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***************************************	ADMINIST	ATIVE APPLICATION	ON CHECKIIST	79310
THIS	CHECKLIST IS MANDATORY FOR A	L ADMINISTRATIVE APPLICA	TIONS FOR EXCEPTIONS TO DIVI	SION RULES AND
	REGULATIONS WHICH RE	QUIRE PROCESSING AT THE	DIVISION LEVEL IN SANTA FE	
Applicant: FAE II (Operating, LLC		OGRID N	umber: 329326
Well Name: Arno	tt Ramsay A #006		API: 30-025-	
Jalmat (Oil)			Pool Cod	e: 33820
1) TYPE OF APPL	ATE AND COMPLETE INI ICATION: Check those n – Spacing Unit – Simul	INDICATED BELO which apply for [A]	W	YPE OF APPLICATION
	NSL NSP _{(PR}		P(PRORATION UNIT)	
[1] Con [II] Inje [II] Inje 2) NOTIFICATIO A. Offse B. Roya C. Appl D. Notifi E. Notifi F. Surfa G. For a H. No no	nmingling – Storage – Maningling – Pressured WFX PMX Storage – Pressured PMX Storage – Pressured PM: I hereby certify that	LC PC Coure Increase – Enhance Increase – Enhance WD IPI Entrease which apply ders whers, revenue owed notice ent approval by SLeent approval by BL f notification or pu	nced Oil Recovery OR PPR ners O M blication is attached,	
administrative understand the notifications	e approval is accurate hat no action will be tall are submitted to the Div	and complete to the ken on this applica vision.	ne best of my knowled tion until the required	dge. I also I information and
N	lote: Statement must be comple	ted by an individual with	managerial and/or superviso	ry capacity.
			Date	-
David Schellstede			Dalo	
Print or Type Name			832-220-3202	
			Phone Number	
En &	3.112			
Signature		<u> </u>	David@FAEnergyus.com e-mail Address	1
signature			e-mail Address	

District I 1625 N. Frenc ch Drive, Hobbs, NM 88240

District II 811 S. First St., Artesia, NM 88210

District III 1000 Rio Brazos s 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

> Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-107A Revised August 1, 2011

APPLICATION TYPE X Single Well Establish Pre-Approved Pools EXISTING WELLBORE __X__ Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

FAE II Operating, LLC 11757 Katy Fwy. Ste. 1000, Houston, TX 77079							
Operator Arnott Ramsey A		6	Address <i>H-2-25S-36E</i>	Lea			
Lease		Well No.	Unit Letter-Section-Township	p-Range		County	
32	29326	36872	<i>30-025-35329</i>		2	K	
OGRID No	Property (Code	API No	Lease Type:	Federal	State	Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Jalmat		Langlie Mattix
Pool Code	33820		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3,066 – 3,490'		3,490' – 3,600'
Method of Production Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU Degree API or Gas BTU)	35.0API / 1.193 BTU		35.0 API / 1.193 BTU
Producing, Shut-In or New Zone	Producing		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	See Attached Date: Rates:	Date: Rates:	See Attached Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas	Oil Gas	Oil Gas
than current or past production, supporting data or explanation will be required.)	1 % 51 %	% %	99 % 49 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?	Yes_	_X	No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	Yes_		No
Are all produced fluids from all commingled zones compatible with each other?	Yes_	$_{-}X_{-}$	_No
Will commingling decrease the value of production?	Yes_		No_ <i>X</i> _
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?	Yes_	_X_	No
NMOCD Reference Case No. applicable to this well:			

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE	More		

TITLE Engineering Tech DATE 2/11/2021

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TELEPHONE NO. (832) 241 - 8080 TYPE OR PRINT NAME Marshall Bates

E-MAIL ADDRESS Marshall @ FAEnergy us. com

Received by OCD: 2/14/2021 4:01:44 PM Parent Boyler A. Boyler Boy

fae operating

February 10, 2021

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 Downhole Commingle and Sell Oil and Gas Production from the Jalmat and Langlie Mattix Pools for the Arnott Ramsey A #006 well located in Sec. 2, T-25S, R-36E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for downhole commingling of oil and gas production from the Jalmat and Langlie Mattix Pools for its Arnott Ramsey A #006 well located in Unit Letter H. Section 2, T-25S, R-36E, 1980 feet FNL and 660 feet FEL, as shown in the attached C-102's for each zone.

