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| eceivea by OCD: 5/21/2023 | 2:4/:43 FM | | | | ruge 1 0j |
|---|--|--|--|--|--|
| - | UNITED STAT DEPARTMENT OF THE UREAU OF LAND MAN | INTERIOR | | 01 | DRM APPROVED MB No. 1004-0137 res: October 31, 2021 |
| Do not use th | | ORTS ON WELLS to drill or to re-enter an APD) for such proposals | | 6. If Indian, Allottee or | Tribe Name |
| SUBMIT | IN TRIPLICATE - Other inst | ructions on page 2 | | 7. If Unit of CA/Agree | ment, Name and/or No. |
| 1. Type of Well | as Well Other | | | 8. Well Name and No. | |
| 2. Name of Operator | | | | 9. API Well No. | |
| 3a. Address | | 3b. Phone No. (include area cod | le) | 10. Field and Pool or E | Exploratory Area |
| 4. Location of Well (Footage, Sec., | T.,R.,M., or Survey Description | 1) | | 11. Country or Parish, | State |
| 12.0 | CHECK THE APPROPRIATE I | BOX(ES) TO INDICATE NATURI | E OF NOTI | CE, REPORT OR OTH | ER DATA |
| TYPE OF SUBMISSION | | TY | PE OF ACT | TION | |
| Notice of Intent | Acidize | Deepen Hydraulic Fracturing | | action (Start/Resume) | Water Shut-Off Well Integrity |
| Subsequent Report | Casing Repair | New Construction Plug and Abandon | — | mplete oorarily Abandon | Other |
| Final Abandonment Notice | Convert to Injectio | n Plug Back | Wate | r Disposal | |
| the proposal is to deepen direct the Bond under which the work completion of the involved ope | ionally or recomplete horizonta will be perfonned or provide the rations. If the operation results | Ily, give subsurface locations and r he Bond No. on file with BLM/BIA in a multiple completion or recomp | measured an A. Required pletion in a | d true vertical depths of subsequent reports mus new interval, a Form 31 | k and approximate duration thereof. If f all pertinent markers and zones. Attach t be filed within 30 days following 60-4 must be filed once testing has been he operator has detennined that the site |

| 14. I hereby certify that the foregoing is true and correct. Name (<i>Printed/Typed</i>) | | |
|--|-----------------|--|
| | Title | |
| Signature | Date | |
| THE SPACE FOR FEDE | RAL OR STATE OF | ICE USE |
| Approved by | | |
| | Title | Date |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject lea which would entitle the applicant to conduct operations thereon. | | |
| Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any any false, fictitious or fraudulent statements or representations as to any matter within | | fully to make to any department or agency of the United States |
| (Instructions on page 2) | | |

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: SESW / 660 FSL / 1780 FWL / TWSP: 23S / RANGE: 37E / SECTION: 22 / LAT: 32.284408 / LONG: -103.153533 (TVD: 0 feet, MD: 0 feet) BHL: SESW / 660 FSL / 1780 FWL / TWSP: 23S / SECTION: / LAT: 32.284408 / LONG: 103.153533 (TVD: 0 feet, MD: 0 feet)
 District I
 St

 1625 N. French Dr., Hobbs, NM 88240
 St

 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

 Pistrict III
 000 Rio Brazos Road, Aztec, NM 87410

 Phone: (505) 334-6178 Fax: (505) 334-6170
 12200

 District IV
 12205 S. St. Francis Dr., Santa Fe, NM 87505

 Phone: (505) 476-3460 Fax: (505) 476-3462
 Sa

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 025-224 | | 6 ² Pool Code ³ Pool Name LANGLIE MATTIX; 7 RVRS-Q-GRAYBU | | | Q-GRAYBURG | | | |
|-------------------------------|-----------------------|----------------------------|--|----------------------|----------------|--------------|-----------|----------|-----------|
| ⁴ Property C | Code | ⁵ Property Name | | | | | | | |
| 330686 | 5 | C E LAMUNYON #028 | | | | | #028 | | |
| ⁷ OGRID N | No. | | ⁸ Operator Name ⁹ Elevation | | | | | | Elevation |
| 329326 | 5 | | FAE II OPERATING, LLC 3295' | | | | | 3295' | |
| | | | ¹⁰ Surface Location | | | | | | |
| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
| Ν | 22 | 23S | 37E | 37E 660 S 1780 W LEA | | | | | 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 |
| Ν | 22 | 23S | 23S 37E 660 S 1780 W LEA | | | | | | |
| ¹² Dedicated Acres | ¹³ Joint o | r Infill | | | | | | | |
| 40 | N N | ſ | | | | | | | |

