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

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.

APPLICA	ATION I	FOR SURFACE	COMMINGLING	G (DIVERS)	E OWNERSHIP)	
OPERATOR NAME:		perating, LLC				
OPERATOR ADDRESS:	OPERATOR ADDRESS: 11757 Katy Fwy, Ste. 1000, Houston, TX 77079					
APPLICATION TYPE:						
☐ Pool Commingling ☐ Lease	Comminglin	g ⊠Pool and Lease Co	ommingling Off-Lease	Storage and Meas	surement (Only if not Surfac	e Commingled)
LEASE TYPE:	e 🗆	State Fede	eral			
Is this an Amendment to exis	ting Order	? ☐Yes ☒No If	"Yes", please include	the appropriate	Order No.	
Have the Bureau of Land Man	nagement ((BLM) and State Land	d office (SLO) been no	tified in writing	g of the proposed comm	ingling
☐Yes ☑No						
			OL COMMINGLIN ts with the following in			
		Gravities / BTU of	Calculated Gravities /		Calculated Value of	
(1) Pool Names and Codes		Non-Commingled Production	BTU of Commingled	\$/mcf	Commingled	Volumes
[79240] JALMAT; TAN-YATES	S-7		Production		Production	-
RVRS (GAS)	5 /	1.3862 BTU		3.90		80 mcf/month
[37240] LANGLIE MATTIX; 7 RVR	0.20				\$546/month	
GRAYBURG	CS-Q-	1.362 BTU	1.362			60 mcf/month
(2) Are any wells producing at	top allowah	les? Tyes MNo				
 Pool Name and Code. Is all production from same Has all interest owners been in Measurement type: Met 	notified by o	apply? Yes Neertified mail of the prop Other (Specify)	o oosed commingling?	□Yes □1	No	
(1) Complete Sections A and E.			LEASE COMMING with the following in			
				(/) ha		
	(D)	OFF-LEASE ST	ORAGE and MEAS	SUREMENT		
		Please attached shee	ts with the following i			
(1) Is all production from same			0			
(2) Include proof of notice to all	I interest ow	ners.				
	(E) ADI		RMATION (for all		ypes)	
A schematic diagram of facil	lity includir		s with the following in	iormation		
(2) A plat with lease boundaries			ons. Include lease number	s if Federal or St	ate lands are involved	
(3) Lease Names, Lease and We	ell Numbers,	and API Numbers.			million and million	
1 1 10 14	$\overline{}$					
hereby certify that the information	mabbye is ti	rue and complete to the	best of my knowledge and	belief.		
SIGNATURE:) NVA	TIT	TLE: <u>Production F</u>	Engineer	DATE: 6	/21/22
TYPE OR PRINT NAME	Prittnon Ct	V				
TIL OKTKINA INAME	Brittney Stor	Id		TELEPHONE N	O.: <u>832-241-8080</u>	
E-MAIL ADDRESS: brittney@	faenerovus	com				

fae∐operating

June 21, 2022

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 and Sell Gas Production from the Jalmat; Tan-Yates-7 RVRS Pool for the Fluor Harrison #001 well at the Henry Harrison #001Tank Battery located in Unit N, Sec. 20, T-24S, R-37E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for surface commingling of gas production for its Henry Harrison lease located in Section 20 of Township 24S, Range 37E as shown on the map in Exhibit A. The lease is also identified by outline and legend. Exhibit B offers further detail on the relevant wells.

The attached battery diagrams, Exhibits C and D, are accurate schematics of the current facility and the proposed commingled facility, respectively. A new 2-inch gas flowline will be laid from the Fluor Harrison #001 and tie into the gas sales meter at the Henry Harrison #001.

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 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 brittney@faenergyus.com or by telephone at (832) 241-8080.

Very truly yours,

FAE II Operating, LLC

fae∏operating

Exhibit A - Lease Boundaries Map

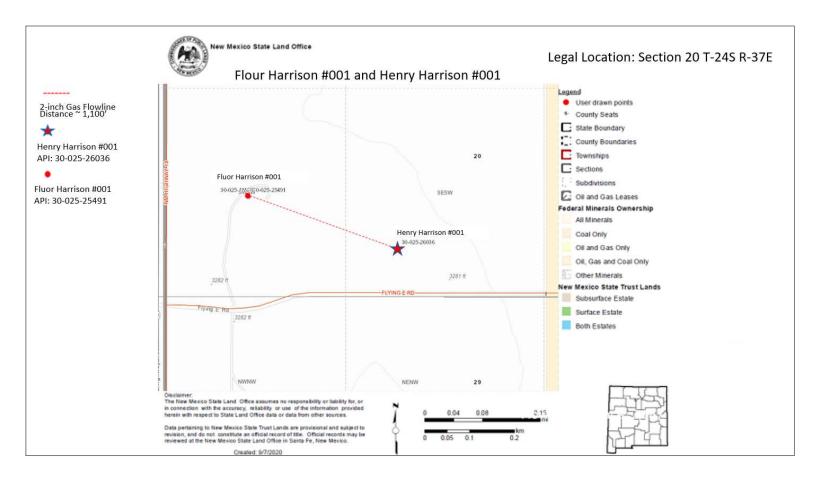


Exhibit B - Lease and Well Information

Well Name	Property No.	API#	Pool ID
Henry Harrison #001	329851	30-025-26036	[37240] LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG
Fluor Harrison #001	332383	30-025-37342	[79240] JALMAT; TAN-YATES-7 RVRS (GAS)