The Arnott Ramsey A #006 is currently open to the Yates-Seven Rivers interval, which translates to the JALMAT pool [Pool ID: 33820]. The production curve for this interval is shown in Exhibit A. To develop a forecast for this zone, a decline curve was utilized based on the aforementioned historical production.

The zone that does not have production history in the Arnott Ramsey A #006 is the Seven Rivers-Queen, which translates to the LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG [Pool ID: 37240]. To develop a forecast for this zone, three (3) surrounding wells with production history from the Seven Rivers-Queen were used as an offset to prove up hole potential in the Arnott Ramsey A #006 by taking the historical average of the oil, gas, and water production. The resulting historical average production curve for this interval is shown in Exhibit B. From there, a decline curve was utilized based on the aforementioned historical production.

Overall, the forecast for the proposed downhole commingled production was formed by combining the forecasts for both zones, as shown in the Synthetic Decline Curve column of Exhibit C. This forecast for the Arnott Ramsey A #006 proved that an IP of 3.3 BOPD and 12.8 MCFPD is the expected total, and of that, 3.3 BOPD and 6.2 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 0.0 BOPD and 6.6 MCFPD with the additional intervals that will be opened up. This information along with the percentage allocation across the zones is shown in Exhibit D.

After a review of internal records, the interest owners are identical for the aforementioned wells. As such, notification to the relevant parties of our intent to commingle production will not be necessary.

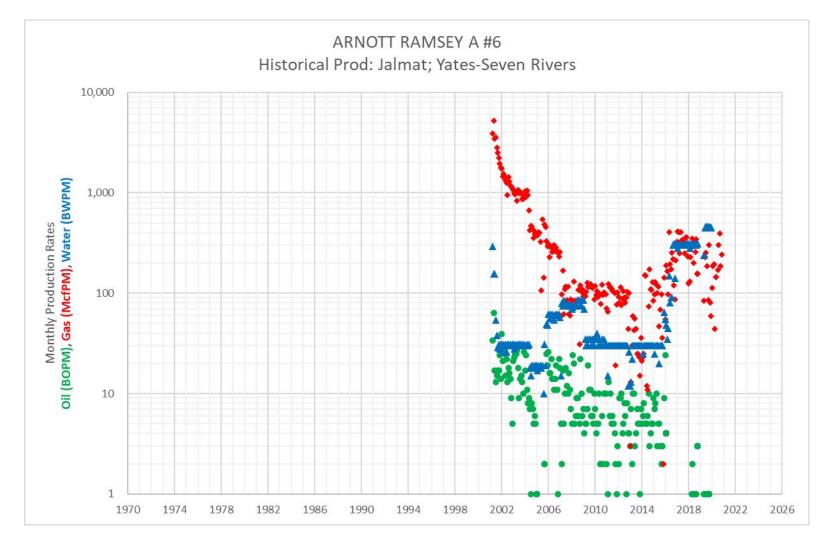
This proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. If there are further questions concerning this application, please feel free to contact the undersigned by email at marshall@faenergyus.com or by telephone at (832) 241-8080.

Very truly yours,

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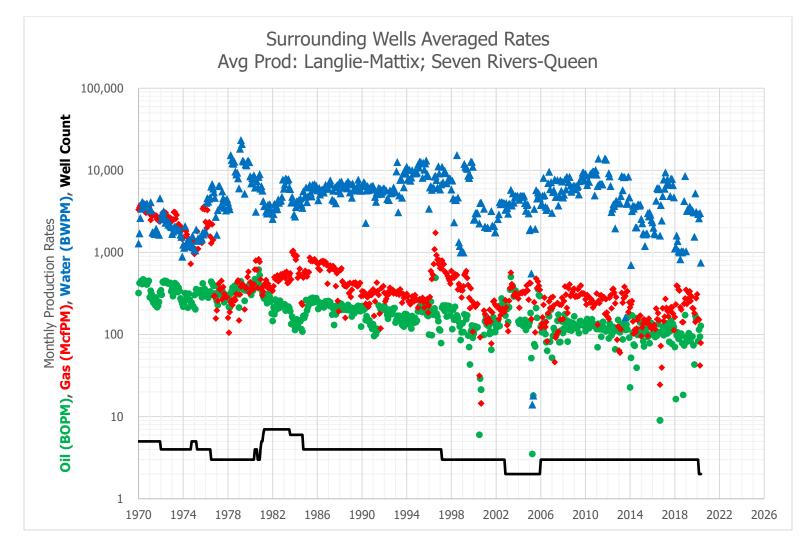
fae I operating

