

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

Form C-107A
Revised August 1, 2011

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

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 Address
Arnott Ramsay NCT-B 3 A-32-25S-37E Lea

Lease Well No. Unit Letter-Section-Township-Range County
329326 326919 30-025-11863 X
OGRID No. Property Code API No. Lease Type: Federal State Fee

Table with 4 columns: DATA ELEMENT, UPPER ZONE, INTERMEDIATE ZONE, LOWER ZONE. Rows include Pool Name (Jalmat, Langlie Mattix), Pool Code (79240, 37240), Top and Bottom of Pay Section (2,555 - 3,070', 3,095' - 3,429'), Method of Production (Artificial Lift), Oil Gravity or Gas BTU (33.1 API / 1.346 BTU), Producing, Shut-In or New Zone (Producing), Date and Oil/Gas/Water Rates of Last Production (See Attached), and Fixed Allocation Percentage (0% Oil, 87% Gas vs 100% Oil, 13% Gas).

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No
Will commingling decrease the value of production? Yes No X
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 X No

NMOCD 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 M Bates TITLE Engineering Tech DATE 3/30/21
TYPE OR PRINT NAME Marshall Bates TELEPHONE NO. (832) 241-8080
E-MAIL ADDRESS Marshall@FAEnergyus.com

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March 31, 2021

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

Re: Arnott Ramsay NCT-B #003: API 30-025-11863
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) 220-9188 or by email at steven@faenergyus.com.

Thank you for your attention to this matter.

Sincerely,

FAE II Operating, LLC



Steven Lehrbass

Land

fae II operating

March 29, 2021

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 Jalmat and Langlie Mattix Pools for the Arnott Ramsay NCT-B #3 well located in Sec. 32, 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 Jalmat and Langlie Mattix Pools for its Arnott Ramsay NCT-B #3 well located in Unit Letter A, Section 32, T-25S, R-37E, 660 feet FNL and 660 feet FEL, as shown in the attached C-102's for each zone.

The Arnott Ramsay NCT-B #3 is currently open to the Yates-Seven Rivers interval, which translates to the JALMAT; TAN-YATES-7 RVRs pool [Pool ID: 79240]. The production curve for this interval is shown in Exhibit A. To develop a forecast for this zone, a decline curve was utilized based on the aforementioned historical production.

The zone that does not have production history in the Arnott Ramsay NCT-B #3 is the Seven Rivers-Queen, which translates to the LANGLEIE MATTIX; 7 RVRs-Q-GRAYBURG [Pool ID: 37240]. To develop a forecast for this zone, three (3) surrounding wells with production history from the Seven Rivers-Queen were used as an offset to prove up hole potential in the Arnott Ramsay NCT-B #3 by taking the historical 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.

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 C. This forecast for the Arnott Ramsay NCT-B #3 proved that an IP of 5.2 BOPD and 57.0 MCFPD is the expected total, and of that, 5.2 BOPD and 7.2 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 0.0 BOPD and 49.8 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.

