MVWEF-201202-C-107A DHC-5092

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RECEIVED:	12/2/20	REVIEWER:	DM	TYPE:	DHC	APP NO:	DDM2033839350

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

Geological & Engineering Bureau –
 1220 South St. Francis Drive, Santa Fe, NM 87505



1220 South St. Francis Drive, S	Santa Fe, NM 87505
ADMINISTRATIVE APPLIC THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE A	
REGULATIONS WHICH REQUIRE PROCESSING	AT THE DIVISION LEVEL IN SANTA FE
Applicant: FAE II Operating, LLC	OGRID Number: 329326
Well Name: Jack B 30 #3	API: 30-025-35139
Pool: Jalmat (Oil)	Pool Code: 33820
SUBMIT ACCURATE AND COMPLETE INFORMATION RI INDICATED	
1) TYPE OF APPLICATION: Check those which apply f A. Location – Spacing Unit – Simultaneous Dedic	
B. Check one only for [1] or [1] [1] Commingling - Storage - Measurement DHC CTB PLC PC [11] Injection - Disposal - Pressure Increase - WFX PMX SWD IPI	□ EOR □ PPR
2) NOTIFICATION REQUIRED TO: Check those which a A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue C. Application requires published notice D. Notification and/or concurrent approval to the source owner G. Surface owner G. No notice required	by SLO by BLM Notice Complete Application Content Complete
3) CERTIFICATION: I hereby certify that the information administrative approval is accurate and complete understand that no action will be taken on this approximation of the desired control of the desire	e to the best of my knowledge. I also
Note: Statement must be completed by an individua	al with managerial and/or supervisory capacity.
David Schellstede	Date
Print or Type Name	
	Phone Number
	David@FAEnergyus.com
Signature	e-mail Address

District III

District IV

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107A Revised August 1, 2011

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

APPLICATION TYPE

_X__ Single Well

_Establish Pre-Approved Pools

EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

XISTING	WEL	LBORE
X	Yes	No

perator	Add	Iress	
ack B 30		-24S-37E	Lea
329326 OGRID No Property Co.	326907 30-0	Section-Township-Range 025-35139 Lease Type:	
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Jalmat		Langlie Mattix
Pool Code	33820		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,925' - 3,418'		3,451' - 3,608'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35 API / 1.334 BTU		35 API / 1.334 BTU
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	See Attached Date: Rates:	Date: Rates:	See Attached Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas	Oil Gas	Oil Gas
than current or past production, supporting data or explanation will be required.)	42 % 90 %	% %	58 % 10 %
	ADDITION	NAL DATA	
are all working, royalty and overriding f not, have all working, royalty and ov			YesX No Yes No
are all produced fluids from all commi	ngled zones compatible with each of	other?	YesX_ No
Vill commingling decrease the value o	f production?		Yes No_2
f this well is on, or communitized with r the United States Bureau of Land Ma			Yes X No
NMOCD Reference Case No. applicable	le to this well:		
Attachments: C-102 for each zone to be comming Production curve for each zone for For zones with no production histor Data to support allocation method of Notification list of working, royalty Any additional statements, data or or the support of	at least one year. (If not available, ry, estimated production rates and s or formula. y and overriding royalty interests fo	attach explanation.) supporting data. or uncommon interest cases.	
	PRE-APPRO	OVED POOLS	
If application is	to establish Pre-Approved Pools, the	he following additional information wi	ill be required:
ist of other orders approving downhol ist of all operators within the propose froof that all operators within the prop Bottomhole pressure data.	d Pre-Approved Pools		
	n above is true and complete to	the best of my knowledge and beli	ef.
GIGNATURE M Bates		Engineering Tech	DATE 11/30/2020
20 COLUMN ASS CASSAS NO. 1	Carlot III all		- N

Received by OCD: 12/2/2020 4:01:36 PM

December 2, 2020

Mr. Dean McClure New Mexico Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re:

Jack B 30 Lease

Jack B 30 #3: API 30-025-35139

Jalmat Pool: 33820

Langlie Mattix Pool: 37240

Dear Mr. McClure:

FAE II Operating LLC, as operator, will be filing applications with the New Mexico Oil Conservation Division for approval of the aforementioned commingling project. After a review of internal records, this letter serves as notice that the operator and interest owners are identical for the pools listed above.

If you have any questions, please feel free to contact the undersigned phone at (832) 219-0809 or by email at rebecca@faenergyus.com. Thank you for your attention to this matter.

