

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF FAE II OPERATING,
LLC FOR REINSTATEMENT OF INJECTION
AUTHORITY AND AUTHORIZATION TO CONVERT
DISPOSAL WELL TO AN INJECTOR FOR
WATERFLOOD OPERATIONS,
LEA COUNTY, NEW MEXICO**

CASE NO. 22134

HEARING EXHIBITS

- | | |
|------------------|--|
| Exhibit A | Self-Affirmed Statement of Stephen Lehrbass |
| A-1 | Curriculum Vitae of Stephen Lehrbass |
| A-2 | Application & Proposed Notice of Hearing |
| A-3 | Plat of Tracts, Tract Ownership, Pooled Party, Unit Recapitulation |
| A-4 | Area of Review Map |
| A-5 | Application for Authorization to Inject (Form C-108) |
| A-6 | Hearing Notice Letter and Return Receipts |
| A-7 | Affidavit of Publication |
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| Exhibit B | Self-Affirmed Statement of Jessica LaMarro |
| B-1 | Type Log of the Seven Rivers-Queen Injection Interval |
| B-2 | Structure Map |
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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

**APPLICATION OF FAE II OPERATING,
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LEA COUNTY, NEW MEXICO**

CASE NO. 22134

SELF-AFFIRMED STATEMENT OF STEPHEN LEHRBASS

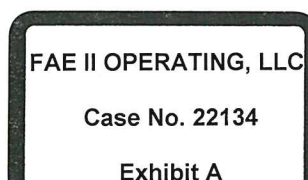
1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein. I am the Director of Land at FAE II Operating, LLC (“FAE”). I have not previously testified before the New Mexico Oil Conservation Division (“Division”). A copy of my curriculum vitae is attached as **Exhibit A-1**.

2. I am familiar with the Application in this case and with the land matters pertaining to this Application. Copies of the application and proposed notice are attached as **Exhibit A-2**.

3. FAE did not receive notice of any objections to its Application.

4. FAE’s Application seeks an order: (1) reinstating injection authority for certain injection wells within its Blackbeard South Waterflood Project (“Project”) within the Seven Rivers and Queen formations comprised of portions of Sections 3, 4, 9-11, 13-15, 17, and 20-24, Township 23 South, Range 36 East, Lea County, New Mexico; and (2) authorizing FAE to convert a produced-water disposal well to an injector for waterflood operations.

5. On July 9, 1974, the Division entered Order No. R-4819 in Case No. 5258. Order No. R-4819 established the Project in the Jalmat and Langlie Mattix pools and authorized the injection of water into the Seven Rivers and Queen formations. On June 17, 1975, the Division entered Order No. R-4819-A in Case No. 5489 to expand the Project area. On January 2, 1984, the



Division entered Administrative Order WFX-522 to include injection into the State "A" A/C 1 No. 117 and 120 wells and the State "A" A/C 3 No. 10 and 11 wells. Administrative Order WFX-522 was amended on July 17, 1984, to include injection into the State "A" A/C 1 No. 116 well.

6. The approved Project area is comprised of the following described State lands located in Township 23 South, Range 36 East, Lea County, New Mexico:

Section 3: S2	Section 13: W2, NE4	Section 21: W2, SE4
Section 4: W2, NE4	Section 14: N2	Section 22: W2
Section 9: all	Section 15: N2	Section 23: N2
Section 10: all	Section 17: SE4	Section 24: W2, SE4
Section 11: W2, NE4	Section 20: E2	

7. The following wells (“Wells”) authorized under the Orders are located within the Jalmat; Tan-Yates-7 RVRs (Oil) and Langlie Mattix; 7 RVRs-Q-Grayburg pools of the Seven Rivers and Queen formations:

Well Name (API: 30-025-)	Location within T23S-R6E	Injection interval
State "A" A/C 1 No. 116 (28396)	Unit D, 1260 FNL & 1310 FWL, Sec. 10	3644'- 3845'
State "A" A/C 1 No. 117 (28512)	Unit K, 1395 FSL & 1345 FWL, Sec. 3	3640'- 3820'
State "A" A/C 1 No. 120 (28515)	Unit C, 25 FNL & 1345 FWL, Sec. 10	3650'- 3800'
State "A" A/C 3 No. 10 (28509)	Unit G, 1345 FNL & 1480 FEL, Sec. 10	3575'- 3705'
State "A" A/C 3 No. 11 (28510)	Unit G, 1345 FNL & 2615 FEL, Sec. 10	3575'- 3705'

8. The “unitized interval” was defined by Order R-4819 as the Jalmat; Tan-Yates-7 RVRs (Oil) and Langlie Mattix Pools, which are at depths of 2,798’ to 4,075’ on the State A A/C 3 #3 (3002509301) log.

9. The Wells were initially drilled as injectors within the Queen formation.

10. FAE acquired the Project in June 2021 and has been designated operator of the Wells.

11. Prior to FAE’s acquisition of the Project, production within the Project was maintained, but injection authority for certain Wells expired at various times.

12. FAE proposes to convert its State "A" A/C 1 No. 116 well from a salt-water disposal well to an injector for waterflood operations and to reinstate injection into the State "A" A/C 1 No. 117 and 120 wells and State "A" A/C 3 No. 10 and 11 wells for waterflood operations. FAE plans to inject water through a closed system of perforations at depths of 3,500' to 4,000' within the Seven Rivers and Queen formations.

13. **Exhibit A-3** contains a plat of the Unit that identifies the ownership interests by tract and includes applicable lease numbers.

14. **Exhibit A-4** is a map of the Project that depicts the injection wells and producing wells.

15. **Exhibit A-5** includes a copy of FAE's Application for Authorization to Inject (Form C-108). I am generally familiar with the content provided in the Form C-108.

16. Pages 7-11 of Form C-108 contain location maps depicting the proposed Wells and other wells within the ½ mile radius areas of review that penetrate the proposed injection zone. Pages 12-16 of Form C-108 provide detailed well information for the wells within the areas of review.

17. Page 36 of Form C-108 identifies the affected parties entitled to notice.

18. FAE conducted a diligent, good-faith effort to identify the correct addresses of persons entitled to notice and has complied with the Division's notice requirements.

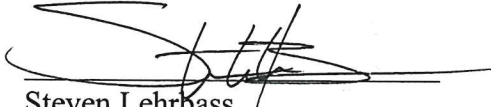
19. At FAE's direction, notice of the Division's hearing was provided to all affected parties, including the New Mexico State Land Office and Bureau of Land Management, at least 20 days prior to the hearing date. A sample of the hearing notice letter and the associated return receipts are attached as **Exhibit A-6**.


20. Notice of the hearing was also published more than ten business days prior to the hearing date. The affidavit of publication is attached as **Exhibit A-7**.

21. The exhibits referenced above were either prepared by me or under my supervision or were compiled from company business records.

22. In my opinion, the granting of FAE's application would serve the interests of conservation, the prevention of waste, and the protection of correlative rights.

23. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 22 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.


Steven Lehrbass


Date

Steven Lehrbass, JD

11757 Katy Freeway, Suite 725
Steven@faenergyus.com
210-262-7117

EXPERIENCE

Forty Acres Energy, Houston, Texas

Director of Land

December, 2020 - Present

- Leads the Forty Acres' Land Department and fields all legal and land-related matters;
- Negotiates Oil & Gas Leases, Acquisitions & Divestitures, and Surface Use Agreements with land owners;
- Supervises the management, maintenance, and analysis of all of Forty Acres' active leases, contracts, permits, licenses, and other types of agreements;
- Exercises strong legal and title related analytical skills to resolve complex problems during the review of title opinions, contracts, deeds, leases, easements, and court orders to confirm proper ownership breakdowns;
- Responsible for the creation of Federal and State voluntary and statutory enhanced oil recovery units;
- Prepares legal documents including Leases, Surface Use Agreements, Assignments, Conveyances, Joint Operating Agreements, Unit Agreements, and curative instruments.

Chevron USA, Inc. (Formerly Noble Energy, Inc.), Houston, Texas

Lease & Contracts Supervisor

August, 2019 – December, 2020

Sr. Lease & Contracts Analyst

July, 2017 – August, 2019

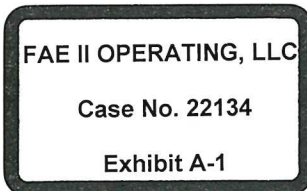
- Supervised the management, maintenance, and analysis of all active leases, contracts, permits, licenses, and other types of agreements, which relate to Chevron's Rocky Mountain development area;
- Exercised strong legal and title related analytical skills to resolve complex problems during the review of title opinions, contracts, deeds, leases, easements, and court orders to confirm proper ownership breakdowns;
- Led team projects relating to acquisitions, divestitures, and organic leasing efforts, while assisting with the initial training, mentoring, and long-term development of Lease & Contracts Analysts;
- Independently managed the analysis, interpretation, and implementation of critical information from contracts into Noble Energy's land/contract management system of record (Quorum Land Systems);
- Analyzed and troubleshot annual 10-K acreage/proven reserve reports prior to submission to the SEC;
- Generated and monitors performance-based and quantitative workflow metrics and analytics;
- Fielded high priority and confidential reports and other requests from other Noble business units.

Principle Energy, LLC, Houston, Texas

General Counsel & Head of Land Department

September, 2016 - July, 2017

- Drafted and executed a high volume of legal documents including mineral and royalty deeds, purchase and sale agreements, letter agreements, oil and gas leases, and various curative instruments;
- Provided legal support to Principle Energy and its management team; assessed and advised the company regarding the assumption of business risks, negotiated the settlement of legal disputes, and coordinated with outside counsel with regard to litigation;
- Managed the day to day operations of Principle Energy's Land Department including resolving title defects and assisting with land owner negotiations;
- Conducted legal research regarding title defects, regulatory and spacing rules, case law, and relevant statutes;
- Reviewed and analyzed title opinions covering large acquisitions in order to advise on and prioritize curative issues; negotiated and drafted curative instruments;
- Interviewed and trained landmen and mineral buyers; drafted and maintained standard operating procedures for every position within the Land Department;
- Collaborated with software developers on a daily basis in the development of Principle Energy's proprietary software which tracks asset status and value, streamlines title examination efforts, automates/streamlines instrument generation, and serves as a company database.



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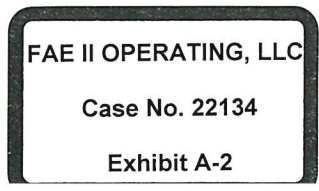
APPLICATION

Pursuant to 19.15.26.8 NMAC and Oil Conservation Division ("Division") Order No. R-4819, FAE II Operating, LLC ("FAE") (OGRID No. 329326) applies for an order: (1) reinstating injection authority for certain injection wells within its Blackbeard South Waterflood Project ("Project") within the Seven Rivers and Queen formations comprised of portions of Sections 3, 4, 9-11, 13-15, 17, and 20-24, Township 23 South, Range 36 East, Lea County, New Mexico; and (2) authorizing FAE to convert a produced-water disposal well to an injector for waterflood operations. In support of its Application, FAE states the following.

1. On July 9, 1974, the Division entered Order No. R-4819 in Case No. 5258 establishing the Project. On June 17, 1975, the Division entered Order No. R-4819-A expanding the Project area. On January 2, 1984, the Division entered Administrative Order WFX-522 expanding the Project area to include injection into the State "A" A/C 1 No. 117 and 120 wells and the State "A" A/C 3 No. 10 and 11 wells. Administrative Order WFX-522 was amended on July 17, 1984 to expand the Project area to include injection into the State "A" A/C 1 No. 116 well.

2. The approved Project area is comprised of the following described State lands located in Township 23 South, Range 36 East, Lea County, New Mexico:

- | | | |
|--------------------|---------------------|---------------------|
| Section 3: S2 | Section 13: W2, NE4 | Section 21: W2, SE4 |
| Section 4: W2, NE4 | Section 14: N2 | Section 22: W2 |



Section 9: all	Section 15: N2	Section 23: N2
Section 10: all	Section 17: SE4	Section 24: W2, SE4
Section 11: W2, NE4	Section 20: E2	

3. The following wells (“Wells”) authorized under the Orders are located within the Jalmat; Tan-Yates-7 RVRS (Oil) and Langlie Mattix; 7 RVRS-Q-Grayburg pools of the Seven Rivers and Queen formations:

Well Name (API: 30-025-)	Location within T23S-R6E	Injection interval
State "A" A/C 1 No. 116 (28396)	Unit D, 1260 FNL & 1310 FWL, Sec. 10	3644'- 3845'
State "A" A/C 1 No. 117 (28512)	Unit K, 1395 FSL & 1345 FWL, Sec. 3	3640'- 3820'
State "A" A/C 1 No. 120 (28515)	Unit C, 25 FNL & 1345 FWL, Sec. 10	3650'- 3800'
State "A" A/C 3 No. 10 (28509)	Unit G, 1345 FNL & 1480 FEL, Sec. 10	3575'- 3705'
State "A" A/C 3 No. 11 (28510)	Unit G, 1345 FNL & 2615 FEL, Sec. 10	3575'- 3705'

4. The “unitized interval” was defined by Order R-4819 as the Jalmat; Tan-Yates-7 RVRS (Oil) and Langlie Mattix Pools, which are at depths of 2,798’ to 4,075’ on the State A A/C 3 #3 (3002509301) log.

5. FAE acquired the Project in June 2021 and has been designated operator of the Wells.

6. Prior to FAE’s acquisition of the Project, production within the Project was maintained, but injection authority for the Wells expired at various times.

7. FAE proposes to convert its State "A" A/C 1 No. 116 well from a salt-water disposal well to an injector for waterflood operations and to reinstate injection into the State "A" A/C 1 No. 117 and 120 wells and State "A" A/C 3 No. 10 and 11 wells for waterflood operations. FAE plans to inject water through a closed system of perforations at depths of 3,500’ to 4,000’ within the Seven Rivers and Queen formations.

8. The proposed average injection pressure is expected to be 700 psi. The expected maximum injection pressure will be calculated relative to the depth of the highest perforation,

using a factor of 0.2 psi/ft. The proposed Wells will have perforation depths of approximately 3,640' and 3599' (or 728 psi and 720 psi maximum injection pressure, respectively). Pending results of a step rate test, the maximum injection pressure could potentially be increased to a factor of 0.6 psi/ft (or 2,184 psi at 3,640' and 2160 psi at 3599').

9. The proposed average injection rate is expected to be 600 barrels of water per day. The maximum daily injection rate will be 1,000 barrels of water per day or as permitted by the Division.

10. The source of the water to be injected will be produced water from other Seven Rivers-Queen wells within the vicinity of the Project and water transfer lines.

11. Injection will be into the Seven Rivers – Queen formation.

12. FAE's proposed injection operations can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

13. Granting FAE's application will protect correlative rights and prevent waste.

14. A copy of FAE's C-108 Application for Authorization to Inject is attached as **Exhibit A.**

WHEREFORE, FAE requests this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on September 9, 2021, and that after notice and hearing as required by law, the Division enter an Order approving FAE's State "A" A/C 1 No. 116 well for injection operations in its Blackbeard South Waterflood Project and reinstating injection authority for its State "A" A/C 1 No. 117 and 120 wells and State "A" A/C 3 No. 10 and 11 wells at the intervals, pressures, volumes and rates indicated.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy _____

Dana S. Hardy
Michael Rodriguez
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com
mrodriguez@hinklelawfirm.com
Counsel for FAE II Operating

Application of FAE II Operating, LLC for Reinstatement of Injection Authority and Authorization to Convert Disposal Well to an Injector for Waterflood Operations, Lea County, New Mexico. Applicant applies for an order: (1) reinstating injection authority for certain injection wells within its Blackbeard South Waterflood Project (“Project”) within the Seven Rivers and Queen formations comprised of portions of Sections 3, 4, 9-11, 13-15, 17, and 20-24, Township 23 South, Range 36 East, Lea County, New Mexico; and (2) authorizing FAE to convert a produced-water disposal well to an injector for waterflood operations. The following wells (“Wells”) authorized under the Orders are located within the Jalmat; Tan-Yates-7 RVRs (Oil) and Langlie Mattix; 7 RVRs-Q-Grayburg pools of the Seven Rivers and Queen formations:

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State "A" A/C 3 No. 10 (28509)	Unit G, 1345 FNL & 1480 FEL, Sec. 10	3575'- 3705'
State "A" A/C 3 No. 11 (28510)	Unit G, 1345 FNL & 2615 FEL, Sec. 10	3575'- 3705'

Applicant proposes to convert its State "A" A/C 1 No. 116 well from a salt-water disposal well to an injector for waterflood operations and to reinstate injection into the State "A" A/C 1 No. 117 and 120 wells and State "A" A/C 3 No. 10 and 11 wells for waterflood operations. FAE plans to inject water through a closed system of perforations at depths of 3,500' to 4,000' within the Seven Rivers and Queen formations. The proposed average injection pressure is expected to be 700 psi. The expected maximum injection pressure will be calculated relative to the depth of the highest perforation, using a factor of 0.2 psi/ft. The proposed Wells will have perforation depths of approximately 3,640' and 3599' (or 728 psi and 720 psi maximum injection pressure, respectively). Pending results of a step rate test, the maximum injection pressure could potentially be increased to a factor of 0.6 psi/ft (or 2,184 psi at 3,640' and 2160 psi at 3599'). The proposed average injection rate is expected to be approximately 600 barrels of water per day. The maximum daily injection rate will be 1,000 barrels of water per day or as permitted by the Division. The Unit acreage is located approximately 9.3 miles southwest of Eunice, New Mexico.

Exhibit A-3

	L.4	L.3	L.2	L.1	L.4	L.3	L.2	L.1	L.4	L.3	L.2	L.1	L.4	L.3	L.2	L.1
SWANSON (E)	SWANSON (E)	SWANSON (F)	SWANSON (G)	SWANSON (H)	SWANSON (I)	SWANSON (J)	SWANSON (K)	SWANSON (L)	SWANSON (M)	SWANSON (N)	SWANSON (O)	SWANSON (P)	SWANSON (Q)	SWANSON (R)	SWANSON (S)	SWANSON (T)
SWANSON (L)	SWANSON (M)	SWANSON (N)	SWANSON (O)	SWANSON (P)	SWANSON (Q)	SWANSON (R)	SWANSON (S)	SWANSON (T)	SWANSON (U)	SWANSON (V)	SWANSON (W)	SWANSON (X)	SWANSON (Y)	SWANSON (Z)	SWANSON (AA)	SWANSON (AB)
SWANSON (D)	SWANSON (E)	SWANSON (F)	SWANSON (G)	SWANSON (H)	SWANSON (I)	SWANSON (J)	SWANSON (K)	SWANSON (L)	SWANSON (M)	SWANSON (N)	SWANSON (O)	SWANSON (P)	SWANSON (Q)	SWANSON (R)	SWANSON (S)	SWANSON (T)
SWANSON (L)	SWANSON (M)	SWANSON (N)	SWANSON (O)	SWANSON (P)	SWANSON (Q)	SWANSON (R)	SWANSON (S)	SWANSON (T)	SWANSON (U)	SWANSON (V)	SWANSON (W)	SWANSON (X)	SWANSON (Y)	SWANSON (Z)	SWANSON (AA)	SWANSON (AB)
SWANSON (L)	SWANSON (M)	SWANSON (N)	SWANSON (O)	SWANSON (P)	SWANSON (Q)	SWANSON (R)	SWANSON (S)	SWANSON (T)	SWANSON (U)	SWANSON (V)	SWANSON (W)	SWANSON (X)	SWANSON (Y)	SWANSON (Z)	SWANSON (AA)	SWANSON (AB)
SWANSON (L)	SWANSON (M)	SWANSON (N)	SWANSON (O)	SWANSON (P)	SWANSON (Q)	SWANSON (R)	SWANSON (S)	SWANSON (T)	SWANSON (U)	SWANSON (V)	SWANSON (W)	SWANSON (X)	SWANSON (Y)	SWANSON (Z)	SWANSON (AA)	SWANSON (AB)

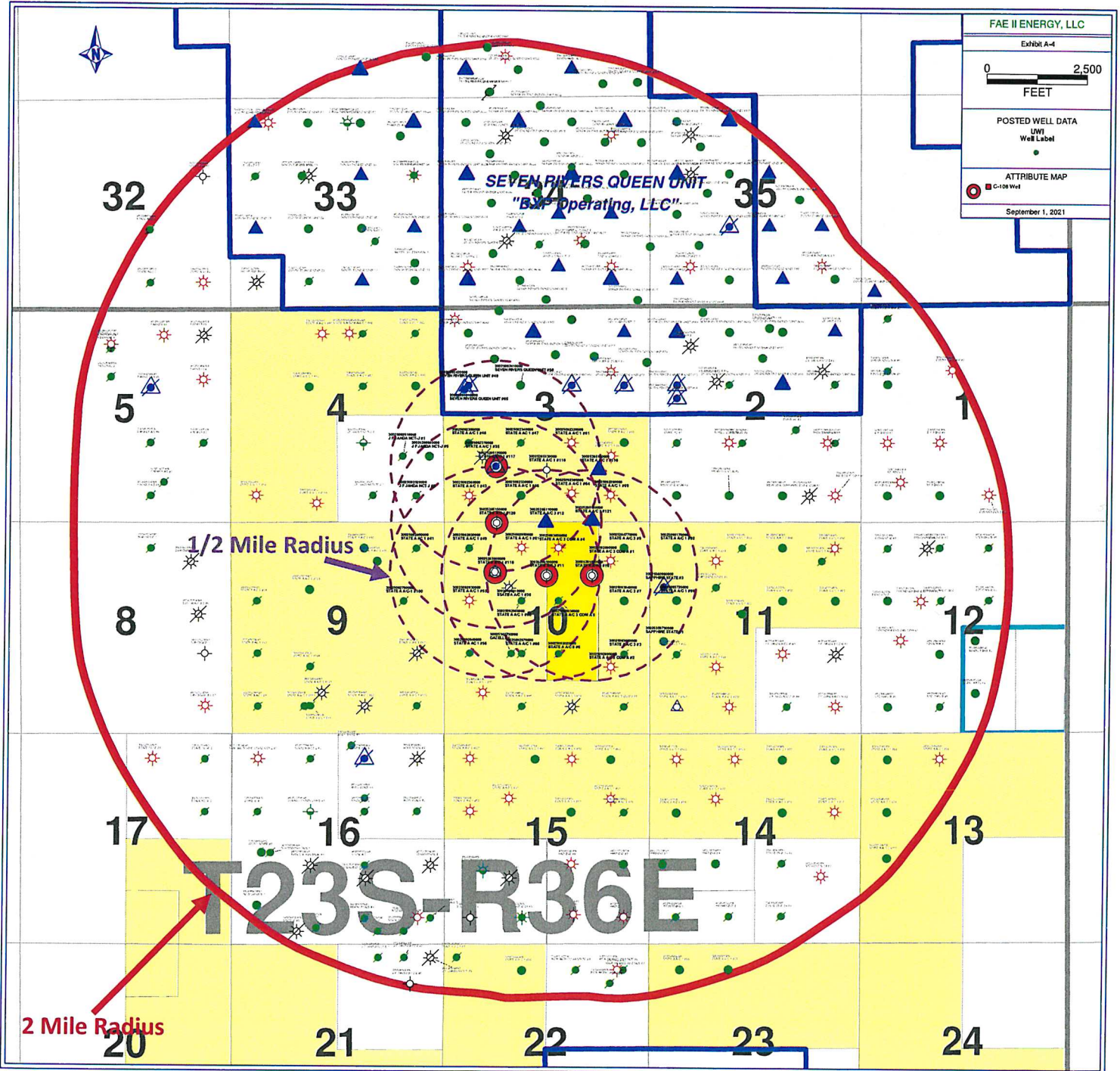
Tract No. 1

FAE II OPERATING, LLC
 Case No. 22134
 Exhibit A-3

Exhibit A-3
(Continued)

Tract #	Owner Name	Subject Lease	Interest Type	Working Interest	Net Revenue Interest	Section	Township	Range	County	State	Legal Description	Acreage	Depths							
1	FAE II, LLC 11757 Katy Freeway, Suite 725 Houston, Texas 77079	State of New Mexico AO-0983-0004	WI	0.95756250	0.78998908	3	23S	36E	Lea	NM	S2	320.00	Surface to the base of the San Andres Formation							
						4	23S	36E	Lea	NM	W2 & NE	480.00								
						9	23S	36E	Lea	NM	All	640.00								
						10	23S	36E	Lea	NM	All	640.00								
						11	23S	36E	Lea	NM	W2 & NE	480.00								
						13	23S	36E	Lea	NM	W2 & NE	480.00								
						14	23S	36E	Lea	NM	N2	320.00								
						15	23S	36E	Lea	NM	N2	320.00								
						17	23S	36E	Lea	NM	SE	160.00								
						20	23S	36E	Lea	NM	E2	320.00								
						21	23S	36E	Lea	NM	W2 & SE	480.00								
						22	23S	36E	Lea	NM	W2	320.00								
						23	23S	36E	Lea	NM	N2	320.00								
						24	23S	36E	Lea	NM	W2 & SE	480.00								
						1	Southwest Royalties, Inc. PO Box 53570 Midland, Texas 79373	State of New Mexico AO-0983-0004	WI	0.04243750	0.03713280	3		23S	36E	Lea	NM	S2	320.00	Surface to the base of the San Andres Formation
												4		23S	36E	Lea	NM	W2 & NE	480.00	
												9		23S	36E	Lea	NM	All	640.00	
												10		23S	36E	Lea	NM	All	640.00	
												11		23S	36E	Lea	NM	W2 & NE	480.00	
												13		23S	36E	Lea	NM	W2 & NE	480.00	
												14		23S	36E	Lea	NM	N2	320.00	
												15		23S	36E	Lea	NM	N2	320.00	
												17		23S	36E	Lea	NM	SE	160.00	
												20		23S	36E	Lea	NM	E2	320.00	
21	23S	36E	Lea	NM	W2 & SE							480.00								
22	23S	36E	Lea	NM	W2							320.00								
23	23S	36E	Lea	NM	N2							320.00								
24	23S	36E	Lea	NM	W2 & SE							480.00								
1	Commissioner of Public Lands PO Box 2308 Santa Fe, New Mexico 75284	State of New Mexico AO-0983-0004	RI	0.00000000	0.12500000							3	23S	36E	Lea	NM	S2	320.00	Surface to the base of the San Andres Formation	
												4	23S	36E	Lea	NM	W2 & NE	480.00		
												9	23S	36E	Lea	NM	All	640.00		
												10	23S	36E	Lea	NM	All	640.00		
												11	23S	36E	Lea	NM	W2 & NE	480.00		
												13	23S	36E	Lea	NM	W2 & NE	480.00		
												14	23S	36E	Lea	NM	N2	320.00		
												15	23S	36E	Lea	NM	N2	320.00		
												17	23S	36E	Lea	NM	SE	160.00		
												20	23S	36E	Lea	NM	E2	320.00		
						21	23S	36E	Lea	NM	W2 & SE	480.00								
						22	23S	36E	Lea	NM	W2	320.00								
						23	23S	36E	Lea	NM	N2	320.00								
						24	23S	36E	Lea	NM	W2 & SE	480.00								
																	5,760.00			
																	1.00000000	0.95212188		

Blackbeard South Waterflood Project



FAE II ENERGY, LLC
Exhibit A-4

0 2,500
FEET

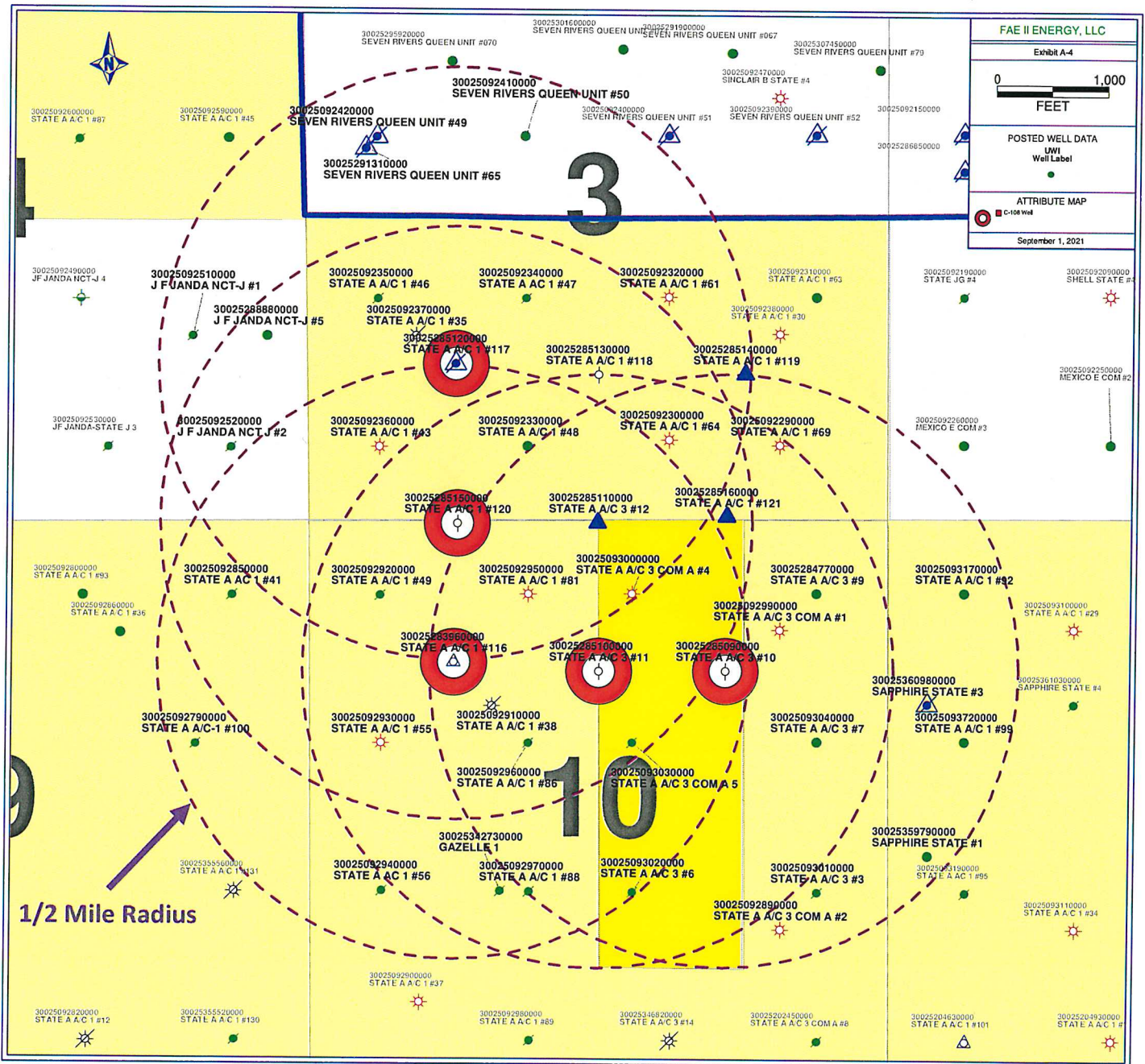
POSTED WELL DATA
LWI
Well Label

ATTRIBUTE MAP
C-108 Well

September 1, 2021

FAE II OPERATING, LLC
Case No. 22134
Exhibit A-4

Blackbeard South Waterflood Project



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: FAE II Operating, LLC

ADDRESS: 11757 Katy Freeway, Suite 725, Houston, TX 77079

CONTACT PARTY: Jessica LaMarro PHONE: (832) 706-0049

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately Overlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

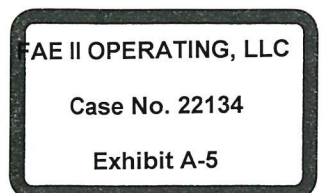
NAME: Jessica LaMarro TITLE: Geologist

SIGNATURE: _____ DATE: 07/26/2021

E-MAIL ADDRESS: Jessica@faenergyus.com

XV. If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office



III. Well Data

INJECTION WELL DATA SHEET

OPERATOR: FAE II OPERATING LLC

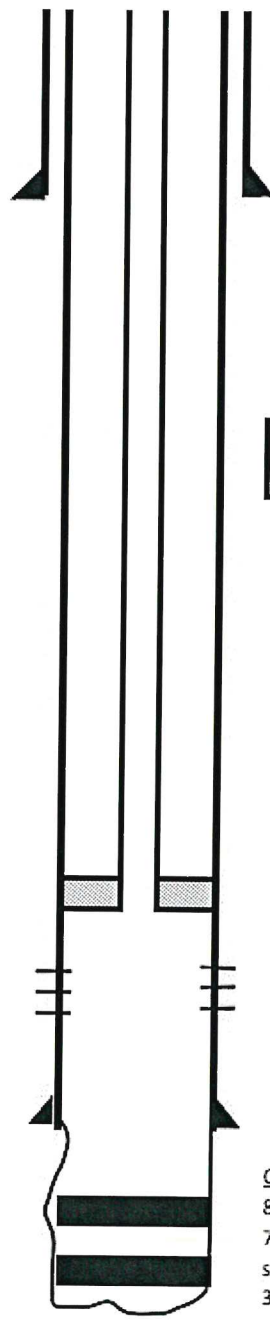
API: 30-025-28396

WELL NAME & NUMBER: STATE A A/C 1 #116

WELL LOCATION: 1260 FNL & 1310 FWL D 10 23S 36E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

CURRENT WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA



Set Depth	Csg Details	Hole Size
Surface		
1350'	13 3/8" 54.5# 1200 SXS	17.50 inch

<u>Surface Casing</u>	
Hole Size:	<u>17-1/2"</u>
Casing Size:	<u>13-3/8"</u>
Depth Set:	<u>1350'</u>
Top of Cement:	<u>surface</u>
Cement with	<u>1200 sx</u>
Method Determined:	<u>circulated</u>

CURRENT

<u>Production Casing</u>	
Hole Size:	<u>12-1/4"</u>
Casing Size:	<u>8-5/8"</u>
Depth Set:	<u>4000'</u>
Top of Cement:	<u>surface</u>
Cement with	<u>1425 sx</u>
Method Determined:	<u>circulated</u>

PERFORATIONS:

LANGLIE/Mattix:
 3666-3726- JSPF, 38 holes perfored, tested and squeezed
 3740-3786-JSPF, 36 holes,
 3740-3765- JSPF, 15 holes (reperf)
 3802-3831-JSPF, 24 holes 3834-
 3842-JSPF, 9 holes

Proposed Injection Interval

Seven Rivers/Queen Inj. Zone
 ~3,644' to ~3,845'
 Zone will be Perforated

Tubing

Tubing Size: 3-1/2"
 Lining Material: Plastic
 Type of Packer: Arrow 1X
 Packer Depth Set: ~3660'

Prod		
4000'	8 5/8" 32# & 24#	12.25 inch
	1425 SXS	

Open Hole CMT PLUGS: Wolfcamp - 35 sxs from 8283 1
 8383 1 Abo - 50 sxs from 7756'-79016 Drinkard - 35 sxs
 75941 -76941 Tubb - 35 sxs 72971 -73971 Blinebry - 35
 sxs 66501 -67501 Glorieta - 35 sxs from 5791 1 -5891',
 35 sxs from 39501 -40501 Across 8-5/811 Csg. seat.

