 3-phase separator. From there, the water and oil flow lines will tie into their own tanks for off-lease storage on the Sholes B 30 #3. However, a new gas flowline will also be laid from the Sholes B 30 #3 to the Winningham #9 well and tie in on the suction side of the compressor for gas commingling purposes. For oil measurement, individual allocation meters will be utilized at each well site for measurement of oil production stemming from the separators. For gas measurement, the Winningham #9 gas production will be measured by subtracting the metered Sholes B 30 #3 gas production from the total gas production measured by the sales meter at the Winningham #9.

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 gas 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 kevin@faenergyus.com or by telephone at (832) 220-9188.

Very truly yours,

FAE II Operating, LLC

### Exhibit A - Lease Boundaries Map

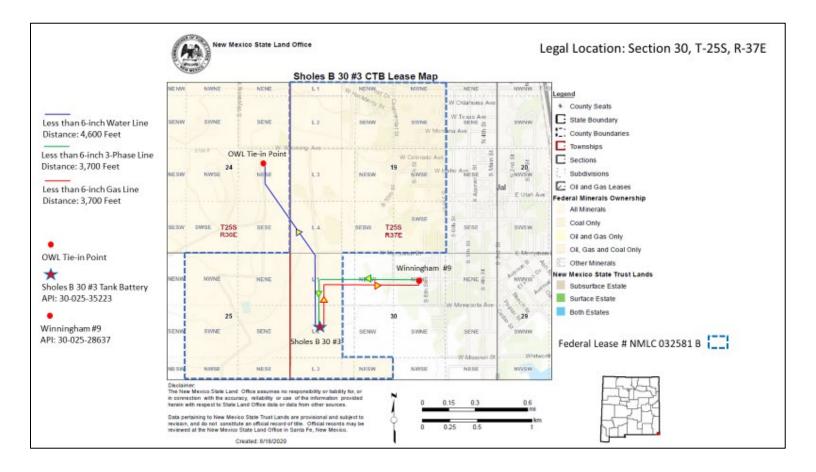


Exhibit B - Lease and Well Information

Well Name	Federal Lease or Property No.	API#	Pool ID
Sholes B 30 #3	NMLC 032581 B	30-025-35223	33820 JALMAT; TAN-YATES-7 RVRS (OIL)
Winningham #9	326422	30-025-28637	79240 JALMAT; TAN-YATES-7 RVRS (GAS)

**Exhibit C – Current Facility Layout** 

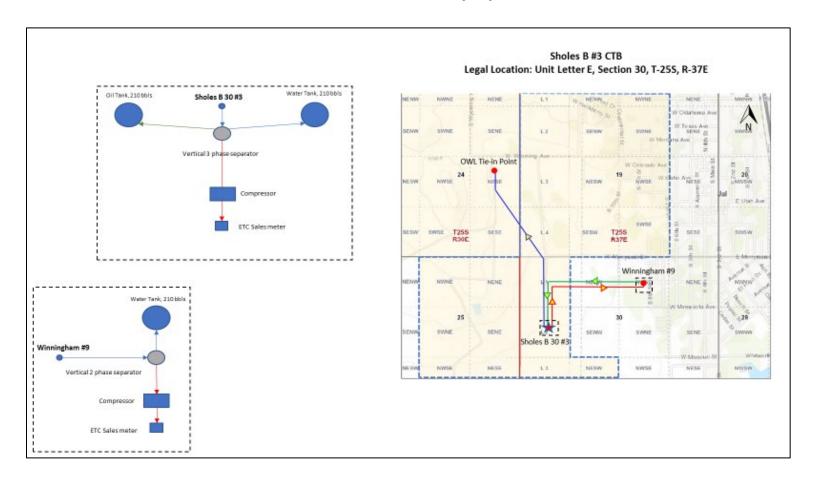
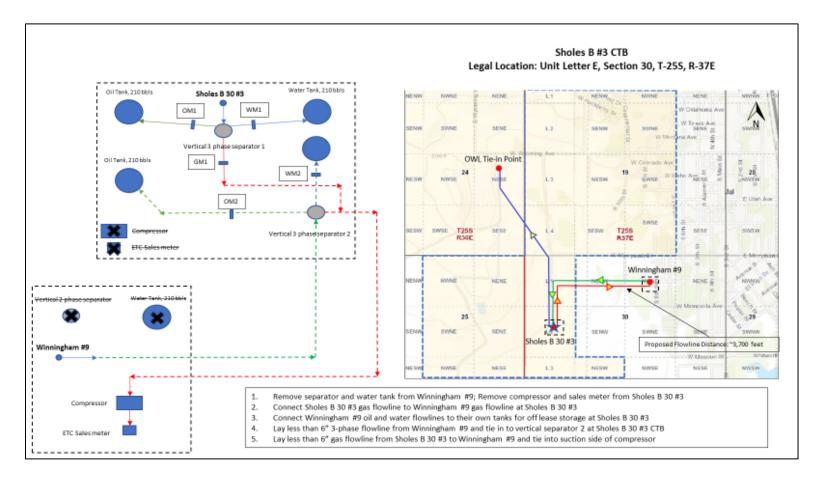


