

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: FAE II Operating, LLC **OGRID Number:** 326876
Well Name: Airport #002 **API:** 30-025-35198
Pool: Jalmat (Oil) **Pool Code:** 79240

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

David Schellstede

Print or Type Name

Signature

12/10/2020
Date

832-220-3202
Phone Number

David@FAEnergyus.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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-107A
Revised August 1, 2011

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

FAE II Operating, LLC 11757 Katy Fwy. Ste. 1000, Houston, TX 77079

Operator **Airport** Address **E-22-25S-37E** **Lea**
Lease **329326** Well No. **326871** Unit Letter-Section-Township-Range **30-025-35198** County **X**
OGRID No. _____ Property Code _____ API No. _____ Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>Jalmat</i>		<i>Langlie Mattix</i>
Pool Code	<i>79240</i>		<i>37240</i>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<i>2,876 – 3,009'</i>		<i>3,312' – 3,580'</i>
Method of Production (Flowing or Artificial Lift)	<i>Artificial Lift</i>		<i>Artificial Lift</i>
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<i>32 API / 1.437 BTU</i>		<i>32 API / 1.437 BTU</i>
Producing, Shut-In or New Zone	<i>Producing</i>		<i>Producing</i>
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	<i>See Attached</i> Date: Rates:	Date: Rates:	<i>See Attached</i> Date: Rates:
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas <i>0 % 66 %</i>	Oil Gas <i> % %</i>	Oil Gas <i>100 % 34 %</i>

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No _____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes _____ No _____

Are all produced fluids from all commingled zones compatible with each other? Yes No _____

Will commingling decrease the value of production? Yes _____ No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No _____

NMOC Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jonathan Gatlin TITLE Project Analyst DATE 12/10/2020
TYPE OR PRINT NAME Jonathan Gatlin TELEPHONE NO. (832) 241 - 8080
E-MAIL ADDRESS Marshall@faenergyus.com

faeIIoperating

December 9, 2020

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

Re: Airport #002: API 30-025-35198
Jalmat Pool: 79240
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

fae II Operating

December 10, 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 Airport #002 well located in Sec. 22, T-25S, 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 Airport #002 well located in Unit Letter E, Section 22, T-25S, R-37E, 2,010 feet FNL and 990 feet FWL, as shown in the attached C-102's for each zone.

Airport #002 is currently open to the Yates-Seven Rivers zone, which translates to the JALMAT; TAN-YATES-7 RVRS pool [Pool ID: 79240]. 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 other zone that has production history in the Airport #002 is the Seven Rivers-Queen, which translates to the LANGLEIE MATTIX; 7 RVRS-Q-GRAYBURG [Pool ID: 37240]. To develop a production forecast, twenty-seven (27) 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 an Airport #002 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 Airport #002.

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 Airport #002 proved that an IP of 0.6 BOPD and 26.8 MCFPD is the expected total, and of that, 0.6 BOPD and 8.9 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 0.0 BOPD and 17.9 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.