PBTD: 3860
 TD: 8400

- Additional Data**
- NOT a new well drilled for water injection
 - Originally an SWD well.
 - Injection Formation: Seven Rivers/Queen
 - Pool: Langlie Mattix
 - Well has been perforated before.
 - Overlying Oil Zone: Yates & Seven Rivers Formation
 - Depth of Overlying Zone: 3326'
 Underlying Oil Zone: Grayburg
 - Depth of Underlying Zone: ±4020'

III. Well Data

INJECTION WELL DATA SHEET

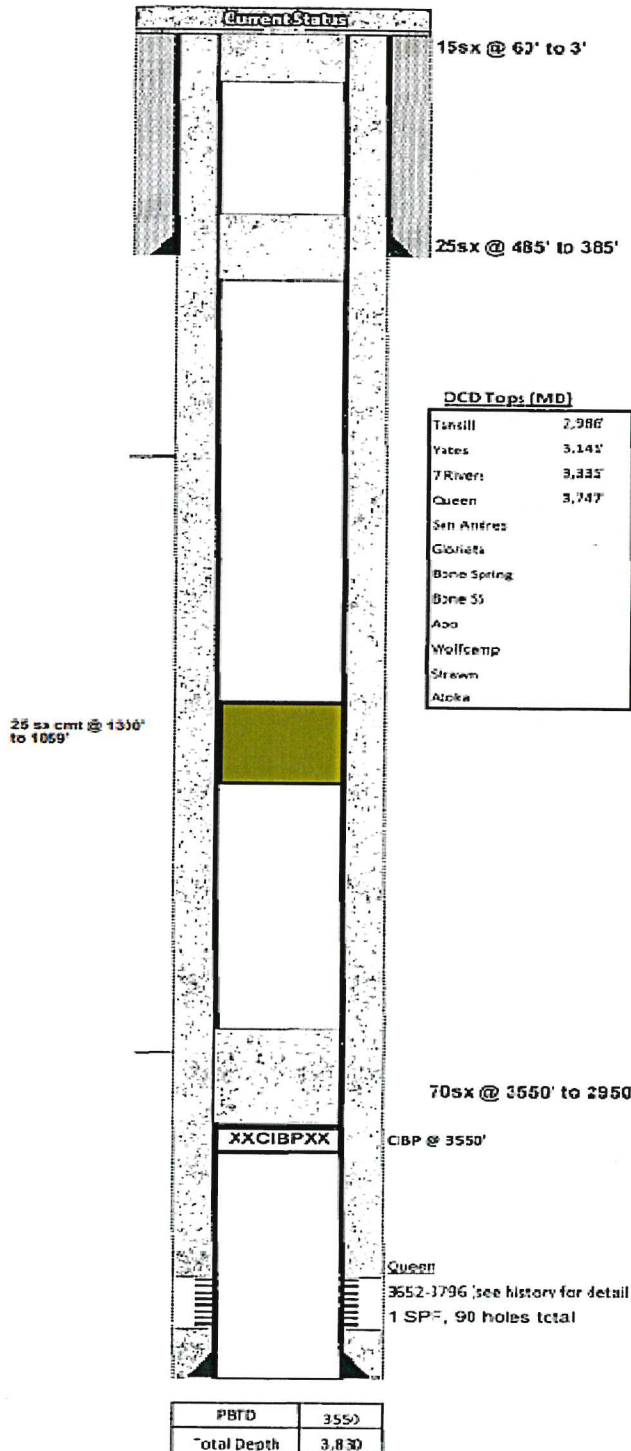
OPERATOR: F&E II OPERATING LLC

API: 30-025-28512

WELL NAME & NUMBER: STATE A A/C 1 #117

WELL LOCATION: 1395 FSL 1345 FWL K 3 23S 36E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

CURRENT WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size:	<u>12-1/4"</u>
Casing Size:	<u>8-5/8"</u>
Depth Set:	<u>435'</u>
Top of Cement:	<u>surface</u>
Cement with	<u>275 sx</u>
Method Determined:	<u>circulated</u>

Production Casing

Hole Size:	<u>7-7/8"</u>
Casing Size:	<u>5-1/2"</u>
Depth Set:	<u>3830'</u>
Top of Cement:	<u>surface</u>
Cement with	<u>1300 sx</u>
Method Determined:	<u>circulated</u>

Proposed Injection Interval

Seven Rivers/Queen Inj. Zone
~3,640' to ~3,820'
 Zone will be Perforated

Tubing

Tubing Size:	<u>2-3/8"</u>
Lining Material:	<u>Cement</u>
Type of Packer:	<u>OTIS Perma-latch</u>
Packer Depth Set:	<u>~3559'</u>

Additional Data

- L. NOT a new well.
 - 1. Originally an injection well.
 - 2. Currently plugged
- 2. Injection Formation: Seven Rivers/Queen
- 3. Pool: Langlie Mattix
- 4. Well has not been perforated in another zone before.
- i. Overlying Oil Zone: Yates & Seven Rivers Formation
 - Depth of Overlying Zone: 3336'
- Underlying Oil Zone: Grayburg
 - Depth of Underlying Zone: ±4000'

III. Well Data

INJECTION WELL DATA SHEET

OPERATOR: F&E II OPERATING LLC

API: 30-025-28515

WELL NAME & NUMBER: STATE A A/C 1 #120

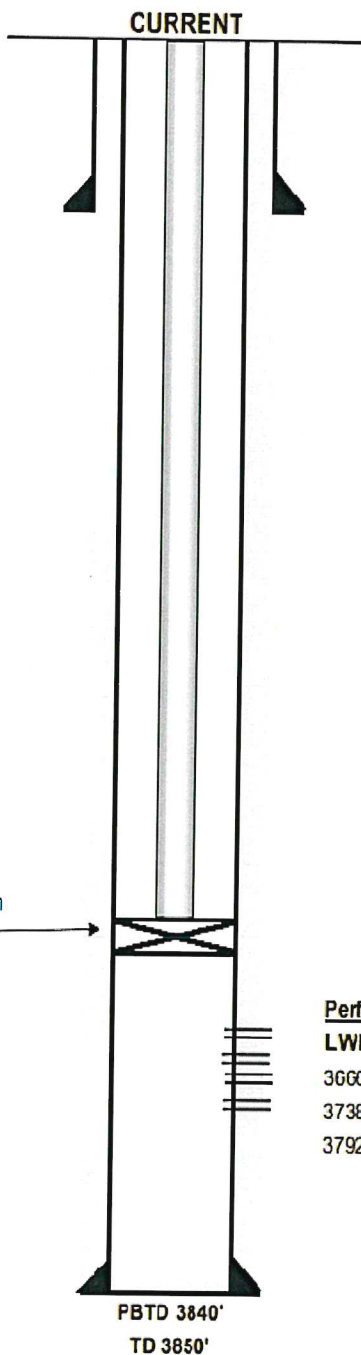
WELL LOCATION: 25 FNL & 1345 FWL C 10 23S 36E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

CURRENT WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Csg

Size: 8-5/8"
 Wt.&Thrd: 24#, STC
 Grade: _____
 Set @: 442'
 Sxs cmt: 276
 Circ: _____
 TOC: Surface
 Hole Size: 12-1/4"



Surface Casing

Hole Size: 12-1/4"
 Casing Size: 8-5/8"
 Depth Set: 442'
 Top of Cement: surface
 Cement with 275 sx
 Method Determined: circulated

Production Casing

Hole Size: 7-7/8"
 Casing Size: 5-1/2"
 Depth Set: 3850'
 Top of Cement: surface
 Cement with 1300 sx
 Method Determined: circulated

Proposed Injection Interval

Seven Rivers/Queen Inj. Zone
~3,650' to ~3,800'
 Zone will be Perforated

Tubing

Tubing Size: 2-3/8"
 Lining Material: Cement
 Type of Packer: OTIS Perma-latch
 Packer Depth Set: ~3554'

Production Csg

Size: 5-1/2"
 Wt.&Thrd: 14#, LTC
 Grade: _____
 Set @: 3850'
 Sxs Cmt: 1300
 Circ: _____
 TOC: Surface
 Hole Size: 7-7/8"

Perfs

LWR 7 Rivers & Queen Perf
 3666-3724
 3738-3791
 3792-3798

Additional Data

1. NOT a new well.
 1. Originally an injection well.
 2. Currently TA'd
 2. Injection Formation: Seven Rivers/Queen
 3. Pool: Langlie Mattix
 4. Well has NOT been perforated in another zone.
 5. Overlying Oil Zone: Seven Rivers Formation
 - Depth of Overlying Zone: 3324'
- Underlying Oil Zone: Grayburg
- Depth of Underlying Zone: ±4000'

III. Well Data

INJECTION WELL DATA SHEET

OPERATOR: FAE II OPERATING LLC

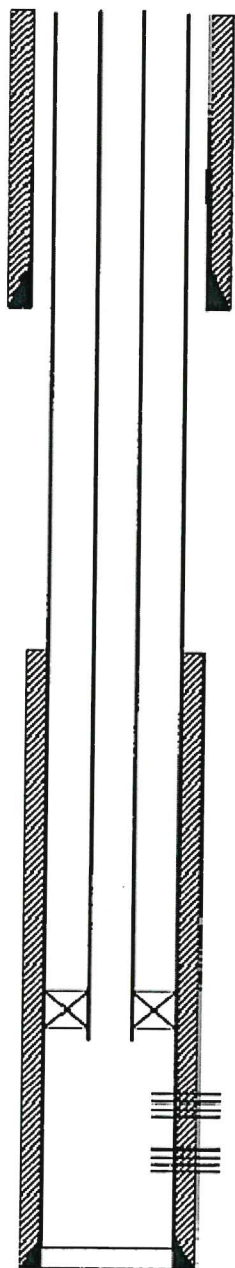
API: 30-025-28509

WELL NAME & NUMBER: STATE A A/C 3 #10

WELL LOCATION: 1345 FNL & 1480 FEL G 10 23S 36E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

CURRENT WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA



2-3/8" Tubing Cement Lined
 N Profile: 1.5" ID
 On/Off tool
 EOT @ 3559' MD

Otis Perma-latch Packer @ 3559' MD
 set w/7000' tension.

Grayburg Completion:

Perfs: 3655' - 3700' (1 SPF, 46 holes)
 Acidized w/4000gal 15% NEFE.

Perfs: 3700' - 3710' (1 SPF, 10 holes)
 Acidized w/1000gal 15% NEFE

TD - 3,600'
 PBTD - 3,758'

Surface Casing

Hole Size:	<u>12-1/4"</u>
Casing Size:	<u>8-5/8"</u>
Depth Set:	<u>457'</u>
Top of Cement:	<u>surface</u>
Cement with	<u>275 sx</u>
Method Determined:	<u>circulated</u>

Production Casing

Hole Size:	<u>7-7/8"</u>
Casing Size:	<u>5-1/2"</u>
Depth Set:	<u>2750'</u>
Top of Cement:	<u>surface</u>
Cement with	<u>650 sx</u>
Method Determined:	<u>circulated</u>

Proposed Injection Interval

Queen Inj. Zone
~3,575' to ~3,705'
 Zone will be Perforated

Tubing

Tubing Size:	<u>2-3/8"</u>
Lining Material:	<u>Cement</u>
Type of Packer:	<u>OTIS Perma-latch</u>
Packer Depth Set:	<u>~3559'</u>

Additional Data

- NOT a new well.
 - Originally an injection well.
 - Currently TA'd
- Injection Formation: Queen
- Pool: Langlie Mattix
- Well has NOT been perforated in another zone.
- Overlying Oil Zone: Seven Rivers Formation
 - Depth of Overlying Zone: 3165'
 Underlying Oil Zone: Grayburg
 - Depth of Underlying Zone: ±4000'

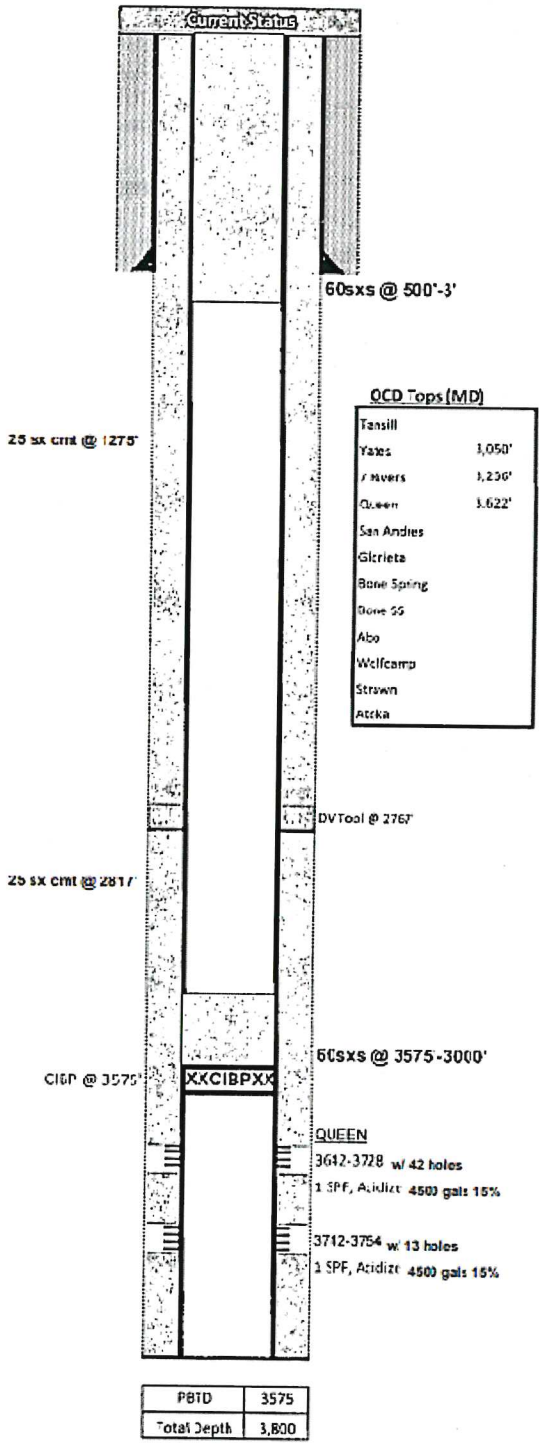
III. Well Data

INJECTION WELL DATA SHEET

OPERATOR: FAE II OPERATING LLC LLC API: 30-025-28510
 WELL NAME & NUMBER: STATE A A/C 3 #11
 WELL LOCATION: 1345 FNL & 2615 FEL G 10 23S 36E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

CURRENT WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA



Surface Casing

Hole Size:	<u>12-1/4"</u>
Casing Size:	<u>8-5/8"</u>
Depth Set:	<u>445'</u>
Top of Cement:	<u>surface</u>
Cement with:	<u>275 sx</u>
Method Determined:	<u>circulated</u>

Production Casing

Hole Size:	<u>7-7/8"</u>
Casing Size:	<u>5-1/2"</u>
Depth Set:	<u>3800'</u>
Top of Cement:	<u>surface</u>
Cement with:	<u>1300 sx</u>
Method Determined:	<u>circulated</u>

Proposed Injection Interval

Queen Inj. Zone
~3,575' to ~3,705'
 Zone will be Perforated

Tubing

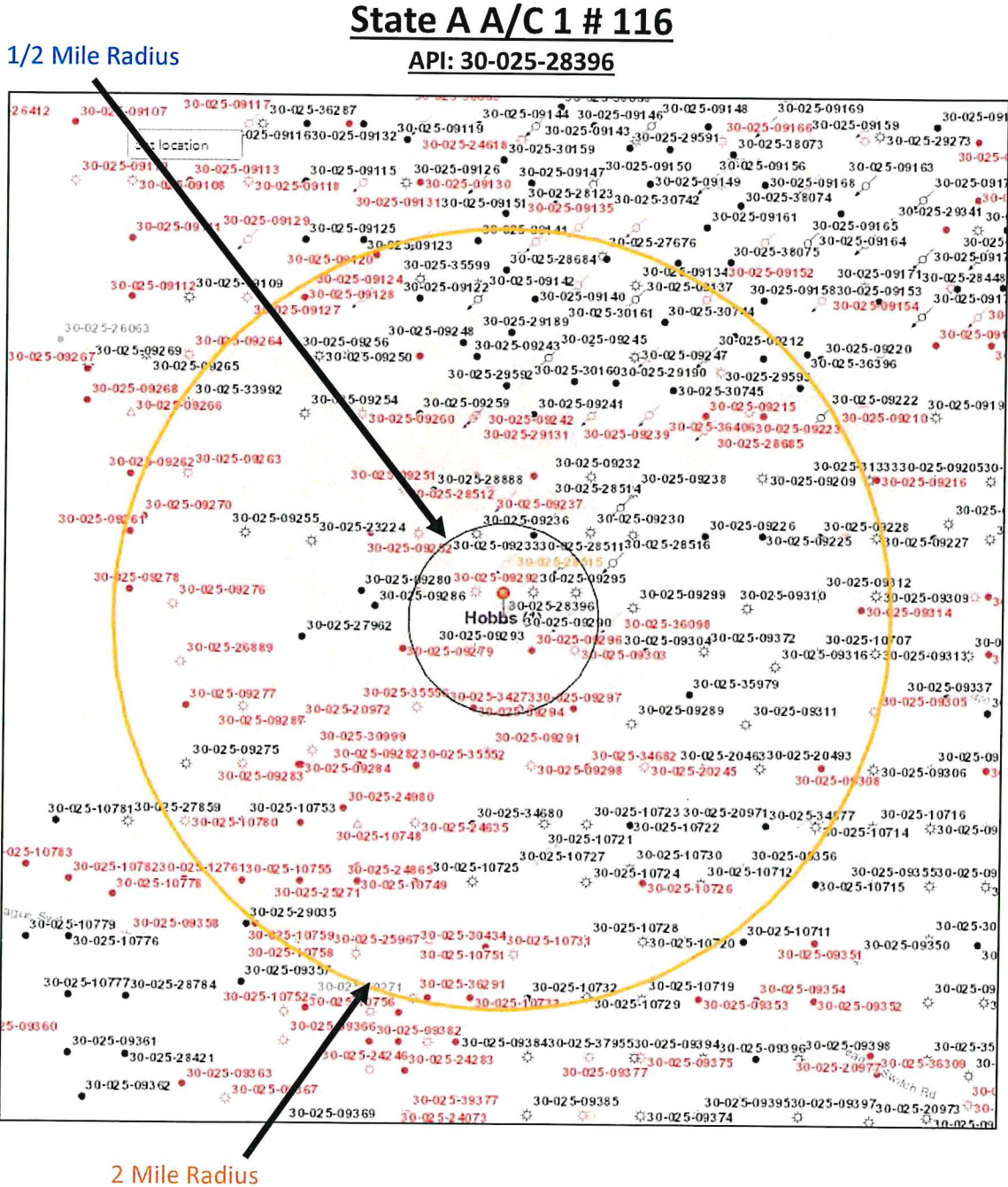
Tubing Size:	<u>2-3/8"</u>
Lining Material:	<u>Cement</u>
Type of Packer:	<u>OTIS Perma-latch</u>
Packer Depth Set:	<u>~3572'</u>

Additional Data

- NOT a new well.
 - Originally an injection well.
 - Currently TA'd
 - Injection Formation: Queen
 - Pool: Langlie Mattix
 - Well has NOT been perforated in another zone.
 - Overlying Oil Zone: Seven Rivers Formation
 - Depth of Overlying Zone: 3236'
- Underlying Oil Zone: Grayburg
- Depth of Underlying Zone: ±4000'

V.

Exhibit A1 shows 17 unique well locations within a 1/2 mile radius of the proposed new drill injector locations, and 176 unique well locations within a 2 mile radius.



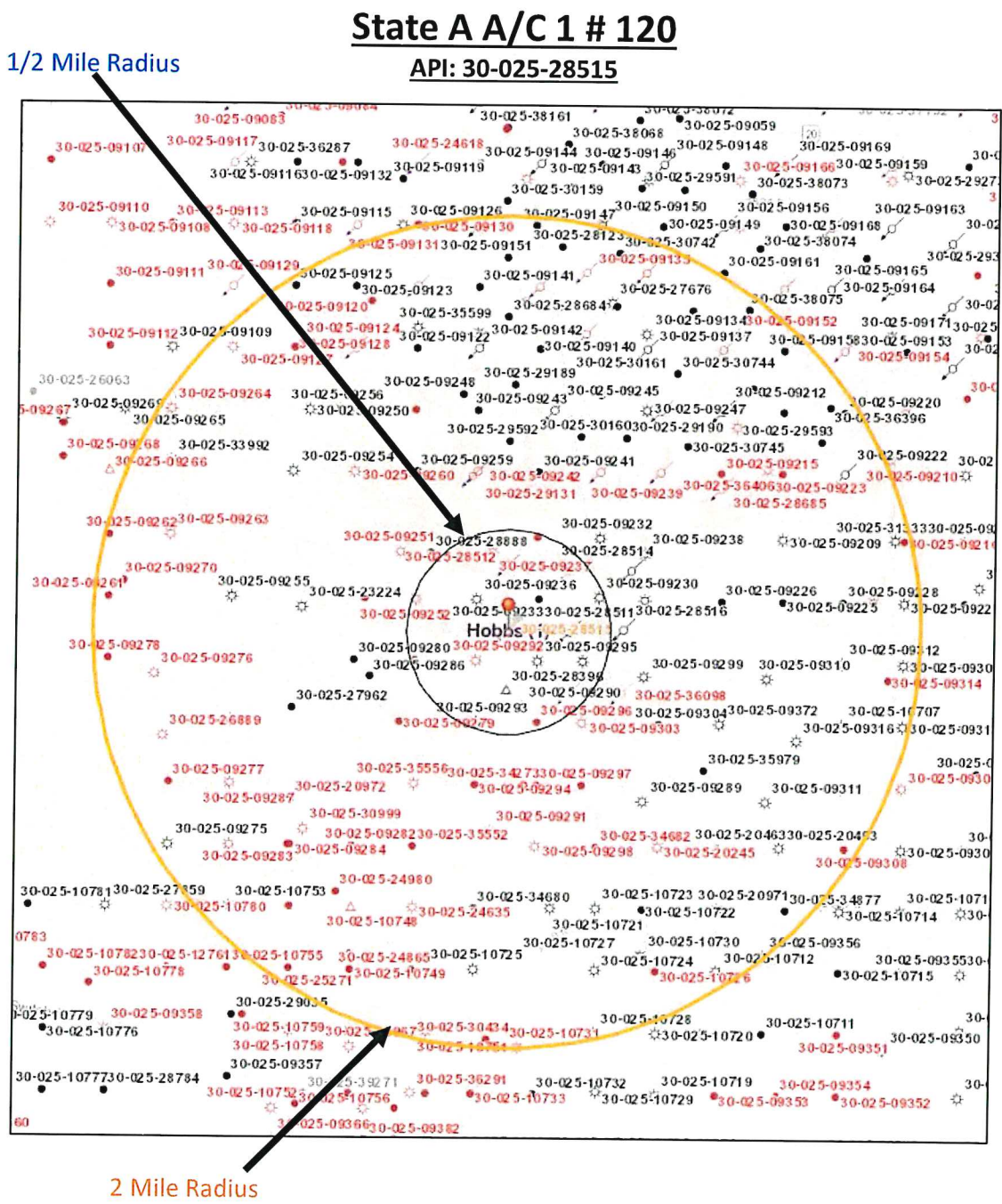
V.

Exhibit A2 shows 18 unique well locations within a 1/2 mile radius of the proposed new drill injector locations, and 197 unique well locations within a 2 mile radius.



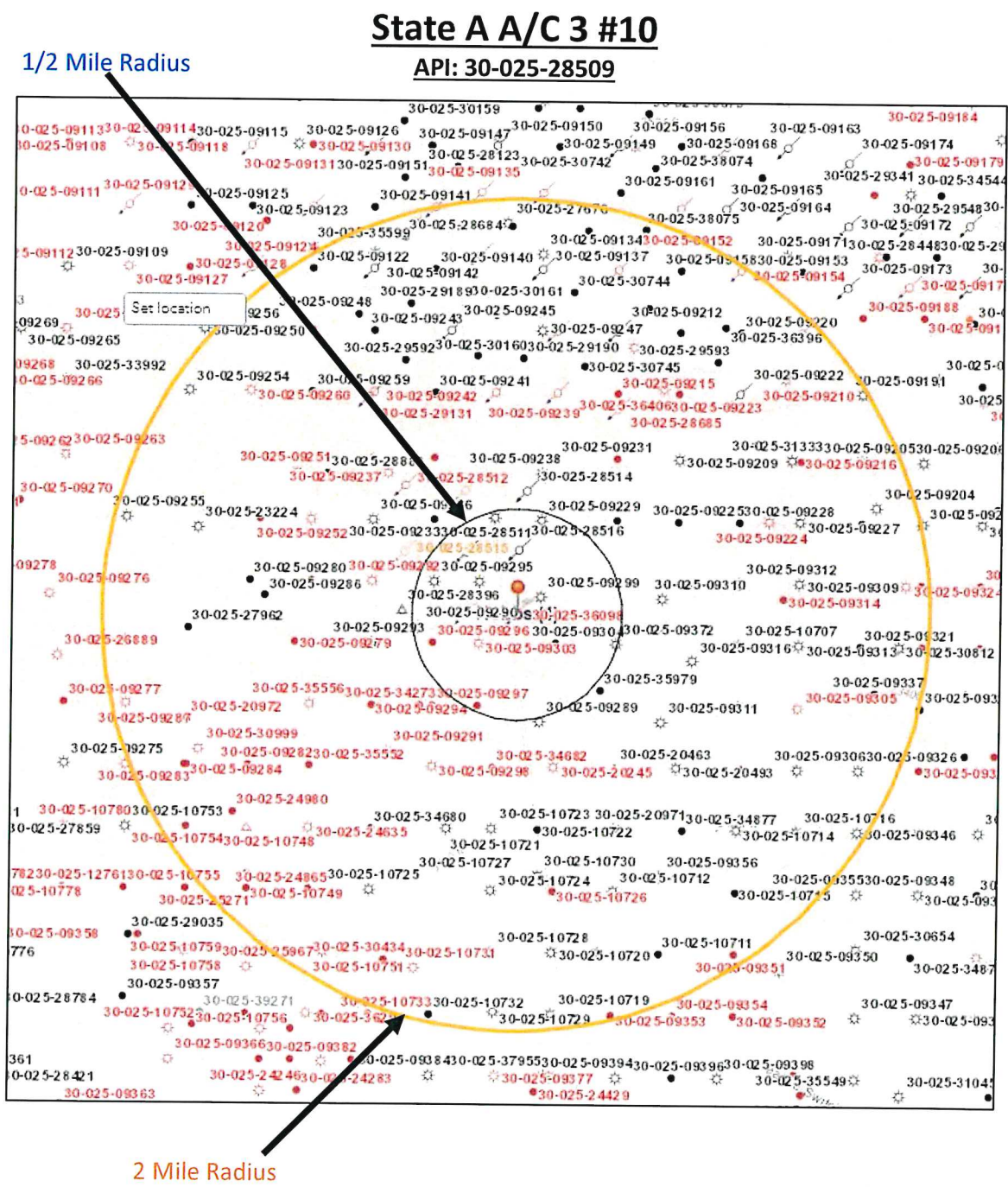
V.

