Phone: (575) 393-6161 Fax: (575) 393-0720		Form C-101 Revised July 18, 2013
District II 811 S. First St., Artesia, NM 88210	Energy Minerals and Natural Resources	
Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410	Oil Conservation Division	AMENDED REPORT
Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	1220 South St. Francis Dr.	
Phone: (505) 476-3460 Fax: (505) 476-3462	Santa Fe, NM 87505	

	FAE II Operating LLC								329326		
	11757 Katy Freeway, Suite 725								^{3.} API Number		
	~ 1		Houston, TX						30-025-09409		
	rty Code				Property Name					ll No.	
331	162			5	TATE A A/C 1				#0)54	
				^{7.} Sur	face Location						
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S I	Line	Feet From	E/W Line	County	
I	24	23S	36E		1980	S	3	660	E	LEA	
⁸ Proposed Bottom Hole Location											
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S I	Line	Feet From	E/W Line	County	
Ι	24	23S	36E		1980	S	3	660	E	LEA	
				^{9.} Poo	l Information						
										Pool Code	
	JALI	/IAT; TANS	BILL-YATES-7 I	RVRS (GAS) //	LANGLIE MAT	HX; 7 F	KVK2-C	2-GRAYBURG		79240 // 37240	
				Additiona	l Well Informa	ation					
^{11.} Wor	k Type		^{12.} Well Type		13. Cable/Rotary			14. Lease Type	^{15.} Grou	nd Level Elevation	
A	A		G		R			S		3265'	

$\overset{^{16}}{\mathrm{Multiple}}$	^{17.} Proposed Depth 3500'	^{18.} Formation YATES-7 RVRs-QUEEN	¹⁹ Contrac TBL		^{20.} Spud Date 11/14/2022
Depth to Ground water	Distance from	nearest fresh water well		Distance to no	earest surface water

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

DHC-4547

^{21.} Proposed Casing and Cement Program									
Type Hole Size Casing Size Casing Weight/ft Setting Depth Sacks of Cement Estimated TOC									
Surface	13.250"	9.625"	32#	326'	300 sxs	Surface			
Production 8.750" 7.000" 20# 3521' 250 sxs 2510'									
Liner	Liner 7.000" 4.500" 10.5-11.6# 0 - 3289' 557 sxs Surface								
	Casing/Cement Program: Additional Comments								

22. Proposed Blowout Prevention Program							
Type Working Pressure Test Pressure Manufacturer							
Double Ram3,000#3,000#Unknown							

of my knowledge and belief.	iven above is true and complete to the best	OIL CONSERVATION DIVISION			
1 further certify that I have complied 19.15.14.9 (B) NMAC , if applicable	with 19.15.14.9 (A) NMAC 🗌 and/or e.	Approved By:			
Signature:		P Kautz			
Printed name: VANESSA NEAL		Title:			
Title: SR RESERVOIR ENGINEER		Approved Date: 11/03/2022 Expiration Date: 11/03/2024			
E-mail Address: vanessa@faenergyus.cc	om				
Date: 31 OCT 2022	Phone: 832-219-0990	Conditions of Approval Attached			

District I 1625 N. French Dr., Hobbs, NM 88240

811 S. First St., Artesia, NM 88210

District II

District III

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District IV 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

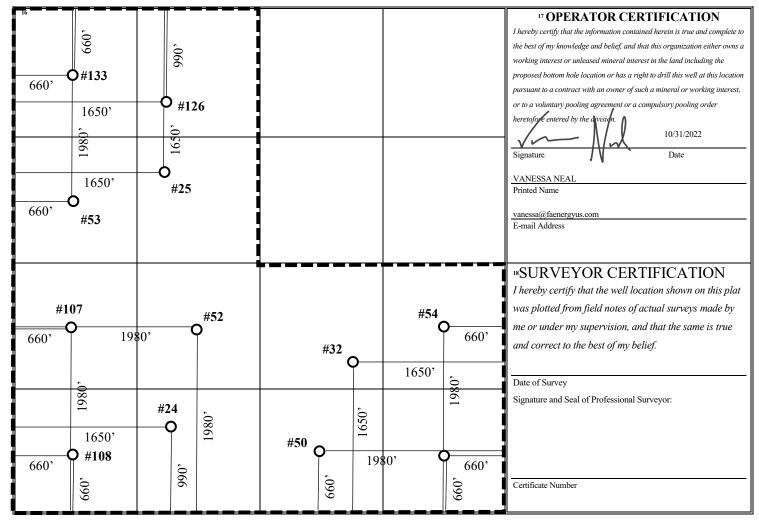
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Numbe -025-094			ool Code 9240		³ Pool Name JALMAT; TANSILL-YATES-7 RVRs (GAS)				
⁴ Property	0 0 0 0	⁵ Property Name					⁶ Well Number			
33116	2			ST	ATE A A/C 1			-	#054	
⁷ OGRID	No.			8	Operator Name			⁹ F	levation	
32932	6			FAE II O	OPERATING,	LLC		3	3336'	
-	¹⁰ Surface Location									
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County	
I	24	23S	36E		1980	S	660	E	LEA	
			¹¹ 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	
I	24	23S	36E	1980 S 660 E LEA					LEA	
¹² Dedicated Acres 480	¹³ Joint o	r Infill ¹⁴ (Consolidation Code	n Code 15 Order No. R-11590 DHC-4547						