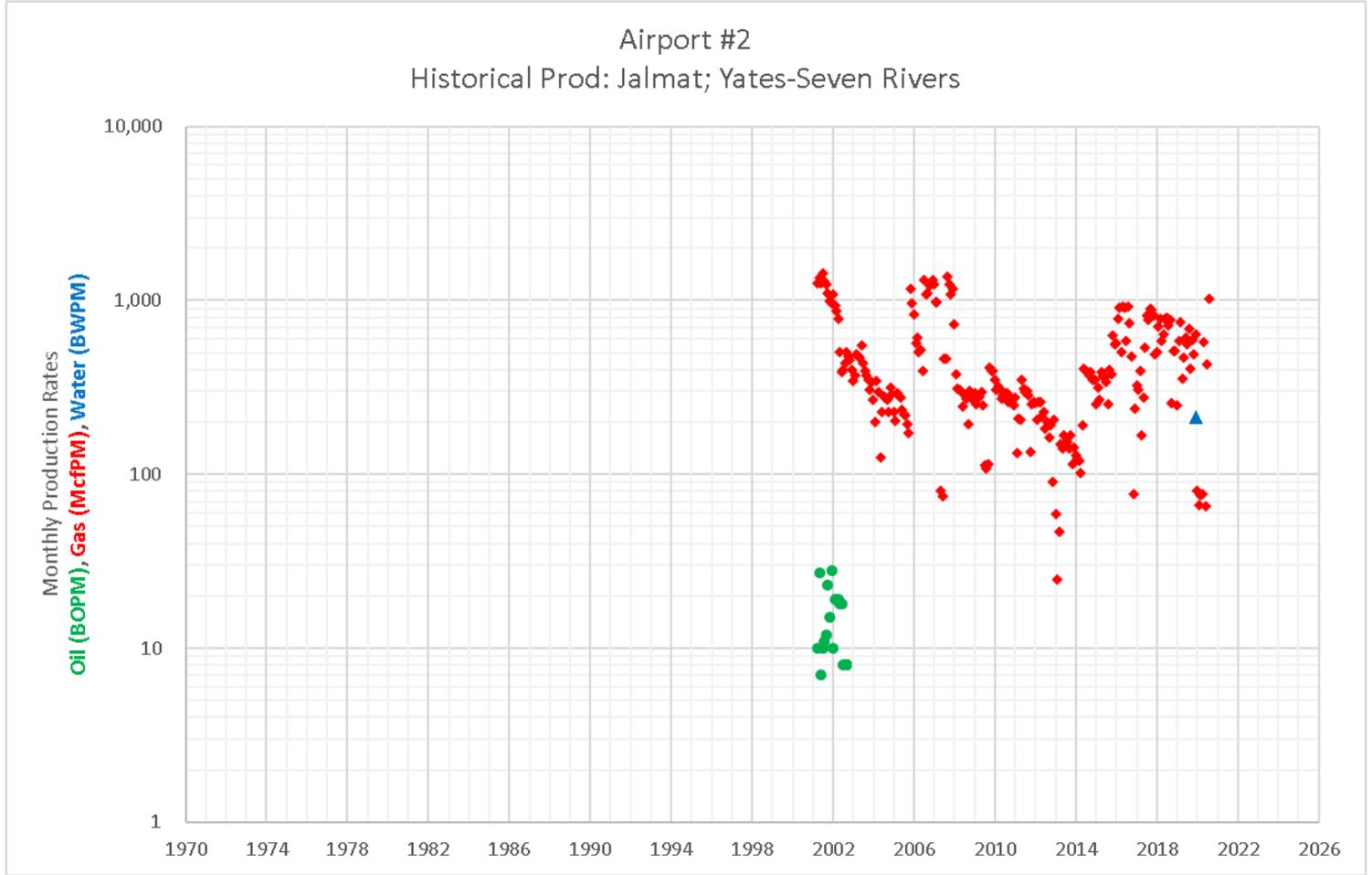
Very truly yours,



FAE II Operating, LLC

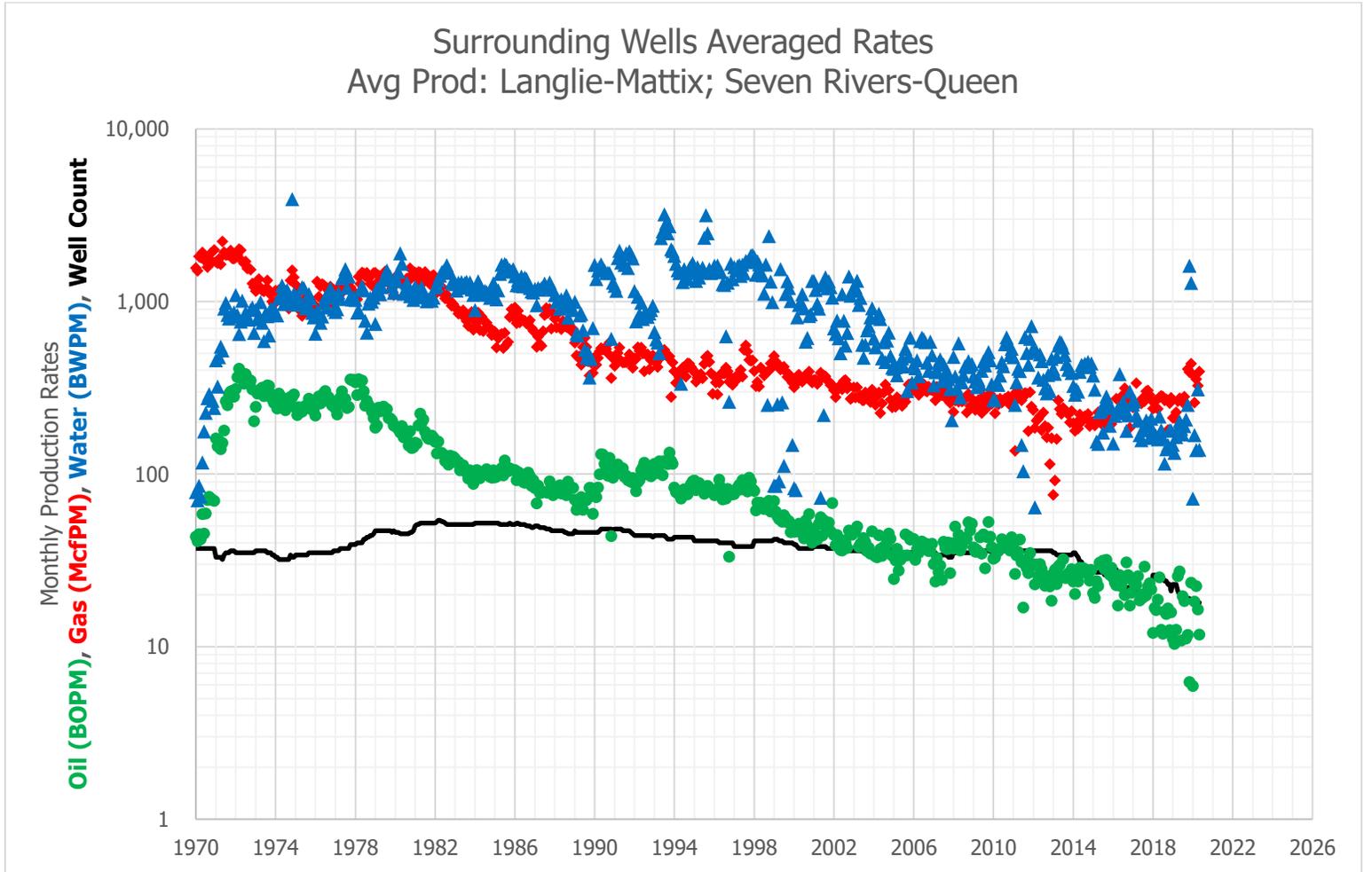
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Exhibit A – Historical Production in the Current Zone



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Exhibit B – Historical Average Production in the Proposed Zone



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Exhibit C – Historical Production and Decline Curve