Exhibit A3 shows 18 unique well locations within a 1/2 mile radius of the proposed new drill injector locations, and 197 unique well locations within a 2 mile radius.



V.

Exhibit A4 shows 19 unique well locations within a 1/2 mile radius of the proposed new drill injector locations, and 179 unique well locations within a 2 mile radius.



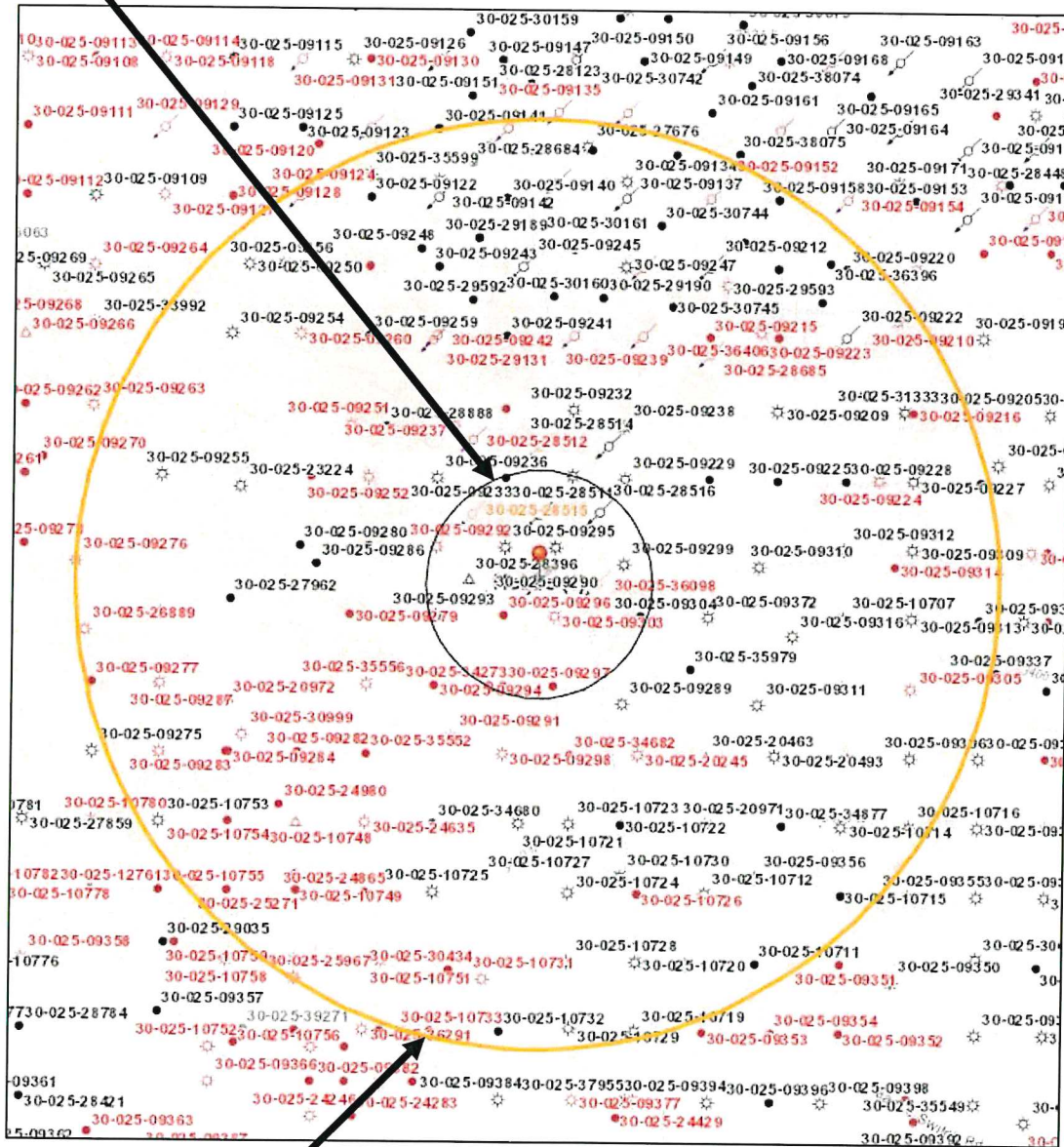
V.

Exhibit A5 shows 21 unique well locations within a 1/2 mile radius of the proposed new drill injector locations, and 173 unique well locations within a 2 mile radius.

State A A/C 3 #11

API: 30-025-28510

1/2 Mile Radius



2 Mile Radius

VI. Following Exhibit A, the tabulation of the wells with each well's type, construction, date drilled, location, depth, and completion date of wells within a ½ mile radius are displayed in Exhibit B1-B5. The plugged well wellbore diagrams are displayed in Exhibit C1-C17.

Exhibit B1

State A AC 1 #116

UWI / API	Operator	Well Label	TD	Well Type	Current Zone	Distance in Miles	Distance in Feet from:	SPUD Date	Township Range Section	Footage	Surf Lat	Surf Lon	Well Title	Status
3002528386	FAE II OPERATING LLC	STATE A AC 1 #116	8203	Salt Water Dispost	480' SH / TANISLU / YATES	0		0 1983-12-09	T2S 36E 10	1350 FTL 1310 FWL CONGRESS SECTION	32.327295	-103.25582	STATE A AC 2 #118 Active	
3002528390	FAE II OPERATING LLC	STATE A AC 1 #037	3293	GAS		0.12	633.6	1983-02-28	T2S 36E 10	980 FSL 990 FWL CONGRESS SECTION	32.324598	-103.25792	STATE A AC 2 #118 Active	
3002528392	FAE II OPERATING LLC	STATE A AC 1 #049	3800	GAS		0.2	1054.1	1989-03-16	T2S 36E 10 NW NW	660 FWL 660 FWL CONGRESS SECTION	32.324585	-103.25894	STATE A AC 2 #118 Plugged (Site released)	
3002528393	FAE II OPERATING LLC	STATE A AC 1 #081	3754	GAS		0.2	1056.1	1989-03-25	T2S 36E 10 SW NW	660 FWL 660 FWL CONGRESS SECTION	32.3245747	-103.25467	STATE A AC 2 #118 Active	
3002528398	FAE II OPERATING LLC	STATE A AC 1 #085	3800	GAS		0.22	1161.6	1989-03-20	T2S 36E 10 SW NW	1980 FWL 1980 FWL CONGRESS SECTION	32.3207565	-103.25894	STATE A AC 2 #118 Active	
3002528399	PETROBRANK OPERATING CO	STATE A AC 1 #120	3593	Oil		0.22	1472.4	1984-03-27	T2S 36E 10 SW NE	1980 FWL 1980 FWL CONGRESS SECTION	32.3207465	-103.25467	STATE A AC 2 #118 Plugged (Site released)	
3002528399	FAE II OPERATING LLC	STATE A AC 3 COM A #024	3800	Injection		0.3	1552.1	1984-04-04	T2S 36E 10 SW NW	1345 FTL 1345 FWL CONGRESS SECTION	32.324584	-103.2547	STATE A AC 2 #118 Temporary Abandonment (Ignored)	
3002528390	FAE II OPERATING LLC	STATE A AC 3 COM A #024	3729	GAS		0.39	2059.2	1980-02-19	T2S 36E 10 NW NE	660 FWL 3310 FWL CONGRESS SECTION	32.324569	-103.2546	STATE A AC 2 #118 Active	
3002528390	PETROBRANK OPERATING CO	STATE A AC 3 COM A #025	3811	Injection		0.41	2164.8	1980-05-17	T2S 36E 10 SW NE	1980 FWL 2910 FWL CONGRESS SECTION	32.3207387	-103.2546	STATE A AC 2 #118 Plugged (Site released)	
3002528391	FAE II OPERATING LLC	STATE A AC 3 #012	3821	GAS		0.46	2164.8	1984-04-12	T2S 36E 10 SW NW	135 FTL 2615 FWL CONGRESS SECTION	32.3207148	-103.25247	STATE A AC 2 #118 Plugged (Site released)	
3002528392	FAE II OPERATING LLC	STATE A AC 1 #043	3800	Oil		0.46	2428.8	1989-02-09	T2S 36E 3 SE SW SW	660 FSL 660 FWL CONGRESS SECTION	32.3280133	-103.25895	STATE A AC 2 #118 Active	
3002528393	FAE II OPERATING LLC	STATE A AC 1 #048	3800	Oil		0.46	2428.8	1989-03-07	T2S 36E 3 SE SW	660 FSL 1980 FWL CONGRESS SECTION	32.328003	-103.25468	STATE A AC 2 #118 Active	
3002528398	CLAYTON WILLIAMS ENERGY INC	STATE A AC 1 #041	3800	Oil	UNKNOWN	0.46	2428.8	1987-11-04	T2S 36E 10 NE SW	660 FWL 660 FWL CONGRESS SECTION	32.3245948	-103.25921	STATE A AC 2 #118 Plugged (Site released)	
3002528398	CLAYTON WILLIAMS ENERGY INC	STATE A AC 1 #051	3800	Oil	UNKNOWN	0.47	2428.8	1988-02-09	T2S 36E 10 NE SW	1980 FSL 1718 FWL CONGRESS SECTION	32.3171131	-103.25552	STATE A AC 2 #118 Plugged (Site released)	
3002528394	CLAYTON WILLIAMS ENERGY INC	STATE A AC 1 #055	3761	Oil	QUEEN	0.48	2594.4	1989-04-05	T2S 36E 10 C NW SW	1980 FSL 660 FWL CONGRESS SECTION	32.3171185	-103.25894	STATE A AC 2 #118 Plugged (Site released)	
3002528397	PETROBRANK OPERATING CO	STATE A AC 1 #088	3871	Oil	QUEEN	0.48	2594.4	1980-04-20	T2S 36E 10 NE SW	1980 FSL 1980 FWL CONGRESS SECTION	32.3171135	-103.25467	STATE A AC 2 #118 Plugged (Site released)	

Exhibit B2

State A AC 1 #117

UW/ AP	Operator	Well Label	TD	Well Type	Current Zone	Distance in Miles	Distance in Feet from	SHAUD Date	Township Range Section	Footage	SurfLat	SurfLon	WELL Title	Status
300259263	FAE II OPERATING LLC	STATE A AC 1 #117	3830	Injection	QUEEN	0	0	1984-03-17	23S 36E 3	1395 FSL 1345 FWL CONGRESS SECTION	32.330728	-103.3567	STATE A AC 2 #117	Plugged (site released)
300259263	FAE II OPERATING LLC	STATE A AC 1 #035	3825	Gas	TRANSIL / YATES	0.1	528	1952-10-15	23S 36E 3	1650 FSL 990 FWL CONGRESS SECTION	32.330732	-103.3570	STATE A AC 2 #117	Plugged (site released)
300259263	GLANTON WILLIAMS ENERGY INC	STATE A AC 1 #047	3800	Oil	UNKNOWN	0.19	1003	1959-01-21	23S 36E 3	1980 FSL 1980 FWL CONGRESS SECTION	32.331631	-103.3591	STATE A AC 2 #117	Plugged (site released)
300259263	PETROHAWK OPERATING CO	STATE A AC 1 #046	3800	Oil	UNKNOWN	0.2	1056	1959-01-11	23S 36E 3	1980 FSL 660 FWL CONGRESS SECTION	32.331642	-103.3591	STATE A AC 2 #117	Plugged (site released)
300259263	FAE II OPERATING LLC	STATE A AC 1 #048	3800	Oil	QUEEN	0.22	1161	1959-03-07	23S 36E 3 SE SW	650 FSL 1980 FWL CONGRESS SECTION	32.328033	-103.3547	STATE A AC 2 #117	Active
300259263	FAE II OPERATING LLC	STATE A AC 1 #043	3805	Gas	QUEEN	0.22	1161	1957-12-08	23S 36E 3 SE SW SW	650 FSL 660 FWL CONGRESS SECTION	32.328033	-103.3547	STATE A AC 2 #117	Active
300259263	FAE II OPERATING LLC	STATE A AC 1 #118	3820	Injection	QUEEN	0.3	1584	1984-03-06	23S 36E 3	1295 FSL 2815 FWL CONGRESS SECTION	32.328125	-103.3525	STATE A AC 2 #117	Temporary Abandonment (expired)
300259263	FAE II OPERATING LLC	STATE A AC 1 #120	3800	Injection	QUEEN	0.38	1689	1984-03-27	23S 36E 10	1650 FSL 350 FWL CONGRESS SECTION	32.328125	-103.3525	STATE A AC 2 #117	Temporary Abandonment (expired)
300259263	J F JANDANCTI	STATE A AC 3 #025	3800	Oil	QUEEN	0.44	2033	1984-01-12	23S 36E 4	125 FSL 1345 FWL CONGRESS SECTION	32.328125	-103.3525	STATE A AC 2 #117	Active
300259263	FAE II OPERATING LLC	STATE A AC 3 #012	3810	Injection	QUEEN	0.44	2033	1984-01-12	23S 36E 10	125 FSL 1345 FWL CONGRESS SECTION	32.328125	-103.3525	STATE A AC 2 #117	Active
300259263	FAE II OPERATING LLC	STATE A AC 1 #051	3715	Gas	QUEEN	0.46	2428	1959-05-04	23S 36E 3	1980 FSL 1980 FWL CONGRESS SECTION	32.338135	-103.3550	STATE A AC 2 #117	Plugged (site released)
300259263	UNM OPERATING LLC	SEVEN RIVERS QUEEN UNIT #055	3820	Injection	QUEEN	0.46	2428	1959-05-04	23S 36E 3	1980 FSL 1980 FWL CONGRESS SECTION	32.338135	-103.3550	STATE A AC 2 #117	Plugged (site released)
300259263	FAE II OPERATING LLC	STATE A AC 1 #054	3882	Gas	SEVEN RIVERS / QUEEN	0.46	2428	1959-05-04	23S 36E 3	1980 FSL 1980 FWL CONGRESS SECTION	32.338135	-103.3550	STATE A AC 2 #117	Active
300259263	FAE II OPERATING LLC	SEVEN RIVERS QUEEN UNIT #050	3850	Oil	UNKNOWN	0.48	2428	1959-08-05	23S 36E 3	660 FSL 660 FWL CONGRESS SECTION	32.338275	-103.3550	STATE A AC 2 #117	Plugged (site released)
300259263	ASCH PETROLEUM INC	PRE-ONGARD WELL #049	3800	Injection	TRANSIL / YATES	0.47	2481	1959-09-21	23S 36E 3	1980 FSL 660 FWL CONGRESS SECTION	32.324279	-103.3547	STATE A AC 2 #117	Plugged (site released)
300259263	FAE II OPERATING LLC	STATE A AC 1 #021	3825	Gas	QUEEN	0.48	2524	1960-01-21	23S 36E 4	660 FSL 660 FWL CONGRESS SECTION	32.324279	-103.3547	STATE A AC 2 #117	Active
300259263	FAE II OPERATING LLC	STATE A AC 1 #049	3800	Gas	QUEEN	0.49	2587	1959-03-16	23S 36E 10 NW NW	660 FSL 660 FWL CONGRESS SECTION	32.324279	-103.3547	STATE A AC 2 #117	Plugged (site released)

Exhibit B3

State A AC 1 #120

UWV/APL	Operator	Well Label	TD	Well Type	Current Zone	Distance in Miles	Distance in Feet from	SPUD Date	Township Range Section	Footcage	Surflet	Surfion	Well Tie	Status
30025388E	FAE II OPERATING LLC	STATE A AC 1 #120	1350	Injection	QUEEN	0	0	1984-03-27	235 38E 10	25 FUL 134.5 FUL CONGRESS SECTION	32,326,135	-103 2567	STATE A AC 2 #120	Temporary Abandonment (expired)
30025389E	FAE II OPERATING LLC	STATE A AC 1 #031	3754	Gas	QUEEN	0.2	1058	1959-01-21	235 38E 10	560 FUL 1980 FUL CONGRESS SECTION	32,326,175	-103 2567	STATE A AC 2 #120	Active
30025390E	FAE II OPERATING LLC	STATE A AC 1 #049	1800	O I	QUEEN	0.21	1108.8	1959-03-07	235 38E 3 SE SW	560 FUL 1980 FUL CONGRESS SECTION	32,328,033	-103 2567	STATE A AC 2 #120	Active
30025392E	FAE II OPERATING LLC	STATE A AC 1 #049	1800	Gas	QUEEN	0.21	1108.8	1959-03-16	235 38E 10 NW NW	560 FUL 660 FUL CONGRESS SECTION	32,324,955	-103 2569	STATE A AC 2 #120	Purged (site released)
30025393E	FAE II OPERATING LLC	STATE A AC 1 #049	1825	Gas	QUEEN	0.22	1161.6	1957-12-09	235 38E 3 SE SW	560 FUL 660 FUL CONGRESS SECTION	32,320,13	-103 2569	STATE A AC 2 #120	Purged (site released)
30025394E	FAE II OPERATING LLC	STATE A AC 1 #015	640	Salt Water Disposal	QUEEN	0.28	1478.4	1983-12-09	235 38E 10	560 FUL 660 FUL CONGRESS SECTION	32,327,21	-103 2569	STATE A AC 2 #120	Active
30025395E	FAE II OPERATING LLC	STATE A AC 3 #012	9210	Injection	QUEEN	0.29	1531.2	1984-04-12	235 38E 10	25 FUL 261.5 FUL CONGRESS SECTION	32,326,115	-103 2525	STATE A AC 2 #120	Active
30025396E	FAE II OPERATING LLC	STATE A AC 1 #017	3830	Injection	QUEEN	0.32	1689.6	1981-03-17	235 38E 3	1395 FUL 134.5 FUL CONGRESS SECTION	32,320,238	-103 2567	STATE A AC 2 #120	Purged (site released)
30025397E	FAE II OPERATING LLC	STATE A AC 1 #035	3625	Gas	QUEEN	0.37	1859.2	1953-02-28	235 38E 10	980 FUL 990 FUL CONGRESS SECTION	32,324,998	-103 2579	STATE A AC 2 #120	Active
30025398E	FAE II OPERATING LLC	STATE A AC 3 COM #004	17229	Gas	QUEEN	0.39	2059.2	1953-10-15	235 38E 3	1500 FUL 990 FUL CONGRESS SECTION	32,350,732	-103 2579	STATE A AC 2 #120	Purged (site released)
30025399E	FAE II OPERATING LLC	STATE A AC 1 #118	1820	Injection	QUEEN	0.39	2059.2	1959-02-19	235 38E 10 NW NE	560 FUL 2310 FUL CONGRESS SECTION	32,324,597	-103 2515	STATE A AC 2 #120	Active
30025400E	FAE II OPERATING LLC	STATE A AC 1 #011	1800	Injection	QUEEN	0.42	2217.6	1981-03-06	235 38E 3	1295 FUL 2615 FUL CONGRESS SECTION	32,327,43	-103 2525	STATE A AC 2 #120	Temporary Abandonment (expired)
30025401E	FAE II OPERATING LLC	STATE A AC 1 #055	3606	Gas	QUEEN	0.46	2428.8	1960-03-20	235 38E 10	1315 FUL 2515 FUL CONGRESS SECTION	32,322,488	-103 2567	STATE A AC 2 #120	Active
30025402E	FAE II OPERATING LLC	STATE A AC 1 #054	3682	Gas	QUEEN	0.47	2481.6	1959-03-29	235 38E 10 SW NW	1980 FUL 1980 FUL CONGRESS SECTION	32,320,746	-103 2567	STATE A AC 2 #120	Temporary Abandonment (expired)
30025403E	FAE II OPERATING LLC	STATE A AC 1 #055	3800	Gas	QUEEN	0.47	2481.6	1959-03-29	235 38E 3	710 FUL 1980 FUL CONGRESS SECTION	32,320,757	-103 2569	STATE A AC 2 #120	Purged (site released)
30025404E	FAE II OPERATING LLC	STATE A AC 1 #054	3800	Gas	QUEEN	0.47	2481.6	1957-11-04	235 38E 9	560 FUL 660 FUL CONGRESS SECTION	32,328,813	-103 2569	STATE A AC 2 #120	Active
30025405E	FAE II OPERATING LLC	STATE A AC 1 #041	3800	O I	QUEEN	0.47	2481.6	1959-02-27	235 38E 3	560 FUL 660 FUL CONGRESS SECTION	32,324,935	-103 2569	STATE A AC 2 #120	Purged (site released)
30025406E	FAE II OPERATING LLC	STATE A AC 1 #041	3800	O I	QUEEN	0.47	2481.6	1959-02-27	235 38E 3	560 FUL 660 FUL CONGRESS SECTION	32,321,631	-103 2569	STATE A AC 2 #120	Purged (site released)
30025407E	FAE II OPERATING LLC	STATE A AC 1 #042	3800	O I	QUEEN	0.48	2534.4	1957-03-29	235 38E 4	560 FUL 660 FUL CONGRESS SECTION	32,328,013	-103 2569	STATE A AC 2 #120	Purged (site released)
30025408E	FAE II OPERATING LLC	STATE A AC 1 #046	3800	O I	QUEEN	0.48	2534.4	1959-02-11	235 38E 3	1980 FUL 660 FUL CONGRESS SECTION	32,321,642	-103 2569	STATE A AC 2 #120	Purged (site released)

Exhibit B4

State A AC 3 #10

UW / API	Operator	Well Label	TD	Well Type	Current Zone	Distance in Miled	Distance in Feet from	SPUD Date	Township Range Section	Locate	Surface	Surfion	Well Title	Status
3002509309	FAE II OPERATING LLC	STATE A A/C 3 #10	3800	Injection	GRABLING	0	0	1084-02-06	R3S 36E 10	1345 FHL 1480 FEL CONGRESS SECTION	32.332-4773	-103.2488	STATE A A/C 3 #10	Temporary Abandonment
3002509394	FAE II OPERATING LLC	STATE A A/C 3 COM A #C01	3161	Gas	FRAN LU / WATES	0.14	739.2	1959-01-08	R3S 36E 10	1900 FHL 990 FEL CONGRESS SECTION	32.333-4499	-103.4721	STATE A A/C 3 #10	Active
3002509394	FAE II OPERATING LLC	STATE A A/C 3 #007	3725	Oil	GRABLING	0.20	1214.4	1967-09-10	R3S 36E 10	1980 FHL 660 FEL CONGRESS SECTION	32.3307254	-103.2481	STATE A A/C 3 #10	Active
3002509400	PETROHAWK OPERATING CO	STATE A A/C 3 COM A #C05	3698	Gas	QUEBEN	0.23	1214.4	1960-05-17	R3S 36E 10 SW NE	1980 FHL 3310 FEL CONGRESS SECTION	32.3207587	-103.2515	STATE A A/C 3 #10	Plugged (site released)
3002509477	FAE II OPERATING LLC	STATE A A/C 3 #009	3770	Oil	GRABLING	0.24	1287.2	1984-01-30	R3S 36E 10	660 FHL 660 FEL CONGRESS SECTION	32.3243527	-103.2468	STATE A A/C 3 #10	Plugged (site released)
3002509500	FAE II OPERATING LLC	STATE A A/C 3 COM A #C04	3729	Gas	QUEBEN	0.24	1267.2	1966-02-19	R3S 36E 10 NW NE	660 FHL 2330 FEL CONGRESS SECTION	32.3243569	-103.2479	STATE A A/C 3 #10	Active
3002509500	FAE II OPERATING LLC	STATE A A/C 3 #011	3800	Injection	QUEBEN	0.25	1310	1984-04-04	R3S 36E 10	1345 FHL 460 FEL CONGRESS SECTION	32.3224964	-103.2481	STATE A A/C 3 #10	Temporary Abandonment (temp red)
3002509500	FAE II OPERATING LLC	STATE A A/C 1 #121	3800	Injection	GRABLING	0.31	1656.8	1982-02-18	R3S 36E 3	1345 FHL 460 FEL CONGRESS SECTION	32.3224964	-103.2481	STATE A A/C 3 #10	Active
3002509500	FAE II OPERATING LLC	STATE A A/C 3 #012	3810	Injection	QUEBEN	0.39	2059.2	1984-04-12	R3S 36E 10	15 FHL 2615 FEL CONGRESS SECTION	32.3261148	-103.2523	STATE A A/C 3 #10	Active
3002509500	LEGACY RESERVES OPERATING LP	548PHRIL STATE #003	6547	Salt Water Disposal	PHADOCK	0.41	2164.8	2003-01-18	R3S 36E 11 NW SW NW	1650 FHL 530 FHL CONGRESS SECTION	32.3261148	-103.2523	STATE A A/C 3 #10	Active
3002509506	FAE II OPERATING LLC	STATE A A/C 1 #081	3698	Oil	QUEBEN	0.43	2270.4	1980-09-20	R3S 36E 10	1980 FHL 1980 FHL CONGRESS SECTION	32.3261639	-103.2479	STATE A A/C 3 #10	Plugged (site released)
3002509528	FAE II OPERATING LLC	STATE A A/C 1 #081	3754	Gas	QUEBEN	0.44	2313.2	1959-01-31	R3S 36E 10	660 FHL 1980 FHL CONGRESS SECTION	32.3243747	-103.2547	STATE A A/C 3 #10	Plugged (site released)
3002509528	FAE II OPERATING LLC	STATE A A/C 1 #089	3679	Gas	FRAN LU / WATES	0.46	2428.8	1959-10-09	R3S 36E 3 SE SE	660 FHL 590 FEL CONGRESS SECTION	32.3275847	-103.2477	STATE A A/C 3 #10	Active
3002509528	FAE II OPERATING LLC	STATE A A/C 1 #064	3683	Gas	SEVEN RIVERS / QUEBEN	0.48	2554.4	1959-08-05	R3S 36E 3	710 FHL 1980 FEL CONGRESS SECTION	32.3275847	-103.2477	STATE A A/C 3 #10	Active
3002509530	PETROHAWK OPERATING CO	STATE A A/C 3 #008	8500	Oil	UNKNOWN	0.48	2554.4	1959-09-24	R3S 36E 10	1980 FHL 660 FEL CONGRESS SECTION	32.3275847	-103.2477	STATE A A/C 3 #10	Active
3002509530	CLAYTON WILLIAMS ENERGY INC.	STATE A A/C 3 #006	3699	Oil	SEVEN RIVERS / QUEBEN	0.48	2554.4	1960-07-14	R3S 36E 10	1980 FHL 2310 FEL CONGRESS SECTION	32.3170968	-103.2468	STATE A A/C 3 #10	Plugged (site released)
3002509537	FAE II OPERATING LLC	STATE A A/C 1 #037	3290	Gas	FRAN LU / WATES	0.49	2587.2	1953-02-28	R3S 36E 10	1980 FHL 590 FHL CONGRESS SECTION	32.3145956	-103.2479	STATE A A/C 3 #10	Active
3002509537	FAE II OPERATING LLC	STATE A A/C 1 #039	3737	Gas	UNKNOWN	0.5	2840	1962-08-31	R3S 36E 11 SW NW	1980 FHL 660 FHL CONGRESS SECTION	32.3201256	-103.2419	STATE A A/C 3 #10	Active
3002509517	FAE II OPERATING LLC	STATE A A/C 1 #092	3693	Oil	UNKNOWN	0.5	2840	1960-09-03	R3S 36E 11 CN NW NW	660 FHL 660 FHL CONGRESS SECTION	32.3243409	-103.2419	STATE A A/C 3 #10	Active

