

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Report

Well Name: WELLS B-1 Well Location: T25S / R36E / SEC 1 / County or Parish/State: LEA /

NENE /

Well Number: 01 Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMLC032582B Unit or CA Name: Unit or CA Number:

NMNM116183

US Well Number: 3002509718 Well Status: Producing Oil Well Operator: FAE II OPERATING

LLC

Notice of Intent

Sundry ID: 2507628

Type of Submission: Notice of Intent

Type of Action: Recompletion

Date Sundry Submitted: 07/30/2021 Time Sundry Submitted: 11:53

Date proposed operation will begin: 08/29/2021

Procedure Description: Est 9-10 days with workover rig. MIRU. POOH w/ pump, rods & tbg. RIH w/ 6-3/4" bit. Drill out fill, cmt, packer, CIBPs, & CICR to TD. Circulate clean. Perf csg & sqz thief zone @ 3124-3154'. Drill out cmt. Circulate clean. Perf QUEEN 3434-3538' (2 SPF). Perf SEVEN RIVERS 3375-3410' (2 SPF). POOH w/ wireline. Acidize perfs 3340-3538' w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt diverter & flush w/ 1000 bbls 2% KCL water. TIH w/ tbg, pump & rods. RTP Downhole commingle Jalmat; Tansill-Yates-Seven Rivers & Langlie Mattix; Seven Rivers-Queen-Grayburg pools.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

WBD_Wells_B_1_1_CURRENT_PROPOSED_2021_10_05_20211005142708.pdf

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Operator: FAE II OPERATING

LLC

Zip:

Conditions of Approval

Specialist Review

Workover_or_Vertical_Deepen_COA_20211005200227.pdf

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: VANESSA NEAL Signed on: OCT 05, 2021 02:27 PM

Name: FAE II OPERATING LLC

Title: Reservoir Engineer

Street Address: 11757 KATY FREEWAY, SUITE 1000

City: HOUSTON State: TX

Phone: (832) 219-0990

Email address: VANESSA@FAENERGYUS.COM

Field Representative

Representative Name:

Street Address:

State: City:

Phone:

Email address:

BLM Point of Contact

Signature: Jonathon Shepard

BLM POC Name: Jonathon W Shepard **BLM POC Title:** Petroleum Engineer

BLM POC Phone: 5752345972 **BLM POC Email Address:** jshepard@blm.gov

Disposition: Approved Disposition Date: 10/05/2021

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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

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>
1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

¹ API Number		² P	ool Code		³ Pool Name		³ Pool Name			
30-025-09718		3	7240	L	LANGLIE MATTIX; 7 RVRS-QUEEN			I-GRAYBURG		
⁴ Property Code		•	⁵ Property Name				⁶ We	⁶ Well Number		
328248			WELLS B 1					į	#001	
⁷ OGRID No.		⁸ Operator Name					9 F	⁹ Elevation		
329326		FAE II OPERATING, LLC					3	3321'		
				10 Sur	face Location	n				
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County	
Α	1	25S	36E	1	660	N	660	E	LEA	

	-	200	30L	ı	000	IN	000	_	LLA
" 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
Α	1	25S	36E	1	660	N	660	E	LEA
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code		15 Order No.							
40	•	Y							

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.

16	NE/4 NE/4 Sec 1 (40 acres)	O 660,	17 OPERATOR CERTIFICATION 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 herefofore entered by the division.
			Signature Date VANESSA NEAL Printed Name vanessa@faenergyus.com E-mail Address
			In SURVEYOR CERTIFICATION 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. Date of Survey
			Signature and Seal of Professional Surveyor: Certificate Number

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description Effective May 25, 2021

I. Operator:	Operator: FAE II Operating, LLC		OGRID:	329326	Date:	10/14/2021		
II. Type: ☐ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☒ Other.								
If Other, please describe	e: <u>Add Perf</u>	s in Wells B 1 #0	01 to Langlie Matt	tix Pool & DHC w	ith Jalmat Pool			
III. Well(s): Provide the be recompleted from a s					vells proposed to	be drilled or proposed to		
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D		
WELLS B 1 #001	30-025-09718	A-01-25S-36E	660' FNL & 660' FEL	5	10	5		
IV. Central Delivery P V. Anticipated Schedu proposed to be recomple	le: Provide the	following inform		or recompleted w		5.27.9(D)(1) NMAC] proposed to be drilled or		
Well Name	API	Spud Date	TD Reached Date	Completion Commencement				
WELLS B 1 #001	30-025-09718	12/27/2021	12/30/2021	12/30/2021	1/7/20	22 1/8/2022		
VI. Separation Equipment: Attach a complete description of how Operator will size separation equipment to optimize gas capture. VII. Operational Practices: Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.								
	VIII. Best Management Practices:							