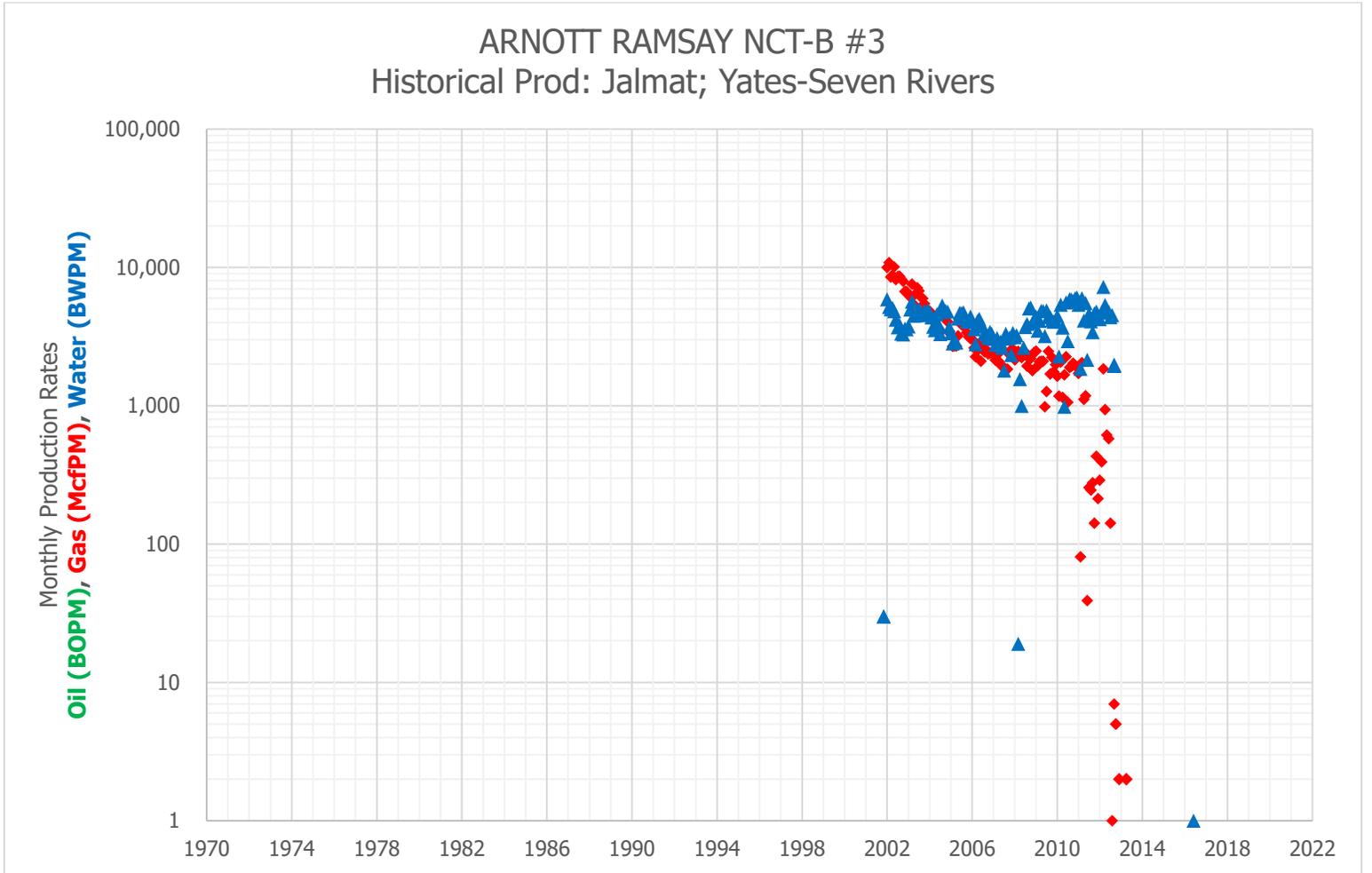
Very truly yours,



FAE II Operating, LLC

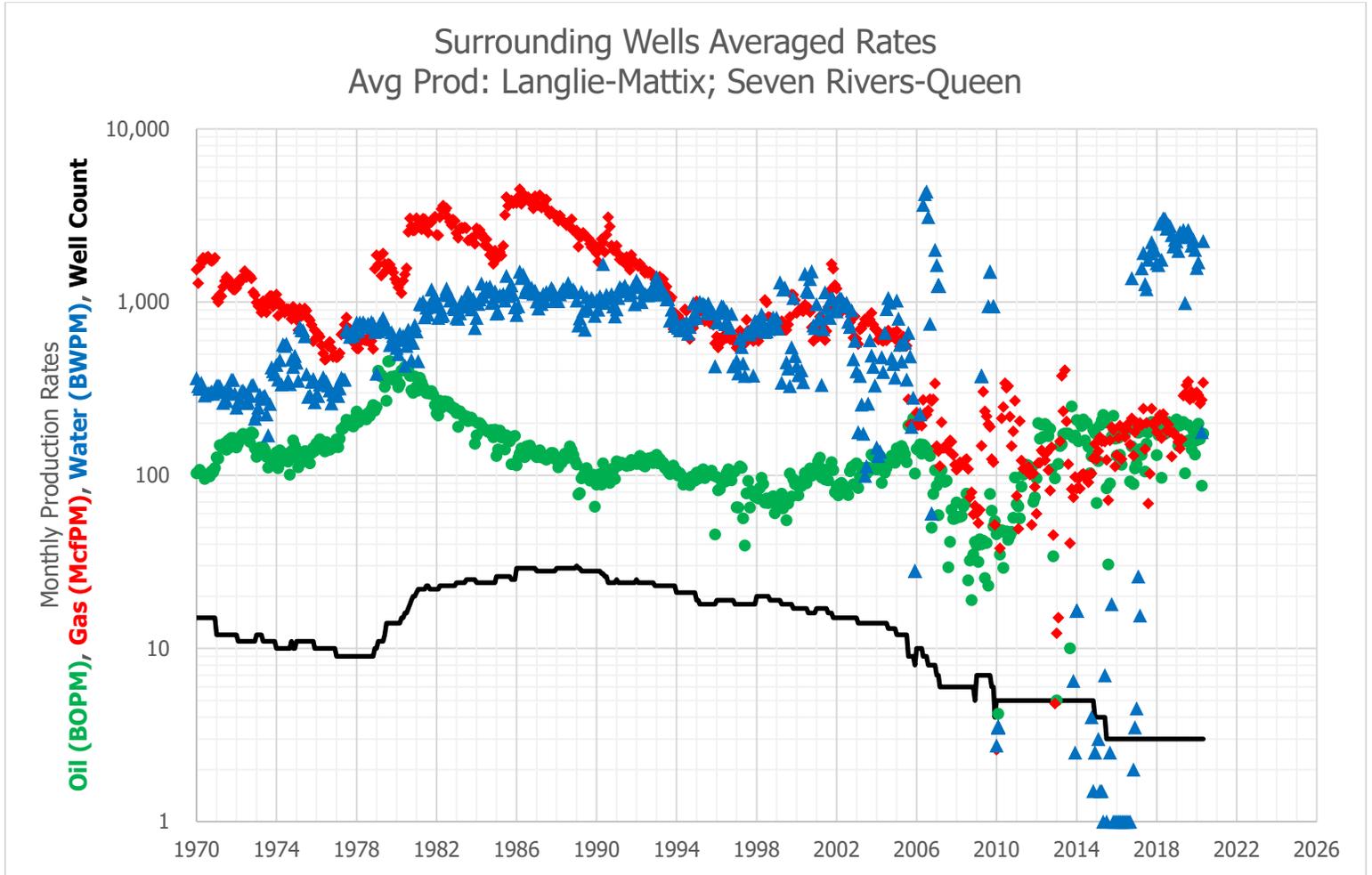
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Exhibit A – Historical and Forecast Production in the Current Zone