Exhibit B5

State A AC 3 #11

UW/Lea	Operator	WellLabel	TD	Well Type	Current Zone	Distance in Miles	Distance in Feet From	SPUD Date	Township Range Section	Feebase	SurfLat	SurfLong	Well Title	Status
3002582810	FAE II OPERATING LLC	STATE A/C 3 MO-1	3880	Injection	QUEEN	0	0	1984-04-04	23S 36E 10	1345 FHL 2615 FHL CONGRESS SECTION	32.3224854	-103.25241	STATE A/C 3 MO-1	Plugged / Abandonment (expired)
3002582810	PERFORMA OPERATING CO	STATE A/C 3 COM A MO-5	3599	Gas	QUEEN	0.16	644.8	1980-05-17	23S 36E 10 SW NE	1980 FHL 2310 FHL CONGRESS SECTION	32.3207387	-103.25144	STATE A/C 3 MO-1	Plugged (Site Released)
3002582810	FAE II OPERATING LLC	STATE A/C 3 COM A MO-4	3729	Gas	QUEEN	0.17	697.6	1980-02-19	23S 36E 10 NW NE	660 FHL 2310 FHL CONGRESS SECTION	32.3234859	-103.25144	STATE A/C 3 MO-1	Active
3002582828	PERFORMA OPERATING CO	STATE A/C 1 MO-8	3594	Oil	QUEEN	0.21	1108.8	1980-03-30	23S 36E 10	1980 FHL 1980 FHL CONGRESS SECTION	32.3207456	-103.25146	STATE A/C 3 MO-1	Plugged (Site Released)
3002582828	FAE II OPERATING LLC	STATE A/C 1 MO-1	3754	Gas	QUEEN	0.22	1161.6	1980-01-31	23S 36E 10	660 FHL 1980 FHL CONGRESS SECTION	32.3243747	-103.25146	STATE A/C 3 MO-1	Active
3002582828	FAE II OPERATING LLC	STATE A/C 1 MO-7	3390	Gas	FANSILL /ATES	0.25	1330	1984-02-08	23S 36E 10	1990 FHL 990 FHL CONGRESS SECTION	32.3149358	-103.25146	STATE A/C 3 MO-1	Active
3002582851	FAE II OPERATING LLC	STATE A/C 3 MO-2	3800	Injection	QUEEN	0.3	1367.2	1993-03-28	23S 36E 10	1345 FHL 1480 FHL CONGRESS SECTION	32.3247773	-103.24979	STATE A/C 3 MO-1	Temporarily Abandonment
3002582851	FAE II OPERATING LLC	STATE A/C 3 MO-2	3810	Injection	QUEEN	0.3	1384	1984-11-26	23S 36E 10	25 FHL 2615 FHL CONGRESS SECTION	32.3261148	-103.25148	STATE A/C 3 MO-1	Active
3002582851	FAE II OPERATING LLC	STATE A/C 3 MO-2	800	Salt Water Disposal	QUEEN	0.3	1584	1983-11-26	23S 36E 10	1280 FHL 3310 FHL CONGRESS SECTION	32.3272508	-103.25148	STATE A/C 3 MO-1	Active
3002582851	FAE II OPERATING LLC	STATE A/C 3 COM A MO-1	3185	Gas	FANSILL /ATES	0.37	1953.6	1993-01-08	23S 36E 10	990 FHL 990 FHL CONGRESS SECTION	32.3244493	-103.24979	STATE A/C 3 MO-1	Active
3002582851	FAE II OPERATING LLC	STATE A/C 1 MO-11	3850	Injection	QUEEN	0.4	2112	1984-02-18	23S 36E 3	25 FHL 1480 FHL CONGRESS SECTION	32.3266543	-103.24979	STATE A/C 3 MO-1	Active
3002582851	FAE II OPERATING LLC	STATE A/C 1 MO-10	3850	Injection	QUEEN	0.42	2217.6	1984-03-27	23S 36E 10	25 FHL 1480 FHL CONGRESS SECTION	32.3266543	-103.24979	STATE A/C 3 MO-1	Active
3002582851	CLAYTON WILLIAMS ENERGY INC	STATE A/C 3 MO-6	3695	Oil	SKEN RIVERS /QUEEN	0.45	2376	1980-03-24	23S 36E 10	1980 FHL 2310 FHL CONGRESS SECTION	32.3281251	-103.24979	STATE A/C 3 MO-1	Temporarily Abandonment (expired)
3002582847	FAE II OPERATING LLC	STATE A/C 3 MO-7	3729	Oil	QUEEN	0.46	2438.8	1982-09-10	23S 36E 10	1980 FHL 660 FHL CONGRESS SECTION	32.3271051	-103.24979	STATE A/C 3 MO-1	Plugged (Site Released)
3002582847	PERFORMA OPERATING CO	STATE A/C 1 MO-8	3579	Oil	QUEEN	0.47	2481.6	1980-04-30	23S 36E 10	660 FHL 660 FHL CONGRESS SECTION	32.3171151	-103.24979	STATE A/C 3 MO-1	Plugged (Site Released)
3002582828	FAE II OPERATING LLC	STATE A/C 1 MO-5	3800	Gas	QUEEN	0.47	2481.6	1980-04-30	23S 36E 10 NE NW	1980 FHL 660 FHL CONGRESS SECTION	32.3207588	-103.25148	STATE A/C 3 MO-1	Plugged (Site Released)
3002582828	FAE II OPERATING LLC	STATE A/C 1 MO-4	3800	Oil	QUEEN	0.47	2481.6	1980-03-16	23S 36E 10 NW NW	660 FHL 660 FHL CONGRESS SECTION	32.3243458	-103.25148	STATE A/C 3 MO-1	Active
3002582828	FAE II OPERATING LLC	STATE A/C 1 MO-4	3800	Oil	QUEEN	0.48	2534.4	1980-03-07	23S 36E 3 SE SW	660 FHL 1980 FHL CONGRESS SECTION	32.3280230	-103.25148	STATE A/C 3 MO-1	Active
3002582828	FAE II OPERATING LLC	STATE A/C 1 MO-4	3800	Gas	SKEN RIVERS /QUEEN	0.48	2534.4	1980-08-05	23S 36E 3	710 FHL 1980 FHL CONGRESS SECTION	32.3281813	-103.25148	STATE A/C 3 MO-1	Active
3002582828	FAE II OPERATING LLC	STATE A/C 1 MO-4	3800	Gas	SKEN RIVERS /QUEEN	0.48	2534.4	1980-08-05	23S 36E 3	1980 FHL 1718 FHL CONGRESS SECTION	32.3171131	-103.25148	STATE A/C 3 MO-1	Plugged (Site Released)
3002582828	FAE II OPERATING LLC	STATE A/C 1 MO-4	3800	Oil	SKEN RIVERS /QUEEN	0.49	2597.2	1980-02-29	23S 36E 10 NW SW	1980 FHL 1718 FHL CONGRESS SECTION	32.3171131	-103.25148	STATE A/C 3 MO-1	Plugged (Site Released)

State A A/C 1 #49

API# 30-025-09292
 660 FNL 660 FWL,
 Sec 10, T23S, R36E Lea Co., NM



VI. Exhibit C1

Wellbore Diagram

Lease & Well No. State A A/C 1 #49
 Field Name Jalmat
 Location 660' FNL 660' FWL; Unit D, Sec. 10, T23S, R36E

Status Active
 County & State Lea County, NM
 API No. 30-025-09292
 Pool Name Jalmat; Tansil; Yates; Seven Rivers

Well Information

Spud: 3/16/59 Ground Elevation: _____ D.F. Elevation: 3,486'
 Completed: _____ KB Elevation: _____ Total Depth: _____

Pipe Data

Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
319 ft		8 5/8"	24.0#	H-40	300 sx	Cement Circ to Surface
3790 ft		5-1/2"	14.0#	I-55	250 sx	TOC-2605' Temp Survey

MA, SN, 115 jts 2 3/8"
 GA, 2" x 1 1/4" x 12' RWTC, 2"x3/4", 5-7/8", 99-3/4", 35-7/8"

Well History

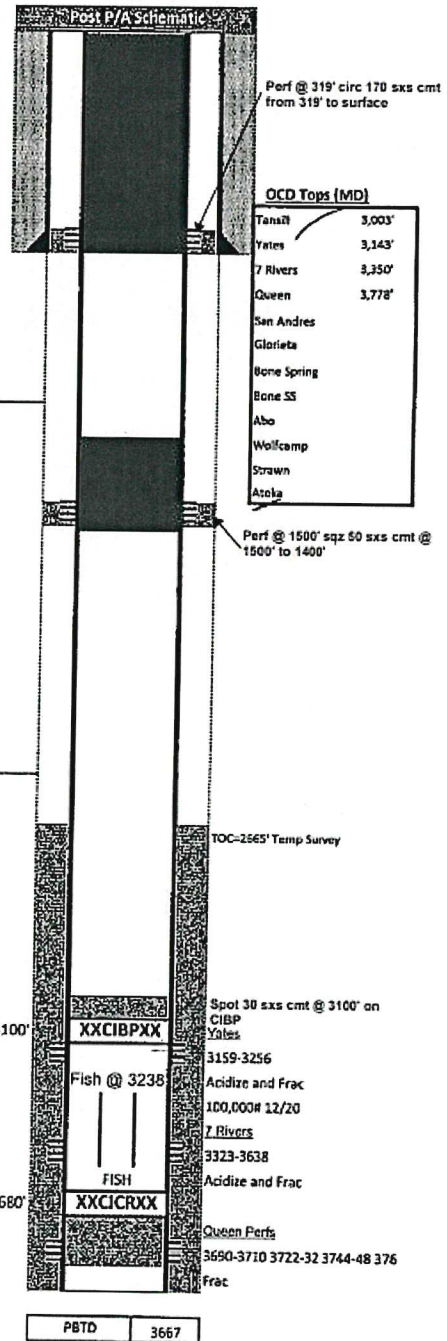
- 3/29/1959** Queen: Perf 3690-3710, 3722-32, 3744-48, 3760-66 w/4 spf; Stimulate with 25000 gals oil and 60,000# 20/40 sand IP: 77 BO and 21 BW FTP=675 (33.3 API Gravity)
- 4/1/1968** Install Pumping Unit
- 2/14/1989** Set Howco EZSV Retainer @ 3680'; Pump 320 sks Class C
- 7/16/1989** Perf 7Rivers: 3461, 3536, 38, 50, 85, 87, 3618, 22, 38; RIH with Pkr and Acidize: ISIP: 200 psi 6: 0 Frac with 31000 gals 30# XL 50, 500# 12/20 24 bpm @ 2600 psig down tbg
- 3/2/1989** Perf 7Rivers: 3323, 26, 29, 39, 41, 44, 94, 87, 3400 // Acidize & Frac with 19000 gals XL 32000# 12/20
- 11/22/1989** Perf Yates: 3159, 63, 70, 89, 95, 99, 3206, 28, 35, 54, 58 / Acidize & Frac: 26 bpm @ 3200 psig 52000 gal 100000# 12/20 1-2-3-4-5 ppg / ISIP: 851 15.668
 0 BO 169 MCF 21 BW
- 12/20/1989** CO to 3667 // Couple Pump Changes from 1989-1998 noting scale / Wtr analysis 24000 CL
- 8/28/1998** Tag @ 3601' / Replace bottom 12 jts, SN, MA
- 7/15/2003** Tag Parlod; Pull 35-7/8" 90-3/4" to rod body break; Pull 105 jts to 2 3/8" body break; Run 4 1 1/16" O.S. TOF=3238' / Could not L/O to Fish / RIH with SN, 101 jts 2 3/8" Run 84-3/4" and 35-7/8"
- 7/16/2003** Left 9-3/4" 5-7/8" 2" x 1 1/2" RWTC TOF=3238' // Left 10 jts 2 3/8" SN IAJ TOF=3285'

P/A Procedures

- 1 Pole Test Anchors / MIRU W/O Rig, RU H2S Equipment - Pre-job sfty mtg / Disc Pwr supply Lock/out Tag/out
- 2 ND HH; RU Rod Equipment; Unseat Pump and TDH with Rods-LD Rods / ND WH, NU BOPs w/ 2 3/8" Rams and Test / Rack Back Tubing
- 3 Inspect Rods and Tubing; NU 4 3/4" Varel Bit and RIH to PBTD / TOH and Rack Back Tubing
- 4 MIRU W/L; Set CIBP @ 3100' +/- / Dump Bail 35' cement / RD W/L / W.O.C. / RIH and Tag Cement / Circ MLF / TOH - Rack Back Tubing
- 5 W/L Perf @ 1500' / RIH with Workstring and Squeeze with 30 sks Cement / W.O.C. / Tag Cement
- 6 W/L Perf @ 319' / Pump 50 sks Cement / RIH with 1 jts and Circ Cemnt to surface
- 7 Cut-off wellhead below ground level; weld on 5 1/2" Steel Plate / Install P/A Marker
- 8 Clean Location / Remove Pumping Unit

Well History Continued

6/23/2011: Set 5-1/2" CIBP @ 3100'
 6/24/2011: Circ hole w/ salt gel @ 3100'. Spot 30 sxs cmt @ 3100' on CIBP. Perf @ 1500' sqz 50 sxs cmt @ 1500' to 1400' woc & tag
 6/27/2011: Tag cmt @ 1445'. Perf @ 319' circ 170 sxs cmt from 319' to surface



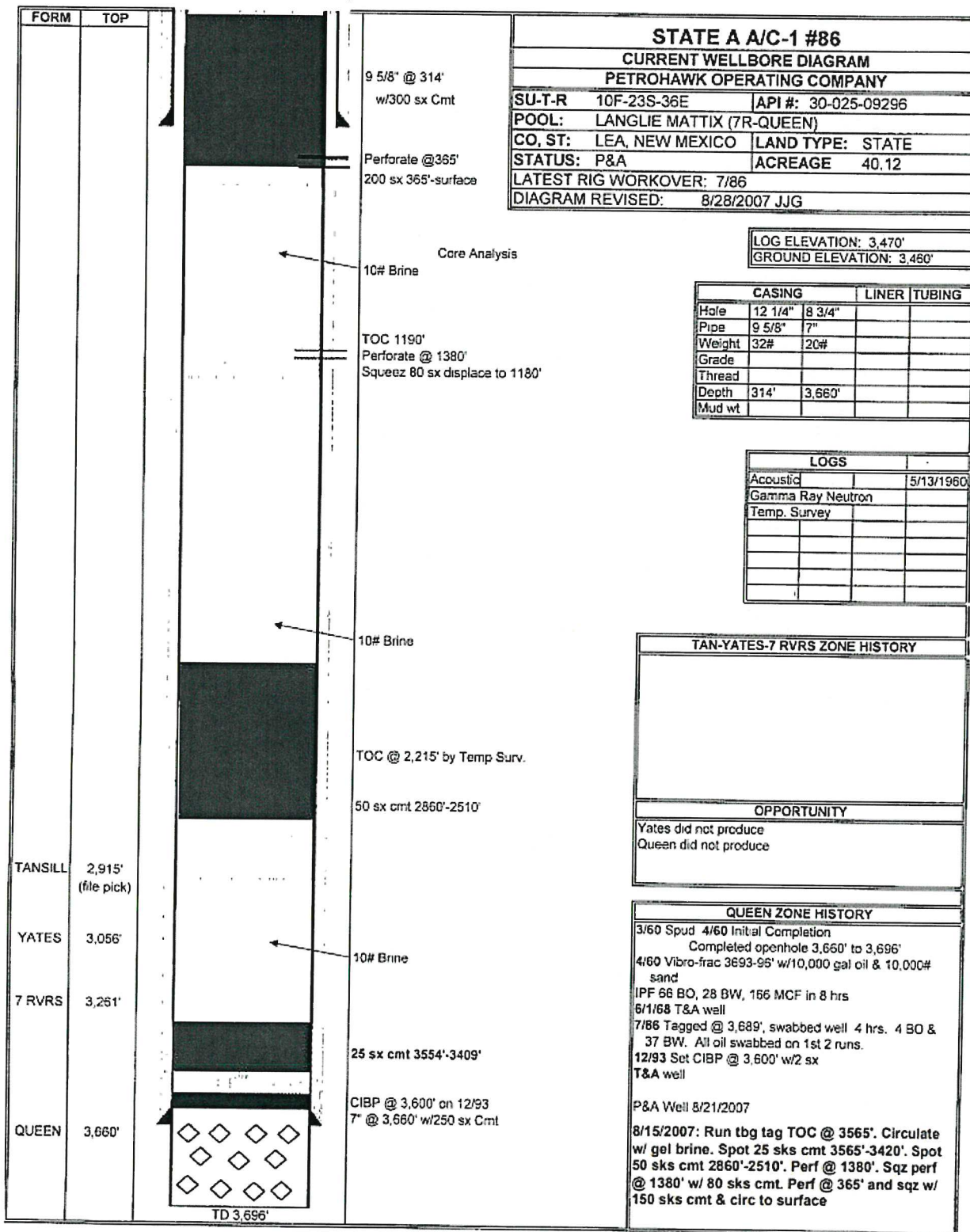
OCD Tops (MD)

Tansil	3,003'
Yates	3,143'
7 Rivers	3,350'
Queen	3,778'
San Andres	
Glorieta	
Bone Spring	
Bone SS	
Abo	
Wellcamp	
Strawn	
Atoka	

State A A/C 1 #86

VI. Exhibit C2

API# 30-025-09296
 1980 FNL 1980 FWL,
 Sec 10, T23S, R36E Lea Co., NM

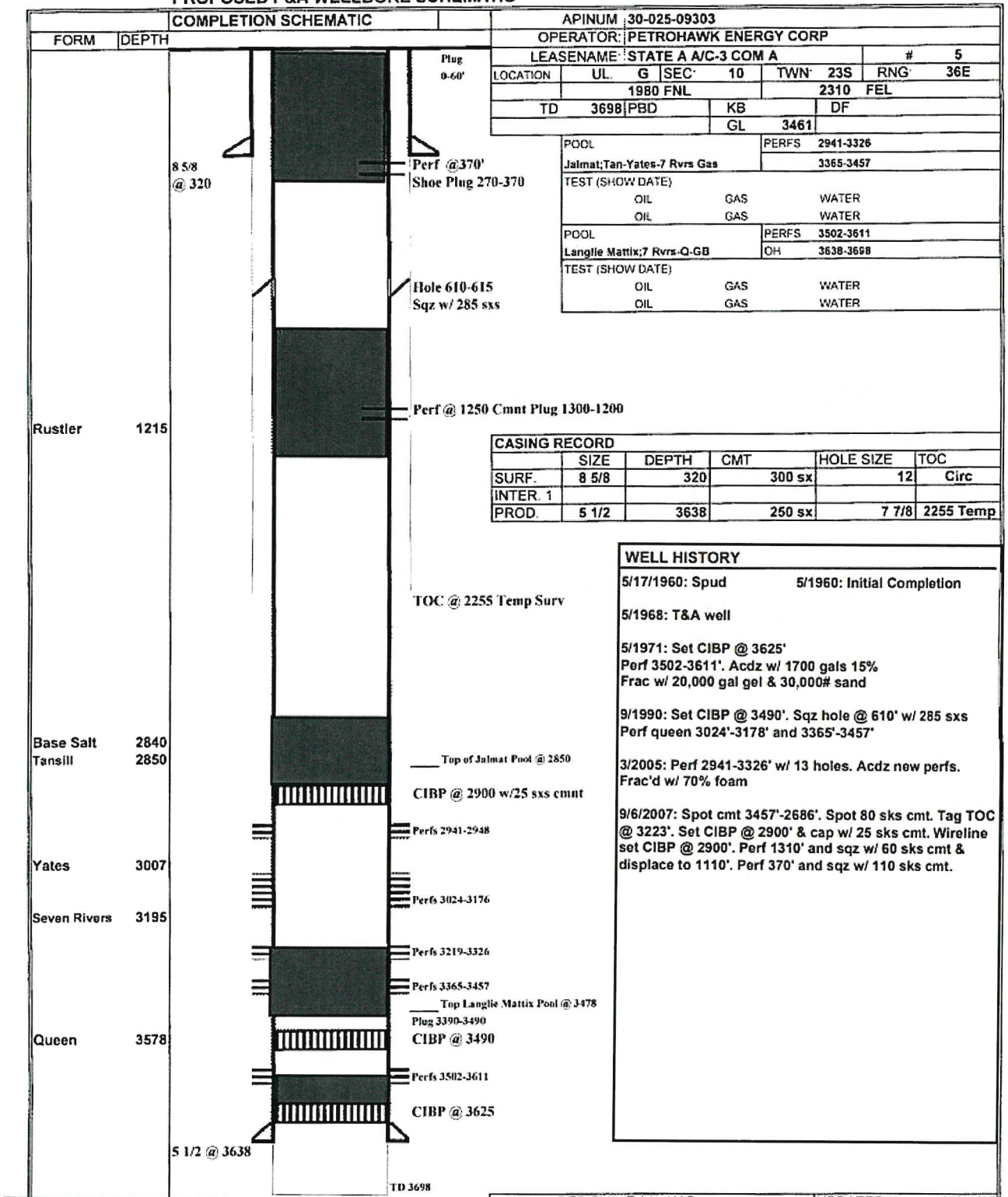


State A A/C 3 Com #005

VI. Exhibit C3

API# 30-025-09303
 1980 FNL 2310 FEL,
 Sec 10, T23S, R36E Lea Co., NM

PROPOSED P&A WELLBORE SCHEMATIC



State A A/C 1 #041

VI. Exhibit C4

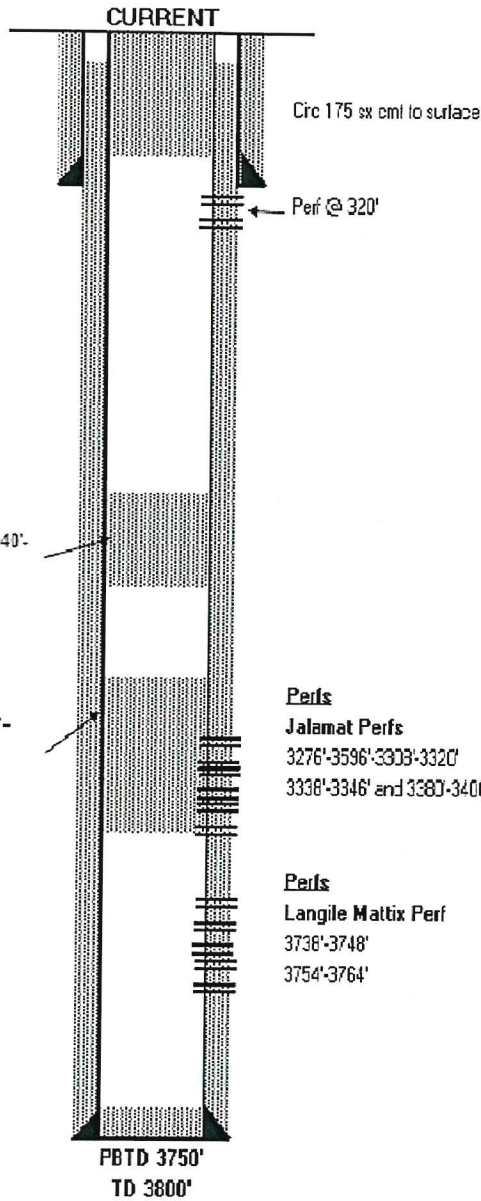
API# 30-025-09285
 660 FNL 660 FEL,
 Sec 10, T23S, R36E Lea Co., NM

Well Name: State A A/C 1 #41 Plantation ID Number: _____
 Location: 660 FNL 660 FEL; Unit A Sec: 9 Township: 23S
 County: Lea State: NM API: 30-025-09285

Lease Type: STATE
 Range: 36E
 Formation: Jalامت, Tansill, Tates, 7 Rivers

Surface Csg

Size: 5-5/8"
 Wt.&Thrd: _____
 Grade: _____
 Set @: 309'
 Sxs cmt: 300
 Circ: _____
 TOC: _____
 Hole Size: 12-1/4"



KB: _____
 DF: _____
 GL: 3493'
 Spud Date: 11/4/1957
 Compl. Date: 5/31/1966

History - Highlights

11/4/1957: Spud well
 9/12/1994:
 Spotted balanced plug from 2370'-3397' w/ 100 sx. Tagged top of plug @ 2870'. Spotted balanced plug from 2340'-2496' w/ 25 sx Class C. Perf casing at 320'. Circ cmt down 7" casing and up the 7" to 9-5/8" annulus to surface w/ 175 sx

Perfs
Jalامت Perfs
 3276'-3596'-3303'-3320'
 3338'-3346' and 3380'-3400'

Perfs
Langile Maltix Perf
 3736'-3748'
 3754'-3764'

Production Csg

Size: 7"
 Wt.&Thrd: _____
 Grade: _____
 Set @: 3800'
 Sxs Cmt: 200
 Circ: _____
 TOC: _____
 Hole Size: 8-3/4"

Gazelle #001

VI. Exhibit C5

API# 30-025-34273
1980 FNL 1718 FEL,
Sec 10, T23S, R36E Lea Co., NM

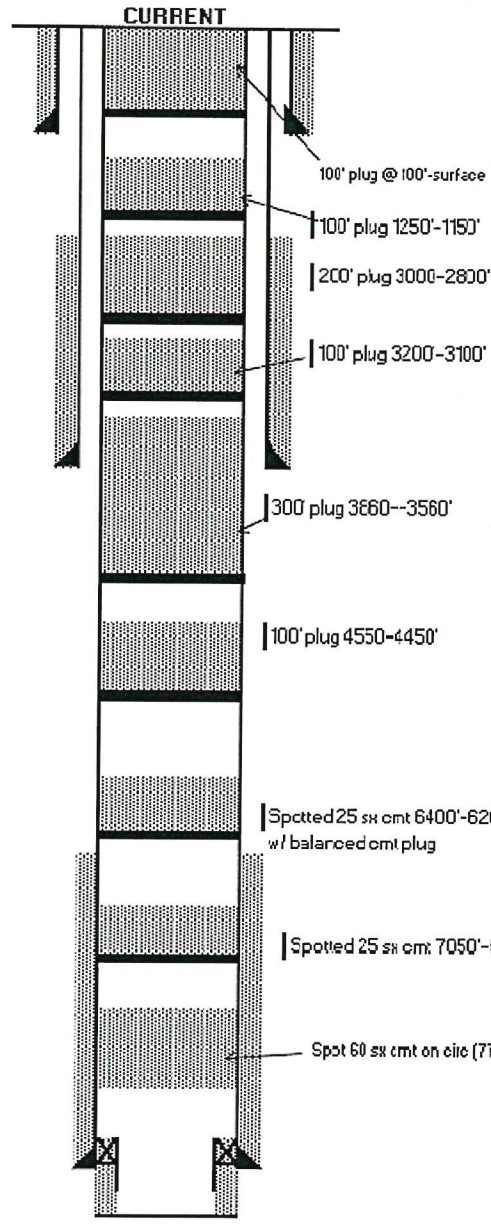
Vell Name: Gazelle #001 **Lease Type:** State
Location: 1980 FSL 1718 FWL; Unit K. 23S-36E-10 **County/State:** Lea/NM
Field/Formation: Wildcat **API:** 30-025-34273

Surface Csg.
Size: 11-3/4"
Wt.&Thrd: 42
Grade: _____
Set @: 400'
Szs cmt: 300
Circ: _____
TOC: Surface
Hole Size: 14-3/4"

Intermediate Csg
Size: 8-5/8"
Wt.&Thrd: 24
Grade: _____
Set @: 2950'
Szs cmt: 900
Circ: _____
TOC: Surface
Hole Size: 11"

Production Csg
Size: 5-1/2"
Wt.&Thrd: 15.5
Grade: _____
Set @: 7797'
Szs Cmt: 300
Circ: _____
TOC: 6000'
Hole Size: 7-7/8"

KB: _____
DF: _____
GL: 3139'
Spud Date: 2/9/1998
Compl. Date: 3/10/1998



History - Highlights
2/9/1998: Spud well
6/12/1998:
Place 100' balanced cmt plug 7050'-6950' & 6400'-6300'
Set the following balanced cmt plugs: 100' plug 4550'-4450';
300' plug 3860'-3560'; 100' plug 3200'-3100'; 200' plug 3000'-2800';
100' plug 1250'-1150'; 100' plug 100'-surface
8/10/1998 - 8/17/1998:
FDH w/ tbg. Set Circ @ 7749'. Spot 60 sh cmt on circ (7749'-7689').
Spotted 25 sh cmt: 7050'-6853'. Spotted 25 sh cmt: 6400'-6200'.
Spotted 25 sh cmt: 5900'-5654'. Spotted 50 sh cmt: 4591'.
Tagged @ 4441'
Spotted 100 sh cmt 3860'-3560'. Spotted 35 sh cmt 3200'-3100'.
Spotted 75 sh cmt: @ 3000'. Tagged @ 2797'
Spotted 30 sh cmt: 1250'-1140'. Spotted 30 sh cmt 450'-340'.
Spotted 30 sh cmt: 100' - surface.
Spotted 25 sh cmt: 7050'-6853' with 100' balanced cmt plug

State A A/C 1 #56

VI. Exhibit C6

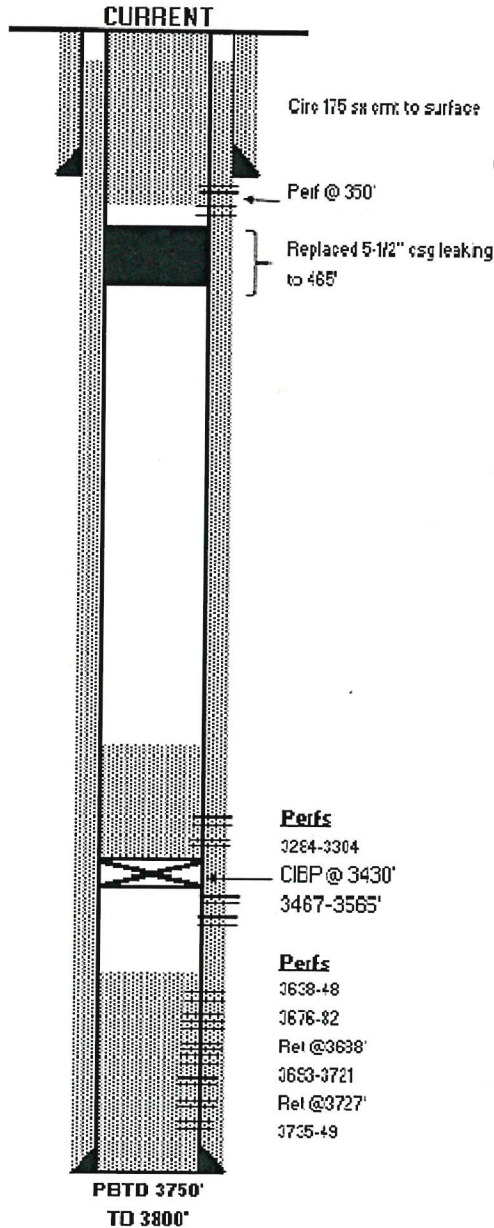
API# 30-025-09294
 1980 FSL 660 FWL,
 Sec 10, T23S, R36E Lea Co., NM

Well Name State A A/C 1 #56 **Plantation ID Number:** _____
Location: 1980FSL,660FWL,Unit L Sec: 10 **Township:** 23S
County: Lea **State:** NM **API:** 30-025-09294

Lease Type STATE
Range: 36E
Formation: Langle Matrix

Surface Csg
Size: 3-5/8"
Wt.&Thrd: 24
Grade: _____
Set @: 340'
Sxs cmt: 300
Circ: _____
TOC: Surface
Hole Size: 12-1/4"

KB: 3449
DF: _____
GL: 3438
Spud Date: 4/5/1959
Compl. Date: 4/5/1959



History - Highlights

5/1959: Perf 1935-49
 set Ret @ 3727 sqz
 set Ret @ 3688 sqz
 Perf 3638-48 & 3676-82

3/1989: Perf 3284-3304. Aczd w/ 1000g

6/1992: Set CIBP @ 3430

9/1992: isolate csg leak @ 465'. F/CIBP to surface. Spot 25 sk plug @ 407-345'. Pump 90 sk down csg through perfs @ 350'

Production Csg
Size: 5-1/2"
Wt.&Thrd: 14
Grade: _____
Set @: 3764'
Sxs Cmt: 250
Circ: _____
TOC: _____
Hole Size: 7-7/8"

Perfs
 3284-3304
 CIBP @ 3430'
 3467-3565'