Exhibit A - Historical and Forecast Production in the Current Zone



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Exhibit B – Historical Average Production in the Proposed Zone



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Exhibit C – Historical Production and Decline Curve

	-	g Wells Ave Mattix; Sev	raged Rates en Rivers-Qu	een	Historica	ARNOTT R I Prod: Jalma	AMSEY A #6 at; Yates-Sev		Synthetic Decline Curve			е
Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Month	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
6/1/2015	116	140	1,660	3	6/1/2015	5	117	30	1	101.8	388	3,970
7/1/2015	122	142	1,715	3	7/1/2015	5	47	20	2	101.3	387	3,957
8/1/2015	94	96	3,005	3	8/1/2015	3	68	30	3	100.8	386	3,944
9/1/2015	100	156	2,749	3	9/1/2015	2	97	30	4	100.3	385	3,931
10/1/2015	78	132	3,075	3	10/1/2015	3	36	30	5	99.8	384	3,918
11/1/2015	124	123	2,872	3	11/1/2015	-	2	-	6	99.4	383	3,906
12/1/2015	138	117	2,477	3	12/1/2015	9	143	65	7	98.9	382	3,893
1/1/2016	100	124	2,325	3	1/1/2016	24	55	55	8	98.4	381	3,880
2/1/2016	103	124	1,999	3	2/1/2016	4	189	48	9	98.0	380	3,867
3/1/2016 4/1/2016	97 93	131	1,715	3	3/1/2016		165 97	35 45	10 11	97.5 97.0	379 378	3,854
5/1/2016	100	116 207	1,660 4,263	3	4/1/2016 5/1/2016		403	150	12	96.6	377	3,842 3,829
6/1/2016	97	154	6,089	3	6/1/2016		195	80	13	96.1	376	3,817
7/1/2016	134	182	5,902	3	7/1/2016		173	90	14	95.6	375	3,804
8/1/2016	107	149	6,080	3	8/1/2016		254	90	15	95.2	374	3,792
9/1/2016	9	25	1,606	3	9/1/2016		218	300	16	94.7	373	3,779
10/1/2016	-	73	3,781	3	10/1/2016		120	310	17	94.3	372	3,767
11/1/2016	-	40	2,449	3	11/1/2016		87	140	18	93.8	372	3,754
12/1/2016	125	209	4,854	3	12/1/2016		212	310	19	93.4	371	3,742
1/1/2017	98	145	7,723	3	1/1/2017		327	310	20	92.9	370	3,730
2/1/2017	111	165	5,963	3	2/1/2017		410	280	21	92.5	369	3,717
3/1/2017	131	272	9,421	3	3/1/2017		404	300	22	92.0	368	3,705
4/1/2017	137	211	6,661	3	4/1/2017		249	300	23	91.6	367	3,693
5/1/2017	103	193	7,782	3	5/1/2017		406	300	24	91.2	366	3,681
6/1/2017	120	166	6,704	3	6/1/2017		335	300	25	90.7	365	3,669
7/1/2017	81	197	6,706	3	7/1/2017		340	300	26	90.3	364	3,657
8/1/2017	110	195	4,857	3	8/1/2017		329	300	27	89.9	363	3,645
9/1/2017	147 77	216 214	7,916	3	9/1/2017		248 361	300 310	28 29	89.4 89.0	362 361	3,633
10/1/2017 11/1/2017	134	180	7,836 6,603	3	10/1/2017 11/1/2017		358	310	30	88.6	361	3,621 3,609
12/1/2017	124	113	4,691	3	12/1/2017		231	310	31	88.2	360	3,597
1/1/2018	70	163	1,117	3	1/1/2018	-	125	310	32	87.7	359	3,585
2/1/2018	16	233	1,167	3	2/1/2018	-	130	280	33	87.3	358	3,573
3/1/2018	97	393	1,600	3	3/1/2018	-	229	310	34	86.9	357	3,562
4/1/2018	106	387	1,377	3	4/1/2018	1	284	300	35	86.5	356	3,550
5/1/2018	89	353	1,033	3	5/1/2018	2	350	310	36	86.1	355	3,538
6/1/2018	91	343	1,000	3	6/1/2018	1	200	300	37	85.7	354	3,527
7/1/2018	99	215	827	3	7/1/2018	1	320	300	38	85.2	353	3,515
8/1/2018	102	201	1,033	3	8/1/2018	1	257	310	39	84.8	353	3,504
9/1/2018	78	142	1,000	3	9/1/2018	1	343	300	40	84.4	352	3,492
10/1/2018	18	142	1,033	3	10/1/2018	3	156	310	41	84.0	351	3,481
11/1/2018	73	238	4,223	3	11/1/2018				42	83.6	350	3,469
12/1/2018	173	275	8,525	3	12/1/2018				43	83.2	349	3,458
1/1/2019	92	350	1,033	3	1/1/2019	-	-	-	44	82.8	348	3,446
2/1/2019	82	236	3,192	3	2/1/2019	-	-	-	45	82.4	347	3,435
3/1/2019 4/1/2019	97 104	270 318	3,384 3,275	3	3/1/2019 4/1/2019	-	-	-	46 47	82.0 81.6	346 346	3,424 3,413
5/1/2019	95	336	3,625	3	5/1/2019	1	84	240	48	81.8	345	3,413
6/1/2019	83	256	3,327	3	6/1/2019	1	228	450	49	80.9	344	3,390
7/1/2019	94	292	3,273	3	7/1/2019	1	252	465	50	80.5	343	3,379
8/1/2019	95	210	3,254	3	8/1/2019	1	185	465	51	80.1	342	3,368
9/1/2019	74	208	3,074	3	9/1/2019	1	85	450	52	79.7	341	3,357
10/1/2019	43	182	1,550	3	10/1/2019	1	304	465	53	79.3	340	3,346
11/1/2019	169	142	5,236	3	11/1/2019		81	450	54	79.0	340	3,335
12/1/2019	153	277	3,100	3	12/1/2019		59	450	55	78.6	339	3,324
1/1/2020	155	310	-	3	1/1/2020		113		56	78.2	338	3,313
2/1/2020	83	155	2,938	3	2/1/2020		187		57	77.8	337	3,302
3/1/2020	115	151	2,607	2	3/1/2020		194		58	77.5	336	3,291
4/1/2020	94	42	3,022	2	4/1/2020		44		59	77.1	335	3,280
5/1/2020	128	79	751	2	5/1/2020		144		60	76.7	334	3,270
6/1/2020	119	74	1	2	6/1/2020		-					
7/1/2020	119	65	1,985	2	7/1/2020		170		-			
8/1/2020	136	47	6,240	2	8/1/2020		300					
	453		6 200	_	0/1/2020		202					
9/1/2020 10/1/2020	153 137	66 54	6,290 6,920	2	9/1/2020 10/1/2020		392 186					