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022							
	Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.						
☐ Operator certifies capture requirement			ion because Operator is in c	compliance with its statewide natural gas			
IX. Anticipated Nat	tural Gas Producti	on:					
We	ell	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF			
X. Natural Gas Gat	thering System (NC	GGS):					
Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in			
production operation the segment or portion XII. Line Capacity.	s to the existing or pon of the natural gas. The natural gas gas	planned interconnect of the gathering system(s) to v	he natural gas gathering systewhich the well(s) will be com will not have capacity to g	nticipated pipeline route(s) connecting the em(s), and the maximum daily capacity of nected. gather 100% of the anticipated natural gas			
				ted to the same segment, or portion, of the line pressure caused by the new well(s).			
☐ Attach Operator's plan to manage production in response to the increased line pressure.							
Section 2 as provide	d in Paragraph (2) o		27.9 NMAC, and attaches a f	SA 1978 for the information provided in full description of the specific information			

Section 3 - Certifications Effective May 25, 2021

	
Operator certifies that, a	after reasonable inquiry and based on the available information at the time of submittal:
one hundred percent of	e to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport f the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering
hundred percent of the into account the curren	e able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking t and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. It is box, Operator will select one of the following:
Well Shut-In. □ Opera D of 19.15.27.9 NMAC	tor will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection c; or
	Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential sees for the natural gas until a natural gas gathering system is available, including:
(a)	power generation on lease;
(b)	power generation for grid;
(c)	compression on lease;
(d)	liquids removal on lease;
(e)	reinjection for underground storage;
(f)	reinjection for temporary storage;
(g)	reinjection for enhanced oil recovery;
(h)	fuel cell production; and
(i)	other alternative beneficial uses approved by the division.

Section 4 - Notices

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- (b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil

FAE II Operating, LLC ("FAE") Natural Gas Management Plan

VI. Separation Equipment

- Separation equipment is sized to allow for retention time and velocity to adequately separate oil, gas, and water at anticipated peak rates.
- Valves and meters are designed to service without flow interruption or venting of gas.
- Gas from treater and wellhead will be tied into the sales line.

VII. Operational Practices

19.15.27.8 (A)

FAE's field operations are designed with the goal of minimizing venting of natural gas. Wellhead and existing production equipment are tied into the gas sales line.

19.15.27.8 (B) Venting and Flaring during drilling operations

- Venting will only occur if there is an equipment malfunction and/or to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment.
- Daily vented volumes during drilling operations will be estimated on the daily report.
- All equipment will be available to process wellhead production upon completion of the well.

19.15.27.8 (C) Venting and Flaring during completions or recompletions operations.

- During all phases of flowback, wells will flow through a sand separator, or other appropriate flowback separation equipment, and the well stream will be directed to a central tank battery (CTB) through properly sized flowlines.
- The CTB will have properly sized separation equipment for maximum anticipated flowrates.
- All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks;
 vented gas volumes from oil tanks will be estimated based on annual GOR since expected production from will is <60 MCFPD.

19.15.27.8 (D) Venting and Flaring during production operations.

- During production, the well stream will be routed to the CTB where multiple stages of separation will separate gas from liquids. All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks; vented gas volumes from oil tanks will be estimated based on annual GOR since expected production from will is <60 MCFPD.
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. Any active leaks or releases will be reported as required and repaired in a timely manner.
- Gas sales volumes are recorded and monitored via EFMS.