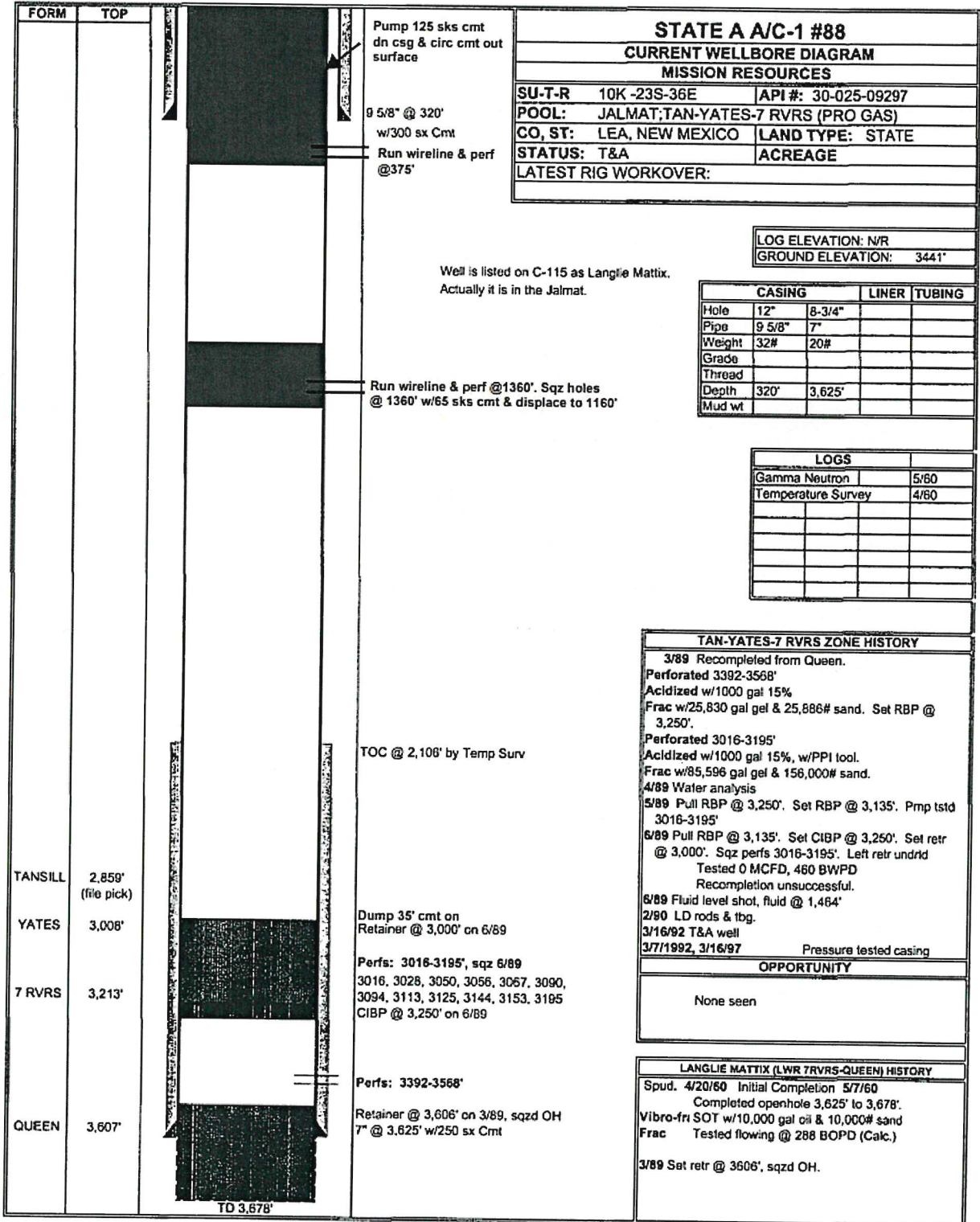
Perfs
 3638-48
 3676-82
 Ret @ 3638'
 3683-3721
 Ret @ 3727'
 3735-49

PBTD 3750'
TD 3800'

State A A/C 1 #88

VI. Exhibit C7

API# 30-025-09297
 1980 FSL 1980 FWL,
 Sec 10, T23S, R36E Lea Co., NM



State A A/C 1 #117

API# 30-025-28512
 1930 FSL 660 FWL,
 Sec 03, T23S, R36E Lea Co., NM

VI. Exhibit C8

Wellbore Diagram

Lease & Well No.	State A A/C 1 #117
Field Name	Jalmat
Location	1930' FSL 660' FWL; Unit K, Sec. 03, T23S, R36E

Status	TA'd
County & State	Lea County, NM
API No.	30-025-28512
Prod Name	Jalmat: Tansil Yates Seven Rivers

Well Information

Spud: 3/17/1984 Ground Elevation: 3,458' D.F. Elevation: _____
 Completed: 4/03/84 KB Elevation: _____ Total Depth: 3,830'

Pipe Data

Surface	Hole Size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
	12 1/4"	485'	8 5/8"	21.0#		27% ss	CTS
Production	Hole Size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
	7-7/8"	1,830'	5-1/2"	11.0#		1,300 ss	CTS

Downhole Tubulars (Topt to Btm):

Well History

- 4/9/1984 Perf 3772-06, 1 CIV, 25 holes. Accz w/ 2500 gals 15%. Perf 3706-14, 3707-03, and 3748-50 1 CIV, 27 holes. Accz w/ 2500 gals 15%. Perf 3652-30 and 3670-8B. 1 SPF, 38 holes. Accz w/ 3200 gas 15%.
- 4/18/1984 R/W w/ packer and lumps to injection.
- 11/1/1987 Set CIBP @ 3550' TA used
- 3/21/2007 AFE in well file to recompleat Yates/ Rivers. But Workover reports in 3/25/2008 show casing passing pressure tes: with CIBP a 3550' If this is the case then the AFE work was never done.
- 9/28/2013 MRU, Tag BP @ 3550' - Circ hole w' MLP. Spud 70 sxs cmt @ 3550' to 2574'
- 5/29/2015 Spot 25 sxs cmt @ 1300' to 1059', spot 25 sxs cmt from 506' to 265'. Tag @ 260' spot 15 sxs from 63' to surface

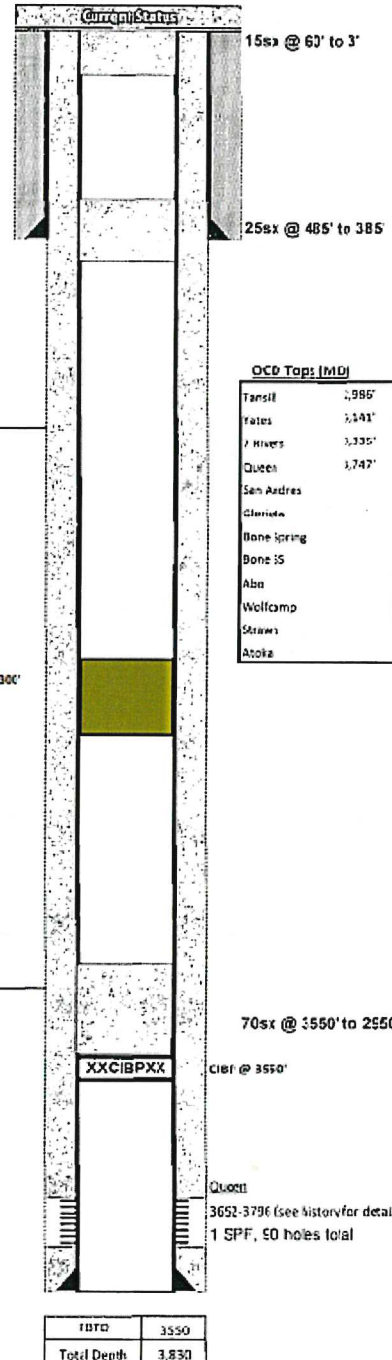
TA expiration expires 12/16/2013

25 sxs cmt @ 1300' to 1059'

POTENTIAL Injection well for Queen waterflood?

Procedures

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0



State A A/C 1 #35

API# 30-025-09237
 1650 FSL 990 FWL,
 Sec 03, T23S, R36E Lea Co., NM

VI. Exhibit C9



Lease & Well No. **State A A/C 1 # 35**
 Field Name **Jalmat**
 Location **1650' FSL & 990' FWL; Unit L, Sec. 03, T23S, R36E**

Status **TA'd**
 County & State **Lea County, NM**
 API No. **30-025-09237**
 Pool Name **Jalmat; Tansill Yates Seven Rivers**

Well Information

Spud: 10/15/52 Ground Elevation: 3,491' D.F. Elevation: 3,481'
 Completed: 11/04/52 KB Elevation: _____ Total Depth: 3,625'

Pipe Data

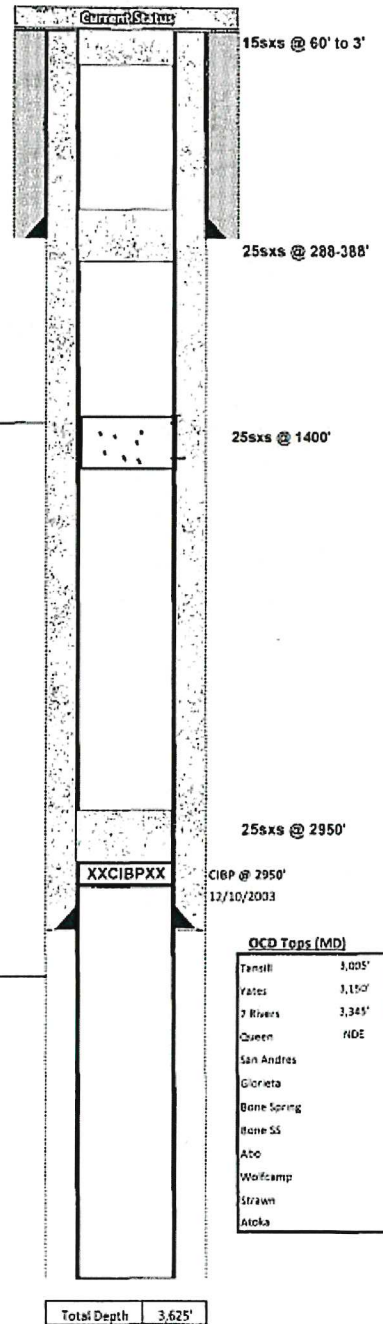
Surface						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
12"	338'	9-5/8"	32.0#	J-55	360 sx	CTS, Circ 60sx
Production						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
8-3/4"	3,017'	7"	20.0#	J-55#	851 sx	CTS, Circ 100sx

Downhole Tubulars (Top to Bottom):
 None.

Well History

- 10/52 Spud
- 11/52 Initial Completion. IP 5210 MCF
- 2/59 POOH w/ lbg & plv. Left approx. 283' tailpipe fish
- 3/59 CO (besides fish) to 3,380'
- 5/59 Acidize 3,017'-3,380' w/ 1500 gal 15%
- 5/59 Frac 3,017'-3,380' w/ 5,000 gal gel and 10,500# sand.
- POP**
- Before: SI
- After: 0 BO, 0 BW, 120 MCFPD
- 1997 Well SI
- 9/03 Raptor submitted plan to TA well
- 6/01/2015 MIRU, Tag BP @ 2950'. Circ hole w/ MLF. Spot 25 sxs cmt from 2950'-2705'
- Spot 25 sxs cmt from 1400' to 1255'. Spot 25 sxs cmt from 355' to 243' - Tag @ 240'. Spot 15 sxs cmt from 63' to surface RDMO
- POTENTIAL** None seen

Wellbore Diagram



OCD Tops (MD)

Tansill	3,005'
Yates	3,150'
7 Rivers	3,345'
Queen	NDE
San Andres	
Glorieta	
Bone Spring	
Itane SS	
Abo	
Wolfcamp	
Strawn	
Atoka	

Procedures

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

State A A/C 1 #47

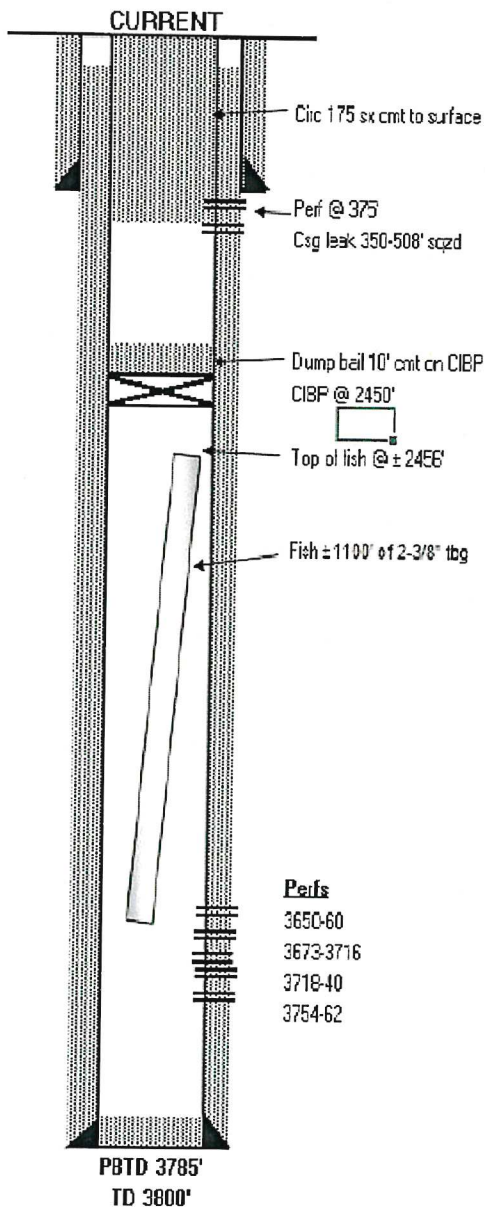
VI. Exhibit C10

API# 30-025-09234
 1980 FSL 1980 FWL,
 Sec 03, T23S, R36E Lea Co., NM

Well Name: State A A/C 1 #47 Plantation ID Number: _____
 Location: 1980 FSL, 1980 FWL; Unit # Sec: 3 Township: 23S
 County: Lea State: NM API: 30-025-09234

Lease Type: STATE
 Range: 36E
 Formation: Langlie Matix - SR-Qu-GE

Surface Csg
 Size: 8-5/8"
 Wt.&Thrd: 28
 Grade: _____
 Set @: 324'
 Sxs cmt: 300 sx
 Circ: _____
 TOC: _____
 Hole Size: 11"



KB: _____
 DF: _____
 GL: 3601'
 Spud Date: 2/22/1959
 Compl. Date: 3/4/1959

History - Highlights

2/22/1959: Spud well

3/1959:
 Perf 3650-60+3716-40

3/1976:
 Add perms 3673-3716. Accdz w/ 2000 g

9/1990:
 During Recompletion effort to Yates, lost 1100 of 2-3/8" tbg
 Fished for 4 days - unsuccessful
 TA well

12/17/1992 - 12/28/1992:
 Set CIBP @ 2450. Dump bail 36' cmt on CIBP
 Circulated 10# gelled brine from CIBP to surface
 Perf 5-1/2" csg @ 375', 2 SPF. Unable to break circulation up annulus. Pumped
 75 sx Class C into perms
 P&A marker

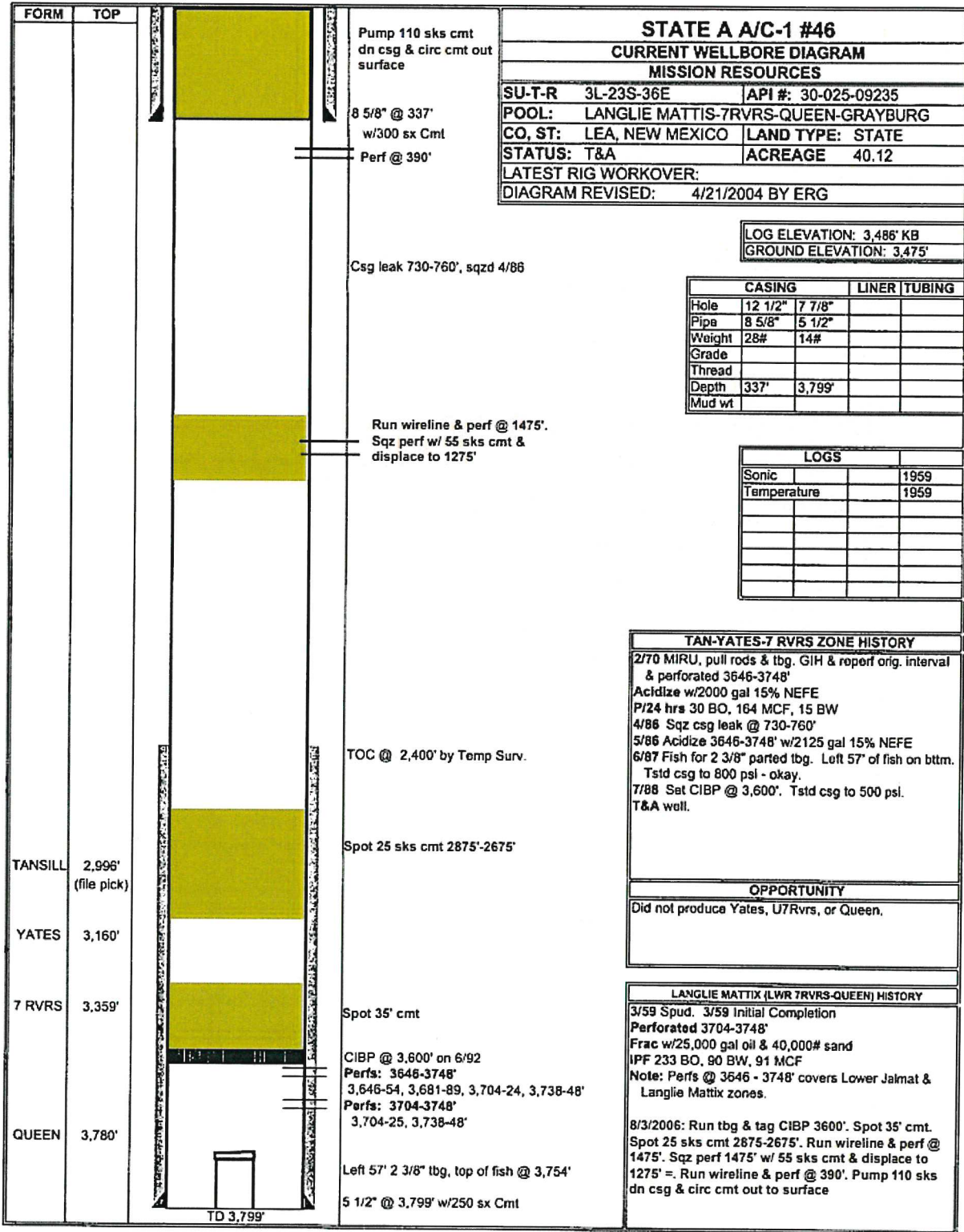
Production Csg
 Size: 5-1/2"
 Wt.&Thrd: 14
 Grade: _____
 Set @: 3799'
 Sxs Cmt: 250sx
 Circ: _____
 TOC: _____
 Hole Size: 7-7/8"

Perfs
 3650-60
 3673-3716
 3716-40
 3754-62

State A A/C 1 #46

VI. Exhibit C11

API# 30-025-09235
 1980 FSL 1980 FWL,
 Sec 03, T23S, R36E Lea Co., NM



Pre – Ongard #49

VI. Exhibit C12

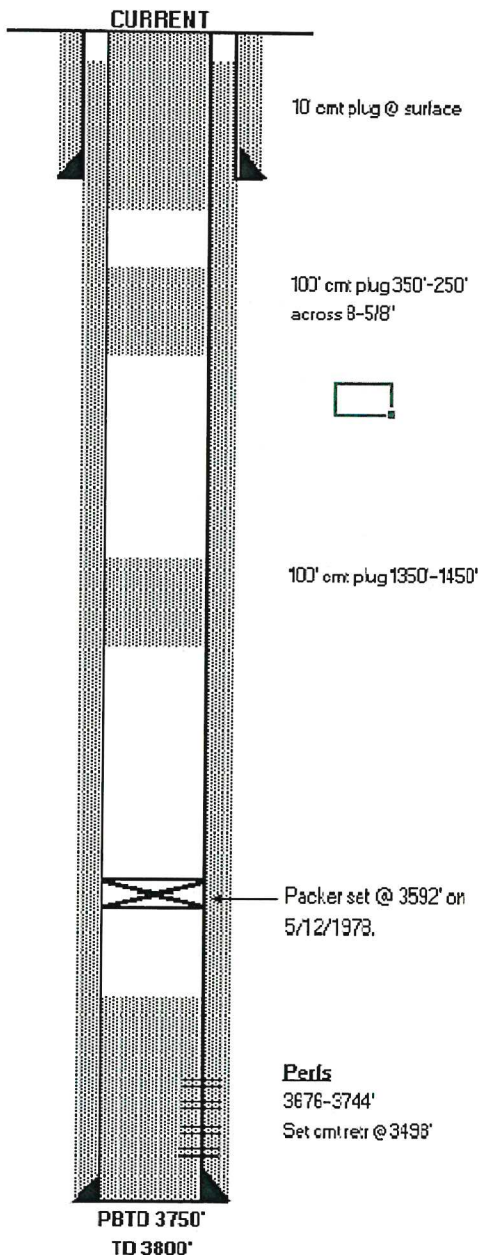
API# 30-025-09242
 660 FWL 1980 FNL,
 Sec 03, T23S, R36E Lea Co., NM

Well Name Pre Ongard #49 Plantation ID Number: _____
 Location: 660 FWL, 1980 FNL; Unit E Sec: 3 Township: 23S
 County: Lea State: NM API: 30-025-09242

Lease Type STATE
 Range: 36E
 Formation: Lanlie Mattx, 7 Rivers, Queen

Surface Csg

Size: 8-5/8"
 Wt & Thrd: 24
 Grade: J-55
 Set @: 315'
 Sxs cmt: 225
 Circ: _____
 TOC: Surface
 Hole Size: 12-1/4"



KB: _____
 DF: _____
 GL: 3483'
 Spud Date: 9/21/1959
 Compl. Date: 9/29/1959

History - Highlights

9/21/1959: Spud well
2/1985:
 Set cmt retr @ 3498'. Cmt sqz perfs 3676-3744' & corrosive csg. Pul tbg out of retr & dump 35' cmt on top
 Spot 100' cmt plug across top of salt 1350'-1450'.
 Spot 100' cmt plug 350-250' across 8-5/8" csg shoe
 Spot 10' cmt plug @ surface, cut off wellhead

Production Csg

Size: 4-1/2"
 Wt & Thrd: 9.5
 Grade: J-55
 Set @: 3800'
 Sxs Cmt: 1000
 Circ: _____
 TOC: _____
 Hole Size: 6-3/4"

Perfs
 3676-3744'
 Set cmt retr @ 3498'

PBTD 3750'
 TD 3800'

Seven Rivers Queen #51

VI. Exhibit C13

API# 30-025-09240
1980 FNL 1980 FEL,
Sec 03, T23S, R36E Lea Co., NM

Elevation: KB 3494'

ORIGINAL OPERATOR: Arco Oil and Gas Co.
SPUDDED: 9/2/60
IP: 191bopd

ARCO RESOURCES, INC.

SRQU # 51

LEA COUNTY, NEW MEXICO
1980 FNL 1980 FEL Sec 3, T-23S, R-36E
API NO.:30-025-09240

12 1/4" HOLE
8 5/8" csg @ 418' Cmt'd w/300 sx to surf.

10sx Class C cmt
filled 30' to surface

Perf @ 468' sqz 40 sx

7 7/8" HOLE

Perf 1300'-1200'
Sqz 30sx class C
cmt

TUBING RECORD:

2 3/8" @ 3636'

ROD STRING RECORD:

TREATMENT HISTORY:

- 1/14/2015: Tagged CIBP @ 3530'
- 1/15/2015: Spot 25sx plug 3000'-2632'
Perf w/ 4 holes, sqz 30 sx 1300'-1200' WOC and tag
- 1/16/2015: Spot 25 sx 1350'-982' WOC & tag @ 1003'
Perf @ 468' sqz 40 sx into perf WOC & tag
- 1/17/2015: Tagged plug @ 185'
Filled 30' spot 10sx Class C cmt to surface
Cut off & dry hole marker

Bad casing
1681'-1750'

PUMP RECORD:

PUMPING UNIT:

25 sx plug 3000'-2632'

Packer @ 3636'

Perforations
3652'-3755'

4 1/2" 14#csg @ 3851'
Cmt'd w/1210 sx

PBTD 3825'
TD: 3856'

PREPARED BY: HK 2/1/05

J F Janda NCT J #002

VI. Exhibit C14

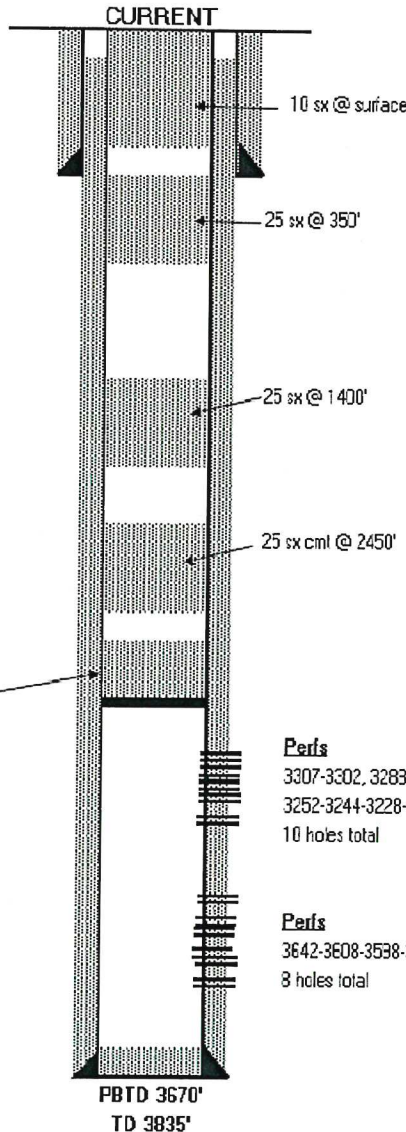
API# 30-025-09252
 660 FSL 660 FEL,
 Sec 03, T23S, R36E Lea Co., NM

Well Name: **J F JANDA NCT J #002** Plantation ID Number: _____
 Location: 660 FSL, 660 FEL; Unit P Sec: 4 Township: 23S
 County: Lea State: NM API: 30-025-09252

Lease Type: STATE
 Range: 36E
 Formation: Jalamat Tansil

Surface Csg

Size: 8-5/8"
 Wt.&Thrd: 24#
 Grade: _____
 Set @: 427'
 Sxs cmt: 325
 Circ: _____
 TOC: _____
 Hole Size: 12-1/4"



KB: _____
 DF: _____
 GL: 3514'
 Spud Date: 3/29/1957
 Compl. Date: 4/14/1957

History - Highlights

3/29/1957: Spud well

6/21/1987:
 Perfs w/
 4' guns w/ 1-1/8" JHPF @ 3642-3608-3598-3592-3518-34, 54-3399-3380, 8
 holes total. Acdz w/ 3500 gal 15% NEFE
 4' guns w/ 1" JHPF @ 3307-3302, 3286-3280, 3264-3252-3244-3228-3218-3210,
 10 holes total. Acdz w/ 3500 gals 15% NEFE

9/17/1997:
 TIH w/ tbg to CBP @ 3140'. Circ hole w/ mud

9/18/1997:
 Spot 25 sx cmt @ 2450', 25 sx @ 1400', 25 sx @ 350', and 10 sx @ surface
 Cmt to surface visible. Cut wellhead off.