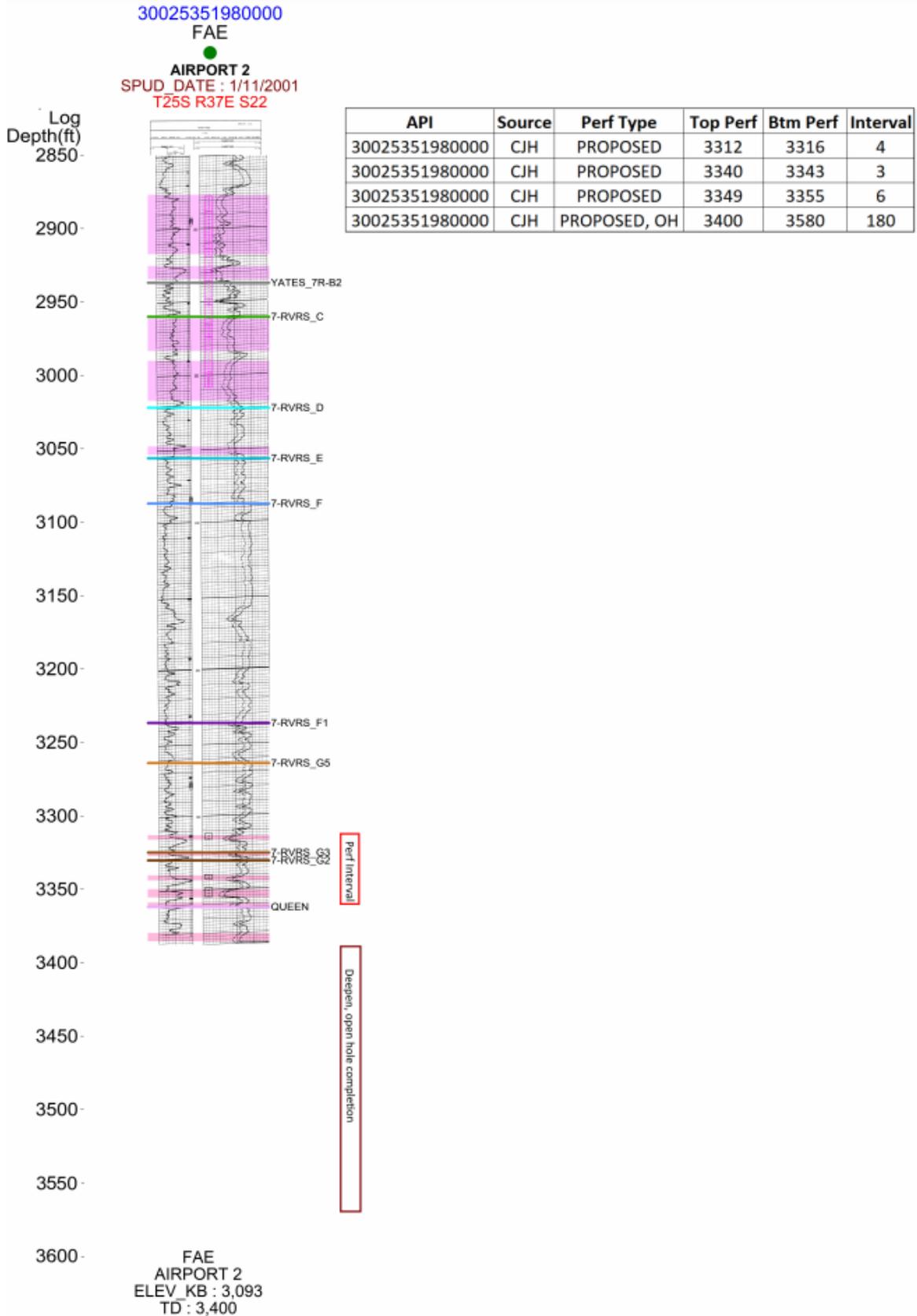
Surrounding Wells Averaged Rates					Airport #2				Synthetic Decline Curve			
Avg Prod: Langlie-Mattix; Seven Rivers-Queen					Historical Prod: Jalmat; Yates-Seven Rivers							
Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Month	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
1/1/2015	20	201	373	27	1/1/2015		255		1	18.9	816	235
2/1/2015	19	191	309	27	2/1/2015		314		2	18.8	814	235
3/1/2015	24	206	154	27	3/1/2015		269		3	18.7	812	234
4/1/2015	22	229	150	27	4/1/2015		389		4	18.6	810	233
5/1/2015	31	225	228	27	5/1/2015		363		5	18.5	808	232
6/1/2015	30	197	234	27	6/1/2015		358		6	18.4	806	232
7/1/2015	31	205	174	27	7/1/2015		342		7	18.3	804	231
8/1/2015	28	188	260	26	8/1/2015		252		8	18.2	802	230
9/1/2015	32	205	283	26	9/1/2015		398		9	18.1	800	229
10/1/2015	28	189	246	26	10/1/2015		376		10	18.1	798	229
11/1/2015	26	216	190	26	11/1/2015		633		11	18.0	796	228
12/1/2015	29	195	241	26	12/1/2015		559		12	17.9	794	227
1/1/2016	25	209	150	28	1/1/2016		570		13	17.8	792	226
2/1/2016	23	220	218	28	2/1/2016		782		14	17.7	790	226
3/1/2016	23	274	228	28	3/1/2016		905		15	17.6	788	225
4/1/2016	17	217	240	25	4/1/2016		508		16	17.5	786	224
5/1/2016	26	272	380	25	5/1/2016		925		17	17.5	784	223
6/1/2016	22	271	226	24	6/1/2016		903		18	17.4	782	223
7/1/2016	24	288	262	22	7/1/2016		585		19	17.3	780	222
8/1/2016	20	314	240	22	8/1/2016		916		20	17.2	778	221
9/1/2016	31	264	178	22	9/1/2016		736		21	17.1	776	220
10/1/2016	26	284	219	22	10/1/2016		478		22	17.1	774	220
11/1/2016	17	186	300	21	11/1/2016		77		23	17.0	772	219
12/1/2016	21	253	253	21	12/1/2016		238		24	16.9	770	218
1/1/2017	24	243	254	21	1/1/2017		325		25	16.8	768	217
2/1/2017	23	253	265	21	2/1/2017		308		26	16.7	766	217
3/1/2017	23	336	219	21	3/1/2017		394		27	16.6	764	216
4/1/2017	26	255	204	21	4/1/2017		169		28	16.6	763	215
5/1/2017	19	263	168	21	5/1/2017		276		29	16.5	761	215