Exhibit D - Proposed Facility Layout



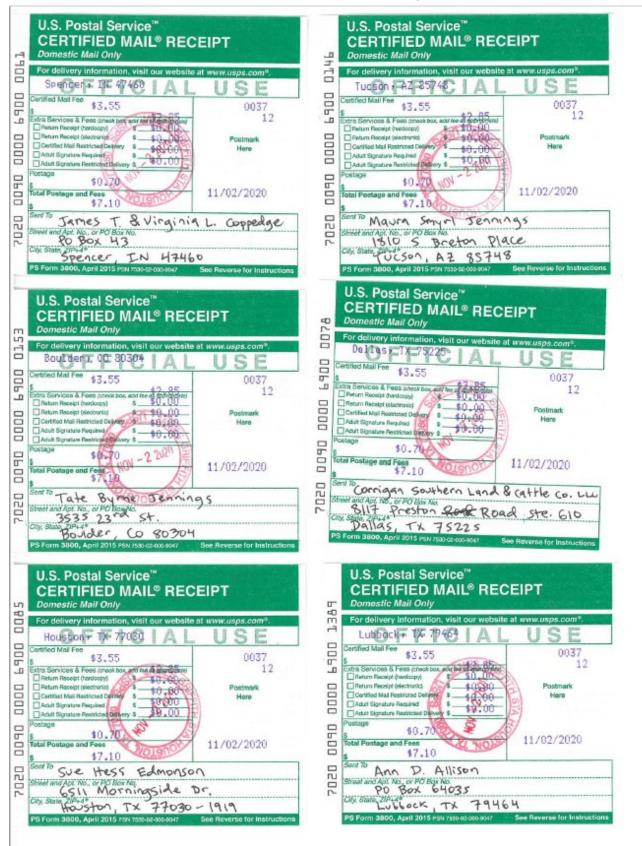
## Exhibit E - Ownership Information

Well Name(s)	Ownership Type	Name	Address
Sholes B 30 #3, Winningham #9	Working	FAE II Operating LLC	11757 Katy Fwy Ste. 1000 Houston,TX 77079-1762
Winningham #9	Working	31 Group	PO Box 1706 Rockwall, TX 75087
Winningham #9	Royalty	James William Akin, Trustee	5350 Shawnee Road Ste. 101 B Alexandria, VA 22312
Winningham #9	Royalty	John G Akin Trust C/O Stephen M A Slough PLLC CPA	5350 Shawnee Road Ste. 101 B Alexandria, VA 22312
Winningham #9	Royalty	Ann D Allison	PO Box 64035 Lubbock, TX 79464
Winningham #9	Royalty	Carla Beren Trust	3713 Edgestone Drive Plano, TX 75093
Winningham #9	Royalty	Clear Fork Minerals LLC	309 W. 7 <sup>th</sup> St. Ste. 500 Ft. Worth, TX 76102
Winningham #9	Royalty	Davis A Coppedge	PO Box 1858 Pottsboro, TX 75076
Winningham #9	Royalty	James T & Virginia L Coppedge	PO Box 43 Spencer, IN 47460
Winningham #9	Royalty	Corrigan Southern Land & Cattle Company, LLC	8117 Preston Road Ste. 610 Dallas, TX 75225
Winningham #9	Royalty	Sue Hess Edmonson	6511 Morningside Drive Houston, TX 77030-1919
Winningham #9	Royalty	Thomas Martin Ellison	PO Box 206 Volcano, CA 95689
Winningham #9	Royalty	Irene K Fardon Glaister Fardon Housefrog	Lanemilton-Under-Wychwood Chipping Norton, UK
Winningham #9	Royalty	Rachel B Fardon	Castro 11 Upper Rose Hill Dorking Surry, UK RH4 2EB
Winningham #9	Royalty	Mary Fountaine	1133 Oakhurst Drive Broomfield, CO 80020
Winningham #9	Royalty	Stanley Erb Hess	PO Box 1982 Coeur D'Alene, ID 83816-1908
Winningham #9	Royalty	Maura Smyrl Jennings	1810 S Breton Place Tucson, AZ 85748
Winningham #9	Royalty	Tate Byrne Jennings	3535 23 <sup>rd</sup> Street Boulder, CO 80304
Winningham #9	Royalty	Clarence W Johnson	HC 1 Box 46 Coalinga, CA 93210
Winningham #9	Royalty	Peter Francis Jones	15 Eastwind #9 Marina Del Rey, CA 90292
Winningham #9	Royalty	Wendelin E Jones Reneta A Dymesich, Conservator	17416 Wildrye Drive Austin, TX 78738
Winningham #9	Royalty	J Pat Corrigan Family Limited Partnership	7150 20 <sup>th</sup> St. Ste. E Vero Beach, FL 32966
Winningham #9	Royalty	Kenneth N Headley	1040 Levy Ogden, UT 84201-0010
Winningham #9	Royalty	Marilyn M Law Revocable Trust C/O BOKF NA Agent	PO Box 1588 Tulsa, OK 74101
Winningham #9	Royalty	W C Lawrence	PO Box 630 Santa Fe, NM 87509
Winningham #9	Royalty	Alvin Luskey.	113 N. Houston St. Fort Worth, TX 76164
Winningham #9	Royalty	David Luskey Estate Idelle Luskey, Indep. Executrix	6509 Valencia Grove Pass Ft. Worth, TX 76132
Winningham #9	Royalty	Luskey Living Trust Bernice Luskey, Trustee	95 Skidaway Island Park Road #311 Savannah, GA 31411
Winningham #9	Royalty	Mary J McWhorter Trust James R McWhorter, Trustee	PO Box 1087 Medford, OR 97520
Winningham #9	Overriding Royalty	Larry Bond	3501 French Park Drive, Suite G Edmond, OK 73034
Winningham #9	Overriding Royalty	Jimmie Eden Jr. Trust	P.O. Box 17 Stillwater, OK 74076
Winningham #9	Overriding Royalty	Legat LLC	6114 W. Canterbury Drive Stillwater, OK 74074