Sincerely,

FAE II Operating, LLC

Rebecca Wing

Land

November 30, 2020

VIA ONLINE FILING

Mr. Dean McClure New Mexico Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Application of FAE II Operating, LLC for Administrative Approval to Downhole Commingle and Sell Oil and Gas Production from the Langlie Mattix Pool for the Jack B 30 #3 well located in Sec. 30, T-24S, R-37E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for downhole commingling of oil and gas production from the Langlie Mattix Pool for its Jack B 30 #3 well located in Unit Letter A, Section 30, T-24S, R-37E, 660 feet FNL and 660 feet FEL, as shown in the attached C-102's for each zone.

The Jack B 30 #3 is currently open to the Yates-Seven Rivers zone, which translates to the JALMAT; TAN-YATES-7 RVRS pool [Pool ID: 33820]. The production curve for this zone is shown in Exhibit A. To develop a production forecast, a decline curve was utilized based on the well's historical production within the zone.

The zone that does not have production history in the Jack B 30 #3 is the Seven Rivers-Queen, which translates to the LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG [Pool ID: 37240]. To develop a production forecast, fourteen (14) surrounding wells with historical production from the Seven Rivers-Queen were used as an offset by taking the average of the oil, gas, and water production. The resulting historical average production curve for this interval is shown in Exhibit B. From there, a decline curve was utilized based on the aforementioned historical production. Furthermore, Geology studied a Jack B 30 #3 log, Attachment A, and also correlated it with other logs in the surrounding area to help determine the location of the new perforations in the Seven Rivers-Queen zone for the Jack B 30 #3.

Overall, the forecast for the proposed downhole commingled production was formed by combining the forecasts for both zones, as shown in the Synthetic Decline Curve column of Exhibit D. This forecast for the Jack B 30 #3 proved that an IP of 4.3 BOPD and 50.6 MCFPD is the expected total, and of that, 2.4 BOPD and 4.5 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 1.9 BOPD and 46.1 MCFPD with the additional intervals that will be opened up. This information along with the percentage allocation across the zones is shown in Exhibit D.

After a review of internal records, the interest owners are identical for the aforementioned wells. As such, notification to the relevant parties of our intent to commingle production will not be necessary.

This proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. If there are further questions concerning this application, please feel free to contact the undersigned by email at marshall@faenergyus.com or by telephone at (832) 241-8080.

Very truly yours,

Received by OCD: 12/2/2020 4:01:36 PM

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Exhibit A - Historical Production in the Current Zone

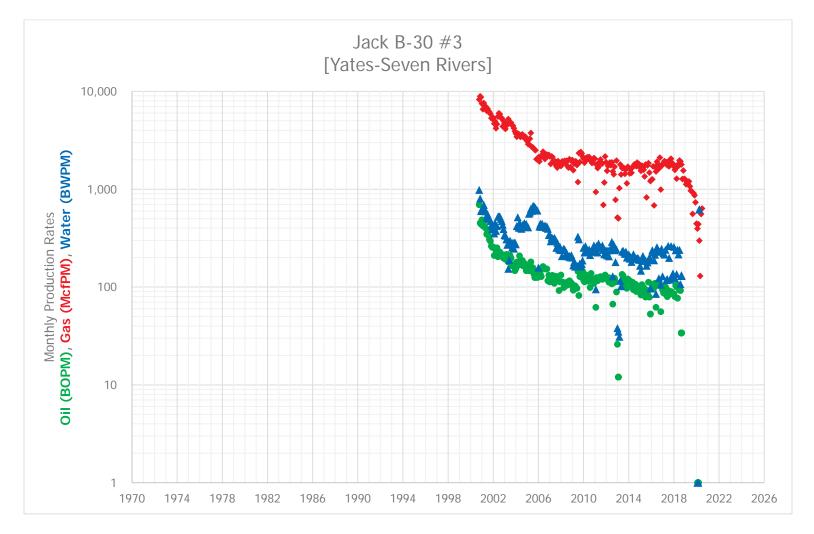
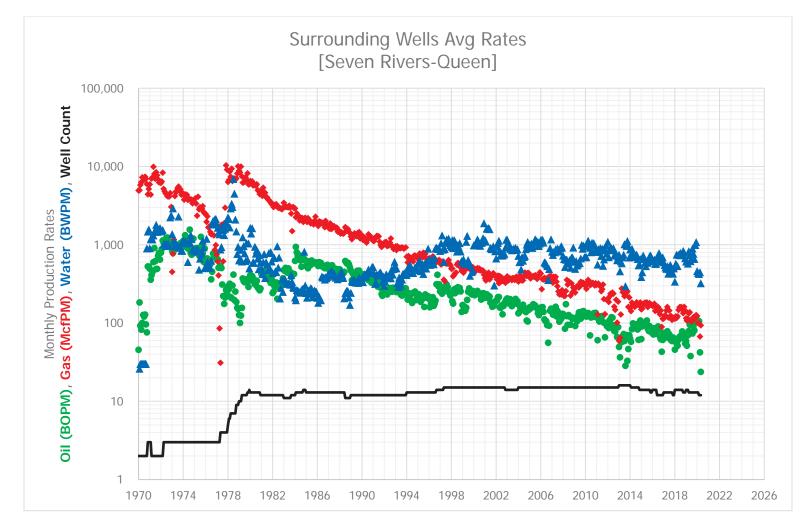