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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					ARNOTT RAMSAY NCT-B #3				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)
7/1/2015	84	122	1	3	1/1/2008		2,144	3,123	1	158.3	1,734	5,427
8/1/2015	31	72	1	3	2/1/2008		2,437	3,239	2	157.6	1,729	5,409
9/1/2015	90	159	3	3	3/1/2008		2,475	19	3	156.8	1,725	5,391
10/1/2015	168	189	18	3	4/1/2008		2,288	1,559	4	156.1	1,721	5,373
11/1/2015	221	182	1	3	5/1/2008		2,227	998	5	155.3	1,716	5,356
12/1/2015	163	112	1	3	6/1/2008		2,435	2,634	6	154.6	1,712	5,338
1/1/2016	130	130	1	3	7/1/2008		2,437	3,701	7	153.8	1,708	5,320
2/1/2016	165	165	1	3	8/1/2008		1,940	3,912	8	153.1	1,703	5,303
3/1/2016	131	193	1	3	9/1/2008		2,201	5,059	9	152.4	1,699	5,286
4/1/2016	115	124	1	3	10/1/2008		2,200	5,118	10	151.6	1,695	5,268
5/1/2016	184	183	1	3	11/1/2008		1,793	3,967	11	150.9	1,691	5,251
6/1/2016	174	166	1	3	12/1/2008		2,422	4,192	12	150.2	1,687	5,234
7/1/2016	187	185	1	3	1/1/2009		2,489	4,412	13	149.5	1,682	5,216
8/1/2016	189	199	1	3	2/1/2009		1,944	3,482	14	148.8	1,678	5,199
9/1/2016	92	151	1	3	3/1/2009		2,074	4,109	15	148.0	1,674	5,182
10/1/2016	147	213	1,375	3	4/1/2009		2,096	4,854	16	147.3	1,670	5,165
11/1/2016	89	129	2	3	5/1/2009		2,096	4,854	17	146.6	1,666	5,148
12/1/2016	110	177	4	3	6/1/2009		985	3,182	18	145.9	1,661	5,131
1/1/2017	116	200	5	3	7/1/2009		1,266	4,890	19	145.2	1,657	5,114
2/1/2017	176	191	26	3	8/1/2009		2,476	4,402	20	144.5	1,653	5,098
3/1/2017	142	201	16	3	9/1/2009		1,699	4,361	21	143.9	1,649	5,081
4/1/2017	131	194	1,566	3	10/1/2009		2,244	4,152	22	143.2	1,645	5,064
5/1/2017	180	242	1,919	3	11/1/2009		1,766	4,048	23	142.5	1,641	5,047
6/1/2017	105	141	1,271	3	12/1/2009		1,983	4,127	24	141.8	1,637	5,031
7/1/2017	152	201	1,185	3	1/1/2010		1,632	4,451	25	141.1	1,633	5,014
8/1/2017	177	69	1,758	3	2/1/2010		1,175	2,270	26	140.4	1,629	4,998
9/1/2017	198	102	1,911	3	3/1/2010		2,071	5,364	27	139.8	1,624	4,981
10/1/2017	203	242	2,216	3	4/1/2010		1,147	3,674	28	139.1	1,620	4,965
11/1/2017	203	196	2,040	3	5/1/2010		1,672	983	29	138.4	1,616	4,949
12/1/2017	184	205	1,986	3	6/1/2010		2,264	5,577	30	137.8	1,612	4,933