## Exhibit E (continued) – Ownership Information

Well Name	Ownership Type	Name	Address
Winningham #9	Royalty	Metropolitan Royalty Corp. C/O Mary Stuart Gephart	PO Box 975363 Dallas, TX 75397-5363
Winningham #9	Royalty	Mobil Producing TX & NM Inc. C/O XTO Energy Inc.	PO Box 731917 Dallas, TX 75373-1917
Winningham #9	Royalty	Michael Herd Moore	PO Box 2398 Frisco, TX 75034
Winningham #9	Royalty	Clifford Mordhorst	PO Box 4335 Tulsa, OK 74159
Winningham #9	Royalty	Derek Mordhorst	PO Box 4335 Tulsa, OK 74159
Winningham #9	Royalty	Jimmy D Morey Trust C/O JP Morgan Chase Bank NA Trustee	PO Box 99084 Fort Worth, TX 76199-0084
Winningham #9	Royalty	Lyeth Oil Irrevocable Trust C/O Kanaly Trust Company	PO Box 13639 Arlington, TX 76094
Winningham #9	Royalty	New Mexico Western Minerals	PO Box 1738 Roswell, NM 88202
Winningham #9	Royalty	Noble Royalties Access Fund VII LP	PO Box 660082 Dallas, TX 75266-0082
Winningham #9	Royalty	Noble Royalties Access Fund VIII LP	PO Box 660082 Dallas, TX 75266-0082
Winningham #9	Royalty	Noble Royalties Inc.	PO Box 660082 Dallas, TX 75266-0082
Winningham #9	Royalty	Onez Norman Rooney Test Trust James Michael Morey, Trustee C/O D Craig Story	PO Box 960031 Oklahoma City, OK 73196-0001
Winningham #9	Royalty	John W & Cynthia J Pride Rev. Trust	PO Box 701950 Tulsa, OK 74170-1950
Winningham #9	Royalty	Matthew L & Renee G Pride Rev. Trust	PO Box 701950 Tulsa, OK 74170-1950
Winningham #9	Royalty	Dan Mordhorst Rev. Trust Dan Mordhorst, Trustee	PO Box 4335 Tulsa, OK 74159-0335
Winningham #9	Royalty	Sappington Energy Interest Ltd.	PO Box 19160 Houston, TX 77224-9160
Winningham #9	Royalty	Shelley Luskey Trust	21185 Toll Gate Road Saratoga, CA 95070
Winningham #9	Royalty	Texas Presbyterian Foundation Farmers National CO Agent Oil & Gas Dept.	PO Box 3480 Omaha, NE 68103-0480
Winningham #9	Royalty	Trinity University C/O Frost National Bank	PO Box 27 San Antonio, TX 78291-0027
Winningham #9	Royalty	McWhorter Living Trust	6140 East Voltaire Ave. Scottsdale, AZ 85254
Winningham #9	Royalty	White Star Energy, Inc.	PO Box 51108 Midland, TX 79710
Winningham #9	Royalty	Andrea Colleen Wiggins	PO Box 5305 Austin, TX 78763-5305
Winningham #9	Royalty	Charles R Wiggins	PO Box 10862 Midland, TX 79702
Winningham #9	Royalty	Robert R Winningham	PO Box 1124 Allen, TX 75013
Winningham #9	Royalty	Windom Royalties, LLC	PO Box 660082 Dallas, TX 75266-0082
Winningham #9	Royalty	ZPZ Delaware I LLC	PO Box 840133 Dallas, TX 75284-0133
Winningham #9	Overriding Royalty	The McDaniel Company	12900 Preston Road, Suite 415 Dallas, TX 75231
Winningham #9	Overriding Royalty	Marjam Energy, LLC	10440 N. Central Express Way, Suite 1010 Dallas, TX 75231
Winningham #9	Overriding Royalty	Milagro Resources, LP	415 West Wall Avenue, Suite 1118 Midland, TX 79701
Winningham #9	Overriding Royalty	John F. Special	P.O. Box 369 Stillwater, OK 74076
Sholes B 30 #3	Royalty	Department of Interior	PO Box 5810 Denver, CO 80217-5810

