

**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: (505) 748-1283 Fax: (505) 748-9720  
**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101  
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address FAE II Operating LLC 11757 Katy Freeway, Suite 1000 Houston, TX 77079		<sup>2</sup> OGRID Number 329326
		<sup>3</sup> API Number 30-025-34486
<sup>4</sup> Property Code 326359	<sup>5</sup> Property Name CITGO AS STATE	<sup>6</sup> Well No. #004

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	02	24S	36E		330	NORTH	330	WEST	LEA

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	02	24S	36E		330	NORTH	330	WEST	LEA

**9. Pool Information**

<sup>7</sup> Pool Name LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	<sup>8</sup> Pool Code 37240
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**Additional Well Information**

<sup>11</sup> Work Type A	<sup>12</sup> Well Type O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type S	<sup>15</sup> Ground Level Elevation 3373
<sup>16</sup> Multiple YES	<sup>17</sup> Proposed Depth 3783	<sup>18</sup> Formation 7 RVRS-QUEEN	<sup>19</sup> Contractor TBD	<sup>20</sup> Spud Date 5/15/2021
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

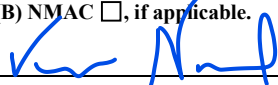
Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	12.250"	8.625"	24#	771'	475 sxs	Surface
Production		5.500"	15.5#	3783'	675 sxs	Surface

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	Unknown

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: 	OIL CONSERVATION DIVISION	
	Approved By:	
Printed name: VANESSA NEAL	Title:	
Title: RESERVOIR ENGINEER	Approved Date:	Expiration Date:
E-mail Address: <a href="mailto:vanessa@faenergyus.com">vanessa@faenergyus.com</a>		
Date: 08 April 2021	Phone: 832-219-0990	Conditions of Approval Attached

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-34486		<sup>2</sup> Pool Code 37240		<sup>3</sup> Pool Name LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	
<sup>4</sup> Property Code 326359		<sup>5</sup> Property Name CITGO AS STATE			<sup>6</sup> Well Number #004
<sup>7</sup> OGRID No. 329326		<sup>8</sup> Operator Name FAE II OPERATING, LLC			<sup>9</sup> Elevation 3373'

<sup>10</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	02	24S	36E		330	N	330	W	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	02	24S	36E		330	N	330	W	LEA

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>10</sup>	NW/4 NW/4 Sec 32 (40 acres)			<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p>			
					4/8/2021	Signature	Date
				VANESSA NEAL		Printed Name	
vanessa@faenergyus.com		E-mail Address					
<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p>				Date of Survey			
				Signature and Seal of Professional Surveyor:			
				Certificate Number			

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Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit Original  
to Appropriate  
District Office

**GAS CAPTURE PLAN**

Date: 08 APR 2021

Original Operator & OGRID No.: FAE II Operating LLC (329326)  
 Amended - Reason for Amendment: Workover Citgo AS State #004; Add Zone

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

*Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).*

**Well(s)/Production Facility – Name of facility**

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Citgo AS State #004	30-025-34486	D-02-24S-36E	330' FNL & 330' FWL	3.5	No	

**Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to [298751] REGENCY FIELD SERVICES LLC (Gas Transporter) and will be connected to Gas Transporter low/high pressure gathering system located in LEA County, New Mexico. It will require 2000 ' of pipeline to connect the facility to low/high pressure gathering system. [329326] FAE II OPERATING LLC (Operator) provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec. 33, Twn. 24S, Rng. 37E, LEA County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

**Flowback Strategy**

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Gas Transporter system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

**Alternatives to Reduce Flaring**

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 23407

**CONDITIONS OF APPROVAL**

Operator:	FAE II OPERATING LLC	11757 Katy Freeway, Suite 1000	Houston, TX77079	OGRID:	329326	Action Number:	23407	Action Type:	APD
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OCD Reviewer	Condition
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well
pkautz	Pit construction and closure must satisfy all requirements of your approved plan