

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 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

| | | |
|--|---|---|
| ¹ Operator Name and Address FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079 | | ² OGRID Number 329326 |
| | | ³ API Number 30-025-28277 |
| ⁴ Property Code 331161 | ⁵ Property Name STATE A A/C 2 | ⁶ Well No. #068 |

⁷ Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| E | 09 | 22S | 36E | | 2570 | N | 70 | W | LEA |

⁸ Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| E | 09 | 22S | 36E | | 2570 | N | 70 | W | LEA |

⁹ Pool Information

| | |
|--|--------------------|
| Pool Name EUNICE; 7 RVRs-QUEEN, SOUTH | Pool Code 24130 |
|--|--------------------|

Additional Well Information

| | | | | |
|------------------------------|--|----------------------------------|---------------------------------|---|
| ¹¹ Work Type A | ¹² Well Type I | ¹³ Cable/Rotary R | ¹⁴ Lease Type S | ¹⁵ Ground Level Elevation 3585' |
| ¹⁶ Multiple NO | ¹⁷ Proposed Depth 3910' | ¹⁸ Formation QUEEN | ¹⁹ Contractor TBD | ²⁰ Spud Date 01/09/2023 |
| 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

R-22349

²¹ Proposed Casing and Cement Program

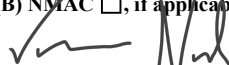

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surface | 12.250" | 8.625" | 24# | 582' | 375 sxs | Surface |
| Production | 7.875" | 5.500" | 14# | 3885' | 950 sxs | Surface |
| | | | | | | |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

²² Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 3,000# | 3,000# | Unknown |

| | | | |
|---|---------------------|---|-----------------------------|
| ²³ 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 type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature:  | | OIL CONSERVATION DIVISION | |
| Printed name: VANESSA NEAL | | Approved By:  | |
| Title: SR RESERVOIR ENGINEER | | Title: | |
| E-mail Address: vanessa@faenergyus.com | | Approved Date: 08/08/2023 | Expiration Date: 08/08/2025 |
| Date: 20 DEC 2022 | 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

| | | |
|---|---|---|
| ¹ API Number 30-025-28277 | ² Pool Code 24130 | ³ Pool Name EUNICE; 7 RVRs-QUEEN, SOUTH |
| ⁴ Property Code 331161 | ⁵ Property Name STATE A A/C 2 | ⁶ Well Number #068 |
| ⁷ OGRID No. 329326 | ⁸ Operator Name FAE II OPERATING, LLC | ⁹ Elevation 3585' |

¹⁰ Surface Location

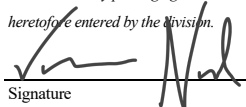
| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| E | 09 | 22S | 36E | | 2570 | N | 70 | W | LEA |

¹¹ 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 |
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| E | 09 | 22S | 36E | | 2570 | N | 70 | W | LEA |

| | | | |
|-------------------------------------|------------------------------------|----------------------------------|------------------------------------|
| ¹² Dedicated Acres 40 | ¹³ Joint or Infill Y | ¹⁴ Consolidation Code | ¹⁵ Order No. R-22349 |
|-------------------------------------|------------------------------------|----------------------------------|------------------------------------|

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 2570' 70' ○ | | | | | ¹⁷ OPERATOR CERTIFICATION <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>  Signature _____ Date 10/27/2022 VANESSA NEAL Printed Name _____ vanessa@faenergyus.com E-mail Address _____ |
| | SW/4 NW/4 Sec 9 (40 acres) | | | | |
| | | | | | |
| | | | | | ¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____ |
| | | | | | |

Well Name: STATE A A/C 2 #068 Lease No: _____ Lease Type: _____ State: _____
 Township: 22-S Range: 36-E Sec: 9-E Location: 2570' FNL & 70' FWL
 County: Lea State: NM API: 30-025-28277 Formation: EUNICE;SEVEN RIVERS-QUEEN, SOUTH [24130]

Surface Csg

Size: 8-5/8"
 Wt.&Thrd: 24# ST&C 8rd
 Grade: J-55
 Set @: 582
 Sxs cmt: 375 sxs
 Circ: ?
 TOC: Surface
 Hole Size: 12-1/4"

KB: 3595'
 DF: 3594'
 GL: 3585'
 Spud Date: 8/8/1983
 Compl. Date: 9/28/1983

History - Highlights1983-9: Grayburn squeezed; produced Queen1984-9: Convert to injection1991-12: TAPROPOSED: Add perms 3720-3748, acidize, and POLYATES (Top @ 3134')SEVEN RIVERS (Top @ 3318')

EOT 3700'
 AS-1X Packer 3705'

Production Csg

Size: 5-1/2"
 Wt.&Thrd: 14# ST&C
 Grade: J-55
 Set @: 3885
 Sxs Cmt: 950 sxs
 Circ: 175 sxs
 TOC: Surface
 Hole Size: 7-7/8"

QUEEN (Top @ 3595')

3720-3748' w/1SPF

Acidize w/3000 gal 15%NEFEHCL

3766-3808' w/1SPF

Acidized w/2000 gal 15% NEFEHCL

3823-3847' w/2SPF

Acidized w/1200 gal 15% NEFEHCL

3857-3869' w/2SPF

Acidized w/750 gal 15% NEFEHCL

+ Acidize w/2000 gal 15% NEFEHCL

PBTD 3880'
 TD 3910'

Tubulars - Capacities and Performance

2-3/8" IPC Tubing

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EOT 3709'
 Otis Perma-latch PKR 3714'

Production Csg

Size: 5-1/2"
 Wt.&Thrd: 14# ST&C
 Grade: J-55
 Set @: 3885
 Sxs Cmt: 950 sxs
 Circ: 175 sxs
 TOC: Surface
 Hole Size: 7-7/8"

QUEEN (Top @ 3595')

3766-3808' w/1SPF
 Acidized w/2000 gal 15% NEFEHCL
 3823-3847' w/2SPF
 Acidized w/1200 gal 15% NEFEHCL
 3857-3869' w/2SPF
 Acidized w/750 gal 15% NEFEHCL

PBTD 3880'
 TD 3910'

Tubulars - Capacities and Performance

2-3/8" Unknown Type Tubing

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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 168772

CONDITIONS

| | |
|---|---|
| Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079 | OGRID: 329326 |
| | Action Number: 168772 |
| | Action Type: [C-101] Drilling Non-Federal/Indian (APD) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| pkautz | In addition to the requirements of the APD, operator shall complete the conditions contained in the UIC permit including logging (CBL for liner; mud logging, etc.), well testing, and reporting as stipulated. | 8/8/2023 |