Exhibit F - Certified Mail Receipts





















## 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 December 11, 2020 and ending with the issue dated December 11, 2020.

Publisher

Sworn and subscribed to before me this 11th day of December 2020.

My commission expires October 29, 2022

(Seal) OFFICIAL SEAL Amity E. Hipp NOTARY PUBLIC - STATE OF NEW MEXICO

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

1202

**LEGALS** 

**LEGAL NOTICE** December 11, 2020

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. FAE II Operating, LLC 11757 Katy Freeway Suite 1000 Houston, TX 77079 832-706-0041 Marshall Bates Location: T25S-R37E, Section 30 Facility Location: T25S-R37E, Section 30: LOT 2 Sholes B 30 #3 - API: 30-025-35223 Winningham #9 - API: 30-025-35223 Commingling production is pooled from the Jalmatt; Tan-Yates-7 Rivers (79240 - Gas & 33820 - Oil) #36059

67115951

00249208

MARITZA SANTANA FORTY ACRES ENERGY 11757 KATY FREEWAY SUITE 1000 HOUSTON, TX 77079

Well Name(s) Sholes B 30 #3,	Ownership Type Working	Name FAE II Operating LLC	Address 11757 Katy Fwy Ste. 1000	Tracking # N/A
Winningham #9 Winningham #9	Working	31 Group	Houston,TX 77079-1762 PO Box 1706	7020 0090 0000 6900 1341
Winningham #9	Royalty	James William Akin, Trustee	Rockwall, TX 75087 5350 Shawnee Road Ste. 101 B Alexandria, VA 22312	7020 0090 0000 6900 1358
Winningham #9	Royalty	John G Akin Trust	5350 Shawnee Road Ste. 101 B	7020 0090 0000 6900 1372
Winningham #9	Royalty	C/O Stephen M A Slough PLLC CPA Ann D Allison	Alexandria, VA 22312 PO Box 64035	7020 0090 0000 6900 1389
Winningham #9	Royalty	Carla Beren Trust	Lubbock, TX 79464 3713 Edgestone Drive	7020 0090 0000 6900 0030
Winningham #9	Royalty	Clear Fork Minerals LLC	Plano, TX 75093 309 W. 7th St. Ste. 500 Ft. Worth, TX 76102	7020 0090 0000 6900 0047
Winningham #9	Royalty	Davis A Coppedge	PO Box 1858 Pottsboro, TX 75076	7020 0090 0000 0054
Winningham #9	Royalty	James T & Virginia L Coppedge	PO Box 43 Spencer, IN 47460	7020 0090 0000 6900 0061
Winningham #9	Royalty	Corrigan Southern Land & Cattle Company, LLC	8117 Preston Road Ste. 610 Dallas, TX 75225	7020 0090 0000 6900 0078
Winningham #9	Royalty	Sue Hess Edmonson	6511 Morningside Drive Houston, TX 77030-1919	7020 0090 0000 6900 0085
Winningham #9	Royalty	Thomas Martin Ellison	PO Box 206 Volcano, CA 95689	7020 0090 0000 6900 0092
Winningham #9	Royalty	Mary Fountaine	1133 Oakhurst Drive Broomfield, CO 80020	7020 0090 0000 6900 0122
Winningham #9	Royalty	Stanley Erb Hess	PO Box 1982 Coeur D'Alene, ID 83816-1908	7020 0090 0000 6900 0139