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Exhibit D - Decline Curve IP Rates and Zone Allocation Percentage

Zone (1)	Zone (2)	Oil IP (BOPD)	Gas IP (MCFD)	Water IP (BWPD)
Jalmat	Yates-Seven Rivers	0.0	6.6	6.5
Langlie Mattix	Seven Rivers-Queen	3.3	6.2	124.1
	Total	3.3	12.8	130.6
Jalmat	Yates-Seven Rivers	1%	51%	5%
Langlie Mattix	Seven Rivers-Queen	99%	49%	95%
	Total (%)	100%	100%	100%

District | PS Box 1980, Hobbs, NM 88241-1980 District 8 PO Drower DD, Artesia, NM 88211-0719

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
Slate Lease -4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

Santa Fe, NM 87504-2088

☐ AMENDED REPORT

District III 1000 Rio Brosos Rd. , Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088

	15-1-		WEL	L LOCA	TION AND A	CREAGE DED	CATION PI	LAT	
30. C	API Hum 25 ~	3532		33820	Pool Code	3		Pool Name Cansill-Yates-	Seven Rivers)
32687		Ar	nott Rams	sey A	Pro	perty Name			6 Well Number No. 6
32932			FAE	I	Operating,				Elevation 3251
					¹⁰ Surface	Location		×	3231
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Dedicated Acres	13 Joint	or Infile 174	Consolidation Co	de 15	Order No.		L		
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						Arnott Ran	sey No. 6	Engineer	ing Tech
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District | PS Box 1980, Hobbs, NM 88241-1980

District 8 PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brosos Rd. , Aztec, NM 87410