Exhibit C – Current Facility Layout

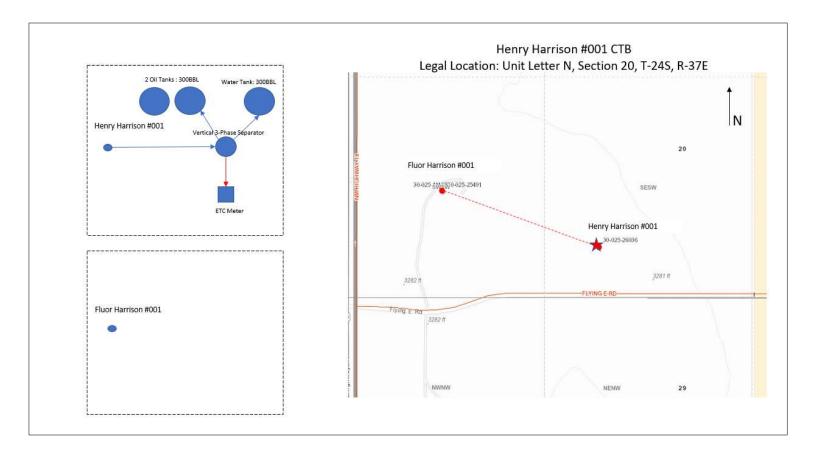


Exhibit D - Proposed Facility Layout

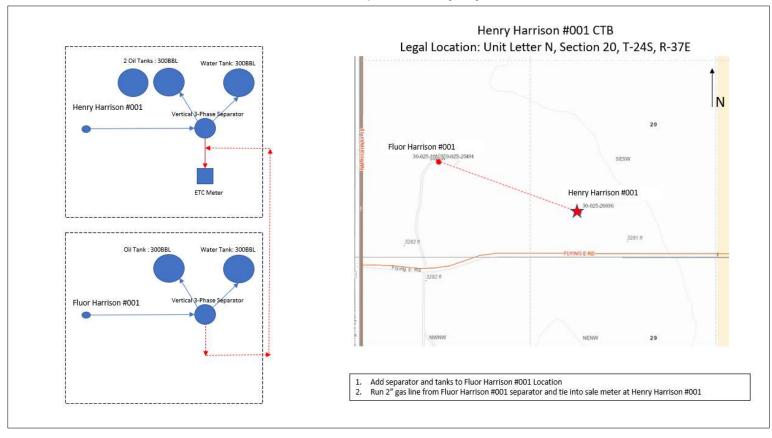


Exhibit E – Ownership Information

NA/-II NI (-)	Ownership	Name	Adduses	C:t.	Chaha	7:
Well Name(s)	Type	Name	Address	City	State	Zip
Fluor Harrison #001	Royalty	76028, LP	P O Box 9289	Wichita Falls	TX	76308
Fluor Harrison #001,	Dovoltv	Amy C. Davannart	D O Doy 10422	Midland	TV	70702
Henry Harrison #001	Royalty	Amy C. Davenport	P O Box 10422	Midland	TX	79702
Fluor Homison #001		Aughhigh angia of Nov. Vaul				
Fluor Harrison #001, Henry Harrison #001	Povalty	Archbishopric of New York, c/o William B Watson, Agent	P O Box 470425	Fort Worth	TV	76147
neilly namson #001	Royalty	C/O William B Watson, Agent	7134 S Yale Ave.,	FOIL WOILII	TX	70147
Henry Harrison #001	Royalty	Bandera Minerals, LLC	Ste 510	Tulsa	ОК	74136
Henry Harrison #001	Royalty	Bill Waldrop	P O Box 9289	Wichita Falls	TX	76308
Fluor Harrison #001,	,					7 0000
Henry Harrison #001	Royalty	Carol Cottingham Miles	P O Box 2006	San Angelo	TX	76902
	,			- Carry magere		7 0002
Henry Harrison #001	Working	Childress Royalty Company	P O Box 66	Joplin	МО	79702
7						
Fluor Harrison #001,		Clift Family Mineral Int., LLC,	68 S. Parkgate			
Henry Harrison #001	Royalty	Janet Miller, Manager	Circle	Shenandoah	TX	77381
, , , , , , , , , , , , , , , , , , , ,		Corrigan-Goddard Ranch	8117 Preston Road,			
Henry Harrison #001	Working	Family, LP	Suite 610	Dallas	TX	74136
Fluor Harrison #001,		,,				
Henry Harrison #001	Royalty	Daniel E. Foley	121 Whittier	Wichita	KS	67207
Fluor Harrison #001,	, ,	Davenport Conger Properties,				
Henry Harrison #001	Royalty	LP	P O Box 3511	Midland	TX	79702
Fluor Harrison #001,			11757 Katy			
Henry Harrison #001	Working	FAE II Operating	Freeway, Suite 725	Houston	TX	77079
	_	-	-			
Fluor Harrison #001	Royalty	Gist Mineral Investment, LLC	P O Box 50074	Austin	TX	78763
Fluor Harrison #001,		Henry H. Harrison, Jr.				
Henry Harrison #001	Royalty	Testamentary Trust	1120 Wilma	Tyler	TX	75701
Fluor Harrison #001	Working	Hugh Corrigan, III	P O Box 911	Breckenridge	TX	76424
Fluor Harrison #001	Royalty	J. Patrick Corrigan	P O Box 690068	Vero Beach	FL	32969
Henry Harrison #001	Working	James E. Gray	P O Box 179	May	TX	01545
		Jay H. Stafford, Trustee				
		Stafford Family Revocable				
Fluor Harrison #001	Royalty	Trust	127 Roadrunner	Ponca City	OK	74604
Henry Harrison #001	Royalty	Jay Hawley Stafford	127 Roadrunner	Ponca City	OK	74604