Winningham #9	Royalty	Maura Smyrl Jennings	1810 S Breton Place Tucson, AZ 85748	7020 0090 0000 6900 0146
Winningham #9	Royalty	Tate Byrne Jennings	3535 23rd Street Boulder, CO 80304	7020 0090 0000 6900 0153
Winningham #9	Royalty	Clarence W Johnson	HC 1 Box 46 Coalinga, CA 93210	7020 0090 0000 6900 0160
Winningham #9	Royalty	Peter Francis Jones	15 Eastwind #9 Marina Del Rey, CA 90292	7020 0090 0000 6900 0177
Winningham #9	Royalty	Wendelin E Jones Reneta A Dymesich, Conservator	17416 Wildrye Drive Austin, TX 78738	7020 0090 0000 6900 0184
Winningham #9	Royalty	J Pat Corrigan Family Limited Partnership	7150 20th St. Ste. E Vero Beach, FL 32966	7020 0090 0000 6900 0191
Winningham #9	Royalty	Kenneth N Headley	1040 Levy Ogden, UT 84201-0010	7020 0090 0000 6900 0207
Winningham #9	Royalty	Marilyn M Law Revocable Trust C/O BOKF NA Agent	PO Box 1588 Tulsa, OK 74101	7020 0090 0000 6900 0214
Winningham #9	Royalty	W C Lawrence	PO Box 630	7020 0090 0000 6900 0221
Winningham #9	Royalty	Alvin Luskey.	Santa Fe, NM 87509 113 N. Houston St.	7020 0090 0000 6900 0238
Winningham #9	Royalty	David Luskey Estate	Fort Worth, TX 76164 6509 Valencia Grove Pass	7020 0090 0000 6900 0245
Winningham #9	Royalty	Idelle Luskey, Indep. Executrix Luskey Living Trust	Ft. Worth, TX 76132 95 Skidaway Island Park Road #311	7020 0640 0000 9346 8294
Winningham #9	Royalty	Bernice Luskey, Trustee Mary J McWhorter Trust	Savannah, GA 31411 PO Box 1087	7020 0090 0000 6900 0269
Winningham #9	Overriding Royalty	James R McWhorter, Trustee Larry Bond	Medford, OR 97520 3501 French Park Drive, Suite G	7020 0640 0000 9346 8140
Winningham #9	Overriding Royalty	Jimmie Eden Jr. Trust	Edmond, OK 73034 P.O. Box 17	7020 0640 0000 9346 8157
Winningham #9	Overriding Royalty	Legat LLC	Stillwater, OK 74076 6114 W. Canterbury Drive	7020 0640 0000 9346 8164
Winningham #9	Royalty	Metropolitan Royalty Corp.	Stillwater, OK 74074 PO Box 975363	7020 0640 0000 9346 7853
Winningham #9	Royalty	C/O Mary Stuart Gephart Mobil Producing TX & NM Inc. C/O XTO Energy Inc.	Dallas, TX 75397-5363 PO Box 731917 Dallas, TX 75373-1917	7020 0640 0000 9346 7860
Winningham #9	Royalty	Michael Herd Moore	PO Box 2398 Frisco, TX 75034	7020 0640 0000 9346 7877
Winningham #9	Royalty	Clifford Mordhorst	PO Box 4335 Tulsa, OK 74159	7020 0640 0000 9346 7884
Winningham #9	Royalty	Derek Mordhorst	PO Box 4335 Tulsa, OK 74159	7020 0640 0000 9346 7891
Winningham #9	Royalty	Jimmy D Morey Trust	PO Box 99084	7020 0640 0000 9346 7907