District IV

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088

Santa Fe. NM 87504-2088

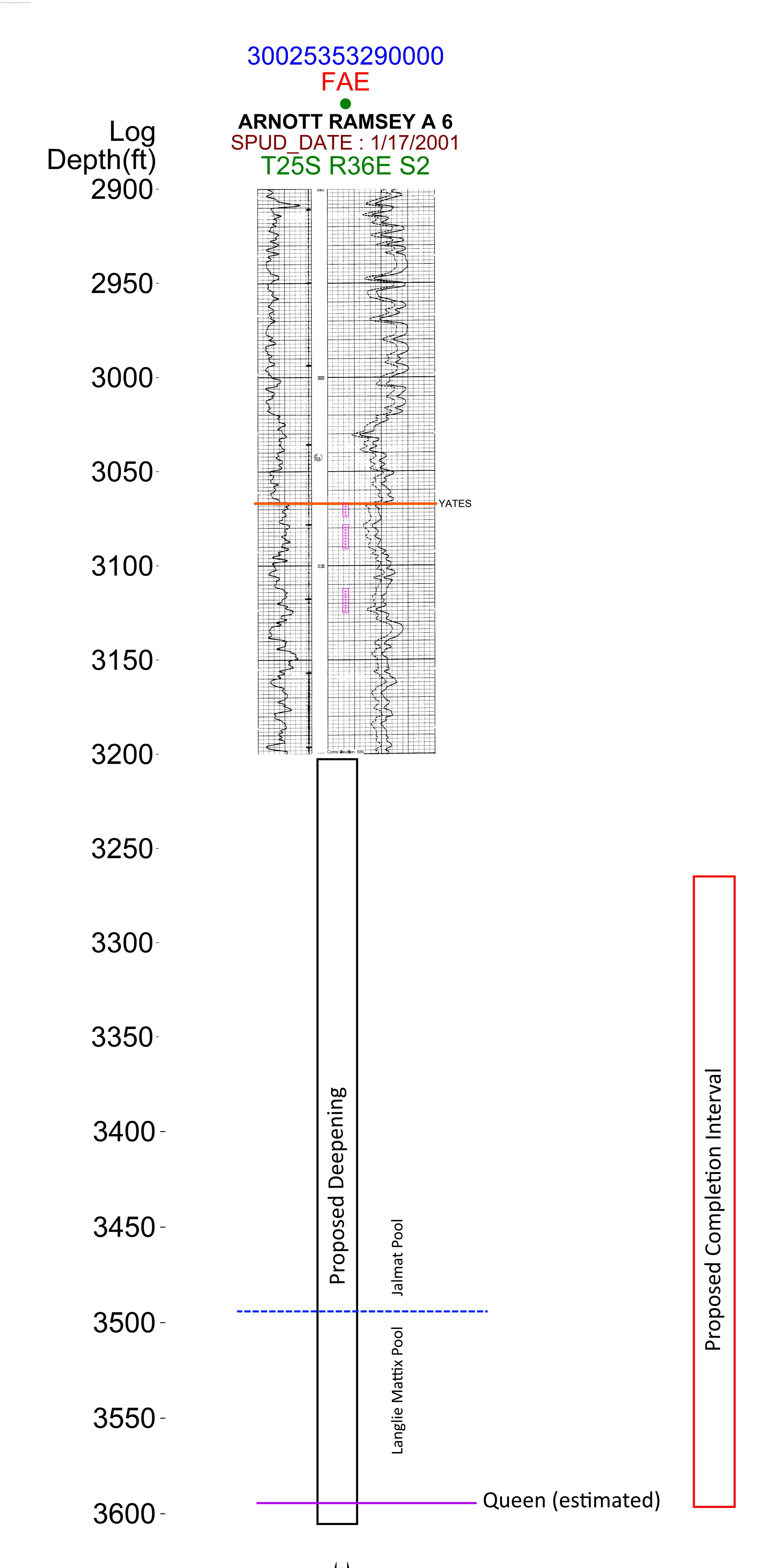
Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease -4 Copies
Fee Lease - 3 Copies

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10 Box 2088, Sonto Fe, NM 87504-2088	MENUEU REPURT
WELL LOCATION AND ACREAGE DEDICATION PLAT	
30.025-35329 37240 Langlie Matti	
Property Code 326.8.72 Arnott Ramsey A Property Name	Well Number No. 6
329326 FAE II Operating, LLC	Elevation 3251
¹⁰Surface Location	3231
Ut or lot so. Section Township Range Lot Idn Feet from the North/South line Feel from the East/Mest fine	County
H 2 25 S 36 E 1980 North 660 East	Lea
Bottom Hole Location If Different From Surface	
Ut or lot no. Section Township Range Lot lidn Feet from the North/South line Feet from the East/West line	County
Dedicated Acres 13 Joint or Infe: 14 Consolidation Code 15 Order No.	
40	
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNITL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION	
16 OPERATOR CERT	IEICATION T
I hereby certify that II	e information
contained herein is true and Dest of my knowledge and b.	complete to the
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Signature Marshall Bate:	5
9- 660' — Printed Name	
Elev. 3251" Title	
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I hereby cartify that the sell location was platted from field notes of actual me or under my supervision, and that	shown on this plat
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ARNOTT RAMSEY A 6 TD: 3,275