1/1/2018	131	177	1,675	3	7/1/2010		1,059	2,927	31	137.1	1,608	4,916
2/1/2018	171	206	1,633	3	8/1/2010		1,895	5,900	32	136.5	1,604	4,900
3/1/2018	196	223	2,831	3	9/1/2010		1,927	5,854	33	135.8	1,600	4,884
4/1/2018	97	163	1,752	3	10/1/2010		2,030	5,683	34	135.2	1,596	4,868
5/1/2018	203	226	3,039	3	11/1/2010		1,945	5,998	35	134.5	1,592	4,852
6/1/2018	173	206	3,026	3	12/1/2010		1,921	6,072	36	133.9	1,588	4,836
7/1/2018	187	181	2,651	3	1/1/2011		1,712	5,373	37	133.2	1,584	4,820
8/1/2018	203	196	2,795	3	2/1/2011		81	1,848	38	132.6	1,580	4,804
9/1/2018	192	178	2,745	3	3/1/2011		2,048	5,994	39	132.0	1,576	4,789
10/1/2018	183	128	2,438	3	4/1/2011		1,114	4,139	40	131.3	1,572	4,773
11/1/2018	202	177	2,092	3	5/1/2011		1,184	5,537	41	130.7	1,569	4,757
12/1/2018	187	171	2,294	3	6/1/2011		39	2,153	42	130.1	1,565	4,741
1/1/2019	210	168	2,240	3	7/1/2011		256	4,606	43	129.5	1,561	4,726
2/1/2019	148	156	1,971	3	8/1/2011		246	4,065	44	128.8	1,557	4,710
3/1/2019	194	142	2,528	3	9/1/2011		278	3,400	45	128.2	1,553	4,695
4/1/2019	198	161	2,436	3	10/1/2011		142	4,650	46	127.6	1,549	4,679
5/1/2019	203	288	2,609	3	11/1/2011		432	4,791	47	127.0	1,545	4,664
6/1/2019	103	295	986	3	12/1/2011		213	4,479	48	126.4	1,541	4,649
7/1/2019	157	330	2,371	3	1/1/2012		289	4,232	49	125.8	1,538	4,633
8/1/2019	195	348	2,602	3	2/1/2012		393	4,715	50	125.2	1,534	4,618
9/1/2019	160	274	2,403	3	3/1/2012		1,847	7,243	51	124.6	1,530	4,603
10/1/2019	141	302	2,120	3	4/1/2012		939	5,341	52	124.0	1,526	4,588
11/1/2019	181	281	2,293	3	5/1/2012		614	4,992	53	123.4	1,522	4,573
12/1/2019	132	294	2,000	3	6/1/2012		579	4,770	54	122.8	1,518	4,558
1/1/2020	159	301	1,572	3	7/1/2012		142	4,375	55	122.2	1,515	4,543
2/1/2020	198	290	1,693	3	8/1/2012		1	4,507	56	121.6	1,511	4,528
3/1/2020	162	259	1	3	9/1/2012		7	1,952	57	121.1	1,507	4,513
4/1/2020	87	272	178	3	10/1/2012		5		58	120.5	1,503	4,498
5/1/2020	174	342	2,248	3	11/1/2012		-		59	119.9	1,500	4,483
6/1/2020	122	295	2,175	3	12/1/2012		2		60	119.3	1,496	4,469
7/1/2020	87	356	1	3	1/1/2013		-					
8/1/2020	169	383	1	3	2/1/2013		-					
9/1/2020	166	328	1	3	3/1/2013		-					
10/1/2020	-	291	-	3	4/1/2013		2					
11/1/2020	190	307	1	3	5/1/2013		-					
12/1/2020	181	270	3	3	6/1/2013		-					