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 intered by the division |
| | | | 03/21/2023 |
| | | | Signature Date |
| | | | |
| | | | VANESSA NEAL |
| | | | Printed Name |
| | | | vanessa@faenergyus.com |
| | | | E-mail Address |
| | | | |
| | | | |
| | | | ISURVEYOR 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: |
| | | | |
| | | SE/4 SW/4 | |
| | | | |
| 1780' | Y I | Sec 22 (40 acres) | |
| | í. | | |
| | 660' | | Certificate Number |
| | Ĭ | | |

| | State of New MexicoSubmit ElectronicallyEnergy, Minerals and Natural Resources DepartmentVia E-permittingOil Conservation Division1220 South St. Francis Dr. Santa Fe, NM 875054 | | | | | | |
|--|---|--|---|----------------------------|--------------------------|----------|---------------------------------------|
| | N | ATURAL C | GAS MANA(| GEMENT PI | LAN | | |
| This Natural Gas Mana | gement Plan m | ust be submitted v | with each Applicat | ion for Permit to D | Drill (APD) for a | new or | recompleted well. |
| | | | <u>n 1 – Plan De</u> Effective May 25, | | | | |
| I. Operator: | FAE II Opera | ting, LLC | OGRID: | 329326 | Date: | 03/2 | 1/2023 |
| II. Type: 🗆 Original [| ☐ Amendment | due to □ 19.15.2′ | 7.9.D(6)(a) NMAC | C □ 19.15.27.9.D(| 5)(b) NMAC 🛛 | Other. | |
| If Other, please describe | e: <u>RC to La</u> | nglie Mattix; Ado | l perfs & acidize C | E LAMUNYON | #028 to QUEEN | -GRAY | BURG |
| III. Well(s): Provide th be recompleted from a s | | | | | vells proposed to | be dril | led or proposed to |
| Well Name | API | ULSTR | Footages | Anticipated Oil BBL/D | Anticipated Gas MCF/D | P | Anticipated roduced Water BBL/D |
| C E LAMUNYON #028 | 30-025-22446 | N-22-23S-37E | 660' FSL & 1780' FWL | 7 | 10 | | 7 |
| IV. Central Delivery P V. Anticipated Schedu proposed to be recompl | le: Provide the | following inform | | or recompleted w | 7.9(D)(1) NMAC | - | sed to be drilled or |
| Well Name | API | Spud Date | TD Reached Date | Completion Commencement | Initial I Date Back I | | First Production Date |
| C E LAMUNYON #028 | 30-025-22446 | 07/18/2023 | 07/18/2023 | 07/18/2023 | 04/24/2 | 023 | 04/25/2023 |
| VI. Separation Equipm VII. Operational Prac Subsection A through F VIII. Best Managemen during active and planne | tices: ⊠ Attac of 19.15.27.8] nt Practices: □ | h a complete des NMAC. ☑ Attach a comp | cription of the act | ions Operator will | take to comply | with the | he requirements of |
| | | | | | | | |

.

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: 21 MAR 2023 |
| 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.

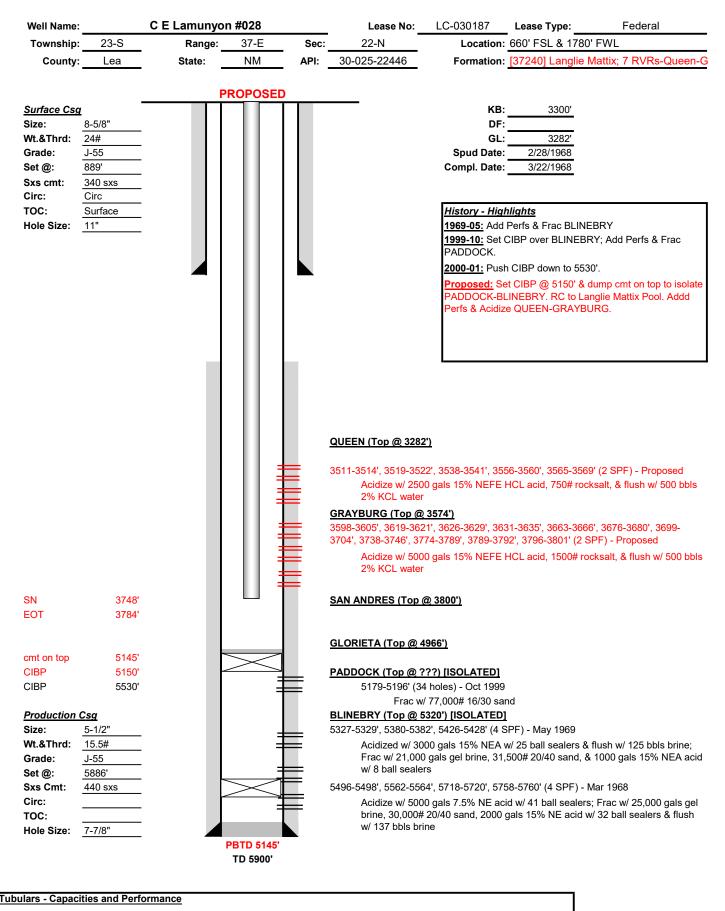
19.15.27.8 (F) Measurement or estimation of vented and flared natural gas

- 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.