19.15.27.8 (E) Performance Standards

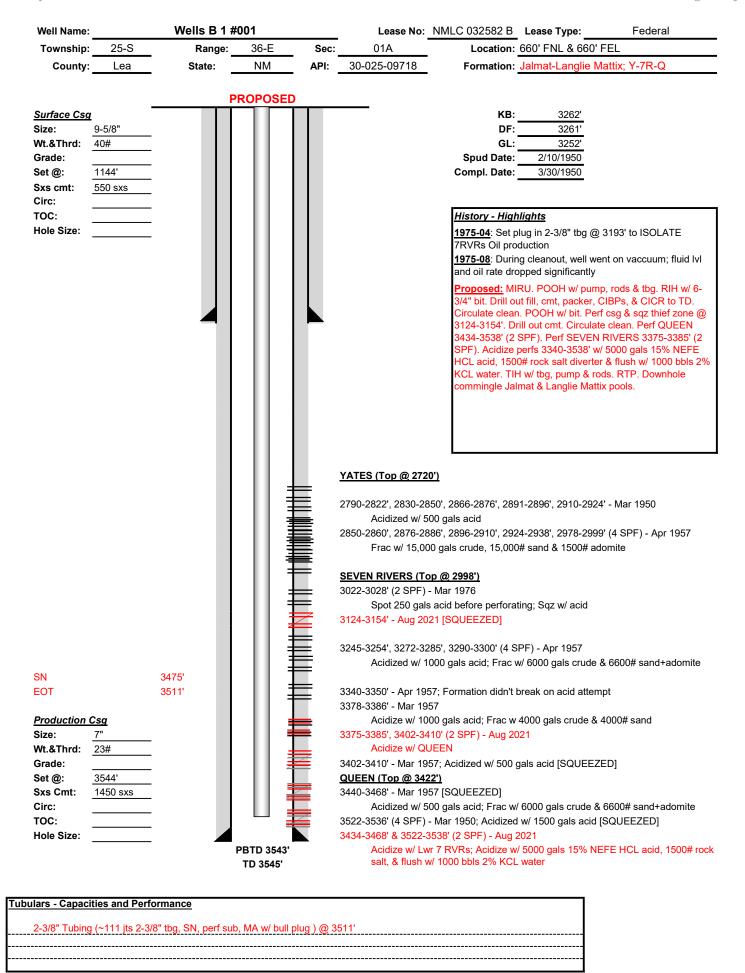
- Production equipment will be designed to handle maximum anticipated rates and pressure.
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. Any active leaks or releases will be reported as required and repaired in a timely manner.
- Gas/H2S detectors will be installed throughout the facilities and wellheads to detect leaks and enable timely repairs.

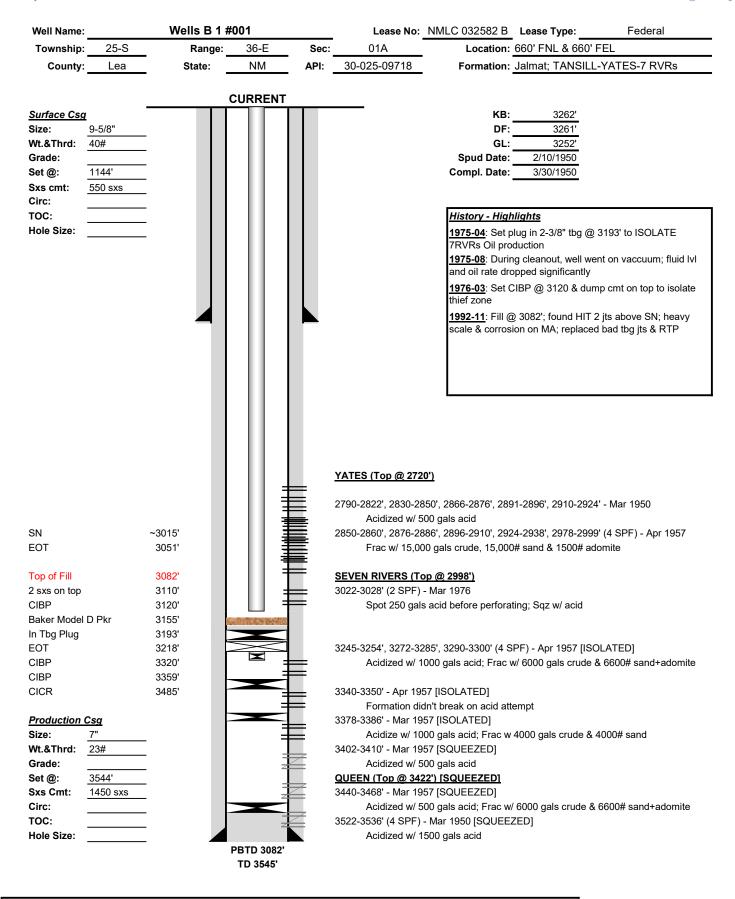
19.15.27.8 (F) Measurement or estimation of vented and flared natural gas