		C/O JP Morgan Chase Bank NA Trustee	Fort Worth, TX 76199-0084	
Winningham #9	Royalty	Lyeth Oil Irrevocable Trust	PO Box 13639	7020 0640 0000 9346 7914
		C/O Kanaly Trust Company	Arlington, TX 76094	
Winningham #9	Royalty	New Mexico Western Minerals	PO Box 1738	7020 0640 0000 9346 7921
			Roswell, NM 88202	
Winningham #9	Royalty	Noble Royalties Access Fund VII LP	PO Box 660082	7020 0640 0000 9346 7938
			Dallas, TX 75266-0082	
Winningham #9	Royalty	Noble Royalties Access Fund VIII LP	PO Box 660082	7020 0640 0000 9346 7945
			Dallas, TX 75266-0082	
Winningham #9	Royalty	Noble Royalties Inc.	PO Box 660082	7020 0640 0000 9346 7952
			Dallas, TX 75266-0082	
Winningham #9	Royalty	Onez Norman Rooney Test Trust	PO Box 960031	7020 0640 0000 9346 7969
-	, ,	James Michael Morey, Trustee	Oklahoma City, OK 73196-0001	
		C/O D Craig Story	,,	
Winningham #9	Royalty	John W & Cynthia J Pride Rev. Trust	PO Box 701950	7020 0640 0000 9346 7976
0	- / /	, , , , , , , , , , , , , , , , , , , ,	Tulsa, OK 74170-1950	
Winningham #9	Royalty	Matthew L & Renee G Pride Rev. Trust	PO Box 701950	7020 0640 0000 9346 8287
	,		Tulsa, OK 74170-1950	
Winningham #9	Royalty	Dan Mordhorst Rev. Trust	PO Box 4335	7020 0640 0000 9346 7983
	,	Dan Mordhorst, Trustee	Tulsa, OK 74159-0335	
Winningham #9	Royalty	Sappington Energy Interest Ltd.	PO Box 19160	7020 0640 0000 9346 7990
	,	cappington inc. 87 meer cot item	Houston, TX 77224-9160	, 020 00 10 0000 00 10 7000
Winningham #9	Royalty	Shelley Luskey Trust	21185 Toll Gate Road	7020 0640 0000 9346 8003
vviiiiiigiidiii 113	Noyalty	onency Laskey Trast	Saratoga, CA 95070	, 020 00 10 0000 33 10 0003
Winningham #9	Royalty	Texas Presbyterian Foundation	PO Box 3480	7020 0640 0000 9346 8010
vviiiiiigiidiii 113	Noyalty	Farmers National CO Agent Oil & Gas Dept.	Omaha, NE 68103-0480	, 020 00 10 0000 33 10 0010
Winningham #9	Royalty	Trinity University	PO Box 27	7020 0640 0000 9346 8027
William Briain 113	Noyalty	C/O Frost National Bank	San Antonio, TX 78291-0027	7020 0040 0000 3340 0027
Winningham #9	Royalty	McWhorter Living Trust	6140 East Voltaire Ave.	7020 0640 0000 9346 8034
willing half 113	Noyalty	Wewmorter Living Trast	Scottsdale, AZ 85254	7020 0040 0000 3340 0034
Winningham #9	Royalty	White Star Energy, Inc.	PO Box 51108	7020 0640 0000 9346 8041
wiiiiiiigiiaiii #3	Noyalty	write star Energy, inc.	Midland, TX 79710	7020 0040 0000 3340 0041
Winningham #9	Royalty	Andrea Colleen Wiggins	PO Box 5305	7020 0640 0000 9346 8058
wiiiiiiigiiaiii #3	Noyalty	Andrea concert Wiggins	Austin, TX 78763-5305	7020 0040 0000 3340 0030
Winningham #9	Royalty	Charles R Wiggins	PO Box 10862	7020 0640 0000 9346 8065
willingilain #3	Noyalty	Charles IV Wiggins	Midland, TX 79702	7020 0040 0000 9340 8003
Winningham #9	Royalty	Robert R Winningham	PO Box 1124	7020 0640 0000 9346 8072
willingilain #3	Noyalty	Robert R Willingham	Allen, TX 75013	7020 0040 0000 9340 8072
Winningham #9	Royalty	Windom Royalties, LLC	PO Box 660082	7020 0640 0000 9346 8089
willingilain #3	Noyalty	Wildom Royalties, LLC	Dallas, TX 75266-0082	7020 0040 0000 9340 8089
Winningham #9	Royalty	ZPZ Delaware I LLC	PO Box 840133	7020 0640 0000 9346 8096
vviiiiiiigilaili #3	Royalty	ZFZ Delaware i LLC	Dallas, TX 75284-0133	7020 0040 0000 9340 8090
Winningham #9	Overriding Royalty	The McDaniel Company	12900 Preston Road, Suite 415	7020 0640 0000 9346 8102
vviiiiiiigilaili #3	Overriding Royalty	The McDanier Company	Dallas, TX 75231	7020 0040 0000 9340 8102
Winningham #0	Overriding Royalty	Marjam Energy, LLC	10440 N. Central Express Way, Suite 1	0.7020.0640.0000.0246.9110
Winningham #9	Overriding Royalty	Marjani Energy, LLC	Dallas, TX 75231	0 7020 0040 0000 9340 8119
Winningham #0	Overriding Povelty	Milagra Pasaureas I P		7020 0640 0000 0246 9126
Winningham #9	Overriding Royalty	Milagro Resources, LP	415 West Wall Avenue, Suite 1118	7020 0640 0000 9346 8126
Winningham #9	Overriding Pavalty	John F. Special	Midland, TX 79701 P.O. Box 369	7020 0640 0000 9346 8133
vviiiilligilalli #9	Overriding Royalty	зонн г. эресіаі	Stillwater, OK 74076	, 020 00 <del>4</del> 0 0000 3340 9133
Sholes B 30 #3	Povalty	Department of Interior	PO Box 5810	7020 0640 0000 9346 8171
3110162 D 30 #3	Royalty	Department of interior	Denver, CO 80217-5810	7020 0040 0000 3340 81/1
			Deliver, CO 60217-3610	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> <li>BLM - New Mexico State Office</li> <li>Dinosaur Trail</li> <li>Sanda We, JAM 1975 P8 1141</li> </ul>	A. Signature  X R DWAW BAddressee  B. Received by (Printed Name)  C. Date of Delivery  C. Date of Delivery  C. Date of Delivery  D. Is delivery address different from item 1?  If YES, enter delivery address below:
9590 9402 6448 0346 9896 66  2. Article Number (Transfer from service label)  7020 0640 0000 9346 5545	3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Registered Mail Restricted Delivery □ Collect on Delivery Restricted Delivery □ Collect on Delivery Restricted Delivery □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