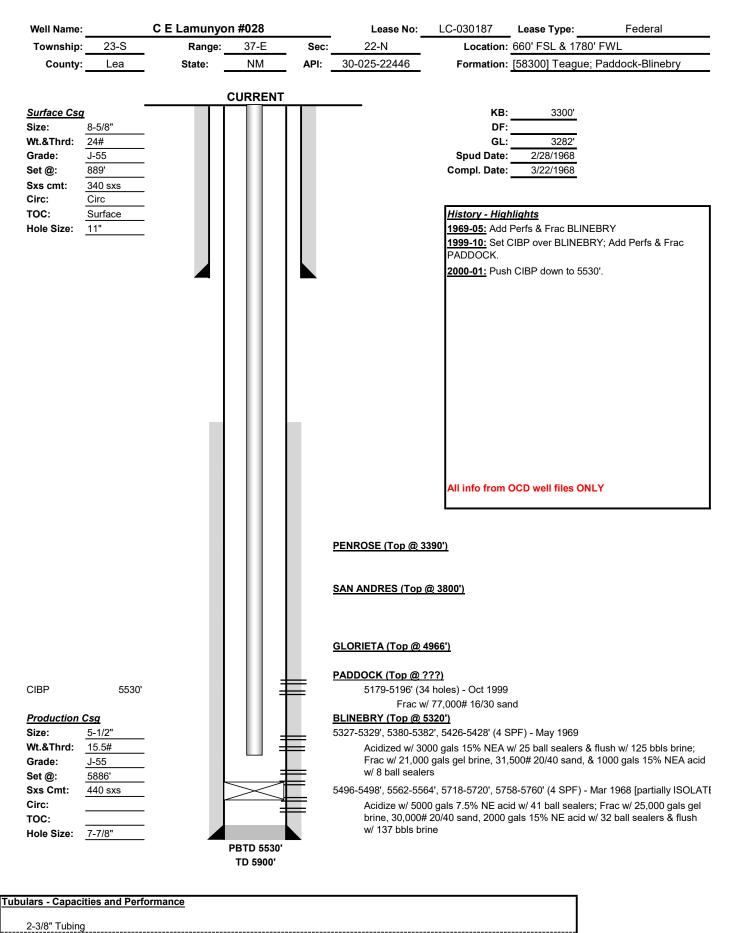
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2-3/8" 4.7# J-55 EUE 8rd Tubing (116 jts 2-3/8" tbg, SN, 4' perf sub, MA w/ bull plug)

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WBD_C E LAMUNYON #028_CURRENT_2022-03-02.xlsx

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FAE II Operating, LLC C E LAMUNYON #028 Unit N, Sec 22, T23S, R37E Lea County, New Mexico API#: 30-025-22446

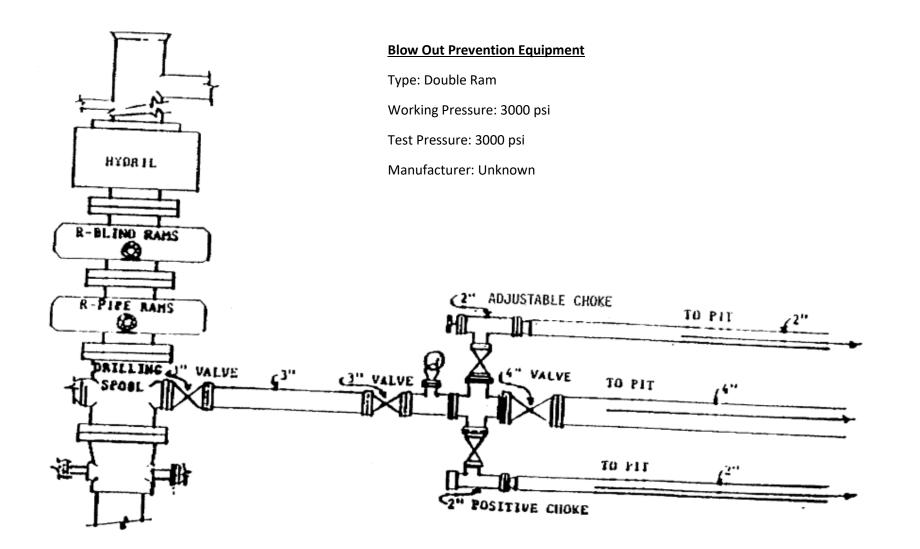
Equipment and Design:

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

CONDITIONS

| Operator: | OGRID: |
|-------------------------------|---|
| FAE II Operating LLC | 329326 |
| 11757 Katy Freeway, Suite 725 | Action Number: |
| Houston, TX 77079 | 199441 |
| | Action Type: |
| | [C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |

CONDITIONS

| Created Condition | Condition |
|-------------------|-----------|
| By | Date |
| pkautz None | 3/24/2023 |

CONDITIONS

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Action 199441