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.



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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	PI Number ² Pool				³ Pool Name				
30-	-025-094	09	3	7240	L	LANGLIE MATTIX; 7 RVRs-QUEEN-GRAYBURG				
⁴ Property (Code			5	Property Name			⁶ Well Number		
33116	2			ST	ATE A A/C 1			ī	#054	
⁷ OGRID	No.			8	Operator Name			⁹ E	levation	
32932	6			FAE II C	OPERATING,	LLC		3	3336'	
	¹⁰ Surface Location									
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County	
Ι	24	23S	36E		1980	S	660	E	LEA	
			¹¹ 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	
I	24	23S	36E 1980 S 660 E					E	LEA	
¹² Dedicated Acres	¹³ Joint o	r Infill	¹⁴ Consolidation Code ¹⁵ Order No.							
40				I	ОНС-4547					

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
			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.
			10/31/2022
			Signature Date
			* 1
			VANESSA NEAL Printed Name
			Printed Name
			vanessa@faenergyus.com
			E-mail Address
			ISURVEYOR CERTIFICATION
	NE/4 SE/4		I hereby certify that the well location shown on this plat
	Sec 24 (40 acres)		was plotted from field notes of actual surveys made by
		•	
		660'	me or under my supervision, and that the same is true
		000	and correct to the best of my belief.
			Date of Survey
		-	Signature and Seal of Professional Surveyor:
		1980'	
		15	
			Certificate Number
			Certificate (Number

	State of New MexicoSubmit ElectronicallyEnergy, Minerals and Natural Resources DepartmentVia E-permittingOil Conservation Division1220 South St. Francis Dr. Santa Fe, NM 87505								
	NATURAL GAS MANAGEMENT PLAN								
This Natural Gas Mana	This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.								
			<u>n 1 – Plan D</u> Effective May 25.						
I. Operator:	FAE II Operat	ing, LLC	OGRID:	329326	Date:	10/31	//2022		
II. Type:	□ Amendment o	lue to □ 19.15.27	7.9.D(6)(a) NMA	C 🗆 19.15.27.9.D(6)(b) NMAC 🛛	Other.			
If Other, please describ	e: <u>Drill out (</u>	CIBP & clean out	State A A/C 1 #0	54 to 3570', Add p	erfs & acidize QU	JEEN,	DHC-4547		
	III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.								
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D		Anticipated oduced Water BBL/D		
STATE A A/C 1 #054	30-025-09409	I-24-23S-36E	1980' FSL & 660' FEL	2	5		2		
IV. Central Delivery F V. Anticipated Schedu proposed to be recompl	lle: Provide the teted from a sing	following inform gle well pad or co	ation for each new nnected to a centr	v or recompleted w al delivery point.		propos	sed to be drilled or		
Well Name	API	Spud Date	TD Reached Date	Completion Commencement			First Production Date		
STATE A A/C 1 #054	30-025-09409	11/14/2022	11/14/2022	11/14/2022	11/22/2	022	11/23/2022		
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: Attach a complete description of Operator's best management practices to minimize venting during active and planned 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.

 \boxtimes 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: 31 OCT 2022				
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 well 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