ID: 3,275 ELEV_KB: 3,254

fae loperating

February 3, 2021

Mr. Dean McClure New Mexico Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Arnott Ramsey A #006: API 30-025-35329 Jalmat Pool: 33820

Langlie Mattix Pool: 37240

Dear Mr. McClure

FAE II Operating LLC, as operator, will be filing applications with the New Mexico Oil Conservation Division for approval of the aforementioned commingling project. After a review of internal records, this letter serves as notice that the operator and interest owners are identical for the pools listed above.

If you have any questions, please feel free to contact the undersigned phone at (832) 220-9188 or by email at steven@faenergyus.com.

Thank you for your attention to this matter.

Sincerely,

FAE II Operating, LLC

Steven Lehrbass Land

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVER
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: 	A. Signature X
Commissioner of Public Lands	If YES, enter delivery address below: No
Attn: Commingling Manager	
PO Box 1148	
santa Fe, NM 87504	
	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Registered Mail™ □ Registered Mail Restricted
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9590 9402 6545 1028 5770 08	Certified Mailto

From: Engineer, OCD, EMNRD

To: <u>Marshall Bates</u>

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

Brandon, EMNRD; lisa@rwbyram.com; Holm, Anchor E.; Dawson, Scott

Subject: Approved Administrative Order DHC-5121

Date: Saturday, July 17, 2021 12:04:35 PM

Attachments: DHC5121 Order.pdf

NMOCD has issued Administrative Order DHC-5121 which authorizes FAE II Operating, LLC (329326) to downhole commingle production from 2 pools in their Arnott Ramsey A #6 well (30-025-35329).

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 OIL CONSERVATION DIVISION

APPLICATION FOR DOWNHOLE COMMINGLING SUBMITTED BY FAE II OPERATING, LLC

ORDER NO. DHC-5121

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 ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
- 2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
- 3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
- 4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
- 5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
- 6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
- 7. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

CONCLUSIONS OF LAW

- 8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
- 9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
- 10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

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- proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
- 12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
- 13. 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 downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
- 2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
- 3. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
- 4. Prior to commingling production from the Pools within the Well's well bore, Applicant shall confirm the depth of the top of the Queen Formation with OCD's District Geologist. If the depth confirmed by OCD's District Geologist is different than the depth submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after commingling production, Applicant shall submit Form C-103 to the OCD Engineering Bureau correcting the depth of the top of the Queen Formation.
- 5. If the Well is deepened, then Applicant shall conduct and, no later than forty-five (45) days after the Well is deepened, provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
- 6. If the downhole commingling of the Pools reduces the value of the 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 downhole commingling application to OCD to amend this Order to remove the pool that 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.
- 7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant

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- shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.
- 8. 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).
- 9. 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

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	DATE:	7/16/2021	
ADRIENNE SANDOVAL			
DIRECTOR			

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State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: DHC-5121

Operator: FAE II Operating, LLC (329326)

Well Name: Arnott Ramsay A #6

Well API: 30-025-35329

Pool Name: JALMAT; TAN-YATES-7 RVRS (OIL)

Upper Zone Pool ID: 33820 Current: X New:
Allocation: Fixed Percent Oil: 1% Gas: 51%

Interval: Perforations Top: 3,066 Bottom: 3,490

Pool Name:

Intermediate Zone Pool ID: Current: New: Allocation: Oil: Gas:

Interval: Top: Bottom:

Bottom of Interval within 150% of Upper Zone's Top of Interval:

Pool Name: LANGLIE MATTIX;7 RVRS-Q-GRAYBURG

Lower Zone Pool ID: 37240 Current: New: X
Allocation: Fixed Percent Oil: 99% Gas: 49%

Interval: Perforations Top: 3,490 Bottom: 3,600

Bottom of Interval within 150% of Upper Zone's Top of Interval: YES

Top of Queen: 3590

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 18010

CONDITIONS

Operator:	OGRID:
FAE II Operating LLC	329326
11757 Katy Freeway, Suite 1000	Action Number:
Houston, TX 77079	18010
	Action Type:
	[C-107] Down Hole Commingle (C-107A)

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.	7/17/2021