eceived by UCD: 20/14/2021 10:54:35 AM U.S. Department of the Interior BUREAU OF LAND MANAGEMENT		Sundry Print Report 10/13/2021
Well Name: JACK B-30	Well Location: T24S / R37E / SEC 30 / SENE /	County or Parish/State: LEA / NM
Well Number: 01	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM0321613	Unit or CA Name:	Unit or CA Number:
US Well Number: 3002511284	Well Status: Producing Gas Well	Operator: FAE II OPERATING LLC

Notice of Intent

Sundry ID: 2507635

Type of Submission: Notice of Intent

Date Sundry Submitted: 07/28/2021

Date proposed operation will begin: 08/15/2021

Type of Action: Recompletion Time Sundry Submitted: 07:40

Procedure Description: Est 5-6 days workover rig. MIRU. POOH w/ tbg. RIH w/ perf guns on wireline. Perf Lwr 7 RVRs-QUEEN through 4-1/2" csg from 3443-3614' (2 SPF). POOH w/ wireline. RIH w/ pkr. Set pkr above QUEEN. Acidize QUEEN w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt diverter, & flush w/ 300 bbls 2% KCL water. POOH w/ pkr. RIH w/ pkr & RBP, set RBP above QUEEN. Set pkr above Lwr 7 RVRs. Acidize Lwr 7 RVRs w/ 5000 gals 15% NEFE HCL acid, 1500 bbls 2% KCL water. POOH w/ pkr. RIH w/ pkr & RBP, set RBP above QUEEN. Set pkr above Lwr 7 RVRs. Acidize Lwr 7 RVRs w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt diverter, & flush w/ 300 bbls 2% KCL water. POOH w/ pkr & RBP. 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_Jack_B_30_1_CURRENT_PROPOSED_2021_10_05_20211005142131.pdf

Received by OCD: 10/14/2021 10:54:35 AM Well Name: JACK B-30	Well Location: T24S / R37E / SEC 30 / SENE /	County or Parish/State: LEA/
Well Number: 01	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM0321613	Unit or CA Name:	Unit or CA Number:
US Well Number: 3002511284	Well Status: Producing Gas Well	Operator: FAE II OPERATING LLC

Conditions of Approval

Specialist Review

Workover_or_Vertical_Deepen_COA_20211005203426.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

Name: FAE II OPERATING LLC

Title: Reservoir Engineer

Street Address: 11757 KATY FREEWAY, SUITE 1000

City: HOUSTON

Phone: (832) 219-0990

Email address: VANESSA@FAENERGYUS.COM

Field Representative

Representative Name:

Street Address:

Email address:

City: Phone: State:

State: TX

Zip:

Signed on: OCT 05, 2021 02:21 PM

BLM Point of Contact

BLM POC Name: Jonathon W Shepard BLM POC Phone: 5752345972 Disposition: Approved Signature: Jonathon Shepard BLM POC Title: Petroleum Engineer BLM POC Email Address: jshepard@blm.gov Disposition Date: 10/05/2021 District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

Phone: (575) 748-1283 Fax: (575) 748-9720

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

District III 1000 Rio Brazos Road, Aztec, NM 87410

District II 811 S. First St., Artesia, NM 88210 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 Numbe	r ² Pool Code				³ Pool Name			
30-	-025-112	84	37240 LANGLIE-MATTIX; 7 RVRS-QUEE					RS-QUEEN-GE	3
⁴ Property C	Code		•	5	Property Name			6 We	ell Number
32690	7				JACK B 30			-	#001
⁷ OGRID	No.			8	Operator Name			⁹ F	levation
32932	6			FAE II (OPERATING,	LLC		3	3265'
		¹⁰ Surface Location							
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
н	30	24S	37E		1650	Ν	990	Е	LEA
			" Bottom	Hole Locat	ion If Differe	ent From Sur	face		
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
н	30	24S	37E		1650	N	990	E	LEA
¹² Dedicated Acres	¹³ Joint o	r Infill ¹⁴	Consolidation Code	¹⁵ Order No.					
40		Y							
<u>i</u>									

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	-			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
		1650'		proposed bottom hole location or has a right to drill this well at this location
		16.		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.
				3/8/2021
			0001	Signature Date
			990'	
				VANESSA NEAL Printed Name
				Printed Name
				vanessa@faenergyus.com
				E-mail Address
	OE/ANE/A			ISURVEYOR CERTIFICATION
	SE/4 NE/4			I hereby certify that the well location shown on this plat
	Sec 30 (40 acres)			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