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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	49.8	134.4
Langlie Mattix	Seven Rivers-Queen	5.2	7.2	44.1
	Total	5.2	57.0	178.5
Jalmat	Yates-Seven Rivers	0%	87%	75%
Langlie Mattix	Seven Rivers-Queen	100%	13%	25%
	Total (%)	100%	100%	100%

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
511 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 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 30-025-11863	Pool Code 79240	Pool Name Jalmat (Tansill-Yates-Seven Rivers)
Property Code 326919	Property Name Amott Ramsay NCT-B	Well Number 3
OGRID No. 329326	Operator Name FAE II Operating, LLC	Elevation 3004' GR

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
A	32	25S	37E		660'	North	660'	East	Lea

Bottom Hole Location if Different From Surface

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

Dedicated Acres 240	Joint or Infill N	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

M Bates
Signature
Marshall Bates
Printed Name
Engineering Tech
Title
3/29/2021
Date

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 Surveyer:
Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
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Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-11863	Pool Code 37240	Pool Name Langlie Matrix
Property Code 326919	Property Name Arnett Ramsay NCT-B	Well Number 3
OGRID No. 329326	Operator Name FAE II Operating, LLC	Elevation 3004' GR

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
A	32	25S	37E		660'	North	660'	East	Lea

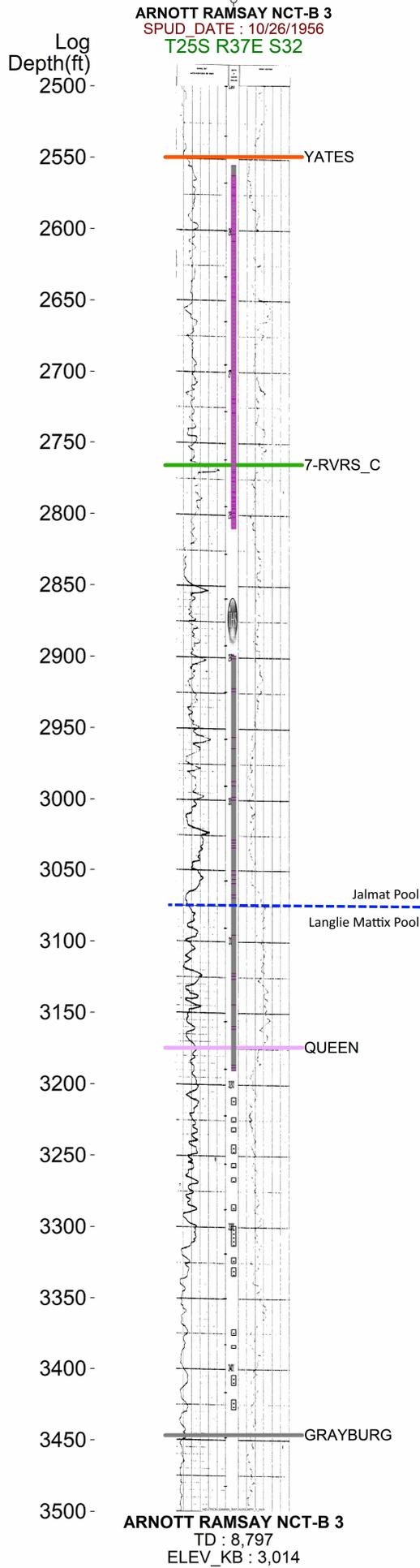
Bottom Hole Location If Different From Surface

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

Dedicated Acres 240	Joint or Infill N	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>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><i>M. Bates</i></p> <p>Signature Marshall Bates</p> <p>Printed Name Engineering Tech</p> <p>Title 3/29/2021</p> <p>Date</p>
	<p>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>



API	Source	Status	Top Perf	Btm Perf
30025118630000	CJH	PROPOSED	3210	3215
30025118630000	CJH	PROPOSED	3224	3227
30025118630000	CJH	PROPOSED	3231	3234
30025118630000	CJH	PROPOSED	3243	3249
30025118630000	CJH	PROPOSED	3256	3259
30025118630000	CJH	PROPOSED	3266	3269
30025118630000	CJH	PROPOSED	3285	3289
30025118630000	CJH	PROPOSED	3300	3314
30025118630000	CJH	PROPOSED	3322	3326
30025118630000	CJH	PROPOSED	3329	3335
30025118630000	CJH	PROPOSED	3373	3377
30025118630000	CJH	PROPOSED	3384	3386
30025118630000	CJH	PROPOSED	3405	3412
30025118630000	CJH	PROPOSED	3422	3429

Well Name: Arnett Ramsay NCT-B #003 Lease No: _____ Lease Type: _____ State: _____
 Township: 25-S Range: 37-E Sec: 32-A Location: 660 FNL & 660 FEL
 County: Lea State: NM API: 30-025-11863 Formation: Jalmat-Langlie Mattix; Y-7R-Q

PROPOSED

Surface Csg
 Size: 13-3/8"
 Wt.&Thrd: 48#
 Grade: _____
 Set @: 494'
 Sxs cmt: 600 sx
 Circ: _____
 TOC: Surface
 Hole Size: 17-1/4"

KB: 3014'
 DF: _____
 GL: 3004'
 Spud Date: 10/26/1956
 Compl. Date: 12/16/1957

Intermediate Csg
 Size: 8-5/8"
 Wt.&Thrd: 24#
 Grade: _____
 Set @: 3600'
 Sxs Cmt: 3388 sx
 Circ: _____
 TOC: Surface
 Hole Size: 11"

History - Highlights
1963: Set CICR @ 8725' and sqz perms 8740-8767'
1964: P&A well - Cut & pull 5-1/2" csg @ 4285', dump cmt on top 25 sx cmt to 4240', 25 sx cmt to 3575', cmt 50' to surface. Left 4495' of 5-1/2", 3583' of 8-5/8", 477' of 13-3/8" csg.
2001: Perf & Test YATES. Sqz 2900-3191'
2013-07: TA well
Proposed: DO cmt & CIBP, CO to ~3550'. Add Perfs & Acidize Langlie-Mattix; DHC Jalmat-Langlie Mattix Pools

SN 3393'
 EOT 3429'