Henry Harrison #001	Royalty	Jeanette E. Clift George Trust, c/o JPMorgan Chase Bank, NA	P O Box 99084	Fort Worth	TX	76199
Fluor Harrison #001,						
Henry Harrison #001	Royalty	John & Lyn Petree	RRI Box 230	Taloga	ОК	73667
Fluor Harrison #001,						
Henry Harrison #001	Royalty	Lasca, Inc.	P O Box 470425	Fort Worth	TX	76147
				Oklahoma		
Henry Harrison #001	Royalty	Moon Royalty, LLC	P O Box 720070	City	ОК	73172
Fluor Harrison #001, Henry Harrison #001	Royalty	Oklahoma Medical Research Foundation, c/o Bank of Oklahoma, NA, Agent	P O Box 1588	Tulsa	ОК	74101
Henry Harrison #001	Working	P E Corrigan Power of Attorney Trust	P O Box 643726	Vero Beach	FL	32964
TICITIY HATHSUH #UU1	vvoikilig	ALLOHIES HUSE	8750 N. Central	VEIO DEGUII	I'L	32304
Fluor Harrison #001	Working	Patrick E. Corrigan Family Partnership, LLLP	Expressway, Ste 510	Dallas	TX	75231
Fluor Harrison #001,		Patsy Hinchey Family				
Henry Harrison #001	Royalty	Partnership	P O Box 53567	Midland	TX	79710
Fluor Harrison #001, Henry Harrison #001	Royalty	Rita L. Willis, Trust, c/o Bank of Oklahoma, Tulsa, NA	P O Box 1588	Tulsa	ОК	74101
Fluor Harrison #001, Henry Harrison #001	Royalty	Robert E. Stafford	173 Sweetbay Dr	Aiken	SC	29803
Fluor Harrison #001, Henry Harrison #001	Royalty	Robert M. Davenport, Jr.	104 S Pecos	Midland	TX	79701
Fluor Harrison #001, Henry Harrison #001	Royalty	Robertson B. Foley	13121 Killenwood Dr	Wichita	KS	67230
Henry Harrison #001	Royalty	Roca Properties, Ltd., A Texas Limited Partnership	312 E Illinois St., Suite 1	Midland	TX	79701
Fluor Harrison #001,		Ronald M. Harrison				
Henry Harrison #001	Royalty	Testamentary Trust	739 Parkway	Coppell	TX	75019
Fluor Harrison #001, Henry Harrison #001	Royalty	Sally Birdsong Skaggs Revocable Trust, c/o Amarillo National Bank, Trustee	P O Box 1	Amarillo	TX	79105
Fluor Harrison #001,	Povolty	Sally Ingerton, Grantor Trust, c/o Amarillo National Bank,	DO Boy 1	Amarilla	TV	70105
Henry Harrison #001 Fluor Harrison #001,	Royalty	Trustee Sevenways Venture Capital	P O Box 1 6125 Luther Lane,	Amarillo	TX	79105
Henry Harrison #001	Royalty	Ltd.	Suite 385	Dallas	TX	75225

6 | Page

	Overriding	States Royalty Limited				
Fluor Harrison #001	Royalty	Partnership	P O Box 911	Breckenridge	TX	76424
Henry Harrison #001	Working	Stumprock, LP	P O Box 1028	Manchacha	TX	75284
		Susan Landers, Grantor Trust,				
Fluor Harrison #001,		c/o Amarillo National Bank,				
Henry Harrison #001	Royalty	Trustee	P O Box 1	Amarillo	TX	79105
		The Lolisa Horton Revocable				
Fluor Harrison #001,		Trust, c/o Amarillo National				
Henry Harrison #001	Royalty	Bank, Trustee	P O Box 1	Amarillo	TX	79105
		Vink Family Trust, David E.				
Fluor Harrison #001,		Vink and Margaret F. Vink, Co-		Hot Springs		
Henry Harrison #001	Royalty	Trustees	10 Andorra Trace	Village	AR	71909
Fluor Harrison #001,						
Henry Harrison #001	Royalty	Yeager Resources, Ltd	P O Box 53567	Midland	TX	79408