	Eı	ico ources Departme	ent		mit Electronically E-permitting				
Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505									
	N	ATURAL G	AS MANA(GEMENT PI	LAN				
This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.									
<u>Section 1 – Plan Description</u> <u>Effective May 25, 2021</u>									
I. Operator:	FAE II Opera	ting, LLC	OGRID:	329326		_ Date: 10/1	4/2021		
II. Type: 🗆 Original 🛛	☐ Amendment	due to □ 19.15.27	7.9.D(6)(a) NMAC	C □ 19.15.27.9.D(6)(b) NI	MAC 🛛 Other			
If Other, please describe	e: <u>Add Perf</u>	s in Jack B 30 #00)1 to Langlie Matt	ix Pool & DHC wi	ith Jalm	at Pool			
III. Well(s): Provide the be recompleted from a s					vells pro	posed to be dri	lled or proposed to		
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D		cipated MCF/D F	Anticipated Produced Water BBL/D		
JACK B 30 #001	30-025-11284	H-30-24S-37E	1650' FNL & 990' FEL	5		30	5		
IV. Central Delivery P	oint Name:	JAC	CK B 30 BATTER	Y	[See	: 19.15.27.9(D)((1) NMAC]		
V. Anticipated Schedu proposed to be recomple					ell or se	t of wells propo	used to be drilled or		
Well Name	API	Spud Date	TD Reached Date	Completion Commencement		Initial Flow Back Date	First Production Date		
JACK B 30 #001	30-025-11284	10/26/2021	N/A	10/26/2021		11/1/2021	11/3/2021		
 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: Attach a complete description of Operator's best management practices to minimize venting 									
during active and planne	ed maintenance								

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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.

 \Box Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. \Box Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system \Box will \Box will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator \Box does \Box does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

□ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: \Box Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

<u>Section 3 - Certifications</u> <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

 \boxtimes Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

 \Box Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. *If Operator checks this box, Operator will select one of the following:*

Well Shut-In. \Box Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. \Box Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses 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 and Gas Act.

Signature:					
Printed Name: Vanessa Neal					
Title: Sr. Reservoir Engineer					
E-mail Address: vanessa@faenergyus.com					
Date: 14 OCT 2021					
Phone: 832-219-0990					
OIL CONSERVATION DIVISION					
(Only applicable when submitted as a standalone form)					
(
Approved By:					
Title:					
Approval Date:					
Conditions of Approval:					

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.

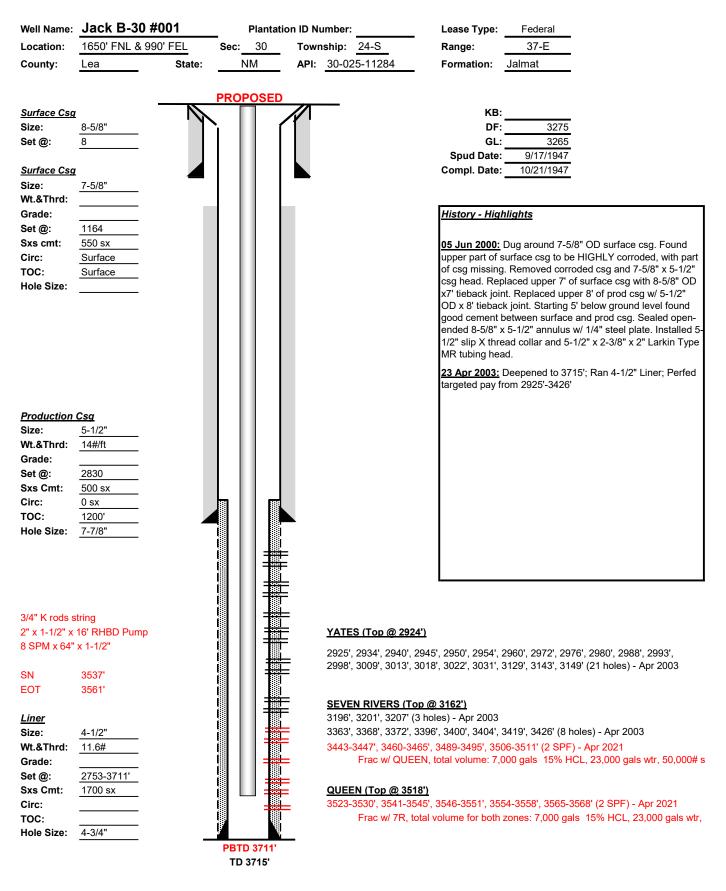
19.15.27.8 (F) Measurement or estimation of vented and flared natural gas

- 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
- 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.