From: Engineer, OCD, EMNRD

To: <u>Marshall Bates</u>

Cc: McClure, Dean, EMNRD; Simmons, Kurt, EMNRD; Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; Hawkins, James,

EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; Paradis, Kyle O; Walls, Christopher

Subject: Approved Administrative Order PLC-714

Date: Friday, July 2, 2021 5:24:39 PM

Attachments: PLC714 Order.pdf

NMOCD has issued Administrative Order PLC-714 which authorizes FAE II Operating, LLC (329326) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPM)	<b>Pool Code</b>
30-025-35223	Sholes B 30 #3	E-30-25S-37E	33820
30-025-28637	Winningham #0	P 20 255 275	79240
30-023-26037	Winningham #9	B-30-25S-37E	37240

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

## **Notice**

Order: PLC-714

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

Publication Date: 12/11/2020

Date Sent: On or Prior to 11/4/2020

	Noticed Persons					
Date	Person	<b>Certified Tracking Number</b>	Status			
11/4/2020	31 Group	7020 0090 0000 6900 1341	Delivered			
11/6/2020	James William Akin, Trustee	7020 0090 0000 6900 1358	Alert			
11/6/2020	John G Akin Trust	7020 0090 0000 6900 1372	Alert			
11/9/2020	Ann D Allison	7020 0090 0000 6900 1389	Delivered			
11/5/2020	Carla Beren Trust	7020 0090 0000 6900 0030	Delivered			
11/16/2020	Clear Fork Minerals LLC	7020 0090 0000 6900 0047	Returned			
11/24/2020	Davis A Coppedge	7020 0090 0000 6900 0054	Delivered			
11/5/2020	James T & Virginia L Coppedge	7020 0090 0000 6900 0061	Delivered			
11/13/2020	Corrigan Southern Land & Cattle Company, LLC	7020 0090 0000 6900 0078	Alert			
11/16/2020	Sue Hess Edmonson	7020 0090 0000 6900 0085	Delivered			
11/6/2020	Thomas Martin Ellison	7020 0090 0000 6900 0092	Delivered			
11/7/2020	Mary Fountaine	7020 0090 0000 6900 0122	Delivered			
11/6/2020	Stanley Erb Hess	7020 0090 0000 6900 0139	Delivered			
11/5/2020	Maura Smyrl Jennings	7020 0090 0000 6900 0146	Delivered			
11/12/2020	Tate Byrne Jennings	7020 0090 0000 6900 0153	Delivered			
11/13/2020	Clarence W Johnson	7020 0090 0000 6900 0160	Delivered			
12/2/2020	Peter Francis Jones	7020 0090 0000 6900 0177	In-Transit			
11/5/2020	Wendelin E Jones	7020 0090 0000 6900 0184	Delivered			
11/5/2020	J Pat Corrigan Family Limited Partnership	7020 0090 0000 6900 0191	Delivered			
11/5/2020	Kenneth N Headley	7020 0090 0000 6900 0207	Delivered			
11/9/2020	Marilyn M Law Revocable Trust	7020 0090 0000 6900 0214	Delivered			
11/5/2020	W C Lawrence	7020 0090 0000 6900 0221	Delivered			
11/4/2020	Alvin Luskey.	7020 0090 0000 6900 0238	Delivered			
12/17/2020	David Luskey Estate	7020 0090 0000 6900 0245	Returned			
11/10/2020	Luskey Living Trust	7020 0640 0000 9346 8294	Delivered			
11/21/2020	Mary J McWhorter Trust	7020 0090 0000 6900 0269	Returned			
12/10/2020	Larry Bond	7020 0640 0000 9346 8140	Returned			
11/12/2020	Jimmie Eden Jr. Trust	7020 0640 0000 9346 8157	Delivered			
11/5/2020	Legat LLC	7020 0640 0000 9346 8164	Delivered			
11/4/2020	Metropolitan Royalty Corp.	7020 0640 0000 9346 7853	Delivered			
11/4/2020	Mobil Producing TX & NM Inc.	7020 0640 0000 9346 7860	Delivered			
3/1/2021	Michael Herd Moore	7020 0640 0000 9346 7877	Returned			
11/5/2020	Clifford Mordhorst	7020 0640 0000 9346 7884	Delivered			
	Derek Mordhorst	7020 0640 0000 9346 7891	Delivered			
	Jimmy D Morey Trust	7020 0640 0000 9346 7907	Delivered			
11/13/2020	Lyeth Oil Irrevocable Trust	7020 0640 0000 9346 7914	Delivered			
11/12/2020	New Mexico Western Minerals	7020 0640 0000 9346 7921	Returned			