Production Csg

Size: 5-1/2"
 Wt.&Thrd: 14#
 Grade: _____
 Set @: 3835'
 Sxs Cmt: 1250
 Circ: _____
 TOC: _____
 Hole Size: 7-7/8"

Sapphire State #003

VI. Exhibit C15

API# 30-025-36098
1650 FNL 330 FWL,
Sec 11, T23S, R36E Lea Co., NM

Sapphire State #3

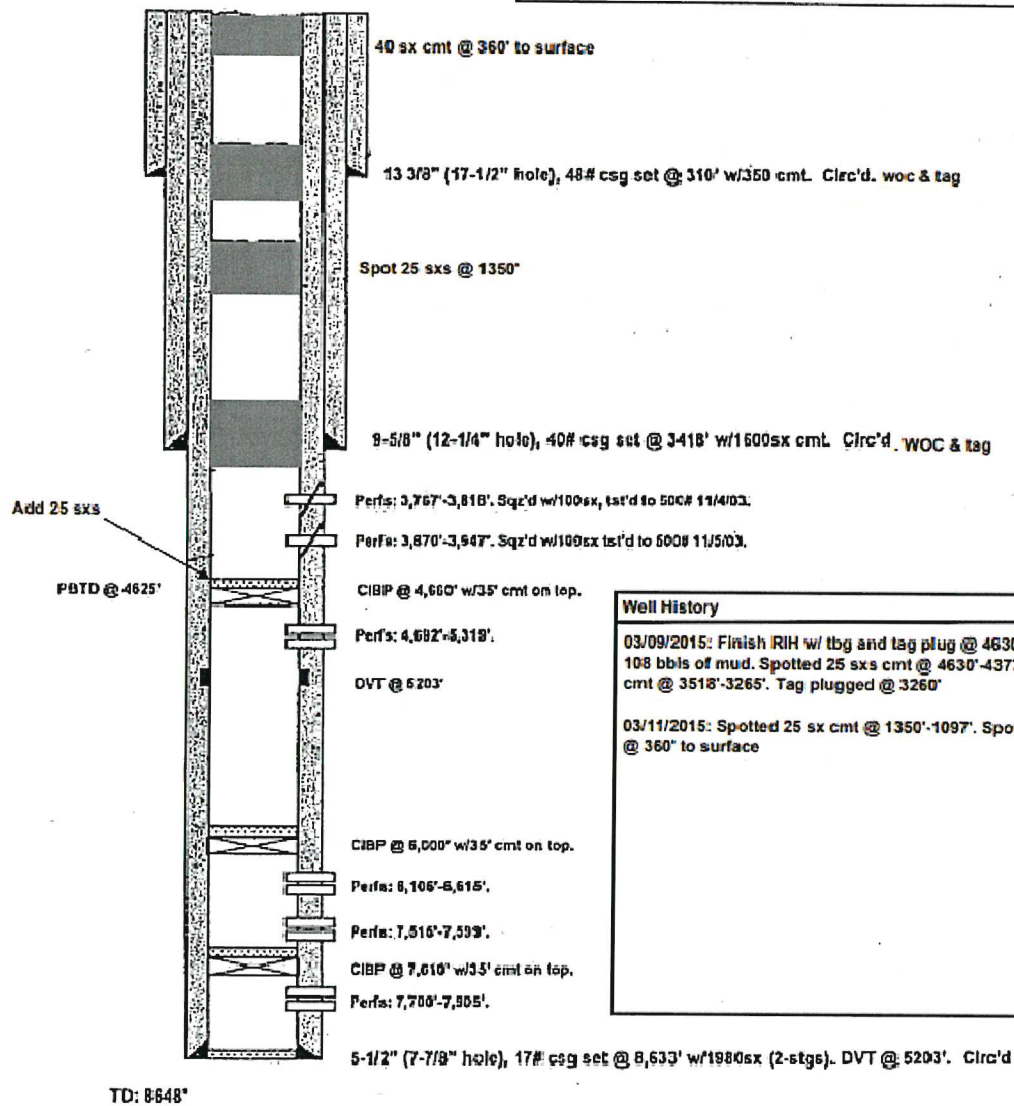
LOCATION: 1650' FNL & 330' FWL, Sec 11, T23S, R36E

FIELD: Teague Northwest
COUNTY: Lea
STATE: New Mexico

GL: 3456'
KB: 3469'
SPUD DATE: 01/18/03
COMPLETED: 2/13/03

LATEST UPDATE:
BY:
API No: 30-025-36098

PROPOSED WELLBORE SKETCH AFTER PXA

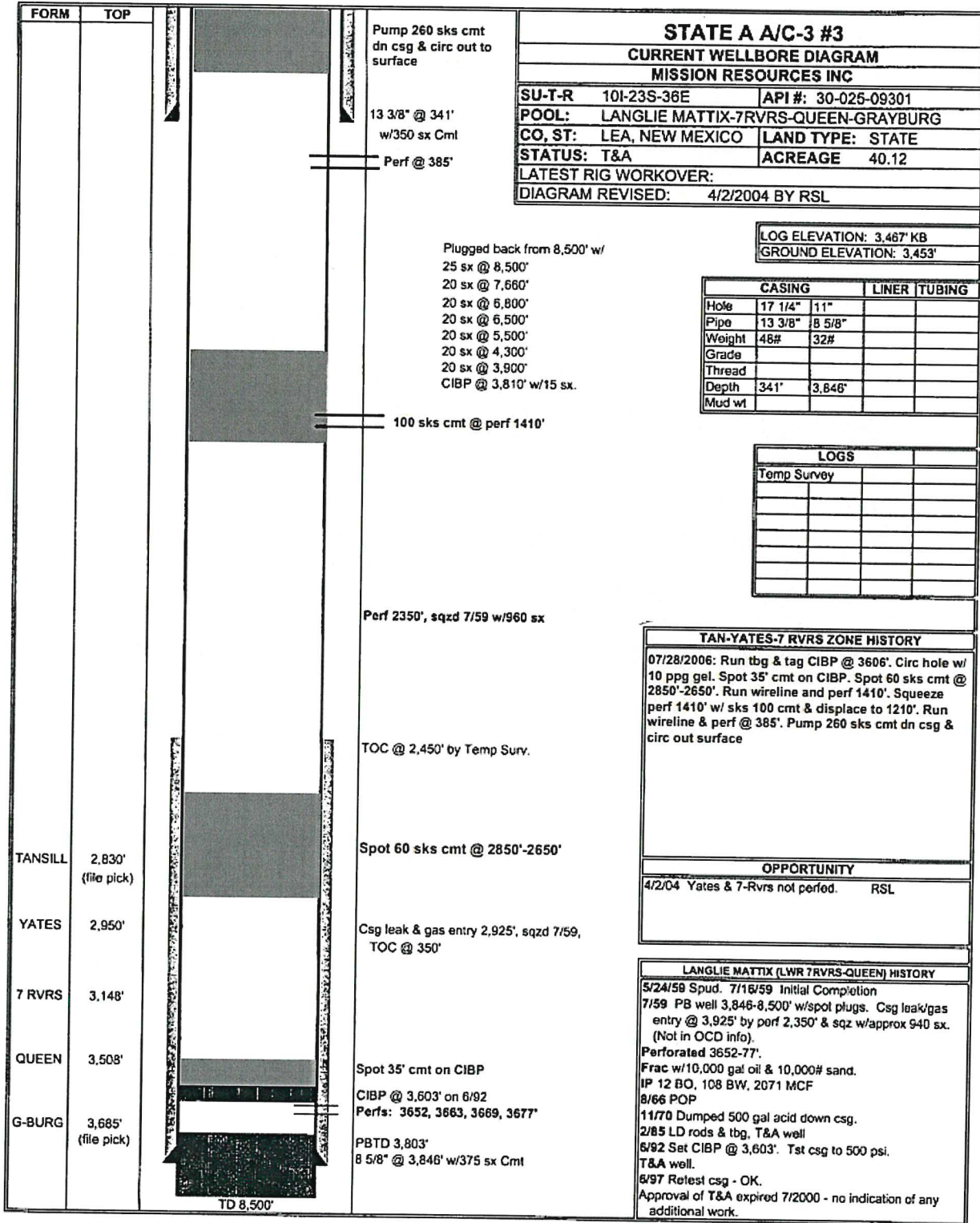


Well History
03/09/2015: Finish RIH w/ tbg and tag plug @ 4630'. Circ hole w/ 108 bbis of mud. Spotted 25 sxs cmt @ 4630'-4377'. Spotted 25 sx cmt @ 3518'-3265'. Tag plugged @ 3260'
03/11/2015: Spotted 25 sx cmt @ 1350'-1097'. Spotted 40 sx cmt @ 360' to surface

State A A/C 3#003

VI. Exhibit C16

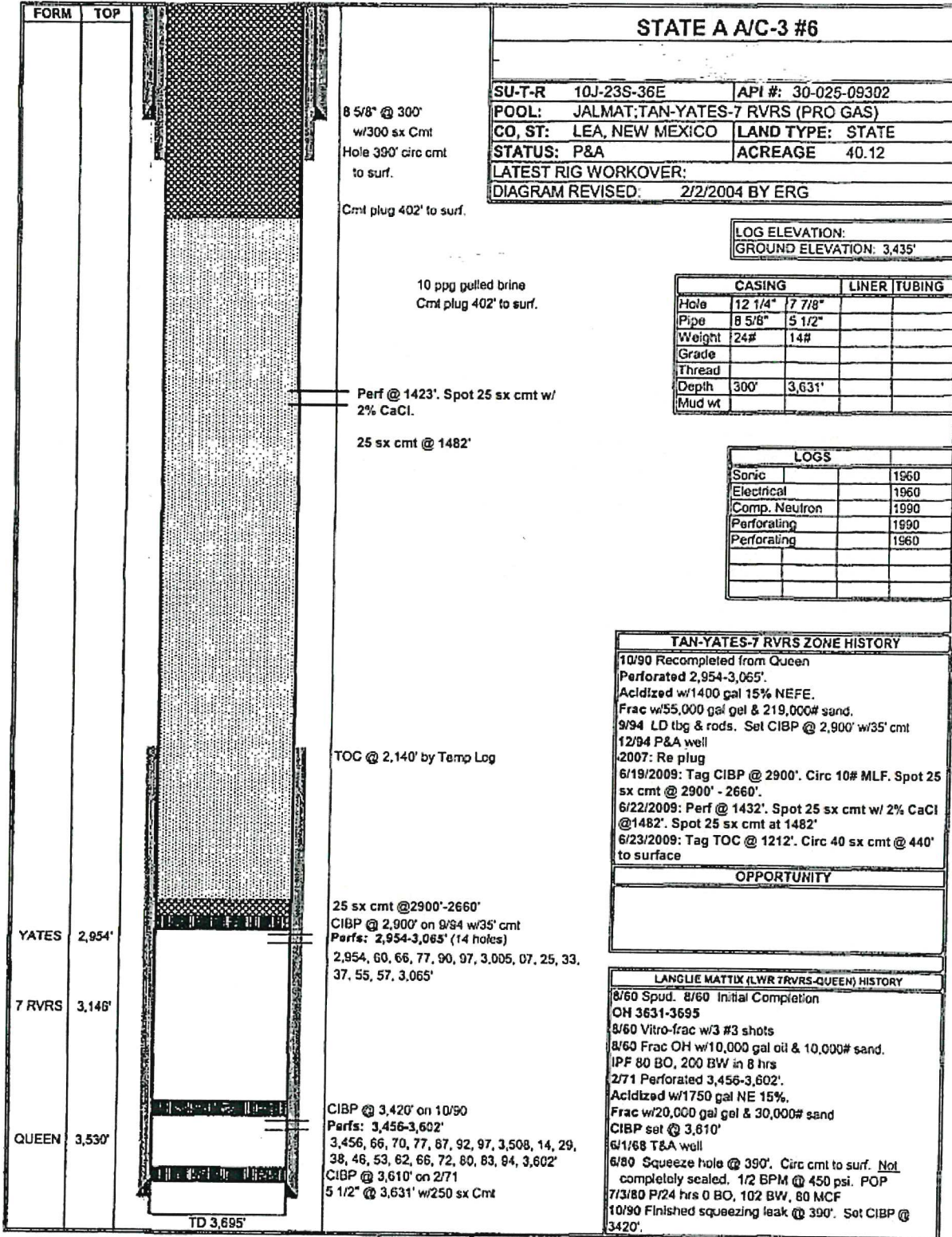
API# 30-025-09301
1980 FSL 660 FEL,
Sec 10, T23S, R36E Lea Co., NM



State A A/C 3#006

VI. Exhibit C17

API# 30-025-09302
 1980 FSL 2310 FEL,
 Sec 10, T23S, R36E Lea Co., NM



OCD file Well File

VII. Proposed Injection Operation

1. Average injection rate target will be ~600 bpd. Maximum injection rate will be 1000 bpd. These numbers are based off of typical injection rates in nearby Yates-Seven Rivers-Queen water floods.
2. The system will be a closed system. The injection well will not be made available for commercial disposal purposes.
3. Average injection pressure will be ~700 psi. Maximum injection pressure will be calculated relative to the depth of the highest perforation, using a factor of 0.2 psi/ft. The proposed injector will have perforation depths of approximately 3,640' and 3599' (or 728 psi and 720 psi maximum injection pressure, respectively). Pending results of a step rate test, the maximum injection pressure could potentially be increased to a factor of 0.6 psi/ft (or 2,184 psi at 3,640' and 2160 psi at 3599').
4. The water source will be produced water from nearby wells and water transfer lines.
5. Injection will be into the Seven Rivers – Queen formation, which is immediately productive in the area.

VIII. Geologic Data

The waterflood will be injecting into the Seven Rivers – Queen reservoir. The portion that will be injected consists mainly of sandstones interbedded with dolomites and anhydrites. The reservoir quality rocks have porosities ranging from 10% to 20% and averages around 16%. Formation Tops Are:

Southern Injection Zone		
Formation	Offset Top (STATE A A/C 1 #116) 30-025-28396	Contents
Alluvium	GL	Fresh Water
Rustler	1230	Anhydrite
Salado (top of salt)	1422	Salt
Tansill (base of salt)	3018	Gas, Oil, & Water
Yates	3119	Gas, Oil, & Water
Seven Rivers	3326	Gas, Oil, & Water
<i>SR-Queen Injection Interval</i>	<i>3640-4000</i>	<i>Gas, Oil, & Water</i>
Queen	3740	<i>Gas, Oil, & Water</i>
Grayburg	4020	<i>Gas, Oil, & Water</i>
Total Depth	8400	

IX. Proposed Stimulation Program

The injectors will be acidized with 5,000 gal 15% HCl for each set of perforations. Acid in the Seven Rivers – Queen formation is known to break down the perms and cause injection at lower pressures vs perforating alone. The injectors will not be sand frac'd so there will be better vertical conformance.

X. Logging and Test Data for Wells

The STATE A A/C 1 #116, STATE A A/C 1 #117, STATE A A/C 1 #120, STATE A A/C 3 #10, and STATE A A/C 3 #11 will be reactivated as an injector. The well logs for this well have been submitted to the NMOCD previously.

Test Data for the above mentioned wells is as follows:

STATE A A/C 1 #116

Date: 03/01/1984

Perf Interval: 3798-3827 w/ 4" CG
3740-3786 w/ 4" CG
3666-3726 w/ 4" CG
3666-3726 w/ 4" CG

Method: Acdz w/1600 gals 15% NEFEHCL
Acdz w/ 2500 gals 15% NEFEHCL
Acdz w/ 2500 gals 15% NEFEHCL
Sqz w/ 250 sxs 11 C11, respectively

Result: Inj rate into perfs 3740-3832 @ 1BPM of water at 400 psi

STATE A A/C 1 #117

Date: 4/3/1984

Perf Interval: 3772-3796 w/ 25 holes. 1 SPF
3706-3714 w/ 27 holes. 1 SPF
3727-3733 w/ 27 holes. 1 SPF
3748-3758 w/ 27 holes. 1 SPF
3652-3670 w/ 38 holes. 1 SPF

Method: Acdz w/2500 gals 15% NEFEHCL
Acdz w/ 2500 gals 15% NEFEHCL
Acdz w/ 2500 gals 15% NEFEHCL
Acdz w/ 3500 gals 15% NEFEHCL, respectively

Result: Inj rate into perfs 3652-3796 w/ 100 bbls lse water @ 1BPM on Vac

STATE A A/C 1 #120

Date: 03/28/1984

Perf Interval: 3792-3798 w/ 11 holes, 1 JSPF.
3738-3791 w/ 43 holes, 1 JSPF.
3666-3724 w/ 38 holes, 1 JSPF.

Method: Acdz w/ 750 gals 15% NEFE HCL
Acdz w/ 5000 gals 15% NEFE HCL
Acdz w/ 4000 gals 15% NEFE HCL, respectively

Result: WIW, Inj rate 1 BPM on Vac

STATE A A/C 3 #10

Date: 04/6/1984

Perf Interval: 3700-3710 w/ 10 holes, 1 JSPF.
3655-3700 w/ 46 holes, 1 JSPF.

Method: Acdz w/ 1000 gals 15% NEFE HCL
Acdz w/ 4000 gals 15% NEFE HCL
2 x 1-1/2 x 16' gas lift

Result: 15 bbls oil, 166 bbls water, 10 mcf in 24 hours.

STATE A A/C 3 #11

Date: 04/6/1984

Perf Interval: 3742-3754 w/ 13 holes, 1 JSPF.
3642-3718 w/ 44 holes, 1 JSPF.

Method: Acdz w/ 1000 gals 15% NEFE HCL
Acdz w/ 4500 gals 15% NEFE HCL
2 x 1-1/2 x 16' gas lift

Result: WIW, Inj. 1 BPM on Vac

XI. Chemical Analysis of Fresh Water Wells

According to records from the Office of the State Engineer (Exhibit D1-5a & b) there is 1 active water wells within the 1 mile radius around the proposed STATE A A/C 1 #116, STATE A A/C 1 #117, STATE A A/C 1 #120, STATE A A/C 3 #10, and STATE A A/C 3 #11.

FAE II Operating, LLC has obtained water analyses on 2 freshwater samples. The closest water sample, a well near the NE BXP Battery, is 1.42 miles from the State A A/C 1 #117, is a "shallow" water supply used to water cattle. The second water sample was taken about 25 feet from the 7 Rivers Queen Unit #058 well and 2.7 miles away from State A A/C 1 #117. This sample is from another "shallow" water supply well used to water cattle. See Exhibits E1- E5.

XII. Based on the available geologic and engineering data, it has been determined that there is no evidence of open faults or any other hydrologic connection between the injection zone and shallow fresh water sources.

XIII. BXP OPERATING, LLC is the offset operators. Surface Owners are RRR – State and Strain King Ranch, LLC

BXP Operating, LLC: P.O. Box 7227
Dallas, TX 75209

RRR – STATE: 4005 Roadrunner Trail, Midland, Texas 79707

STRAIN KING RANCH, LLC: 4119 MESCALERO DRIVE, Hobbs, NM, 88240, USA

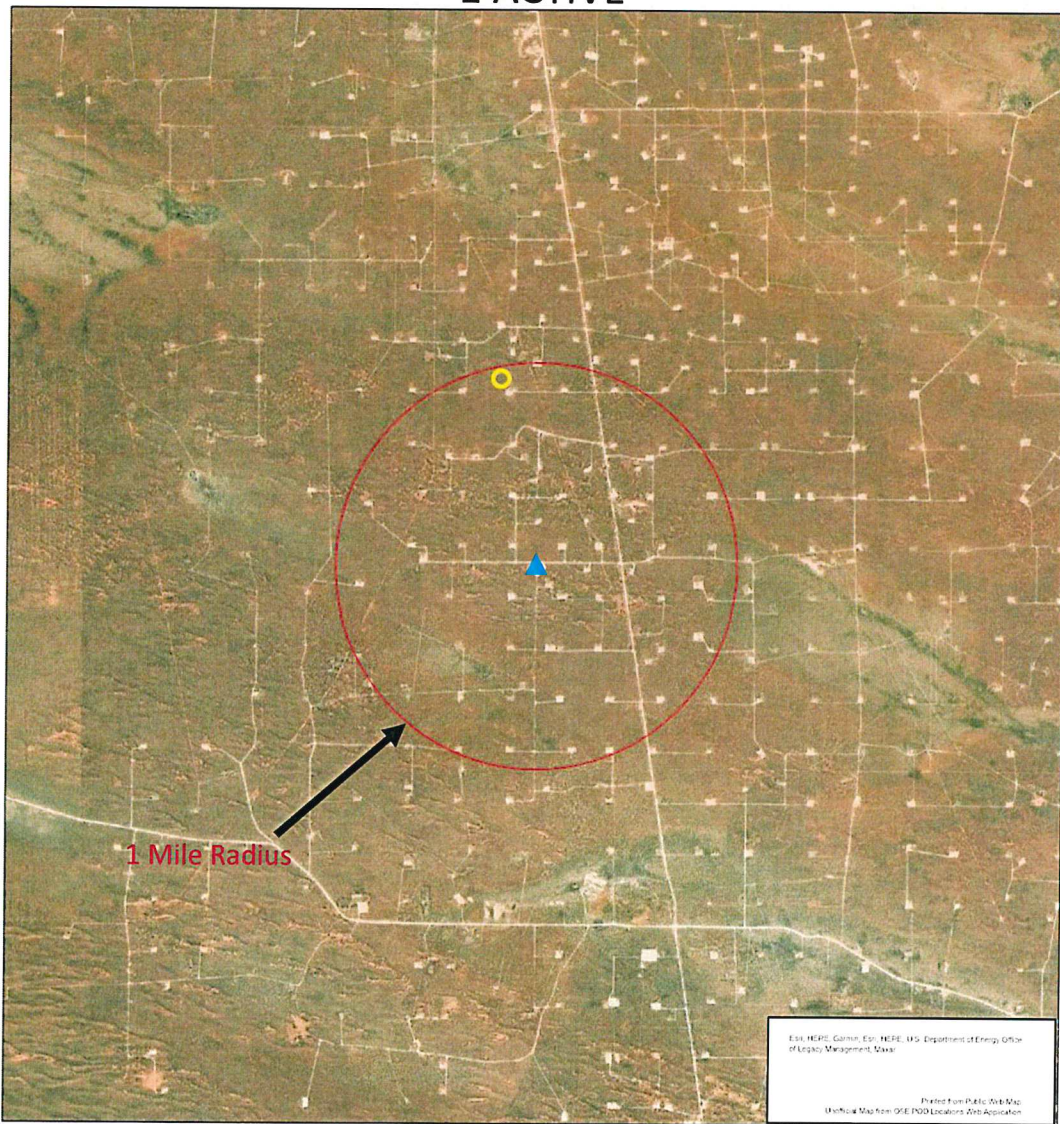
Well: State A A/C 1 #116
Location: Twn 23S Rge 36E Sec 10
Footages: ~1260 FNL 1310 FWL ~
County: Lea

XI. Exhibit D1a

Location For Office of the State Engineer:
NAD 1983 UTM Zone 13
Easting (X): 664041.942 mtrs
Northing (Y): 3577551.438 mtrs

Water Wells Within 1 Mile Radius

**** 1 ACTIVE ****



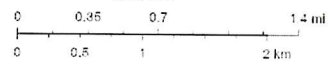
8/30/2021, 5:34:15 PM

▲ C-108 Injector

□ OSE District Boundary

▤ Site Boundaries

1:36,112



Well: State A A/C 1 #116
 Location: Twn 23S Rge 36E Sec 10
 Footages: ~1260 FNL 1310 FWL ~
 County: Lea

XI. Exhibit D1b

Location For Office of the State Engineer:
 NAD 1983 UTM Zone 13
 Easting (X): **664041.942** mtrs
 Northing (Y): **3577551.438** mtrs

Water Wells Within 1 Mile Radius

**** 1 ACTIVE ****



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,
 O=orphaned,
 C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
 (quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
CP 00786	POD1	CP	LE	1	3	1	03	23S	36E	663716	3579040*	1523	200		

Average Depth to Water: --
 Minimum Depth: --
 Maximum Depth: --

Record Count: 1

UTM NAD83 Radius Search (in meters):

Easting (X): 664041.942

Northing (Y): 3577551.438

Radius: 1609.3

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

8/30/21 4:58 PM

WATER COLUMN/AVERAGE DEPTH TO WATER

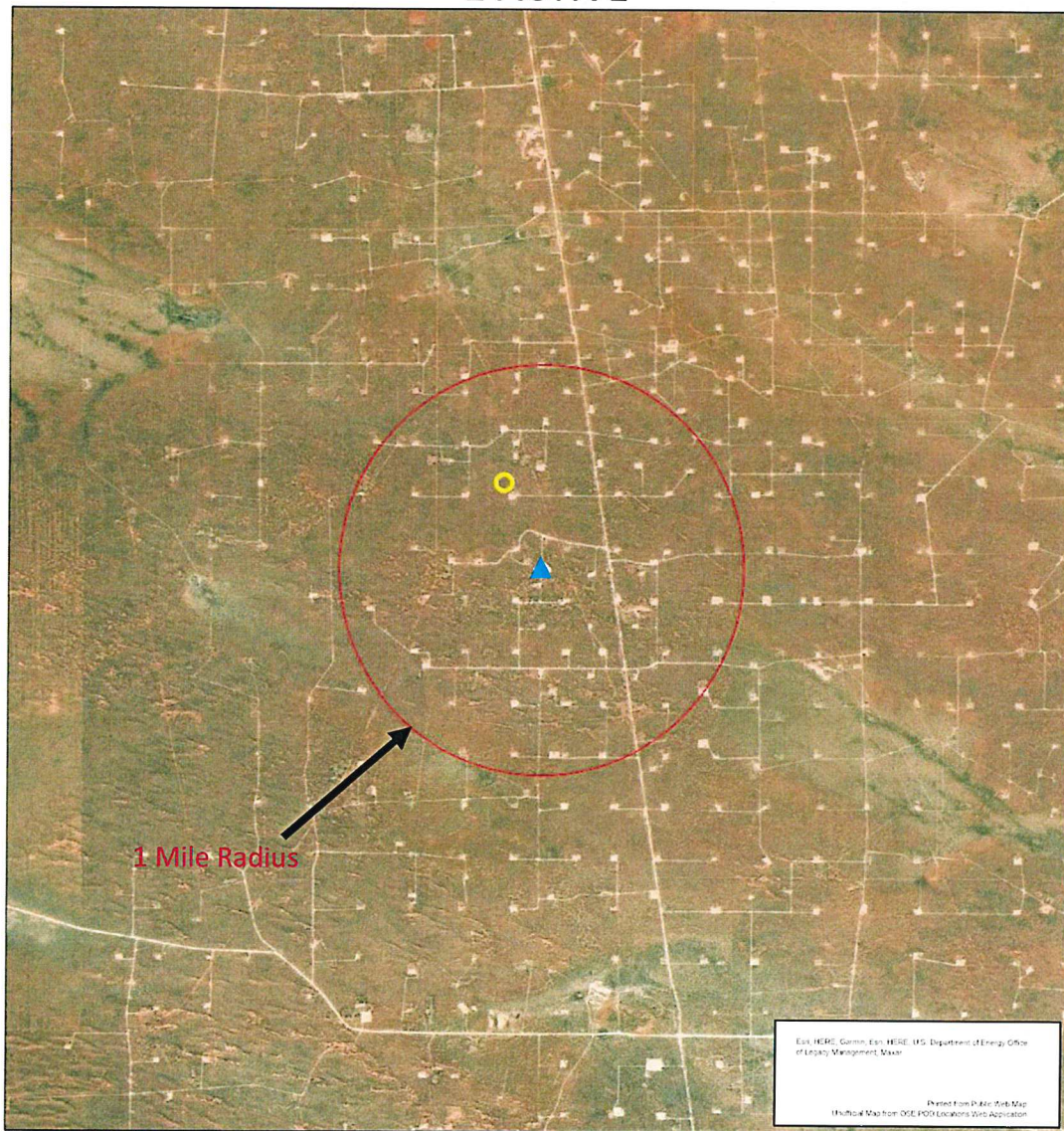
Well: State A A/C 1 #117
Location: Twn 23S Rge 36E Sec 3
Footages: ~1395 FSL 1345 FWL~
County: Lea

XI. Exhibit D2a

Location For Office of the State Engineer:
NAD 1983 UTM Zone 13
Easting (X): **664035.335** mtrs
Northing (Y): **3578360.897** mtrs

Water Wells Within 1 Mile Radius

**** 1 ACTIVE ****



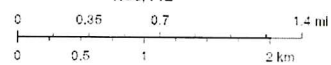
8/30/2021, 5:44:51 PM

▲ C-108 Injector

OSE District Boundary

Site Boundaries

1:36,112



Well: State A A/C 1 #117
 Location: Twn 23S Rge 36E Sec 3
 Footages: ~1395 FSL 1345 FWL ~
 County: Lea

XI. Exhibit D2b

Location For Office of the State Engineer:
 NAD 1983 UTM Zone 13
 Easting (X): **664035.335** mtrs
 Northing (Y): **3578360.897** mtrs

Water Wells Within 1 Mile Radius

**** 1 ACTIVE ****



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,
 O=orphaned,
 C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
 (quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Sub-basin	County	Q	Q	Q	Sec	Tws	Rng	X	Y	Distance	DepthWell	DepthWater	Water Column
CP 00786	POD1	CP	LE	1	3	1	03	23S	36E	663716	3579040*	750	200		

Average Depth to Water: --
 Minimum Depth: --
 Maximum Depth: --

Record Count: 1

UTM NAD83 Radius Search (in meters):

Easting (X): 664035.335

Northing (Y): 3578360.897

Radius: 1609.3

*UTM location was derived from PLSS - see Help

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8/30/21 5:01 PM

WATER COLUMN/AVERAGE DEPTH TO WATER.