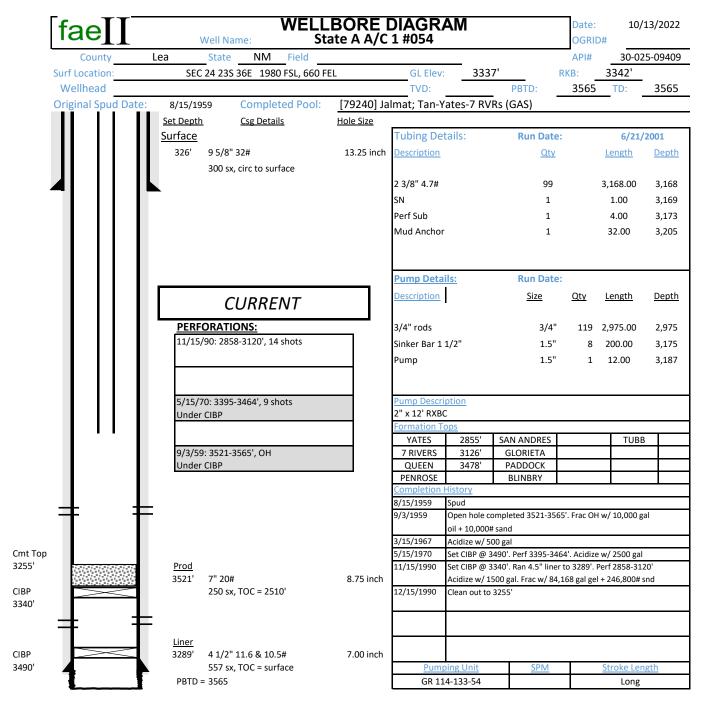
- FAE will use best management practices to vent as minimally as possible during well intervention operations and downhole well maintenance.
- All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks; vented
 gas volumes from oil tanks will be estimated based 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.

-

fae	WELL Well Name: Sta	BORE I ate A A/C	DIAGR/ 1 #054	AM		Date: OGRI		13/2022
County Le	a State NM Field					API#	30-02	5-09409
Surf Location:	SEC 24 23S 36E 1980 FSL, 660 FE	=1	GL Elev:	333	7'	RKB:	3342'	
Wellhead			TVD:		PBTD:	3565		3565
Original Spud Date:	8/23/1959 Completed Pool:			n Vator 7	Rs, [37240] Lang			
			Jj Jannat. Ta	III-Tales-71	15, [57240] Lang		x, /hs-Q-0	D
	Set Depth Csg Details	<u>Hole Size</u>						
	Surface		Tubing De	tails:	Run Date		6/21/	2001
	326' 9 5/8" 32#	13.25 inch	Description		<u>Qty</u>		<u>Length</u>	<u>Depth</u>
	300 sx, circ to surface							
			2 3/8" 4.7#		107		3,424.00	3,424
			SN		1		1.00	3,425
			Perf Sub		1		4.00	3,429
					1			
			Mud Anchor		1		32.00	3,461
			Pump Deta	ils:	Run Date	:		
			Description		Size	Qty	Length	Depth
	PROPOSED							
	PERFORATIONS:		3/4" rods		3/4"	128	3,200.00	3,200
	11/15/90: 2858-3120', 14 shots		-	1 /21	-			
	11/15/50. 2050-5120 , 14 30003		Sinker Bar 1	1/2"	1.5"	8	200.00	3,400
			Pump		1.5"	1	12.00	3,412
	PROPOSED: 3165-3368'							
	5/15/70: 3395-3464', 9 shots		Pump Descri		0" off bottom			
	Under CIBP PROPOSED: 3478-3514'		Formation T		.0" off bottom			
	PROPOSED: 3478-3314		YATES	2855'	SAN ANDRES		TUBB	
	9/3/59: 3521-3565', OH		7 RIVERS	3126'	GLORIETA		1000	
	Under CIBP		QUEEN	3478'	PADDOCK			
			PENROSE		BLINBRY			
			Completion	<u>History</u>				
-H H-			8/23/1959	Spud				
			9/5/1959		ompleted 3521-356	5'. Frac Oł	Hw/ 10,000 g	al
			0/45/4007	oil + 10,000				
			3/15/1967 5/15/1970	Acidize w/ 5	-	ما منطنه	/ 2500 col	
	Prod		11/15/1990	-	3490'. Perf 3395-346 3340'. Ran 4.5" liner		· •	20'
	3521' 7" 20#	8.75 inch	11/13/1550		.500 gal. Frac w/ 84,			
	250 sx, TOC = 2510'		12/15/1990	Clean out to		8 8-	,	
#			, ,					
+			PROPOSED	DO cmt & B	Ps, Clean out, Add p	erfs & acio	lize QUEEN	
+ +	Liner							
	3289' 4 1/2" 11.6 & 10.5#	7.00 inch	_			-		
4 P	557 sx, TOC = surface			ping Unit	<u>SPM</u>	_	Stroke Len	<u>gth</u>
	PBTD = 3565		GR 11	L4-133-54			Long	

Workover History

8/23/1959 Spud						
Spud						



Workover History

8/15/1959 Spud						
Spud						

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

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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

Operator:	OGRID:
FAE II Operating LLC	329326
11757 Katy Freeway, Suite 725	Action Number:
Houston, TX 77079	155034
	Action Type:
	[C-101] Drilling Non-Federal/Indian (APD)
	·

CONDITIONS

Created By		Condition Date
pkautz	None	11/3/2022

Action 155034