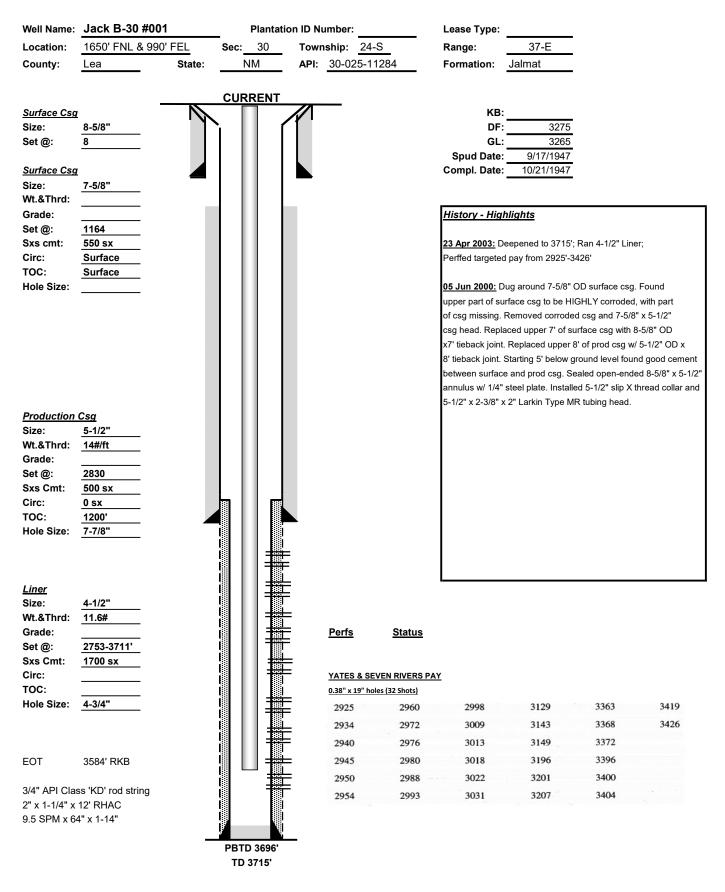
Received by OCD: 10/14/2021 10:54:35 AM



Tubulars - Capacities and Performance						
bbl/ft	<u>cf/ft</u>	Tensile (lbs)	Burst (psi)	Collapse (psi)	ID(in)	Drift (in)
2-3/8" B grade Tubing (109 jts, 1.1' St	N + 24' SS)					

WBD_Jack B-30 #1_Current 2020-10-12.xls

Received by OCD: 10/14/2021 10:54:35 AM



Tubulars - Capacities and Pe	<u>rformance</u>						
	bbl/ft	<u>cf/ft</u>	Tensile (lbs)	<u>Burst (psi)</u>	Collapse (psi)	<u>ID(in)</u>	Drift (in)
2-3/8" Tubing (110 jts @ 32.34'/	t + 1.1' SN + 1	8' MA - 3' AGL +	10' KBC = 3583.5')				

WBD_Jack B-30 #1_Current 2020-10-12.xls

FAE II Operating, LLC JACK B 30 #001 Unit H, Sec 30, T24S, R37E Lea County, New Mexico API#: 30-025-11284

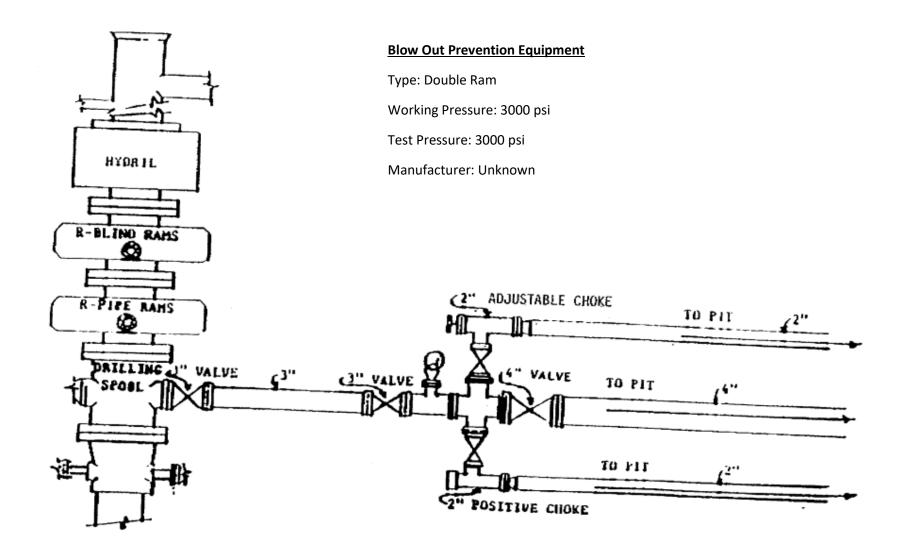
Equipment and Design:

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.



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

District IV

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

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CONDITIONS

Action 55998

CONDITIONS					
Operator:	OGRID:				
FAE II Operating LLC	329326				
11757 Katy Freeway, Suite 1000	Action Number:				
Houston, TX 77079	55998				
	Action Type:				
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)				

CONDITIONS

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