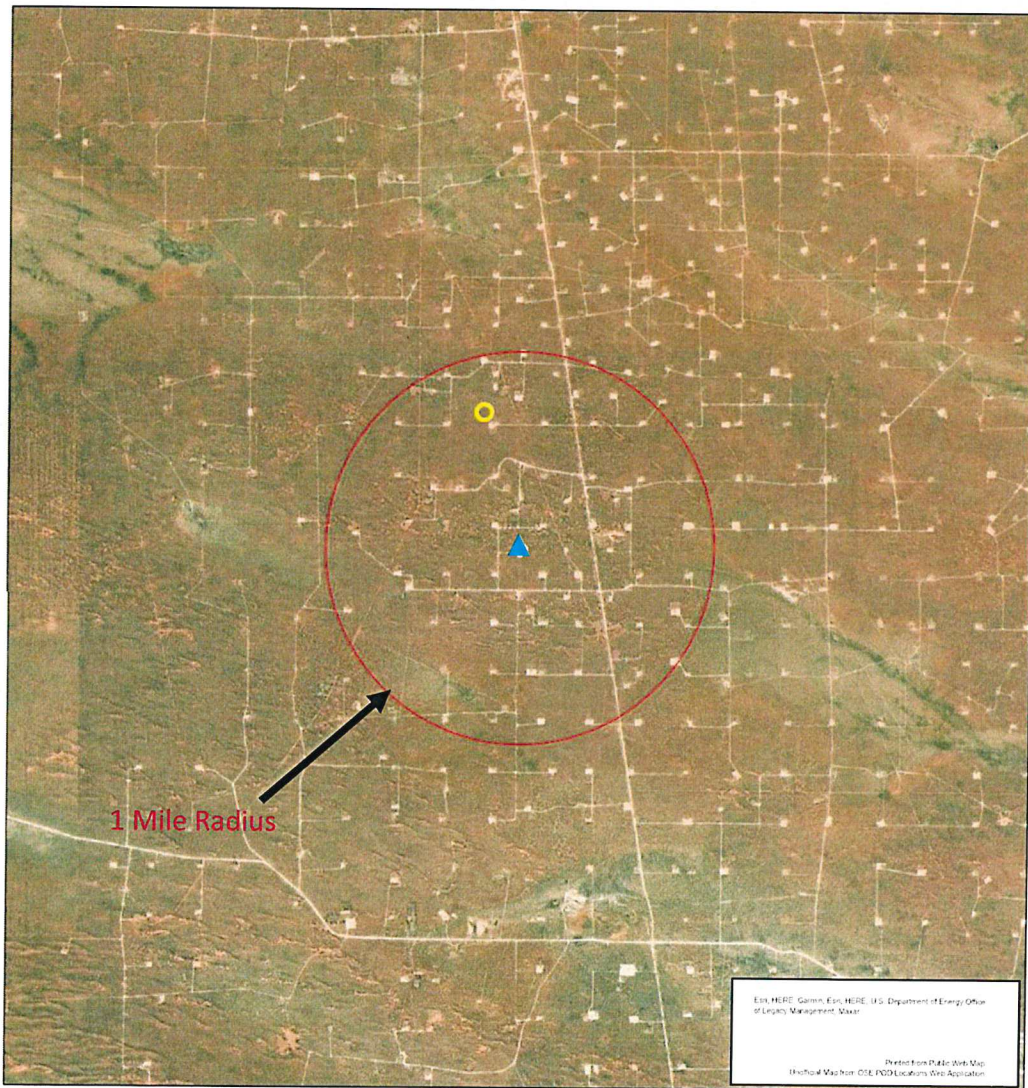
Well: State A A/C 1 #120
Location: Twn 23S Rge 36E Sec 10
Footages: ~25 FNL 1345 FWL~
County: Lea

XI. Exhibit D3a

Location For Office of the State Engineer:
NAD 1983 UTM Zone 13
Easting (X): 664045.196 mtrs
Northing (Y): 3577928.565 mtrs

Water Wells Within 1 Mile Radius

**** 1 ACTIVE ****



8/30/2021, 5:37:46 PM

OSE District Boundary
Site Boundaries

▲ C-108 Injector

1:36,112
0 0.35 0.7 1.4 mi
0 0.5 1 2 km

Well: State A A/C 1 #120
 Location: Twn 23S Rge 36E Sec 10
 Footages: ~25 FNL 1345 FWL ~
 County: Lea

XI. Exhibit D3b

Location For Office of the State Engineer:
 NAD 1983 UTM Zone 13
 Easting (X): 664045.196 mtrs
 Northing (Y): 3577928.565 mtrs

Water Wells Within 1 Mile Radius

**** 1 ACTIVE ****



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,
 O=orphaned,
 C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
 (quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	Code	POD Sub-basin	County	Q Q Q	Sec	Tws	Rng	X	Y	Distance	Depth	WellDepth	Water Column
CP 00786 POD1		CP	LE	1 3 1	03	23S	36E	663716	3579040*	1159		200	

Average Depth to Water: --
 Minimum Depth: --
 Maximum Depth: --

Record Count: 1

UTM NAD83 Radius Search (in meters):

Easting (X): 664045.196

Northing (Y): 3577928.565

Radius: 1609.3

*UTM location was derived from PLSS - see Help

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8/30/21 5:06 PM

WATER COLUMN/AVERAGE DEPTH TO WATER

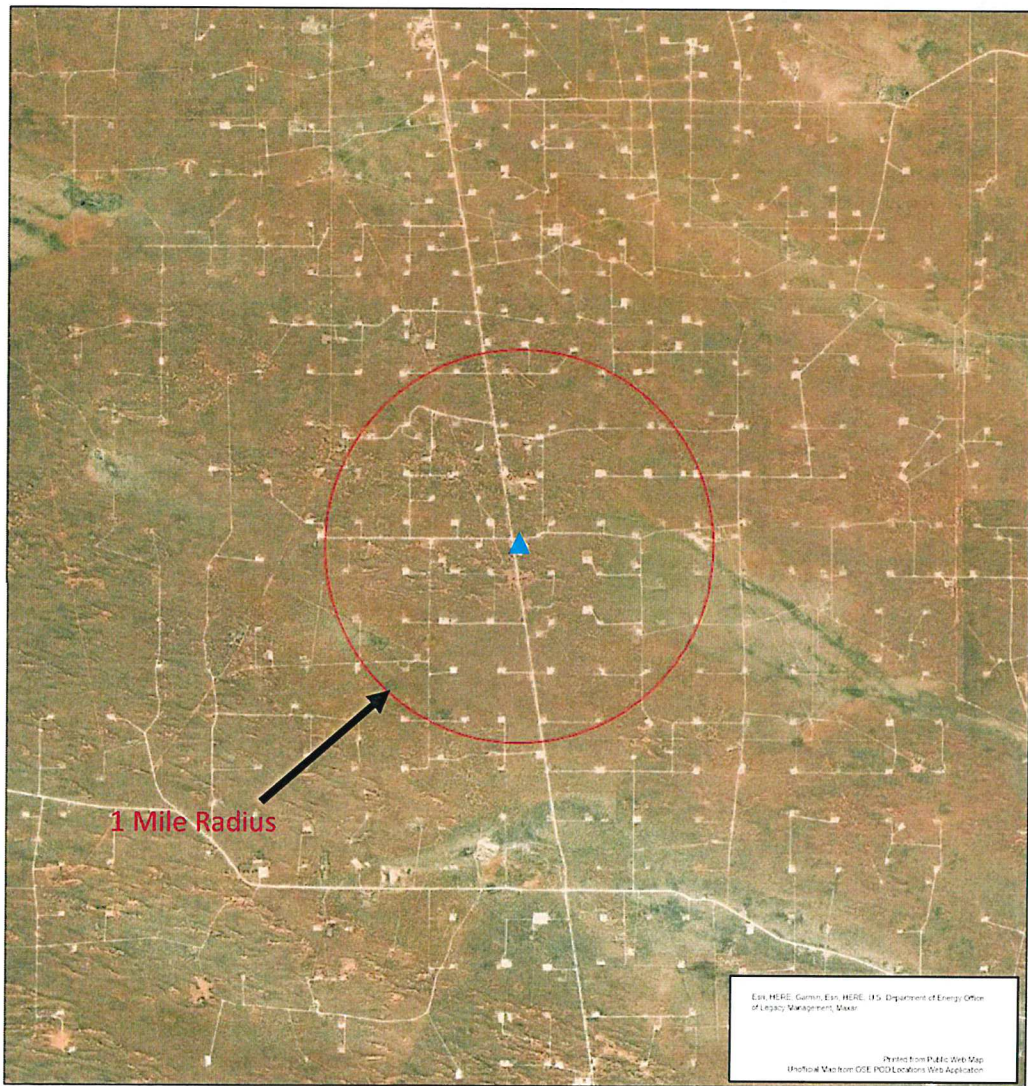
Well: State A A/C 3 #10
Location: Twn 23S Rge 36E Sec 10
Footages: ~1345 FNL 1480 FEL~
County: Lea

XI. Exhibit D4a

Location For Office of the State Engineer:
NAD 1983 UTM Zone 13
Easting (X): 664781.443 mtrs
Northing (Y): 3577535.772 mtrs

Water Wells Within 1 Mile Radius

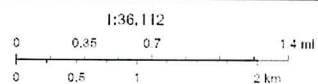
**** 0 ACTIVE ****



8/30/2021, 5:41:21 PM

OSE District Boundary
Site Boundaries

▲ C-108 Injector



Well: State A A/C 3 #10
Location: Twn 23S Rge 36E Sec 10
Footages: ~1345 FNL 1480 FEL~
County: Lea

XI. Exhibit D4b

Location For Office of the State Engineer:
NAD 1983 UTM Zone 13
Easting (X): **664781.443** mtrs
Northing (Y): **3577535.772** mtrs

Water Wells Within 1 Mile Radius

**** 0 ACTIVE ****



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

UTM NAD83 Radius Search (in meters):

Easting (X): 664781.443

Northing (Y): 3577535.772

Radius: 1609.3

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8/30/21 5:23 PM

WATER COLUMN/ AVERAGE
DEPTH TO WATER

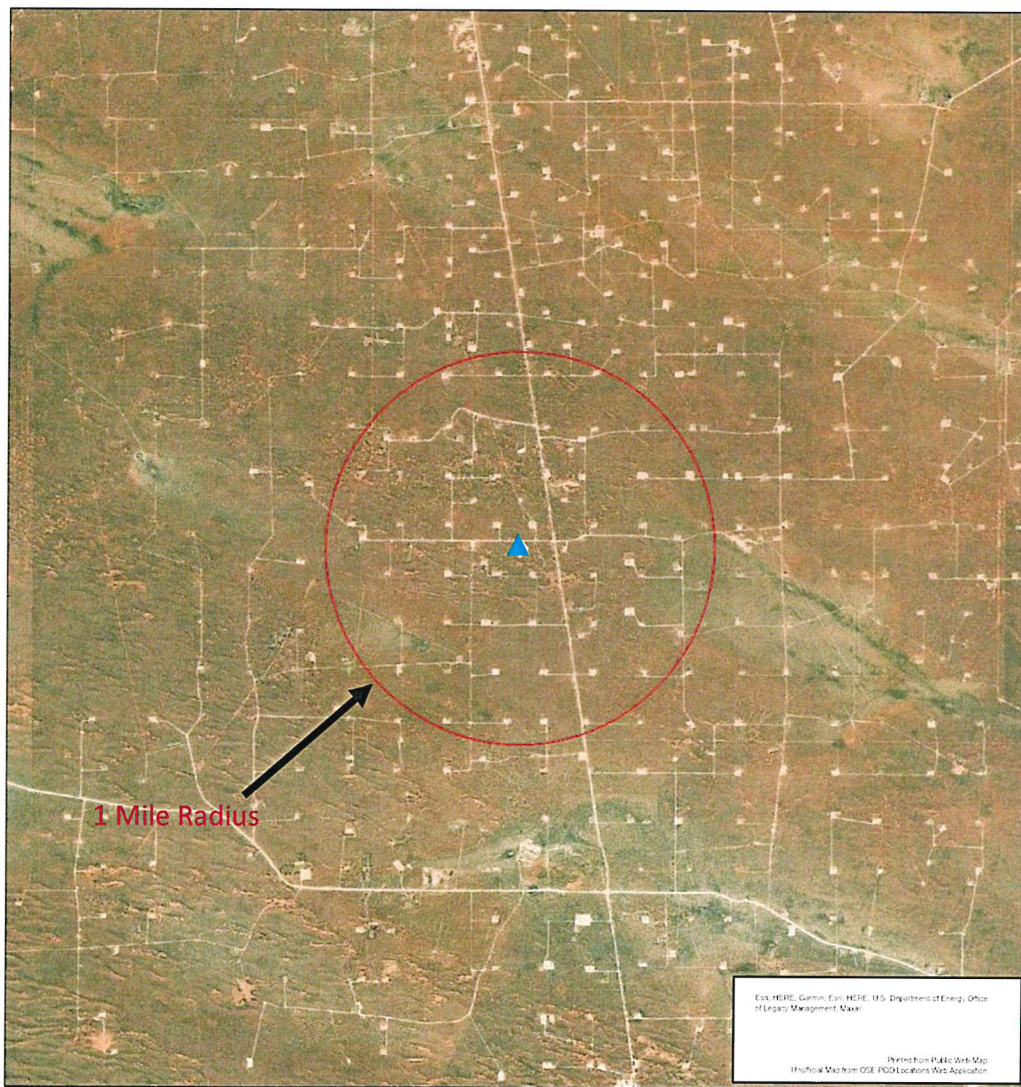
Well: State A A/C 3 #11
Location: Twn 23S Rge 36E Sec 10
Footages: ~1345 FNL 2615 FEL~
County: Lea

XI. Exhibit D5a

Location For Office of the State Engineer:
NAD 1983 UTM Zone 13
Easting (X): **664435.910** mtrs
Northing (Y): **3577531.248** mtrs

Water Wells Within 1 Mile Radius

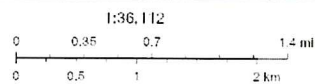
**** 0 ACTIVE ****



8/30/2021, 5:42:59 PM

- OSE District Boundary
- Site Boundaries

▲ C-108 Injector



Well: State A A/C 3 #11
Location: Twn 23S Rge 36E Sec 10
Footages: ~1345 FNL 2615 FEL ~
County: Lea

XI. Exhibit D5b

Location For Office of the State Engineer:
NAD 1983 UTM Zone 13
Easting (X): **664435.910** mtrs
Northing (Y): **3577531.248** mtrs

Water Wells Within 1 Mile Radius
**** 0 ACTIVE ****



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

UTM NAD83 Radius Search (in meters):

Easting (X): 664435.91 **Northing (Y):** 3577531.248 **Radius:** 1609.3

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

8/30/21 5:27 PM

WATER COLUMN/ AVERAGE
DEPTH TO WATER

XI. Exhibit E1

Imperative Water Analysis Report



SYSTEM IDENTIFICATION

Company: FAE II
 Location: NE EXP Battery
 Sample Source: Pond Fresh Water
 Account Rep: Junior Garcia

Sample ID#: W-42493

Sample Date: 07-20-2021
 Report Date: 07-29-2021

WATER CHEMISTRY

CATIONS

Calcium(as Ca)	55.50
Magnesium(as Mg)	28.14
Barium(as Ba)	0.0790
Strontium(as Sr)	1.49
Sodium(as Na)	1363
Potassium(as K)	7.96
Lithium(as Li)	0.0800
Iron(as Fe)	0.00
Manganese(as Mn)	0.00

ANIONS

Chloride(as Cl)	2200
Sulfate(as SO ₄)	40.00
Dissolved CO ₂ (as CO ₂)	10.00
Bicarbonate(as HCO ₃)	100.00
H ₂ S (as H ₂ S)	1.70
Boron(as B)	0.00

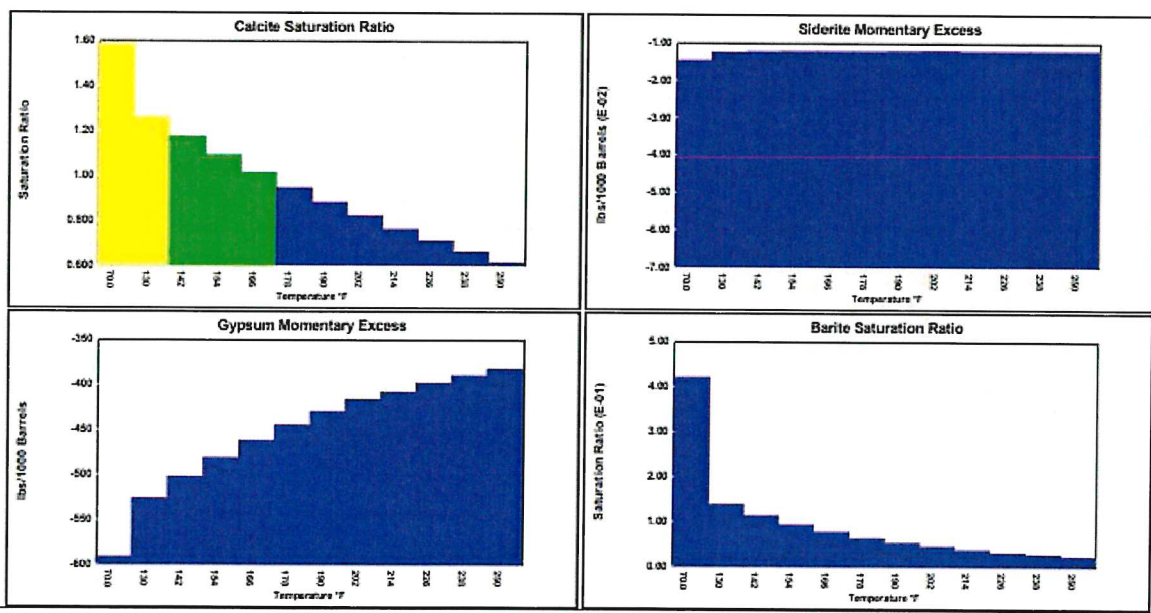
PARAMETERS

Temperature(°F)	77.00	Sample pH	8.30
Conductivity	6648	Sp.Gr.(g/mL)	1.000
Resistivity	150.42	T.D.S.	3794

SCALE AND CORROSION POTENTIAL

Temp. (°F)	Press. (atm)	Calcite CaCO ₃		Anhydrite CaSO ₄		Gypsum CaSO ₄ *2H ₂ O		Barite BaSO ₄		Celestite SrSO ₄		Siderite FeCO ₃		Mackinawite FeS		CO ₂ (mpy)	pCO ₂ (atm)
70.00	1.000	1.58	0.356	0.00207	-695.36	0.00354	-592.26	0.420	-0.0644	0.00487	-61.18	0.00	-0.0148	0.00	-0.00180	0.00403	< 0.001
130.00	10.000	1.26	0.103	0.00315	-539.61	0.00413	-527.38	0.137	-0.291	0.00553	-55.45	0.00	-0.0125	0.00	-0.00584	0.0241	0.00469
142.00	19.000	1.17	0.0642	0.00362	-497.07	0.00445	-503.27	0.112	-0.366	0.00560	-54.75	0.00	-0.0124	0.00	-0.00868	0.0260	0.00892
154.00	28.000	1.09	0.0319	0.00424	-453.05	0.00476	-481.71	0.0919	-0.454	0.00564	-54.18	0.00	-0.0124	0.00	-0.0109	0.0306	0.0131
166.00	37.000	1.01	0.00406	0.00505	-408.87	0.00506	-462.45	0.0758	-0.558	0.00567	-53.72	0.00	-0.0123	0.00	-0.0136	0.0346	0.0174
178.00	46.000	0.942	-0.0188	0.00510	-365.64	0.00534	-445.30	0.0627	-0.681	0.00568	-53.37	0.00	-0.0123	0.00	-0.0169	0.0336	0.0216
190.00	55.000	0.879	-0.0383	0.00747	-324.17	0.00562	-430.08	0.0521	-0.824	0.00567	-53.14	0.00	-0.0123	0.00	-0.0206	0.0180	0.0258
202.00	64.000	0.820	-0.0550	0.00927	-285.06	0.00587	-416.66	0.0435	-0.991	0.00563	-53.03	0.00	-0.0122	0.00	-0.0251	0.0159	0.0300
214.00	73.000	0.759	-0.0728	0.0115	-250.97	0.00603	-408.47	0.0359	-1.20	0.00551	-53.51	0.00	-0.0123	0.00	-0.0305	0.0195	0.0343
226.00	82.000	0.707	-0.0867	0.0145	-217.46	0.00623	-398.46	0.0300	-1.43	0.00543	-53.67	0.00	-0.0123	0.00	-0.0365	0.0235	0.0385
238.00	91.000	0.657	-0.0997	0.0185	-186.98	0.00640	-389.88	0.0252	-1.70	0.00533	-53.96	0.00	-0.0123	0.00	-0.0434	0.0281	0.0427
250.00	100.000	0.611	-0.112	0.0239	-159.52	0.00654	-382.66	0.0211	-2.01	0.00522	-54.38	0.00	-0.0123	0.00	-0.0512	0.0321	0.0469

Saturation Ratios (xSAT) are the ratio of ion activity to solubility, e.g. {Ca}{HCO₃}/K_{sp}. pCO₂ (atm) is the partial pressure of CO₂ in the gas phase.
 Lbs/1000 Barrels scale is the quantity of precipitation (or dissolution) required to instantaneously bring the water to equilibrium.



XI. Exhibit E2



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

Analytical Results For:

FORTY ACRES ENERGY 11777 KATY FREEWAY STE. 305 B HOUSTON TX, 77079	Project: BLACKBEARD AREA Project Number: FRESH WATER Project Manager: JAMES MARTINEZ Fax To:	Reported: 03-Aug-21 14:50
--	---	------------------------------

API 30025-28120 7 RIVER QUEEN UNIT #58 H212024-03 (Water)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----	-----------------	-------	----------	-------	---------	----------	--------	-------

Cardinal Laboratories

Inorganic Compounds

Chloride*	104	4.00	mg/L	1	1080304	GM	03-Aug-21	4500-Cl-B		
TDS*	663	5.00	mg/L	1	1080213	AC	03-Aug-21	160.1		
Sulfide, total	<0.0100	0.0100	mg/L	1	1080305	AC	03-Aug-21	376.2		A-01

Cardinal Laboratories

*=Accredited Analyte

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XI. Exhibit E3



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

Analytical Results For:

FORTY ACRES ENERGY 11777 KATY FREEWAY STE. 305 B HOUSTON TX, 77079	Project: BLACKBEARD AREA Project Number: FRESH WATER Project Manager: JAMES MARTINEZ Fax To:	Reported: 03-Aug-21 14:50
--	---	------------------------------

Inorganic Compounds - Quality Control Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1072912 - Filtration										
Blank (1072912-BLK1) Prepared: 29-Jul-21 Analyzed: 02-Aug-21										
TDS	ND	5.00	mg/L							
LCS (1072912-BS1) Prepared: 29-Jul-21 Analyzed: 02-Aug-21										
TDS	541		mg/L	500		108	80-120			
Duplicate (1072912-DUP1) Source: H211989-06 Prepared: 29-Jul-21 Analyzed: 02-Aug-21										
TDS	332000	5.00	mg/L		340000			2.61	20	
Batch 1080213 - Filtration										
Blank (1080213-BLK1) Prepared: 02-Aug-21 Analyzed: 03-Aug-21										
TDS	ND	5.00	mg/L							
LCS (1080213-BS1) Prepared: 02-Aug-21 Analyzed: 03-Aug-21										
TDS	542		mg/L	500		108	80-120			
Duplicate (1080213-DUP1) Source: H212007-04 Prepared: 02-Aug-21 Analyzed: 03-Aug-21										
TDS	807	5.00	mg/L		789			2.26	20	
Batch 1080304 - General Prep - Wet Chem										
Blank (1080304-BLK1) Prepared & Analyzed: 03-Aug-21										
Chloride	ND	4.00	mg/L							
LCS (1080304-BS1) Prepared & Analyzed: 03-Aug-21										
Chloride	104	4.00	mg/L	100		104	80-120			

Cardinal Laboratories

*=Accredited Analyte

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James Martinez

XI. Exhibit E4



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

FORTY ACRES ENERGY 11777 KATY FREEWAY STE. 305 B HOUSTON TX, 77079	Project: BLACKBEARD AREA Project Number: FRESH WATER Project Manager: JAMES MARTINEZ Fax To:	Reported: 03-Aug-21 14:50
--	---	------------------------------

Inorganic Compounds - Quality Control Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1080304 - General Prep - Wet Chem										
LCS Dup (1080304-BSD1)					Prepared & Analyzed: 03-Aug-21					
Chloride	104	4.00	mg/L	100		104	80-120	0.00	20	
Batch 1080305 - General Prep - Wet Chem										
Blank (1080305-BLK1)					Prepared & Analyzed: 03-Aug-21					
Sulfide, total	ND	0.0100	mg/L							

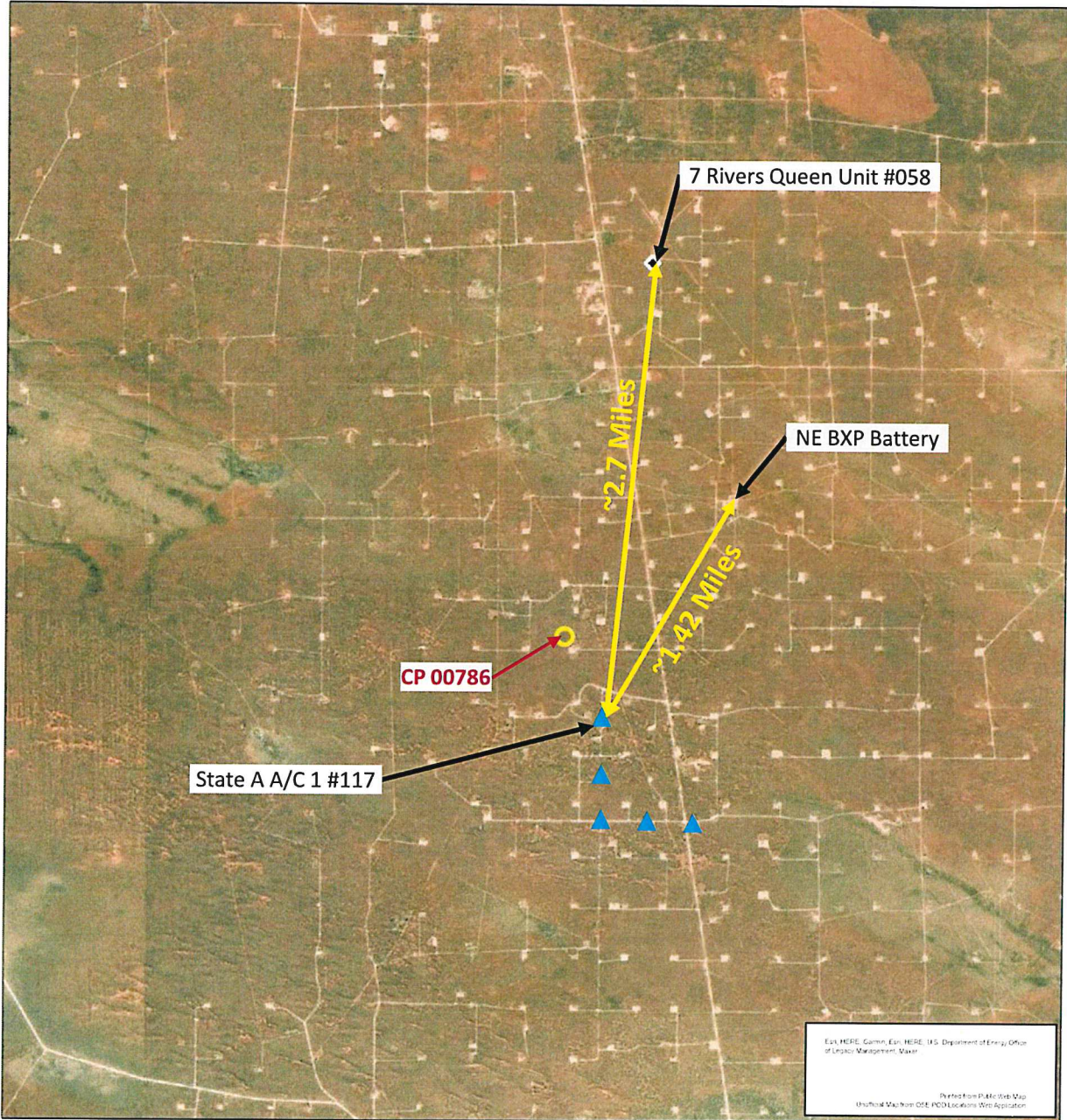
Cardinal Laboratories

*=Accredited Analyte

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XI. Exhibit E5

Fresh Water Wells & Sample Locations

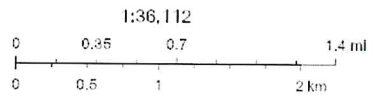


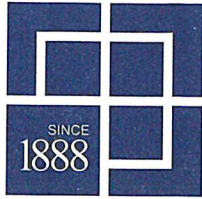
8/31/2021, 10:02:02 AM

OSE District Boundary

Site Boundaries

▲ C-108 Injector





hinklelawfirm.com

HINKLE SHANOR LLP
ATTORNEYS AT LAW
PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

August 12, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL INTERESTED PARTIES SUBJECT TO NOTICE

Re: Case No. 22134
Application of FAE II Operating, LLC for Reinstatement of Injection Authority and Authorization to Convert Disposal Well to an Injector for Waterflood Operations, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the subject application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **September 9, 2021** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

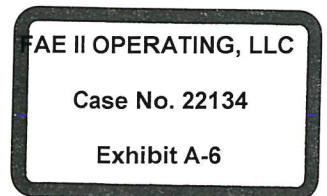
Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/oed/oedpermitting/>) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy



Enclosure

PO BOX 10
ROSWELL, NEW MEXICO 88202
575-622-6510
(FAX) 575-623-9332

PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554
(FAX) 505-982-8623

7601 JEFFERSON ST NE • SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

7020 0640 0000 0143 3987

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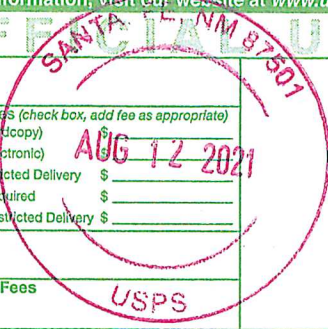
Total Postage and Fees \$ _____

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Street BXP Operating, LLC
P.O. Box 7227
Dallas, TX 75209

City, S _____

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PS Form 3811, July 2015 PSN 7530-02-000-9053

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7020 0640 0000 0143 3994

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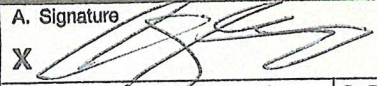
Total Postage and Fees \$ _____

Sent To NM Commissioner of Public Lands
Street and P.O. Box 1148
City, State Santa Fe, NM 87504

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

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SANTA FE, NM 87501
AUG 12 2021

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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p>
<p>1. Article Addressed to:</p> <p>NM Commissioner of Public Lands P.O. Box 1148 Santa Fe, NM 87504</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 0143 3994</p>	<p>Domestic Return Receipt</p>

7020 0640 0000 0143 4007

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Return Receipt (electronic) \$ _____

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Adult Signature Restricted Delivery \$ _____

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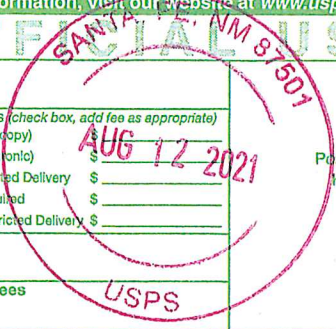
Total Postage and Fees \$ _____

Sent To

RRR – State
4005 Roadrunner Trail
Midland, TX 79707

City, State _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <i>R. Reed</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>in ew CIA</i> C. Date of Delivery <i>8/16/21</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>RRR – State 4005 Roadrunner Trail Midland, TX 79707</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>9590 9402 5712 9346 7884 82</p> <p>7020 0640 0000 0143 4007</p>	

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

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Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To: Strain King Ranch, LLC
Street an: 4119 Mescalero Drive
City, State: Hobbs, NM 88240

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Postmark Here

SANTA FE, NM 87507

AUG 12 2021

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<p>1. Article Addressed to:</p> <p>Strain King Ranch, LLC 4119 Mescalero Drive Hobbs, NM 88240</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 0143 4014</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA


I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated August 20, 2021 and ending with the issue dated August 20, 2021.



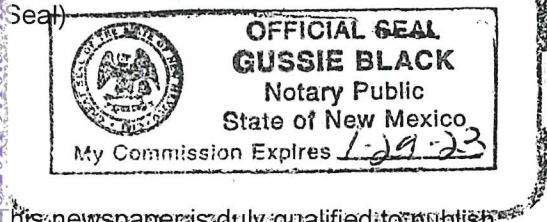
Publisher

Sworn and subscribed to before me this 20th day of August 2021.