6/1/2017	20	256	157	21	6/1/2017		536		30	16.4	759	214
7/1/2017	19	276	179	21	7/1/2017		823		31	16.3	757	213
8/1/2017	29	265	190	21	8/1/2017		769		32	16.3	755	213
9/1/2017	20	301	205	21	9/1/2017		891		33	16.2	753	212
10/1/2017	22	305	198	21	10/1/2017		879		34	16.1	751	211
11/1/2017	23	287	162	21	11/1/2017		819		35	16.0	749	210
12/1/2017	21	268	210	21	12/1/2017		491		36	15.9	747	210
1/1/2018	12	240	178	26	1/1/2018		504		37	15.9	746	209
2/1/2018	17	243	168	26	2/1/2018		704		38	15.8	744	208
3/1/2018	16	268	166	26	3/1/2018		779		39	15.7	742	208
4/1/2018	19	239	159	26	4/1/2018		586		40	15.6	740	207
5/1/2018	25	279	216	25	5/1/2018		642		41	15.6	738	206
6/1/2018	13	284	180	25	6/1/2018		779		42	15.5	736	206
7/1/2018	12	281	162	25	7/1/2018		791		43	15.4	734	205
8/1/2018	16	267	115	24	8/1/2018		716		44	15.3	733	204
9/1/2018	15	272	140	24	9/1/2018		778		45	15.3	731	204
10/1/2018	17	180	148	23	10/1/2018		256		46	15.2	729	203
11/1/2018	12	258	179	23	11/1/2018		514		47	15.1	727	202
12/1/2018	16	277	179	21	12/1/2018		515		48	15.1	725	202
1/1/2019	11	212	148	23	1/1/2019		248	-	49	15.0	724	201
2/1/2019	10	211	133	23	2/1/2019		589	-	50	14.9	722	200
3/1/2019	13	228	164	23	3/1/2019		756	-	51	14.8	720	200
4/1/2019	26	264	186	21	4/1/2019		354	-	52	14.8	718	199
5/1/2019	27	275	203	20	5/1/2019		470	-	53	14.7	716	198
6/1/2019	11	273	183	20	6/1/2019		609	-	54	14.6	715	198
7/1/2019	20	261	170	20	7/1/2019		562	-	55	14.6	713	197
8/1/2019	18	280	190	19	8/1/2019		692	-	56	14.5	711	196
9/1/2019	11	250	207	19	9/1/2019		403	-	57	14.4	709	196
10/1/2019	12	406	252	19	10/1/2019		590	-	58	14.4	707	195
11/1/2019	6	391	1,609	19	11/1/2019		487	-	59	14.3	706	194
12/1/2019	23	436	1,283	18	12/1/2019		640	211	60	14.2	704	194
1/1/2020	6	377	72	18	1/1/2020		80					
2/1/2020	18	260	168	18	2/1/2020		67					
3/1/2020	22	355	138	18	3/1/2020		76					
4/1/2020	16	325	310	18	4/1/2020		77					
5/1/2020	12	393	138	18	5/1/2020		577					
					6/1/2020		66					

