

Well Name: MOBERLY RHODES WATERFLOOD PROJ	Well Location: T26S / R37E / SEC 21 / NESW / 32.026933 / -103.1699051	County or Parish/State: LEA / NM
Well Number: 06	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMLC030181C	Unit or CA Name:	Unit or CA Number:
US Well Number: 3002512023	Operator: FAE II OPERATING LLC	

Notice of Intent

Sundry ID: 2783071

Type of Submission: Notice of Intent	Type of Action: Recompletion
Date Sundry Submitted: 04/02/2024	Time Sundry Submitted: 02:28
Date proposed operation will begin: 05/05/2024	

Procedure Description: Proposed: MIRU. RIH w/ 6-1/8" bit, drill out cement and CIBP's @ 2872' and 3060', clean out to PBTD (3315') as needed. Circulate hole clean. POOH w/ bit. RIH w/ tubing and spot 2500 gals of 15% NEFE HCL acid across openhole section from 3068-3315' & flush with 100 bbls fresh water treated with biocide. POOH w/ worksring. TIH w/ production tbg, pump & rods. RTP.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

WBD_30_025_12023_Current_and_Proposed_2024_04_02_20240402142743.pdf

Well Name: MOBERLY RHODES
WATERFLOOD PROJ

Well Location: T26S / R37E / SEC 21 /
NESW / 32.026933 / -103.1699051

County or Parish/State: LEA /
NM

Well Number: 06

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMLC030181C

Unit or CA Name:

Unit or CA Number:

US Well Number: 3002512023

Operator: FAE II OPERATING LLC

Conditions of Approval

Specialist Review

Workover_or_Vertical_Deepen_COA_20240516231324.pdf

Operator

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

Operator Electronic Signature: JESSICA LAMARRO

Signed on: APR 02, 2024 02:22 PM

Name: FAE II OPERATING LLC

Title: Geologist

Street Address: 11757 KATY FREEWAY SUITE 725

City: HOUSTON**State:** TX

Phone: (832) 706-0051

Email address: JESSICA@FAENERGYUS.COM

Field

Representative Name:

Street Address:

City:**State:****Zip:**

Phone:

Email address:

BLM Point of Contact

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: 05/16/2024

Signature: Jonathon Shepard

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
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 30-025-12023	² Pool Code 52250	³ Pool Name RHODES;YATES-SEVEN RIVERS
⁴ Property Code	⁵ Property Name MOBERLY RHODES WF PROJECT	⁶ Well Number #006
⁷ OGRID No. 329326	⁸ Operator Name FAE II OPERATING, LLC	⁹ Elevation 2970'

¹⁰ Surface Location

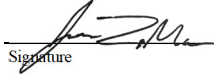
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
K	21	26S	37E		1980	S	1980	W	LEA

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
K	21	26S	37E		1980	S	1980	W	LEA

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>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> <div style="text-align: right;">6/3/2024</div> <div style="display: flex; justify-content: space-between;"> <div>Signature </div> <div>Date</div> </div> <div>Printed Name Jessica LaMarro</div> <div>E-mail Address jessica@faenergyus.com</div>
				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

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

Submit Electronically
Via E-permitting

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: FAE II Operating, LLC **OGRID:** 329326 **Date:** 06/03/2024

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: Drill out CIBP, Acidize, RTP

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 Produced Water BBL/D
MOBERLY RHODES WF PROJECT #006	30-025-12023	K-21-26S-37E	1980 FSL & 1980 FWL	2	15	10

IV. Central Delivery Point Name: MOBERLY RHODES WF PROJECT BATTERY [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: 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	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
MOBERLY RHODES WF PROJECT #006	30-025-12023	7/14/2024	7/17/2024	7/20/2024	7/20/2024	7/23/2024

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.

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 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. ☐ 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 ☐ will ☐ 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 ☐ does ☐ 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: ☐ 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.