Exhibit B – Historical Average Production in the Proposed Zone



fae∐operating

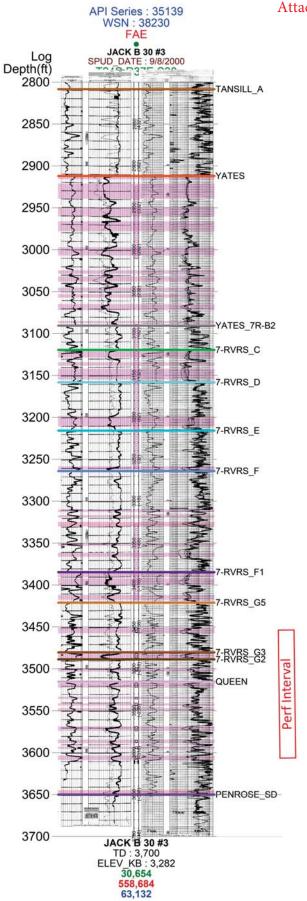
Exhibit C – Historical Production and Decline Curve

	Surrounding Wells Averaged Rates					Jack B-30 #3				Synthetic Decline Curve			
1	Avg Prod: Se	ven Rivers-	Queen [Oil]		Historical Prod: Yates-Seven Rivers [Dry Gas]				,				
	Avg Oil	Avg Gas	Avg Water	Well		Avg Oil	Avg Gas	Avg Water		Avg Oil	Avg Gas	Avg Water	
Date	(BOPM)	(McfPM)	(BWPM)	Count	Date	(BOPM)	(McfPM)	(BWPM)	Month	(BOPM)	(McfPM)	(BWPM)	
1/1/2015	62	150	387	14	1/1/2015	92	1,658	165	1	131.8	1,537	754	
2/1/2015	91	152	446	14	2/1/2015	83	1,544	147	2	131.2	1,534	752	
3/1/2015	98	175	725	14	3/1/2015	106	1,747	189	3	130.5	1,530	749	
4/1/2015	97	173	689	14	4/1/2015	97	1,655	208	4	129.9	1,526	747	
5/1/2015	101	182	587	14	5/1/2015	99	1,585	198	5	129.3	1,522	744	
6/1/2015	103	178	533	14	6/1/2015	90	1,351	185	6	128.7	1,518	742	
7/1/2015	108	183	606	14	7/1/2015	79	1,793	187	7	128.1	1,515	739	
8/1/2015	85	160	588	14	8/1/2015	93	824	165	8	127.4	1,511	737	
9/1/2015	79 91	170	655 715	14 14	9/1/2015 10/1/2015	87 112	1,753	179 190	9	126.8	1,507	734 732	
10/1/2015 11/1/2015	84	179 172	732	13	11/1/2015	79	1,849 1,476	201	11	126.2 125.6	1,503 1,499	732	
12/1/2015	76	171	674	13	12/1/2015	53	1,213	97	12	125.0	1,496	727	
1/1/2016	74	165	639	14	1/1/2016	-	1,249	-	13	124.4	1,492	725	
2/1/2016	71	169	614	14	2/1/2016	107	1,263	238	14	123.8	1,488	722	
3/1/2016	86	176	646	14	3/1/2016	95	1,715	225	15	123.2	1,485	720	
4/1/2016	73	143	570	14	4/1/2016	99	684	188	16	122.6	1,481	718	
5/1/2016	79	155	571	14	5/1/2016	109	1,693	214	17	122.1	1,477	715	
6/1/2016	78	150	623	12	6/1/2016	62	1,517	85	18	121.5	1,477	713	
7/1/2016	90	160	738	12	7/1/2016	108	1,908	256	19	120.9	1,473	713	
8/1/2016	81	138	738	12	8/1/2016	105	1,799	239	20	120.3	1,466	711	
9/1/2016	66	129	635	12	9/1/2016	106	1,623	123	21	119.7	1,462	706	
10/1/2016	62	145	687	12	10/1/2016	103	2,105	229	22	119.7	1,459	700	
11/1/2016	43	89	607	12	11/1/2016	56	991	106	23	118.6	1,455	701	
12/1/2016	61	113	690	12	12/1/2016	103	1,730	246	24	118.0	1,451	699	
1/1/2017	75	114	595	13	1/1/2017	94	1,812	129	25	117.5	1,448	697	
2/1/2017	66	124	551	13	2/1/2017	87	1,855	222	26	116.9	1,444	694	
3/1/2017	72	125	512	13	3/1/2017	88	1,942	215	27	116.3	1,441	692	