Exhibit F - Certified Mail Receipt

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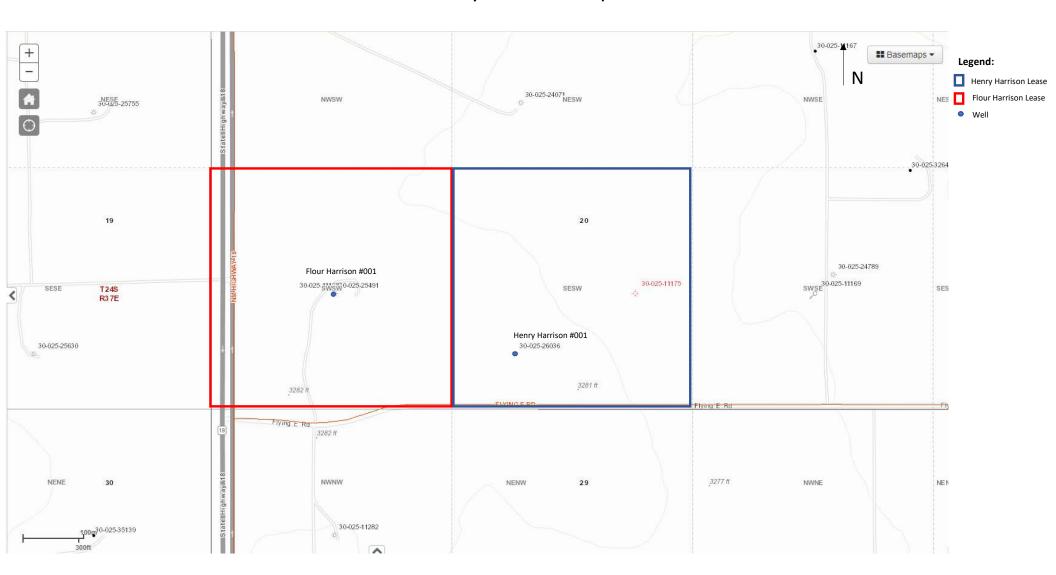








Fluor Harrison and Henry Harrison Lease Map

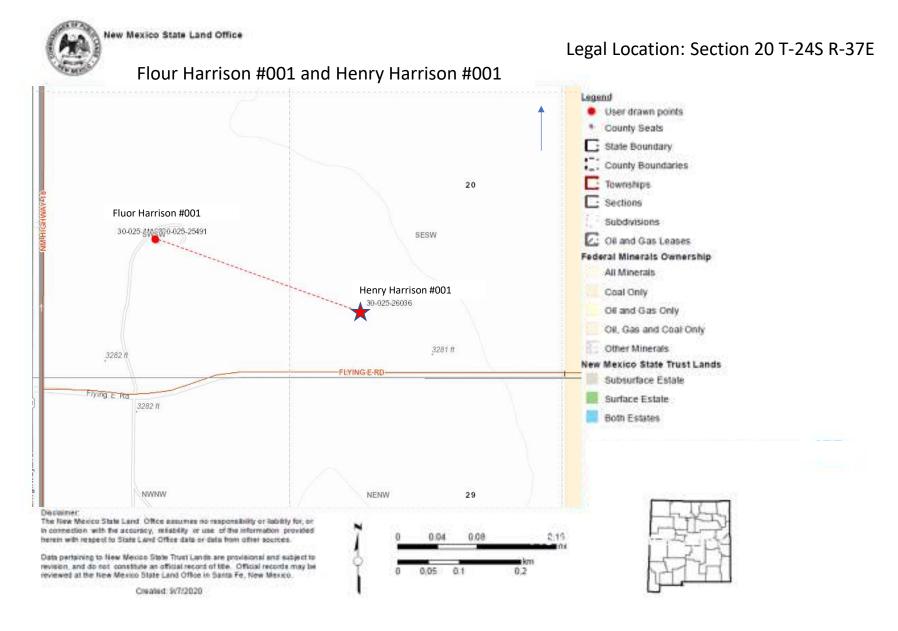


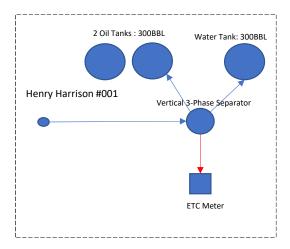
2-inch Gas Flowline Distance ~ 1,100'