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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	0.0	17.9	0.1
Langlie Mattix	Seven Rivers-Queen	0.6	8.9	7.6
	Total	0.6	26.8	7.7
Jalmat	Yates-Seven Rivers	0%	66%	99%
Langlie Mattix	Seven Rivers-Queen	100%	34%	1%
	Total (%)	100%	100%	100%

Attachment A - Airport #002 Well Log



District I
PO Box 1908, Hobbs, NM 88241-1908
District II
PO Drawer DD, Artesia, NM 88211-4719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 95189 35198		Pool Code 79240	Pool Name Jalmat
Property Code 326871	Property Name Airport		Well Number 2
OCRID No. 329326	Operator Name FAE II Operating, LLC		Elevation 3087'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
E	22	25 S	37 E		2010	North	990	West	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>		
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p>		
	<p>Certificate Number _____</p>		
	<p> </p>		

District I
 PO Box 1968, Hobbs, NM 88241-1968
 District II
 PO Drawer DD, Artesia, NM 88211-4719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 35189 35198		Pool Code 37240	Pool Name Langlie Mattix SR-QN-GB
Property Code 326871	Property Name Airport		Well Number 2
OGRID No. 329326	Operator Name FAE II Operating, LLC		Elevation 3087'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
E	22	25 S	37 E		2010	North	990	West	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 2010' 990'				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Title _____ Date _____
				18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____

From: [Engineer, OCD, EMNRD](#)
To: [Marshall Bates](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); lisa@rwbyram.com
Subject: Approved Administrative Order DHC-5100
Date: Wednesday, December 16, 2020 11:33:57 AM
Attachments: [DHC5100 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5100 which authorizes FAE II Operating, LLC (329326) to downhole commingle production from 2 pools in their Airport #2 well (30-025-35198).

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

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

**APPLICATION FOR DOWNHOLE COMMINGLING
SUBMITTED BY FAE II OPERATING, LLC**

ORDER NO. DHC-5100

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. FAE II Operating, LLC (“Applicant”) submitted a complete application (“Application”) to downhole commingle the pools described in Exhibit A (“the Pools”) within the well bore of the well identified in Exhibit A (“the Well”).
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
7. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
10. The bottom perforation of the lower zone is within one hundred fifty (150) percent of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
- 12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

- 1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
- 2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
- 3. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
- 4. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 5. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**
AS/dm

DATE: 12/16/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5100**

Operator: **FAE II Operating, LLC (329326)**

Well Name: **Airport #2**

Well API: **30-025-35198**

Pool Name: **JALMAT;TAN-YATES-7 RVRS (GAS)**

Upper Zone

Pool ID: **79240**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **0%**

Gas: **66%**

Interval: **Perforations**

Top: **2,876**

Bottom: **3,009**

Pool Name:

Intermediate Zone

Pool ID:

Current:

New:

Allocation:

Oil:

Gas:

Interval:

Top:

Bottom:

Bottom of Interval within 150% of Upper Zone's Top of Interval:

Pool Name: **LANGLIE MATTIX;7 RVRS-Q-GRAYBURG**

Lower Zone

Pool ID: **37240**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **100%**

Gas: **34%**

Interval: **Perforations**

Top: **3,312**

Bottom: **3,580**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **YES**

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 11877

CONDITIONS OF APPROVAL

Operator:	FAE II OPERATING LLC	11757 Katy Freeway, Suite 1000	Houston, TX77079	OGRID:	329326	Action Number:	11877	Action Type:	C-107A
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OCD Reviewer	Condition
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.