4/1/2017	71	145	492	13	4/1/2017	101	1,872	241	28	115.8	1,437	690	
5/1/2017	78	160	532	13	5/1/2017	83	1,890	118	29	115.2	1,433	688	
6/1/2017	64	118	427	13	6/1/2017	80	1,749	121	30	114.7	1,430	685	
7/1/2017	72	144	484	13	7/1/2017	92	1,849	264	31	114.1	1,426	683	
8/1/2017	66	121	549	13	8/1/2017	90	1,712	199	32	113.6	1,423	681	
9/1/2017	60	122	530	13	9/1/2017	85	2,012	119	33	113.1	1,419	679	
10/1/2017	59	109	449	13	10/1/2017	90	2,049	263	34	112.5	1,416	676	
11/1/2017	65	115	428	12	11/1/2017	87	1,814	131	35	112.0	1,412	674	
12/1/2017	64	117	498	12	12/1/2017	86	1,828	138	36	111.4	1,409	672	
1/1/2018	46	113	338	14	1/1/2018	85	1,705	258	37	110.9	1,405	670	
2/1/2018	58	122	573	14	2/1/2018	80	1,577	123	38	110.4	1,402	668	
3/1/2018	54	116	749	14	3/1/2018	104	1,634	238	39	109.8	1,398	665	
4/1/2018	51	122	533	14	4/1/2018	100	1,282	136	40	109.3	1,395	663	
5/1/2018	61	147	747	14	5/1/2018	77	1,781	241	41	108.8	1,391	661	
6/1/2018	66	159	736	14	6/1/2018	105	1,733	216	42	108.3	1,388	659	
7/1/2018	66	158	786	14	7/1/2018	93	1,968	240	43	107.8	1,384	657	
8/1/2018	70	160	733	14	8/1/2018	92	1,927	107	44	107.2	1,381	654	
9/1/2018	78	148	780	14	9/1/2018	34	1,789	131	45	106.7	1,377	652	
10/1/2018	64	133	835	13	10/1/2018		1,273		46	106.2	1,374	650	
11/1/2018	73	161	791	13	11/1/2018		1,553		47	105.7	1,370	648	
12/1/2018	55	145	673	13	12/1/2018		1,278		48	105.2	1,367	646	
1/1/2019	59	115	611	14	1/1/2019		1,262		49	104.7	1,364	644	
2/1/2019	51	107	625	14	2/1/2019		1,124		50	104.2	1,360	642	
3/1/2019	69	113	575	14	3/1/2019		1,165		51	103.7	1,357	640	
4/1/2019	79	132	824	13	4/1/2019		1,131		52	103.2	1,353	637	
5/1/2019	95	137	735	13	5/1/2019		1,203		53	102.7	1,350	635	
6/1/2019	38	108	616	13	6/1/2019		1,071		54	102.2	1,347	633	
7/1/2019	77	104	664	13	7/1/2019		966		55	101.7	1,343	631	
8/1/2019	73	114	892	13	8/1/2019		950		56	101.3	1,340	629	
9/1/2019	92	119	764	13	9/1/2019		559		57	100.8	1,337	627	
10/1/2019	80	113	659	13	10/1/2019		908		58	100.3	1,333	625	
11/1/2019	105	119	993	13	11/1/2019		866		59	99.8	1,330	623	
12/1/2019	105	126	1,078	13	12/1/2019		735		60	99.3	1,327	621	
1/1/2020	108	123	460	13	1/1/2020	-	445	-					
2/1/2020	102	100	434	13	2/1/2020	1	396	1					
3/1/2020	106	98	423	12	3/1/2020	1	440	1					
4/1/2020	42	67	446	12	4/1/2020		298	622					
5/1/2020	24	93	322	12	5/1/2020		130						