Section 3 - Certifications

Effective May 25, 2021

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

☒ 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

☐ 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. ☐ 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. ☐ 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

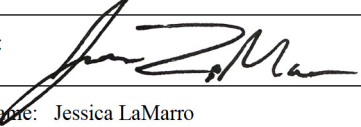
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(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: Jessica LaMarro
Title: Geologist
E-mail Address: jessica@faenergyus.com
Date: 6/04/2024
Phone: 832-706-0051

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 well 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 well 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.

Well Name: Moberly Rhodes WF Project #006

Lease No: NMLC030181C

Lease Type: Federal

Township: 26S

Range: 37-E

Sec: 21

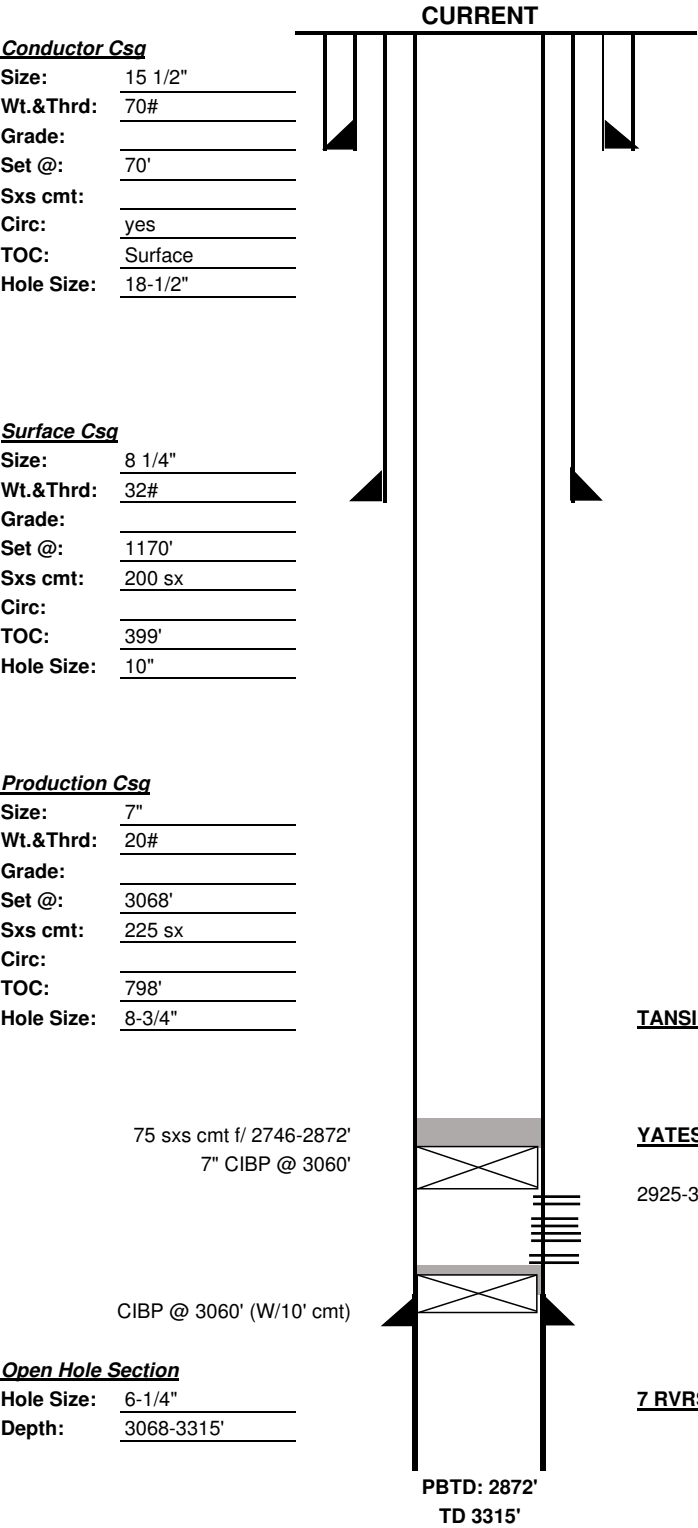
Location: 1980' FSL & 1980' FWL

County: Lea

State: NM

API: 30-025-12023

Formation: [52250] RHODES; YATES-SEVEN RIVER



KB:

DF:

GL: 2970'

Spud Date: 3/1/1941

Compl. Date:

History - Highlights

06/1941: D&C Well

1976-1991: Well was utilized as a water injection well

08/1995: Set CIBP @ 3,060', perf Yates (2925-3042') with 1 SPF, 32 holes total. Acidized w/ 1000 gals 7.5% HCL acid & Frac'd w/ 158,000# 12/20 brady sand + 57,000 gals CO2

06/2018: TA'd well

Tubulars - Capacities and Performance	

Well Name: **Moberly Rhodes WF Project #006** Lease No: **NMLC030181C** Lease Type: **Federal**
 Township: **26S** Range: **37-E** Sec: **21** Location: **1980' FSL & 1980' FWL**
 County: **Lea** State: **NM** API: **30-025-12023** Formation: **[52250] RHODES; YATES-SEVEN RIVER**

PROPOSED**Conductor Csg**

Size: **15 1/2"**
 Wt.&Thrd: **70#**
 Grade:
 Set @: **70'**
 Sxs cmt:
 Circ: **yes**
 TOC: **Surface**
 Hole Size: **18-1/2"**

KB: _____

DF: _____

GL: **2970'**Spud Date: **3/1/1941**

Compl. Date: _____

Surface Csg

Size: **8 1/4"**
 Wt.&Thrd: **32#**
 Grade:
 Set @: **1170'**
 Sxs cmt: **200 sx**
 Circ:
 TOC: **399'**
 Hole Size: **10"**

History - Highlights**06/1941:** D&C Well**1976-1991:** Well was utilized as a water injection well

08/1995: Set CIBP @ 3,060', perf Yates (2925-3042') with 1 SPF, 32 holes total. Acidized w/ 1000 gals 7.5% HCL acid & Frac'd w/ 158,000# 12/20 brady sand + 57,000 gals CO2

06/2018: TA'd well

Proposed: MIRU. RIH w/ 6-1/8" bit, drill out cement and CIBP's @ 2872' and 3060', clean out to PBTD (3315') as needed. Circulate hole clean. POOH w/ bit. RIH w/ tubing and spot 2500 gals of 15% NEFE HCL acid across openhole section from 3068-3315' & flush with 100 bbls fresh water treated with biocide. POOH w/ worksring. TIH w/ production tbg, pump & rods. RTP.

Production Csg

Size: **7"**
 Wt.&Thrd: **20#**
 Grade:
 Set @: **3068'**
 Sxs cmt: **225 sx**
 Circ:
 TOC: **798'**
 Hole Size: **8-3/4"**

TANSIL (Top @ 2765')**YATES (Top @ 2915')**

2925-3042' (1 SPF, 32 holes) - Aug 1995

Acidized w/ 1000 gals 7.5% HCL acid & Frac'd w/ 158,000# 12/20 brady sand + 57,000 gals CO2

Open Hole Section

Hole Size: **6-1/4"**
 Depth: **3068-3315'**

7 RVRS (Top @ 3180')**PBTD 3298'****TD 3315'****Tubulars - Capacities and Performance****Tubing Details:** ~111 jts 2-3/8" tbg, SN, 4' perforated sub, 2-3/8" MA joint; EOT @ ~3,282'

F AE II Operating, LLC
MOBERLY RHODES WF PROJECT #006
Unit K, Sec 21, T26S, R37E
Lea County, New Mexico
API#: 30-025-12023

Equipment and Design:

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

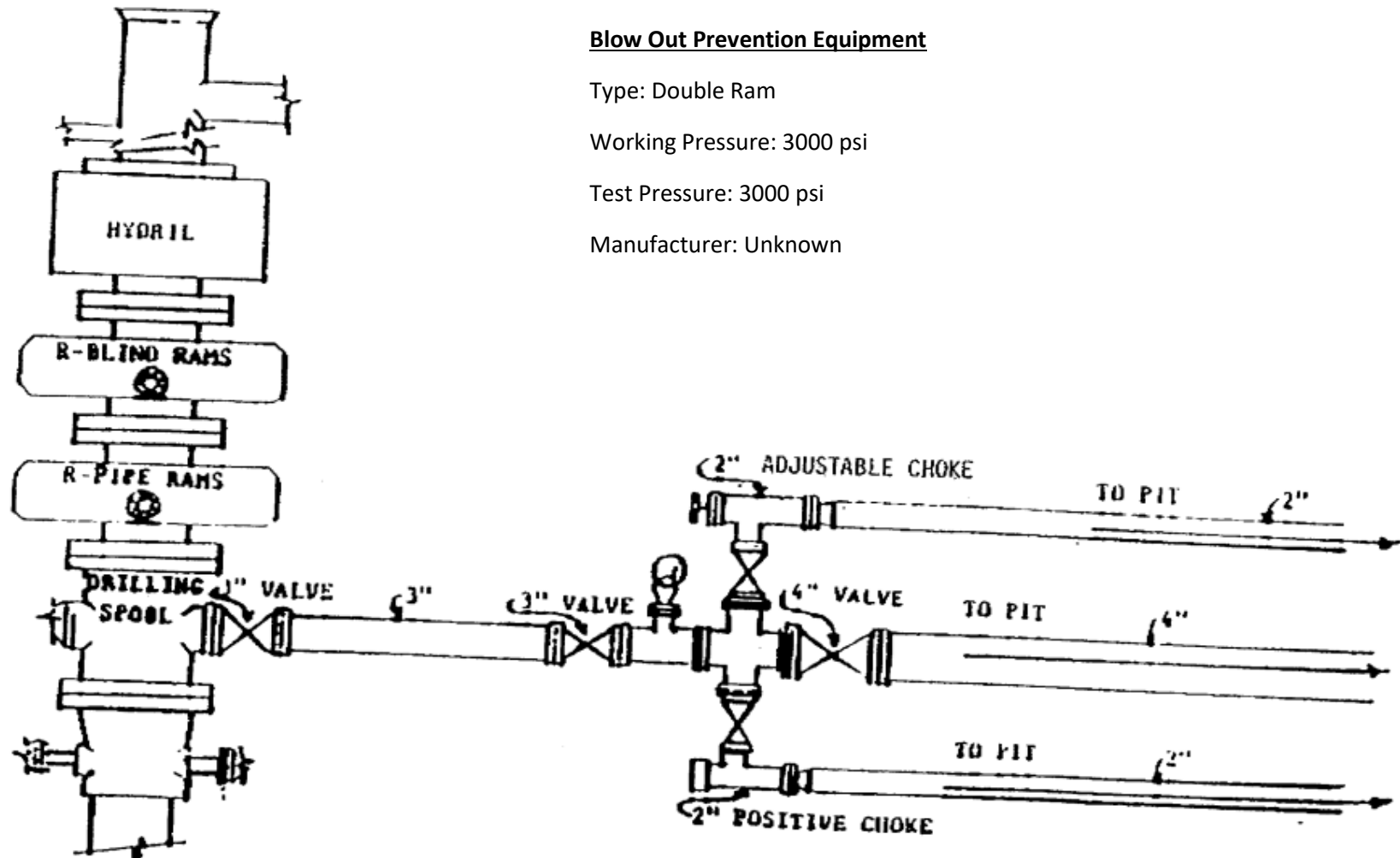
- 1) 2- 500 bbl steel tanks

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.

API: 30-025-12023
Well Name: MOBERLY RHODES WF PROJECT #006
Operator: FAE II Operating LLC
ULSTR: K-21-26S-37E
Footages: 1980 FSL & 1980 FWL
County: LEA

<u>FORMATION</u>	<u>DEPTH (MD)</u>
RUSTLER	1,093
SALT	1,214
BASE SALT	2,769
YATES	2,914
SEVEN RIVERS	3,205



Blow Out Prevention Equipment

Type: Double Ram

Working Pressure: 3000 psi

Test Pressure: 3000 psi

Manufacturer: Unknown

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
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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

Action 350610

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 350610
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	None	6/14/2024