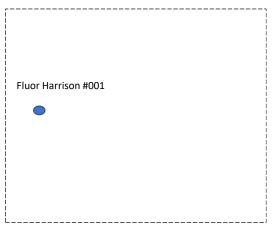
Henry Harrison #001 API: 30-025-26036

Floor House at 400

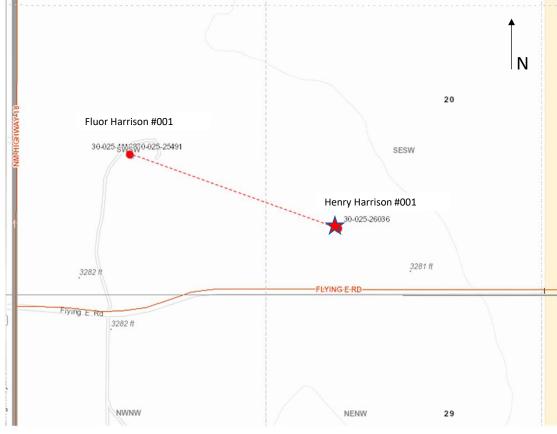
Fluor Harrison #001 API: 30-025-25491

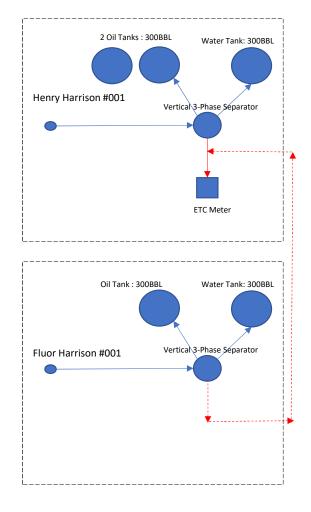




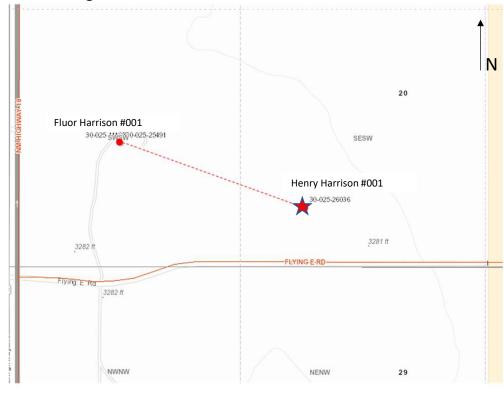


Henry Harrison #001 CTB Legal Location: Unit Letter N, Section 20, T-24S, R-37E





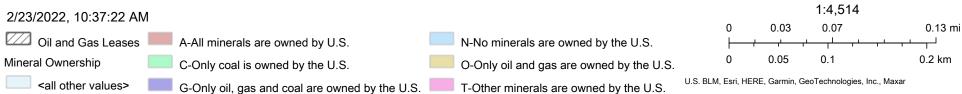
Henry Harrison #001 CTB Legal Location: Unit Letter N, Section 20, T-24S, R-37E



- 1. Add separator and tanks to Fluor Harrison #001 Location
- 2. Run 2" gas line from Fluor Harrison #001 separator and tie into sale meter at Henry Harrison #001