Exhibit D – Decline Curve IP Rates and Zone Allocation Percentage

Zone (1)	Zone (2)	Oil IP (BOPD)	Gas IP (MCFD)	Water IP (BWPD)
Jalmat	Yates-Seven Rivers	1.9	46.1	4
Langlie Mattix	Seven Rivers-Queen	2.4	4.5	21
	Total	4.3	50.6	25
Jalmat	Yates-Seven Rivers	42%	90%	16%
Langlie Mattix	Seven Rivers-Queen	58%	10%	84%
	Total (%)	100%	100%	100%

Attachment A - Jack B 30 #3 Log



API	Source	Perf Type	Top Perf	Btm Perf
30025351390000	CJH	Proposed	3451	3457
30025351390000	CJH	Proposed	3482	3487
30025351390000	CJH	Proposed	3499	3503
30025351390000	CJH	Proposed	3517	3522
30025351390000	CJH	Proposed	3534	3536
30025351390000	CJH	Proposed	3541	3544
30025351390000	CJH	Proposed	3547	3550
30025351390000	CJH	Proposed	3569	3574
30025351390000	CJH	Proposed	3585	3588
30025351390000	CJH	Proposed	3593	3595
30025351390000	CJH	Proposed	3604	3608

DISTRICT I P.O. Box 1880, Hobbs, NM 86241-1980

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0710

DISTRICT III 1000 Rio Brazos Rd., Astec, NM 87410

DISTRICT IV P.O. BOX 2066, SANTA FE, R.M. 87504-2068 OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

		· ·	WELL L	OCATIO	N AND ACRE	AGE DEDICATI	ON PLAT		
30-025	Number	5/39	338	Pool Code		Imat Tan	Pool Name	0	
Property 32690	Code	1			Property Naz	ne /	~//3 ~ //	Well Num	nber
OGRED N		1 -		-	Operator Nam	16		Elevation	on .
32932				FAE -	I operation	g, LLC		327	В
					Surface Loc	ation			
UL or lot No.	Section	Township	Range	Lot Idn		North/South line	Feet from the	East/West line	County
Α	30	24 S	37 E		660	NORTH	660	EAST	LEA
			Bottom	Hole L	ocation If Diffe	erent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acre	a Joint o		nsolidation	Code	Order No. R-565	8-A			
NO ALLO	WABLE W				COMPLETION U	NTIL ALL INTER		EEN CONSOLIDA	TED
		URAN	UN-SIAN	DARD C	INIT HAS BEEN	HILLIGHTON BI	HE DIVISION		
660	ack B-3 0'FNL 8	mat Oil W 30 No. 3 660' FEI 4-S,R-37				O	Eignature Marshal Printed Name Engineer Title 10/26/25 Date SURVEYO	1 Bates ing Tech 020 R CERTIFICAT	ionation nto to the
0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0					disting Jalmat of Jack B-30 1650'FNL & 9 Sec. 30, T-24-	No. 1 990' FEL	on this plat we actual everyone supervisor, and correct to the	NE 5, 2000	m shown maker of maker mg true and true and 12/00

Received by OCD: 12/2/2020 4:01:36 PM

DISTRICT I P.O. Box 1860, Hobbs, NW 86241-1860

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

RONALD CHEDSON

PROFESSAL

3239 12641

DISTRICT II P.O. Drawer DD, Artacia, No. 88211-0716

DISTRICT III 1000 Rio Brazos Rd., Artec, NM 87410 OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

D AMENDED REPORT

DISTRICT IV P.O. BOX 2084, SANTA FE, R.M. 87804-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

2	API Number 35/39			Pool Code 240		LANGLIE			
Property 326903	Code				Well Number				
0GRD No. 329326				FAE I operating, LLC				Sevation 3278	
					Surface Loc	ation			
Ul. or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
Α	30	24 S	37 E		660	NORTH	660	EAST	LEA
			Bottom	Hole Lo	cation If Diffe	erent From Sur	face		
UL or lot No.	Section	Township	Range	lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acre	1	or Infill Con	asolidation	Code Or	der No. R-565	8-A			

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION OPERATOR CERTIFICATION Existing Jalmat Oil Well I hereby certify the the beforeation Jack B-30 No. 3 ed herein to true and complete to the 6600'FNL & 660' FEL Sec. 30, T-24-S, R-37-E m Brates Signature Marshall Bates Printed Name Engineering 10/26/2020 SURVEYOR CERTIFICATION C. A. I hereby earlify that the well leading on this plat was platted from field notes of **Existing Jalmat Oil Producer** supervises, and that the same is true and Jack B-30 No. 1 correct to the best of my bellef. 1650'FNL & 990' FEL JUNE 5, 2000 Sec. 30, T-24-S,R-37-E Date Surger Minimum LMP