11/4/2020	Noble Royalties Access Fund VII LP	7020 0640 0000 9346 7938	Delivered
11/5/2020	Noble Royalties Access Fund VIII LP	7020 0640 0000 9346 7945	Delivered
11/4/2020	Noble Royalties Inc.	7020 0640 0000 9346 7952	Delivered
11/5/2020	Onez Norman Rooney Test Trust	7020 0640 0000 9346 7969	Delivered
11/5/2020	John W & Cynthia J Pride Rev. Trust	7020 0640 0000 9346 7976	Delivered
11/5/2020	Matthew L & Renee G Pride Rev. Trust	7020 0640 0000 9346 8287	Delivered
11/5/2020	Dan Mordhorst Rev. Trust	7020 0640 0000 9346 7983	Delivered
11/3/2020	Sappington Energy Interest Ltd.	7020 0640 0000 9346 7990	Delivered
12/1/2020	Shelley Luskey Trust	7020 0640 0000 9346 8003	Delivered
11/6/2020	Texas Presbyterian Foundation	7020 0640 0000 9346 8010	Delivered
11/6/2020	Trinity University	7020 0640 0000 9346 8027	Delivered
11/5/2020	McWhorter Living Trust	7020 0640 0000 9346 8034	Delivered
11/9/2020	White Star Energy, Inc.	7020 0640 0000 9346 8041	Delivered
1/29/2021	Andrea Colleen Wiggins	7020 0640 0000 9346 8058	Delivered
11/9/2020	Charles R Wiggins	7020 0640 0000 9346 8065	Delivered
12/21/2020	Robert R Winningham	7020 0640 0000 9346 8072	Returned
11/4/2020	Windom Royalties, LLC	7020 0640 0000 9346 8089	Delivered
11/4/2020	ZPZ Delaware I LLC	7020 0640 0000 9346 8096	Delivered
11/4/2020	The McDaniel Company	7020 0640 0000 9346 8102	Delivered
11/5/2020	Marjam Energy, LLC	7020 0640 0000 9346 8119	Delivered
11/11/2020	Milagro Resources, LP	7020 0640 0000 9346 8126	In-Transit
11/6/2020	John F. Special	7020 0640 0000 9346 8133	Delivered
12/18/2020	Department of Interior	7020 0640 0000 9346 8171	Returned

# \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-714** 

#### **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 oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and 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 oil and 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 oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and 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), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) and (6) NMAC, as applicable.

Order No. PLC-714 Page 1 of 3

- 10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
- 11. Commingling of oil and 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) and (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 oil and gas production from the pools, leases, and wells identified in Exhibit A.
  - Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
- 2. This Order supersedes Order OLM-224.
- 3. The oil production for each well identified in Exhibit A shall be separated and metered prior to commingling.
  - Gas production for Sholes B 30 No. 3 (30-025-35223) shall be allocated using allocation meters.
  - The gas production allocated to Winningham No. 9 (30-025-28637) shall be equal to the total commingled gas production minus the gas production allocated to Sholes B 30 No. 3 (30-025-35223).
- 4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
- 5. Applicant shall measure and market the commingled gas at a 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.
- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled 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 surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and 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-714 Page 2 of 3

- 8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 9. 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).
- 10. 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

Way 0		
	<b>DATE:</b>	7/02/2021
ADRIENNE SANDOVAL		
DIRECTOR		

Order No. PLC-714 Page 3 of 3

## State of New Mexico Energy, Minerals and Natural Resources Department

## **Exhibit A**

Order: PLC-714

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	
JALMAT; TAN-YATES-7 RVRS (OIL)	33820	
LANGLIE MATTIX;7 RVRS-Q-GRAYBURG	37240	

Leases as defined in 19.15.12.7(C) NMAC		
Location (NMPM)		
E/2, E/2 NW/4	Sec 30-T25S-R37E	
E/2 SE/4	Sec 19-T25S-R37E	
SW/4 NW/4	Sec 30-T25S-R37E	
	Location (NM E/2, E/2 NW/4 E/2 SE/4	

Wells				
Well API	Well Name	Location (NMPM)	<b>Pool Code</b>	Train
30-025-35223	Sholes B 30 #3	E-30-25S-37E	33820	
30-025-28637 Winningham #9	Winningham #0	B-30-25S-37E	79240	
	B-30-253-57E	37240		

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 11080

#### **CONDITIONS**

Operator:	OGRID:
FAE II Operating LLC	329326
11757 Katy Freeway, Suite 1000	Action Number:
Houston, TX 77079	11080
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

#### 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.	7/2/2021