Henry Harrison CRP





Received by OCD: 6/23/2022 11:28:44 AM Page 22 of 32

Property ID#	Well Name(s)	Ownership Type	Name	Address	City	State	e Zip Tracking Number
	Fluor Harrison #001	Royalty	76028, LP	P O Box 9289	Wichita Falls	TX	76308 70212720000064686854
HEHAR1	Fluor Harrison #001, Henry Harrison #001	Royalty	Amy C. Davenport	P O Box 10422	Midland	TX	79702 70212720000064686861
HEHAR1	Fluor Harrison #001, Henry Harrison #001	Royalty	Archbishopric of New York, c/o William B Watson, Agent	P O Box 470425	Fort Worth	TX	76147 70212720000064685819
HEHAR1	Henry Harrison #001	Royalty	Bandera Minerals, LLC	7134 S Yale Ave., Ste 510	Tulsa	ОК	74136 70212720000064685826
HEHAR1	Henry Harrison #001	Royalty	Bill Waldrop	P O Box 9289	Wichita Falls	TX	76308 70212720000064685833
	Fluor Harrison #001, Henry Harrison #001	Royalty	Carol Cottingham Miles	P O Box 2006	San Angelo	TX	76902 70212720000064685840
HEHAR1	Henry Harrison #001	Working	Childress Royalty Company	P O Box 66	Joplin	МО	79702 70212720000064685857
	Fluor Harrison #001, Henry Harrison #001	Royalty	Clift Family Mineral Int., LLC, Janet Miller, Manager	68 S. Parkgate Circle	Shenandoah	TX	77381 70212720000064685864
HEHAR1	Henry Harrison #001	Working	Corrigan-Goddard Ranch Family, LP	8117 Preston Road, Suite 610	Dallas	TX	74136 70212720000064685871
	Fluor Harrison #001, Henry Harrison #001	Royalty	Daniel E. Foley	121 Whittier	Wichita	KS	67207 70212720000064685888
	Fluor Harrison #001, Henry Harrison #001	Royalty	Davenport Conger Properties, LP	P O Box 3511	Midland	TX	79702 70212720000064685895
	Fluor Harrison #001, Henry Harrison #001	Working	FAE II Operating	11757 Katy Freeway, Suite 725	Houston	TX	77079
	Fluor Harrison #001	Royalty	Gist Mineral Investment, LLC	P O Box 50074	Austin	TX	78763 70212720000064685918
	Fluor Harrison #001, Henry Harrison #001	Royalty	Henry H. Harrison, Jr. Testamentary Trust	1120 Wilma	Tyler	TX	75701 70212720000064685925
	Fluor Harrison #001	Working	Hugh Corrigan, III	P O Box 911	Breckenridge	TX	76424 70212720000064685932
	Fluor Harrison #001	Royalty	J. Patrick Corrigan	P O Box 690068	Vero Beach	FL	32969 70212720000064685949
HEHAR1	Henry Harrison #001	Working	James E. Gray	P O Box 179	May	TX	01545 70212720000064685956
	Fluor Harrison #001	Royalty	Jay H. Stafford, Trustee Stafford Family Revocable Trust	127 Roadrunner	Ponca City	OK	74604 70212720000064685963
HEHAR1	Henry Harrison #001	Royalty	Jay Hawley Stafford	127 Roadrunner	Ponca City	OK	74604 70212720000064685970
HEHAR1	Henry Harrison #001	Royalty	Jeanette E. Clift George Trust, c/o JPMorgan Chase Bank, NA	P O Box 99084	Fort Worth	TX	76199 70212720000064685987
	Fluor Harrison #001, Henry Harrison #001	Royalty	John & Lyn Petree	RRI Box 230	Taloga	OK	73667 70212720000064685994
	Fluor Harrison #001, Henry Harrison #001	Royalty	Lasca, Inc.	P O Box 470425	Fort Worth	TX	76147 70212720000064686007
HEHAR1	Henry Harrison #001	Royalty	Moon Royalty, LLC	P O Box 720070	Oklahoma City	OK	73172 70212720000064686014
	Fluor Harrison #001, Henry Harrison #001	Royalty	Oklahoma Medical Research Foundation, c/o Bank of Oklahoma, NA, Agent	P O Box 1588	Tulsa	OK	74101 70212720000064686021
HEHAR1	Henry Harrison #001	Working	P E Corrigan Power of Attorney Trust	P O Box 643726	Vero Beach	FL	32964 70212720000064686038
	Fluor Harrison #001	Working	Patrick E. Corrigan Family Partnership, LLLP	8750 N. Central Expressway, Ste 510	Dallas	TX	75231 70212720000064686045
	Fluor Harrison #001, Henry Harrison #001	Royalty	Patsy Hinchey Family Partnership	P O Box 53567	Midland	TX	79710 70212720000064686052
	Fluor Harrison #001, Henry Harrison #001	Royalty	Rita L. Willis, Trust, c/o Bank of Oklahoma, Tulsa, NA	P O Box 1588	Tulsa	OK	74101 70212720000064686069
	Fluor Harrison #001, Henry Harrison #001	Royalty	Robert E. Stafford	173 Sweetbay Dr	Aiken	SC	29803 70212720000064686076
	Fluor Harrison #001, Henry Harrison #001	Royalty	Robert M. Davenport, Jr.	104 S Pecos	Midland	TX	79701 70212720000064686083
	Fluor Harrison #001, Henry Harrison #001	Royalty	Robertson B. Foley	13121 Killenwood Dr	Wichita	KS	67230 70212720000064686090
HEHAR1	Henry Harrison #001	Royalty	Roca Properties, Ltd., A Texas Limited Partnership	312 E Illinois St., Suite 1	Midland	TX	79701 70212720000064686106
	Fluor Harrison #001, Henry Harrison #001	Royalty	Ronald M. Harrison Testamentary Trust	739 Parkway	Coppell	TX	75019 70212720000064686113
	Fluor Harrison #001, Henry Harrison #001	Royalty	Sally Birdsong Skaggs Revocable Trust, c/o Amarillo National Bank, Trustee	P O Box 1	Amarillo	TX	79105 70212720000064686120
	Fluor Harrison #001, Henry Harrison #001	Royalty	Sally Ingerton, Grantor Trust, c/o Amarillo National Bank, Trustee	P O Box 1	Amarillo	TX	79105 70212720000064686137
	Fluor Harrison #001, Henry Harrison #001	Royalty	Sevenways Venture Capital Ltd.	6125 Luther Lane, Suite 385	Dallas	TX	75225 70212720000064686144
	Fluor Harrison #001	Overriding Royalty	States Royalty Limited Partnership	P O Box 911	Breckenridge	TX	76424 70212720000064686151
HEHAR1	Henry Harrison #001	Working	Stumprock, LP	P O Box 1028	Manchacha	TX	75284 70212720000064686168
	Fluor Harrison #001, Henry Harrison #001	Royalty	Susan Landers, Grantor Trust, c/o Amarillo National Bank, Trustee	P O Box 1	Amarillo	TX	79105 70212720000064686175
	Fluor Harrison #001, Henry Harrison #001	Royalty	The Lolisa Horton Revocable Trust, c/o Amarillo National Bank, Trustee	P O Box 1	Amarillo	TX	79105 70212720000064686182
	Fluor Harrison #001, Henry Harrison #001	Royalty	Vink Family Trust, David E. Vink and Margaret F. Vink, Co-Trustees	10 Andorra Trace	Hot Springs Village	AR	71909 70212720000064686199
HEHAR1	Fluor Harrison #001, Henry Harrison #001	Royalty	Yeager Resources, Ltd	P O Box 53567	Midland	TX	79408 70212720000064686205

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 June 30, 2022 and ending with the issue dated June 30, 2022.