Production Csg 2
 Size: 7" OD x 5-1/2" OD
 Wt.&Thrd: 23# x 15.5#
 Grade: _____
 Set @: 3576'
 Sxs Cmt: 550 sx
 Circ: _____
 TOC: Surface
 Hole Size: 7-7/8"
 Note: (X-over @ 2466')

Cmt on top 8530'
 CICR 8725'

Production Csg
 Size: 5-1/2"
 Wt.&Thrd: 14-15.5-17#
 Grade: N-80 & J-55
 Set @: 8797'
 Sxs Cmt: 800 sx
 Circ: _____
 TOC: 4280'
 Hole Size: 7-7/8"

YATES (Top @ 2340')

2569-2811' (24 holes) - Dec 2001
 Acidized w/ 5200 gal 15% MCA acid; SWF w/ 224,053 gal, 45,000# 20/40 sand, 67,500# 10/20 sand, & 337,500# 8/16 sand

2900-3091' (21 holes) - Dec 2001 [SQUEEZED]
 Acidized w/ 2600 gal 15% MCA acid

3094-3191' (11 holes) - Dec 2001 [SQUEEZED]

QUEEN (Top @ 3175')

3210-3215', 3224-3227', 3231-3234', 3243-3249', 3256-3259', 3266-3269', 3285-3289', 3300-3314', 3322-3326', 3329-3335', 3373-3377', 3384-3386', 3405-3412', 3422-3429' (2 SPF) - Proposed

Acidize w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt, & flush w/ 1000 bbls 2% KCL water

DEVONIAN (Top @ 8600') [SQUEEZED]

8644-8715', 8740-8767' - Feb 1957
 Acidized w/ 2000 gal 15% NE acid

PBTD ~3550'
TD 8797'

Tubulars - Capacities and Performance	
2-3/8" 4.7# 8rd EUE Tubing (105 jts 2-3/8" tbq, SN, 4' perf sub, MA w/ bull plug)	

Well Name: Arnett Ramsay NCT-B #003 Lease No: _____ Lease Type: _____ State: _____
 Township: 25-S Range: 37-E Sec: 32-A Location: 660 FNL & 660 FEL
 County: Lea State: NM API: 30-025-11863 Formation: JALMAT;TAN-Y-7RVRS

CURRENT

Surface Csg
 Size: 13-3/8"
 Wt.&Thrd: 48#
 Grade: _____
 Set @: 494'
 Sxs cmt: 600 sx
 Circ: _____
 TOC: Surface
 Hole Size: 17-1/4"

KB: 3014'
 DF: _____
 GL: 3004'
 Spud Date: 10/26/1956
 Compl. Date: 12/16/1957

Intermediate Csg
 Size: 8-5/8"
 Wt.&Thrd: 24#
 Grade: _____
 Set @: 3600'
 Sxs Cmt: 3388 sx
 Circ: _____
 TOC: Surface
 Hole Size: 11"

History - Highlights
1963: Set CICR @ 8725' and sqz perms 8740-8767'
1964: P&A well - Cut & pull 5-1/2" csg @ 4285', dump cmt on top 25 sx cmt to 4240', 25 sx cmt to 3575', cmt 50' to surface. Left 4495' of 5-1/2", 3583' of 8-5/8", 477' of 13-3/8" csg.
2001: Perf & Test YATES. Sqz 2900-3191'
2013-07: TA well

 All info from OCD well files ONLY

Cmt on top 2454'
 CIBP 2494'

YATES (Top @ 2340') [ISOLATED]

2569-2811' (24 holes) - Dec 2001
 Acidized w/ 5200 gal 15% MCA acid; SWF w/ 224,053 gal, 45,000# 20/40 sand, 67,500# 10/20 sand, & 337,500# 8/16 sand
 2900-3091' (21 holes) - Dec 2001 [SQUEEZED]
 Acidized w/ 2600 gal 15% MCA acid
 3094-3191' (11 holes) - Dec 2001 [SQUEEZED]

Production Csg 2
 Size: 7" OD x 5-1/2" OD
 Wt.&Thrd: 23# x 15.5#
 Grade: _____
 Set @: 3576'
 Sxs Cmt: 550 sx
 Circ: _____
 TOC: Surface
 Hole Size: 7-7/8"
 Note: (X-over @ 2466')