- All gas from wellhead and treater will be routed to a sales outlet.
- When metering is not practical due to low pressure/low rate (<60 MCFPD), the vented volume will be estimated based on annual GOR.

VIII. Best Management Practices

- FAE will use best management practices to vent as minimally as possible during well intervention operations and downhole well maintenance.
- All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks; vented gas volumes from oil tanks will be estimated based on annual GOR since expected production from will is <60 MCFPD. All venting events will be recorded and all start-up, shutdown, maintenance logs will be kept for control equipment</p>
- All equipment will be maintained to provide highest run-time possible.
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. Any active leaks or releases will be reported as required and repaired in a timely manner.
- Gas sales volumes are recorded and monitored via EFMS.
- All procedures are drafted to keep venting to the absolute minimum.





Tubulars - Capacities and Performance	
2-3/8" Tubing (95 jts 2-3/8" tbg, SN, perf sub, MA w/ bull plug) @ 3051'	

FAE II Operating, LLC

WELLS B 1 #001

Unit A, Sec 1, T25S, R36E

Lea County, New Mexico

API#: 30-025-09718

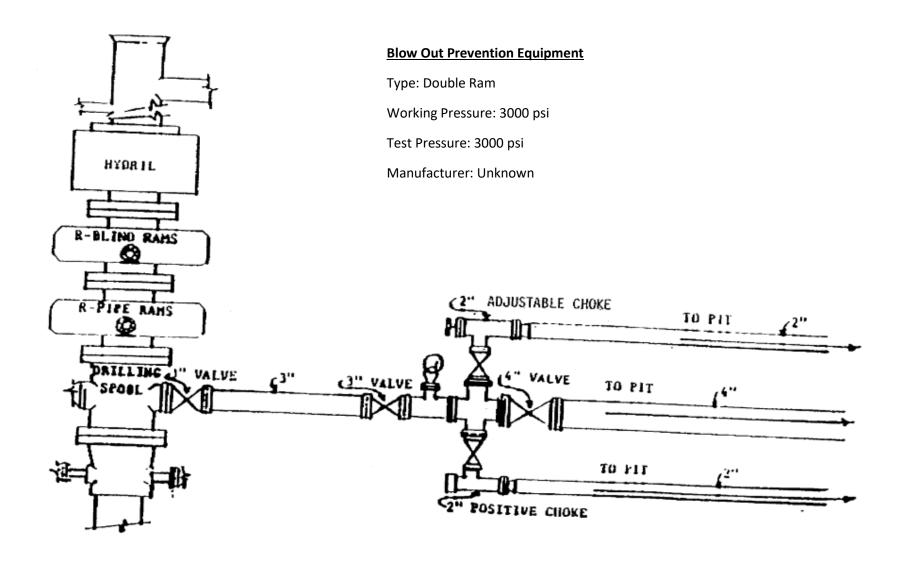
Equipment and Design:

FAE II Operating, LLC will use a closed loop system in this operation. The following equipment will be on location:

1) 2- 500 bbl steel tanks

Operation and Maintenance:

During each day of operation, the rig's crew will inspect and closely monitor the fluids contained within the steel tanks and visually monitor any release that may occur. Should a release or spill occur, the NMOCD District 1 office Hobbs (575-393-6161) will be notified, as required in NMOCD's rule 19.15.29.8.



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

CONDITIONS

Action 56084

CONDITIONS

Operator:	OGRID:	
FAE II Operating LLC	329326	
11757 Katy Freeway, Suite 1000	Action Number:	
Houston, TX 77079	56084	
	Action Type:	
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)	

CONDITIONS

Created By	Condition	Condition Date
pkautz	None	10/29/2021