Publisher

Sworn and subscribed to before me this 30th day of June 2022.

Business Manager

My commission expires

January 29, 2023

GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526
My Comm. Expires Jan 29, 2023

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

LEGAL

LEGAL

LEGAL NOTICE June 30, 2022

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.

days after publication, of the days after publication.
FAE II Operating, LLC
11757 Katy Freeway, Suite 725
Houston, TX 77079
832-241-8080
Brittney Stofa

Location: T24S-R37E, Section 20 Facility Location: T24S-R37E, Section 20: Unit Letter

Henry Harrison #001 – API: 30-025-26036
Fluor Harrison #001 – API: 30-025-37342
Commingling production is pooled from the Jalmat;
Tan-Yates-7 Rivers (79240 – Gas) & Langlie Mattix;
7 RVRS-Q-Grayburg (37240 – Gas)

#37806

MAILED MAILED

67115951

00268391

MARITZA SANTANA FORTY ACRES ENERGY 11757 KATY FREEWAY, STE 725 HOUSTON, TX 77079

Revised March 23, 2017

RECEIVED:	EVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD	DIVISION USE ONLY	
122	- Geological	& Engineerin	/ATION DIVISION g Bureau – ta Fe, NM 87505	
	ADMINISTRAT	IVE ADDITOAT	ION CHECKLIST	
	MANDATORY FOR ALL AD	MINISTRATIVE APPLIC	CATIONS FOR EXCEPTIONS E DIVISION LEVEL IN SANTA	
pplicant: FAE II Operating, L	LC		OGR	RID Number: 329326
ell Name: Henry Harrison #1				30-025-26036
LANGLIE MATTIX, 7 RV	RS-Q-GRAYBURG			Code: 37240
	J	NDICATED BELO	WC	THE TYPE OF APPLICATION
A. Location – Spacing				
A. Localion − spacing	9 Orill − Simonario □ NSP _{(PROJEC}			SD
	LI 1101 (FROJEC	I AKEA)	(PRORATION UNIT)	30
[II] Injection – Dis	Storage – Mease CTB PLC posal – Pressure I PMX SWD D TO: Check thoos or lease holders ling royalty owner pulished red/or concurrent of cove, proof of noticed concurrent and core concurrent of coverify that the lis accurate and con will be taken	PC Concrease - Enhance - E	anced Oil Recovers OR PPR Veners O O O O O O O O O O O O O	FOR OCD ONLY Notice Complete Application Content Complete hed, and/or, application for owledge. I also
Note: Statemen	t must be completed b	y an individual with	managerial and/or sup	ervisory capacity.
			6/21/22	
nitte on Chaufe				
ittney Storia			Date	
			Date	
rittney Storfa int or Type Name	3A_		832-241-8080 Phone Number brittney@FAEner	FOURIS COM

From: Engineer, OCD, EMNRD

To: <u>Brittney Storfa</u>

Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com

Subject: Approved Administrative Order PLC-839

Subject: Approved Administrative Order PLC-839

Date: Wednesday, September 14, 2022 12:17:02 PM

Attachments: PLC839 Order.pdf

NMOCD has issued Administrative Order PLC-839 which authorizes FAE II Operating, LLC (329326) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-26036	Henry Harrison #1	N	20-24S-37E	37240
30-025-25491	Fluor Harrison #1	M	20-24S-37E	79240

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

Brittney Storfa McClure, Dean, EMNRD RE: [EXTERNAL] RE: surface commingling application PLC-839 Friday, June 24, 2022 7:02:39 AM

image002.png
image003.png
image003.png
Project Cover Letter - Henry Harrison #001 - Brittney Signed.pdf
Fluor Harrison - Henry Harrison Lease Map.pdf
Owner Letter - Henry Harrison Lease Map.pdf
Owner Letter - Henry Harris

Dean,

I apologize, I was a little confused on the lease map. Thank you for the example it was very helpful. I have attached a new lease map and hope it is more what you are looking for.

Yes, we will be using the shut-in method for testing.

And I didn't answer your question before about the Fluor Harrison.... Yes, that is the correct well. I have changed the Project letter to reflect the correct well, please see attached.

Thank you so much for all your help. Please let me know if you need anything else.