Business Manager

My commission expires January 29, 2023



his newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL LEGAL LEGAL LEGAL LEGAL

LEGAL NOTICE
August 20, 2021

This is to notify all interested parties, including: BXP Operating, LLC, the New Mexico Commissioner of Public Lands, RRR - State, Strain King Ranch, LLC, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by FAE II Operating, LLC (Case No. 22134). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on September 9, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info>. Applicant applies for an order: (1) reinstating injection authority for certain injection wells within its Blackbeard South Waterflood Project ("Project") within the Seven Rivers and Queen formations comprised of portions of Sections 3, 4, 9-11, 13-15, 17, and 20-24, Township 23 South, Range 36 East, Lea County, New Mexico; and (2) authorizing FAE to convert a produced-water disposal well to an injector for waterflood operations. The following wells ("Wells") authorized under the Orders are located within the Jalmat: Tan-Yates-7 RVRS (Oil) and Langlie Mattox: 7 RVRS-Q-Grayburg pools of the Seven Rivers and Queen formations:

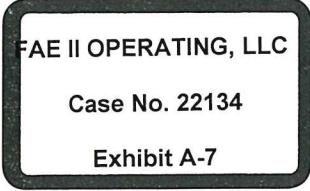
Well Name (API: 30-025-)	Location within T23S-R6E	Injection Interval
State "A" A/C 1 No. 116 (28396)	Unit D, 1260 FNL & 1310 FWL, Sec. 10	3644'-3845'
State "A" A/C 1 No. 117 (28512)	Unit K, 1395 FSL & 1345 FWL, Sec. 3	3640'-3820'
State "A" A/C 1 No. 120 (28515)	Unit C, 25 FNL & 1345 FWL, Sec. 10	3650'-3800'
State "A" A/C 3 No. 10 (28509)	Unit G, 1345 FNL & 1480 FEL, Sec. 10	3575'-3705'
State "A" A/C 3 No. 11 (28510)	Unit G, 1345 FNL & 2615 FEL, Sec. 10	3575'-3705'

Applicant proposes to convert its State "A" A/C 1 No. 116 well from a salt-water disposal well to an injector for waterflood operations and to reinstate injection into the State "A" A/C 1 No. 117 and 120 wells and State "A" A/C 3 No. 10 and 11 wells for waterflood operations. FAE plans to inject water through a closed system of perforations at depths of 3,500' to 4,000' within the Seven Rivers and Queen formations. The proposed average injection pressure is expected to be 700 psi. The expected maximum injection pressure will be calculated relative to the depth of the highest perforation, using a factor of 0.2 psi/ft. The proposed Wells will have perforation depths of approximately 3,640' and 3599' (or 728 psi and 720 psi maximum injection pressure, respectively). Pending results of a step rate test, the maximum injection pressure could potentially be increased to a factor of 0.6 psi/ft (or 2,184 psi at 3,640' and 2160 psi at 3599'). The proposed average injection rate is expected to be approximately 600 barrels of water per day. The maximum daily injection rate will be 1,000 barrels of water per day or as permitted by the Division. The Unit acreage is located approximately 9.3 miles southwest of Eunice, New Mexico. #36761

02107475

GILBERT
HINKLE, SHANOR LLP
PO BOX 2068
SANTA FE, NM 87504

00257471



STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF FAE II OPERATING,
LLC FOR REINSTATEMENT OF INJECTION
AUTHORITY AND AUTHORIZATION TO CONVERT
DISPOSAL WELL TO AN INJECTOR FOR
WATERFLOOD OPERATIONS,
LEA COUNTY, NEW MEXICO

CASE NO. 22134

SELF-AFFIRMED STATEMENT OF JESSICA LAMARRO

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein. I am employed by FAE II Operating, LLC ("FAE") as a geologist. I am familiar with the Application in this case and with the geology matters pertaining to this Application. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. FAE's Application seeks an order: (1) reinstating injection authority for certain injection wells within its Blackbeard South Waterflood Project ("Project") within the Seven Rivers and Queen formations comprised of portions of Sections 3, 4, 9-11, 13-15, 17, and 20-24, Township 23 South, Range 36 East, Lea County, New Mexico; and (2) authorizing FAE to convert a produced-water disposal well to an injector for waterflood operations.

FAE II OPERATING, LLC

Case No. 22134

Exhibit B

3. The legal locations and injection intervals of the wells (“Wells”) pertaining to this application are as follows:

Well Name (API: 30-025-)	Location within T23S-R6E	Injection interval
State "A" A/C 1 No. 116 (28396)	Unit D, 1260 FNL & 1310 FWL, Sec. 10	3644’ - 3845’
State "A" A/C 1 No. 117 (28512)	Unit K, 1395 FSL & 1345 FWL, Sec. 3	3640’ - 3820’
State "A" A/C 1 No. 120 (28515)	Unit C, 25 FNL & 1345 FWL, Sec. 10	3650’ - 3800’
State "A" A/C 3 No. 10 (28509)	Unit G, 1345 FNL & 1480 FEL, Sec. 10	3575’ - 3705’
State "A" A/C 3 No. 11 (28510)	Unit G, 1345 FNL & 2615 FEL, Sec. 10	3575’ - 3705’

4. Order R-4819 defined the “unitized interval” as the Jalmat; Tan-Yates-7 RVRs (Oil) and Langlie Mattix Pools, which are at depths of 2,798’ to 4,075’ on the State A A/C 3 #3 (3002509301) log.

5. Produced water will be injected into the Seven Rivers and Queen Formations found at the drilling depth interval of 3,640’ to 4,000’ as measured on the electric log called the “Compensated Densilog, Compensated Neutron, Gamma Ray” ran January 24, 1984 on Sun Exploration/Prod. CO. now FAE II Operating LLC’s STATE A A/C 1 #116 (API No. 30-025-28396) for the purpose of increasing the ultimate recovery of oil within the interval underlying the Project area.

6. The productive zone immediately overlying the proposed injection interval is the Seven Rivers formation with its top being at an approximate depth of 3,326’ TVD. The productive zone immediately underlying the proposed injection interval is the Grayburg formation at an approximate depth of 4,020’ TVD.

7. **Exhibit B-1** contains a type log of the Seven Rivers-Queen injection interval. The interval consists primarily of sandstones interbedded with dolomites and anhydrites. The log shows the interval top at 3640’ and which is top sealed by a low porosity/low permeability non-oil bearing Seven Rivers carbonate layer. The bottom of the interval is sealed by a low porosity/low

3. The legal locations and injection intervals of the wells (“Wells”) pertaining to this application are as follows:

Well Name (API: 30-025-)	Location within T23S-R6E	Injection interval
State "A" A/C 1 No. 116 (28396)	Unit D, 1260 FNL & 1310 FWL, Sec. 10	3644' - 3845'
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7. **Exhibit B-1** contains a type log of the Seven Rivers-Queen injection interval. The interval consists primarily of sandstones interbedded with dolomites and anhydrites. The log shows the interval top at 3640’ and which is top sealed by a low porosity/low permeability non-oil bearing Seven Rivers carbonate layer. The bottom of the interval is sealed by a low porosity/low

permeability section of the Grayburg carbonate. There is no fracturing and essentially no vugular porosity fabric evident in cores or on the openhole wireline log data. Productive porosity typically ranges from 10% to 20% and averages around 16% throughout the interval.

8. **Exhibit B-2** contains a structure map of the Unit. The map shows the structural contours near the top of the Seven Rivers-Queen injection interval. The structural slope is a gentle east to west downward slope into the Delaware Basin.

9. **Exhibits B-3 and B-4** contain cross-sections of the target injection interval within the Seven Rivers and Queen formations. The cross-sections demonstrate the injection interval is consistent and continuous across the target interval underlying the Project area. The cross-sections also show all lands within the proposed unit contain porous reservoir rock and therefore, all lands within the proposed unit appear capable of contributing additional secondary recovery reserves.

10. Accordingly, from geologic studies performed over this area, the unit area is well suited for secondary and tertiary recovery operations and the entire Project area should continue to contribute enhanced recovery reserves.

11. There are no faults or other geologic impediments that would impede the efficiency of the Project.

12. Based on my professional training and experience, it is my opinion that the proposed injection operations will not impair any hydrocarbon-bearing zones. It is also my opinion that injection fluids will be confined to the injection interval as a result of the stratigraphic confining layers above and below the injection zone.

13. Pages 37-46 of Form C-108 identify one (1) active freshwater well within a 1-mile radius of the Wells. Pages 47-51 of Form C-108 contain water analyses for the NE BXP Battery freshwater well and a freshwater trough. The NE BXP Battery well is located 1.42 miles from

State A A/C 1 #117. The well is considered a “shallow” water supply. The freshwater trough well is located 25 feet from the 7 Rivers Queen Unit #058 well and 2.7 miles from State A A/C 1 #117. The depth of the freshwater trough is a “shallow” water supply well.


14. With respect to compatibility, the source of the water to be injected will be produced water from other Seven Rivers and Queen formations wells drilled within the Project area and water transfer lines. **Exhibit B-5** contains a produced water analysis for the FAE II Operating LLC’s STATE A A/C 1 #64 (API: 30-025-09230). I do not expect any water compatibility issues to arise from the proposed injection operations.

15. I have examined the available geological and engineering data and have found no evidence of open faults or hydrological connection between the proposed Seven Rivers-Queen injection interval and any underground sources of drinking water.

16. The exhibits referenced above were either prepared by me or under my supervision or were compiled from company business records.

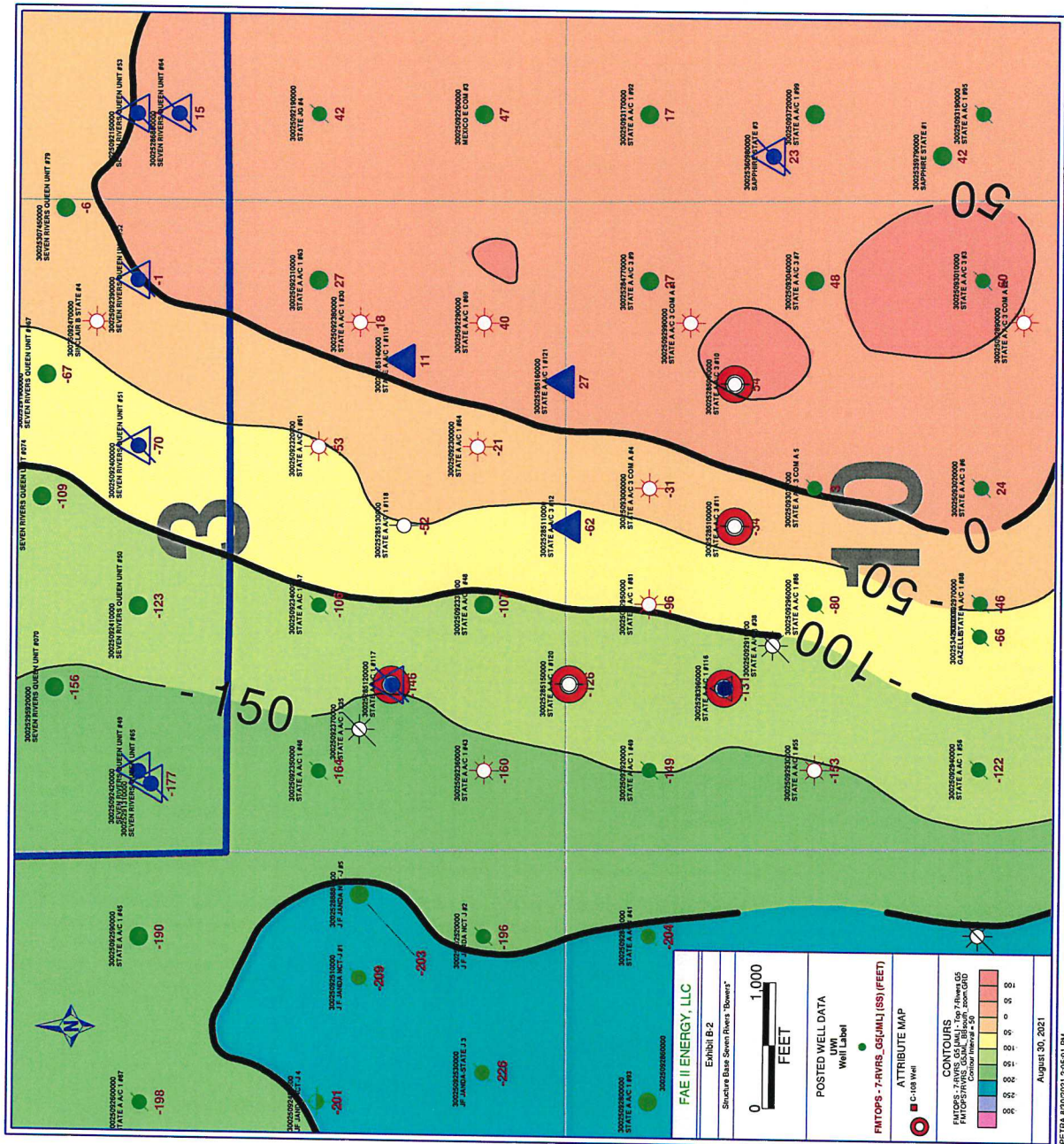
17. In my opinion, the granting of FAE’s application would serve the interests of conservation, the prevention of waste, and the protection of correlative rights.

18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 17 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

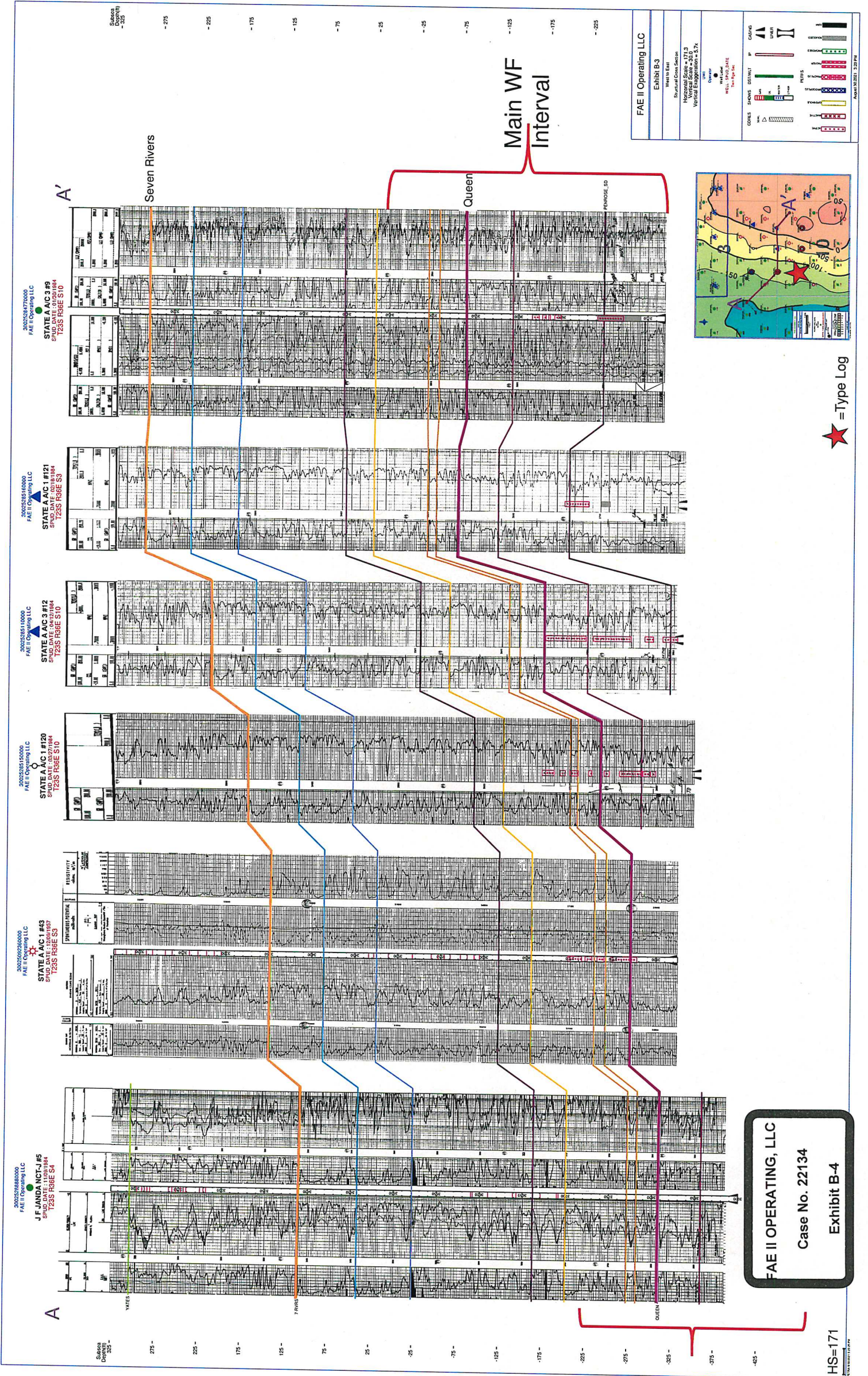


Jessica LaMarro

9/7/2021
Date



FAE II OPERATING, LLC
 Case No. 22134
 Exhibit B-2



FAE II OPERATING, LLC
 Case No. 22134
 Exhibit B-4

HS=171

Impact Water Analysis Report

FAE II OPERATING, LLC
 Case No. 22134
 Exhibit B-5



SYSTEM IDENTIFICATION

Company: Blackbeard
 Location: State A A/C 1 #64
 Sample Source: Wellhead
 Salesman: David Garcia

WATER CHEMISTRY

CATIONS

Calcium(as Ca)	504.00
Magnesium(as Mg)	764.50
Barium(as Ba)	0.00
Strontium(as Sr)	8.24
Potassium(as K)	188.40
Lithium(as Li)	3.38
Iron(as Fe)	0.49
Manganese(as Mn)	0.05

ANIONS

Chloride(as Cl)	15000
Sulfate(as SO ₄)	501.00
Dissolved CO ₂ (as CO ₂)	300.00
Bicarbonate(as HCO ₃)	2418
H ₂ S (as H ₂ S)	342.00
Boron(as B)	18.96

PARAMETERS

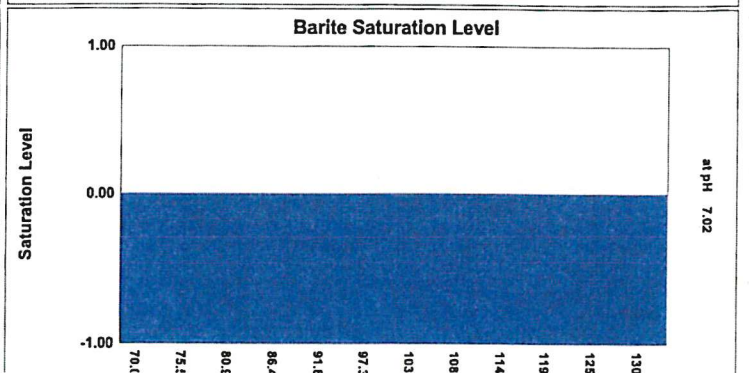
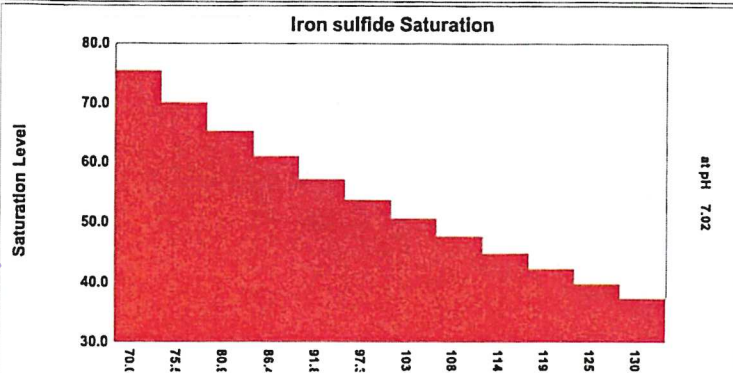
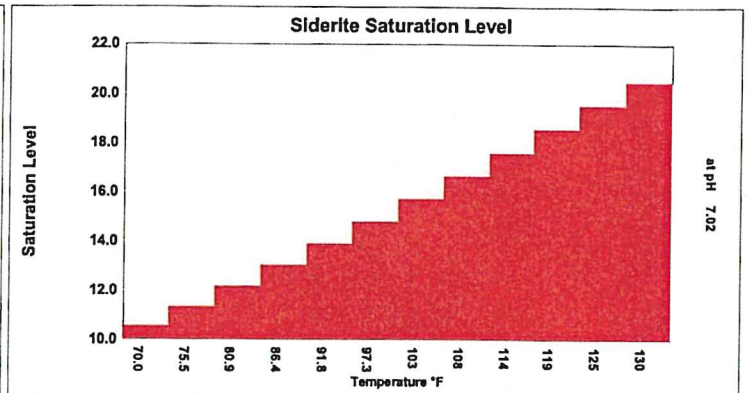
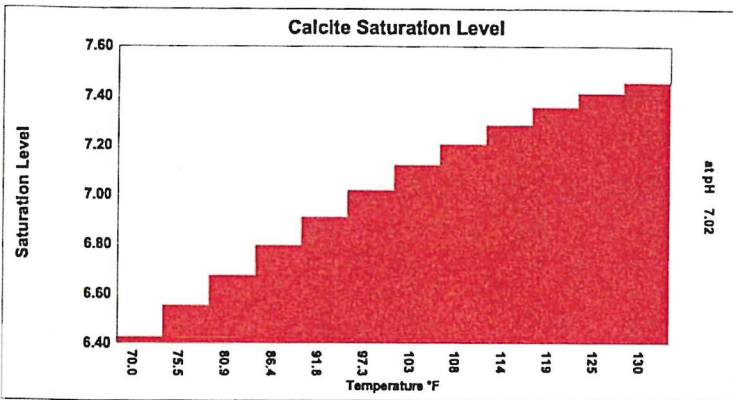
Temperature(°F)	77.00
Sample pH	7.00
Conductivity	36718
T.D.S.	28609
Resistivity	27.23
Sp.Gr.(g/mL)	1.01

Sample ID#: 93627
 Sample Date: 02-15-2018
 Report Date: 02-20-2018

SCALE AND CORROSION POTENTIAL

Temp. (°F)	Press. (atm)	Calcite CaCO ₃		Anhydrite CaSO ₄		Gypsum CaSO ₄ *2H ₂ O		Barite BaSO ₄		Celestite SrSO ₄		Siderite FeCO ₃		Mackawenite FeS		CO ₂ (mpy)	pCO ₂ (atm)
70.00	1.00	6.42	3.68	0.0464	-2947	0.0770	-2362	0.00	-0.139	0.0637	-191.10	10.53	0.867	75.33	0.183	0.137	0.337
75.45	10.00	6.55	3.70	0.0451	-2968	0.0732	-2419	0.00	-0.163	0.0615	-196.21	11.33	0.875	69.98	0.182	0.230	1.85
80.91	19.00	6.67	3.71	0.0442	-2975	0.0699	-2471	0.00	-0.191	0.0598	-200.47	12.15	0.882	65.16	0.181	0.220	3.37
86.36	28.00	6.79	3.73	0.0435	-2970	0.0669	-2519	0.00	-0.221	0.0583	-204.05	13.00	0.889	60.89	0.179	0.203	4.88
91.82	37.00	6.91	3.74	0.0432	-2952	0.0642	-2563	0.00	-0.255	0.0570	-207.06	13.88	0.895	57.05	0.178	0.189	6.40
97.27	46.00	7.02	3.75	0.0431	-2922	0.0617	-2603	0.00	-0.292	0.0560	-209.61	14.79	0.900	53.58	0.177	0.179	7.92
102.73	55.00	7.12	3.75	0.0433	-2882	0.0595	-2639	0.00	-0.331	0.0550	-211.79	15.71	0.905	50.46	0.176	0.173	9.43
108.18	64.00	7.20	3.75	0.0438	-2832	0.0600	-2595	0.00	-0.375	0.0541	-213.81	16.63	0.909	47.50	0.174	0.155	10.95
113.64	73.00	7.28	3.75	0.0444	-2774	0.0608	-2544	0.00	-0.424	0.0532	-216.02	17.57	0.912	44.72	0.173	0.137	12.46
119.09	82.00	7.35	3.74	0.0453	-2708	0.0615	-2496	0.00	-0.479	0.0523	-218.27	18.53	0.916	42.12	0.171	0.122	13.98
124.55	91.00	7.41	3.74	0.0465	-2636	0.0622	-2452	0.00	-0.540	0.0513	-220.67	19.50	0.919	39.62	0.170	0.109	15.49
130.00	100.00	7.45	3.72	0.0479	-2558	0.0627	-2410	0.00	-0.608	0.0504	-223.21	20.46	0.921	37.24	0.168	0.0976	17.01
		xSAT	mg/L	xSAT	mg/L	xSAT	mg/L	xSAT	mg/L	xSAT	mg/L	xSAT	mg/L	xSAT	mg/L		

Saturation Levels (xSAT) are the ratio of ion activity to solubility, e.g. {Ca}{CO₃}/K_{sp}. pCO₂ (atm) is the partial pressure of CO₂ in the gas phase. mg/L scale is the quantity of precipitation (or dissolution) required to instantaneously bring the water to equilibrium.



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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF FAE II OPERATING,
LLC FOR REINSTATEMENT OF INJECTION
AUTHORITY AND AUTHORIZATION TO CONVERT
DISPOSAL WELL TO AN INJECTOR FOR
WATERFLOOD OPERATIONS,
LEA COUNTY, NEW MEXICO.

CASE NO. 22134

SELF-AFFIRMED STATEMENT OF HUXLEY SONG

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein. I am the Vice President of Engineering for FAE II Operating, LLC ("FAE"). I am familiar with the Application filed by FAE in this case and with the engineering matters pertaining to this Application. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum engineering matters were accepted and made a matter of record.

2. FAE's Application seeks an order: (1) reinstating injection authority for certain injection wells within its Blackbeard South Waterflood Project ("Project") within the Seven Rivers and Queen formations comprised of portions of Sections 3, 4, 9-11, 13-15, 17, and 20-24, Township 23 South, Range 36 East, Lea County, New Mexico; and (2) authorizing FAE to convert a produced-water disposal well to an injector for waterflood operations.

FAE II OPERATING, LLC

Case No. 22134

Exhibit C

3. The legal locations and injection intervals of the wells (“Wells”) pertaining to this application are as follows:

Well Name (API: 30-025-)	Location within T23S-R6E	Injection interval
State "A" A/C 1 No. 116 (28396)	Unit D, 1260 FNL & 1310 FWL, Sec. 10	3644'- 3845'
State "A" A/C 1 No. 117 (28512)	Unit K, 1395 FSL & 1345 FWL, Sec. 3	3640'- 3820'
State "A" A/C 1 No. 120 (28515)	Unit C, 25 FNL & 1345 FWL, Sec. 10	3650'- 3800'
State "A" A/C 3 No. 10 (28509)	Unit G, 1345 FNL & 1480 FEL, Sec. 10	3575'- 3705'
State "A" A/C 3 No. 11 (28510)	Unit G, 1345 FNL & 2615 FEL, Sec. 10	3575'- 3705'

4. FAE proposes to convert its State "A" A/C 1 No. 116 well from a produced-water disposal well to an injector for waterflood operations and to reinstate injection into the State "A" A/C 1 No. 117 and 120 wells and State "A" A/C 3 No. 10 and 11 wells for waterflood operations. FAE plans to inject water through a closed system of perforations at depths of 3,500' to 4,000' within the Seven Rivers and Queen formations.

5. Specifications and wellbore schematics for the Wells are provided at pages 2-6 of Form C-108. The Wells will be adequately equipped for injection, and the construction of the Wells will protect fresh water and other hydrocarbon-bearing zones.

6. The proposed average injection pressure through the Wells is expected to be approximately 700 psi. The expected maximum injection pressure will be calculated relative to the depth of the highest perforation, using a factor of 0.2 psi/ft. The proposed Wells will have perforation depths of approximately 3,640' and 3,599' (or 728 psi and 720 psi maximum injection pressure, respectively). Pending results of a step rate test, the maximum injection pressure could potentially be increased to a factor of 0.6 psi/ft (or 2,184 psi at 3,640' and 2,160 psi at 3,599').

7. The proposed average injection rate is expected to be approximately 600 barrels of water per day. The maximum daily injection rate will be 1,000 barrels of water per day or as permitted by the Division.

8. FAE proposes to acidize the perforations within its injector Wells with 5,000 gal 15% HCl for each set of perforations. Based on my professional training and experience, it is my professional opinion that acidizing each set of perforations within the Wells will maximize injection rates.

9. **Exhibit C-1** depicts the rate at which production has declined within the Project from approximately 60 bopd after initial waterflood implementation in the 1980s to approximately 10 bopd at present. Based on my professional training and experience, it is my opinion that production will decline even further from the current level of approximately 10 bopd in the absence of additional injection wells.

10. **Exhibit C-2** contains an Incremental Production and Economic Summary of the Project. The exhibit shows an economic comparison of continuing operations under current conditions with no additional injection support as opposed to increasing secondary recovery operations in the Wells within the Project. It is my opinion that commencing injection operations within the Wells would result in an incremental Estimated Ultimate Recovery (EUR) increase of approximately 800 Mbbl of oil.

11. It is my opinion that injection operations within the Project are economically and technically feasible and that it is prudent to utilize secondary recovery operations to maximize oil recovery. It is also my opinion that the proposed conversion of FAE's State "A" A/C 1 No. 116 producer to injector for waterflood operations is not premature.

12. FAE will run an MIT test prior to commencing injection and will monitor pressure during injection.

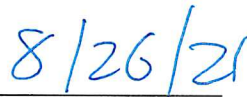
13. The exhibits referenced above were either prepared by me or under my supervision or were compiled from company business records.

14. In my opinion, the granting of FAE's application would serve the interests of conservation, the prevention of waste, and the protection of correlative rights.

15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 14 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.



Huxley Song



Date

Exhibit C-1

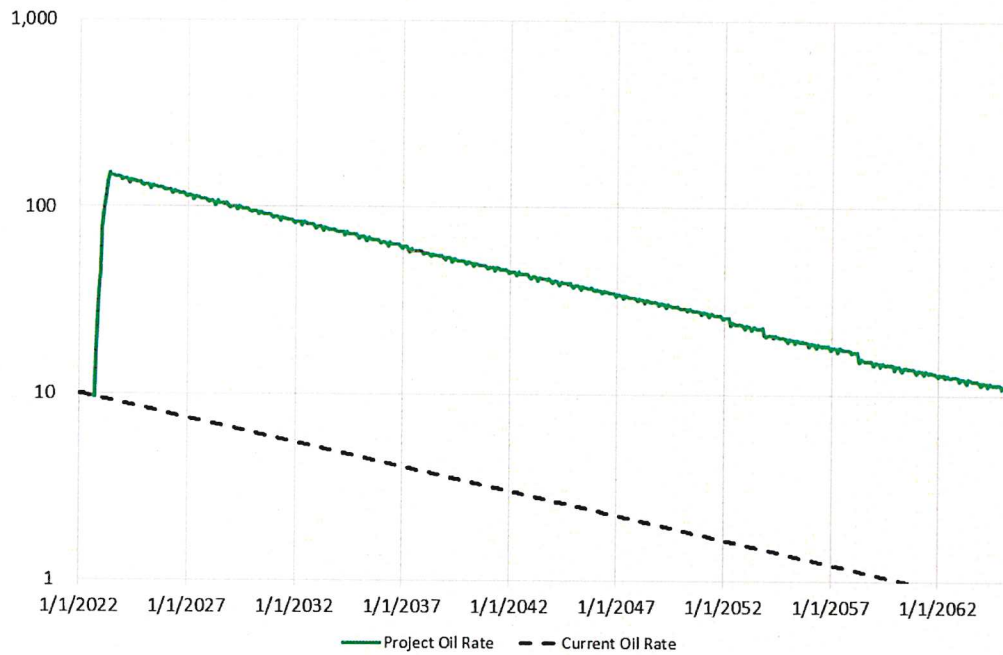
Historical Production within Project Area



FAE II OPERATING, LLC
Case No. 22134
Exhibit C-1

Exhibit C-2

Production Comparison: Waterflood Reactivation Project vs Current Play Out



Economics of Waterflood Reactivation

	NPV-10 (Including Capital)	Gross Oil Reserves
Waterflood Reactivation	\$8.5 million	0.9 million bo
Current Play Out (No Waterflood Reactivation)	\$1.3 million	0.1 million bo
Delta (Benefit from Waterflood Reactivation)	\$7.2 million	0.8 million bo

FAE II OPERATING, LLC
 Case No. 22134
 Exhibit C-2