Cmt on top 8530'
 CICR 8725'

DEVONIAN (Top @ 8600') [SQUEEZED]

8644-8715', 8740-8767' - Feb 1957
 Acidized w/ 2000 gal 15% NE acid

Production Csg
 Size: 5-1/2"
 Wt.&Thrd: 14-15.5-17#
 Grade: N-80 & J-55
 Set @: 8797'
 Sxs Cmt: 800 sx
 Circ: _____
 TOC: 4280'
 Hole Size: 7-7/8"

PBTD 2454'
 TD 8797'

Tubulars - Capacities and Performance

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY*													
<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 checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>													
<p>1. Article Addressed to:</p> <p>Commissioner of Public Lands Attn: Commingling Manager PO Box 1148 Santa Fe, NM 87504</p>	<p>B. Received by (Printed Name)</p>	<p>C. Date of Delivery</p>												
 9590 9402 6545 1028 5770 08	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>													
<p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 9346 5552</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> </table>		<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery	
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<input type="checkbox"/> Collect on Delivery Restricted Delivery														
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>														

From: [Engineer, OCD, EMNRD](#)
To: [Vanessa Neal](#); [Marshall Bates](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Dawson, Scott](#)
Subject: Approved Administrative Order DHC-5130
Date: Wednesday, December 22, 2021 5:35:02 PM
Attachments: [DHC5130 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5130 which authorizes FAE II Operating, LLC (329326) to downhole commingle production from 2 pools in their Arnott Ramsay NCT B #3 well (30-025-11863).

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. If you have any questions regarding this matter, please contact me.

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

From: [Vanessa Neal](#)
To: [McClure, Dean, EMNRD](#); [Marshall Bates](#)
Subject: [EXTERNAL] RE: downhole commingling application DHC-5130
Date: Tuesday, December 21, 2021 10:11:42 AM
Attachments: [image001.png](#)
[WBD AR NCT-B #003 CURRENT-PROPOSED 2021-12.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Mr. McClure,

Please find the attached current and proposed wellbore diagrams for the downhole commingling application DHC-5130 which involves the Arnott Ramsay NCT-B #3 (30-025-11863) operated by FAE II Operating, LLC (329326).

Thank you,
Vanessa Neal | Sr Reservoir Engineer

forty acres energy

[O 832.219.0990 \(ext 165\)](tel:832.219.0990)

[C 979.255.3476](tel:979.255.3476)

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Wednesday, November 24, 2021 3:46 PM
To: Marshall Bates <marshall@faenergyus.com>; Vanessa Neal <vanessa@faenergyus.com>
Subject: downhole commingling application DHC-5130

Mr. Bates, Ms. Neal,

I am reviewing downhole commingling application DHC-5130 which involves the Arnott Ramsay NCT-B #3 (30-025-11863) operated by FAE II Operating, LLC (329326).

Please submit current and proposed well bore diagrams for this well.

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-5130

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 percent (150%) 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. Prior to commingling production from the Pools within the Well's well bore, Applicant shall confirm the depth of the top of the Queen Formation with OCD's Engineering Bureau. If the depth confirmed by OCD's Engineering Bureau is different than the depth submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after commingling production, Applicant shall submit Form C-103 to the OCD Engineering Bureau correcting the depth of the top of the Queen Formation.
5. If the Well is deepened, then Applicant shall conduct and, no later than forty-five (45) days after the Well is deepened, provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. 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.
7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant

shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 12/22/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5130**

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

Well Name: **Arnott Ramsay NCT-B #3**

Well API: **30-025-11863**

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

Upper Zone

Pool ID: **79240**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **0%**

Gas: **87%**

Interval: **Perforations**

Top: **2,555**

Bottom: **3,070**

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: **13%**

Interval: **Perforations**

Top: **3,095**

Bottom: **3,429**

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

Top of Queen Formation: **3,175**

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 23132

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 1000 Houston, TX 77079	OGRID: 329326
	Action Number: 23132
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/22/2021