Brittney

From: McClure, Dean, EMNRD < Dean. McClure@state.nm.us>

Sent: Thursday, June 23, 2022 4:40 PM

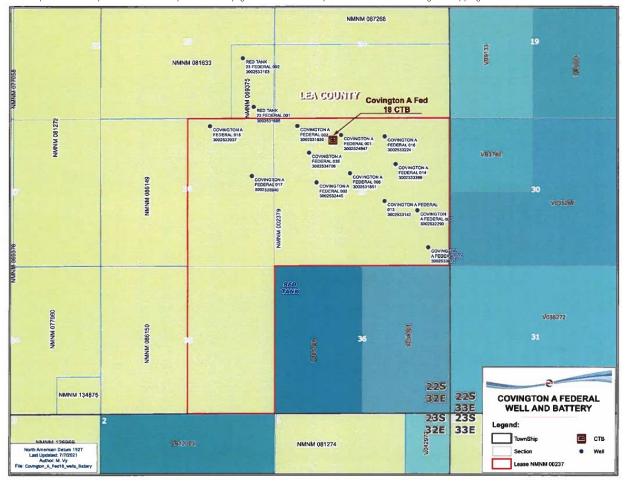
To: Brittney Storfa <bri>drittney@faenergyus.com>

Subject: RE: [EXTERNAL] RE: surface commingling application PLC-839

Brittney,

What is FAE's proposal for conducting the well tests? Is the intent to shut in one well while a well test is being conducted on the other?

I think there may be a misunderstanding about what a lease map entails. See below for an example. Using a screen shot of the State's GIS while not ideal, usually works, but since the State GIS does not depict fee leases they will need to be manually drawn in overlaying the screen shot. You may need to reference FAE's lease agreement(s) to get the boundaries.



Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

From: Brittney Storfa < brittney@faenergyus.com >

Sent: Thursday, June 23, 2022 2:30 PM

To: McClure, Dean, EMNRD < Dean.McClure@state.nm.us>

Subject: [EXTERNAL] RE: surface commingling application PLC-839

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Please see attached lease map, spreadsheet with owners and tracking numbers. I have also attached the affidavit of publication that we submitted to the Hobbs news. As soon as they run the ad and send us the notarized ad I will forward it to you.

We will be using well testing as the method of production allocation.

Please let me know if you need anything else or different lease maps.

Brittney Storfa | Engineer

forty acres energy

11757 Katy Freeway, Suite 725 | Houston, TX 77079

- O 832.241.8080 (ext. 161)
- C 406,860,9065
- E brittney@faenergyus.com

From: McClure, Dean, EMNRD < Dean.McClure@state.nm.us>

Sent: Thursday, June 23, 2022 1:38 PM To: Brittney Storfa < brittney@faenergyus.com> Subject: surface commingling application PLC-839

I am reviewing surface commingling application PLC-839 which involves a commingling project that includes the Henry Harrison 1 Central Tank Battery and is operated by FAE II Operating, LLC

Please submit the following:

- A lease map with wells and leases depicted
- List of noticed persons including the tracking numbers for the notices provided to each in a table format
- A summary of the allocation method that will be used to allocate production to each well

If time is of an interest and there is any concern that an address for one of the interest owners is incorrect, then FAE may wish to consider conducting public notice. If public notice is conducted, then the avadavat of publication will need to be provided.

Additionally confirm that the following well is the correct well to be included in this application as the API number included in the application seems to be incorrect:

Fluor Harrison #1

M 20-24S-37E 79240

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 SURFACE COMMINGLING SUBMITTED BY FAE II OPERATING, LLC

ORDER NO. PLC-839

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 gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the 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 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 gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the 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) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

Order No. PLC-839 Page 1 of 3

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 11. Commingling of 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) NMAC and 19.15.12.10.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 gas production from the pools, leases, and wells identified in Exhibit A.
 - Applicant is authorized to store and measure gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.
- 2. The gas production for each well identified in Exhibit A shall be allocated by conducting a minimum of one (1) well test per month.
 - Applicant shall conduct a well test by separating and measuring the gas production from that well for a minimum of twenty-four (24) consecutive hours.
 - The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than thirty (30) days until the well commences production.
- 3. Applicant shall measure and market the commingled gas at a well pad, 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.
- 4. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 5. If the commingling of gas production from any pool, lease, or well reduces the value of the commingled 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 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-839 Page 2 of 3

- 6. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 7. 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).
- 8. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

DATE: 9/14/2022

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ame
ADRIENNE E. SANDOVAL
DIRECTOR

Order No. PLC-839 Page 3 of 3

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-839

Operator: FAE II Operating, LLC (329326)

Central Tank Battery: Henry Harrison 1 Central Tank Battery

Central Tank Battery Location: UL N, Section 20, Township 24 South, Range 37 East Gas Title Transfer Meter Location: UL N, Section 20, Township 24 South, Range 37 East

Pools

Pool Name Pool Code
LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG 37240
JALMAT; TAN-YATES-7 RVRS (GAS) 79240

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
Fee	N	20-24S-37E
Fee	M	20-24S-37E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-26036	Henry Harrison #1	N	20-24S-37E	37240
30-025-25491	Fluor Harrison #1	M	20-24S-37E	79240

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 119885

CONDITIONS

Operator:	OGRID:
FAE II Operating LLC	329326
11757 Katy Freeway, Suite 725	Action Number:
Houston, TX 77079	119885
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By		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.	9/14/2022