

Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-22364
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name FANNING A
8. Well Number #001
9. OGRID Number 329326
10. Pool name or Wildcat [58300] TEAGUE; PADDOCK-BLINEBRY [33600] IMPERIAL; TUBB-DRINKARD
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3291

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
FAE II Operating LLC

3. Address of Operator
11757 Katy Freeway, Suite 725, Houston, TX 77079

4. Well Location

Unit Letter B : 330 feet from the NORTH line and 1650 feet from the EAST line
Section 33 Township 23S Range 37E NMPM LEA County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☒
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Proposed: MIRU. Pull rods, pump & tbg. Clean out to PBTD (top of dual pkr). Pull blanking plug in pkr. Pull pkr. Clean out to PBTD (~6324'). Add TUBB perfs 5992-5996' (4 SPF, 16 holes). Add BLINEBRY perfs 5365-5725' (2 SPF, 202 holes). Use RBP and packer to isolate perf intervals for stimulation. Acidize TUBB-DRINKARD 5992-6282' w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt, & flush w/ 35 bbls 2% KCL water. Acidize BLINEBRY 5741-5923' w/ 2500 gals 15% NEFE HCL acid, 750# rock salt, & flush w/ 35 bbls 2% KCL water. Acidize BLINEBRY 5502-5725' w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt, & flush w/ 35 bbls 2% KCL water. Acidize BLINEBRY 5365-5489' w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt, & flush w/ 35 bbls 2% KCL water. RIH w/ tbg, pump & rods. RTP & DHC pre-approved [58300] Teague; Paddock-Blinebry & [33600] Imperial; Tubb-Drinkard pools.

[58300] Teague; Paddock-Blinebry 53% Oil, 22% Gas
[33600] Imperial; Tubb-Drinkard pools 47% Oil, 78% Gas

DHC will not reduce value. The interest owners are the same across both pools.

Spud Date:

8/24/2022

Rig Release Date:

8/31/2022

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

SIGNATURE  TITLE Sr Reservoir Engineer DATE 28 JUL 2022

Type or print name Vanessa Neal E-mail address: vanessa@faenergyus.com PHONE: (832) 219-0990

For State Use Only

APPROVED BY: Dean R McClure TITLE Petroleum Engineer DATE 01/18/2023

Conditions of Approval (if any):

CONDITIONS OF APPROVAL

If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.

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 the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.

If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

Well Name: **FANNING A #001** Lease No: _____ Lease Type: **Private**
 Township: **23-S** Range: **37-E** Sec: **33-B** Location: **330' FNL & 1650' FEL**
 County: **Lea** State: **NM** API: **30-025-22364** Formation: **DHC: [58300] Teague; Paddock-Blinebry & [36000] Imperial; Tubb-Drinkard**

Surface Csg

Size: **9-5/8"**
 Wt.&Thrd: **32#**
 Grade: _____
 Set @: **1053'**
 Sxs cmt: **425 sxs**
 Circ: **Circ**
 TOC: **Surface**
 Hole Size: **12-1/4"**

KB: **3303'**
 DF: **3302'**
 GL: **3291'**
 Spud Date: **12/7/1967**
 Compl. Date: **1/25/1968**

PROPOSED**History - Highlights**

1968-01: Dual completion Blinebry & Tubb-Drinkard
1971-03: Plug off Tubb-Drinkard, Return Blinebry to production as a single completion
???: Add Perfs & Acidize BLINEBRY
2022-08: Add Perfs & Acidize PADDOCK
PROPOSED: Clean out to pkr; Remove blanking plug & POOH w/ pkr; Clean out to TD; Reperf BLINEBRY, Add Perfs & Acidize TUBB-DRINKARD; RTP & DHC

QUEEN (Top @ 3433')**GRAYBURG (Top @ 3621')****SAN ANDRES (Top @ 3860')****PADDOCK (Top @ 4958')**

5026-5028', 5053-5055', 5063-5065', 5075-5077', 5092-5094', 5103-5105', 5117-5119', 5137-5139', 5152-5155', 5162-5164', 5172-5174', 5200-5202', 5212-5214', 5219-5221', 5243-5245', 5282-5283', 5303-5305', 5314-5316' (2 SPF) - Aug 2022

Acidized w/ 3000 gals 15% NEFE HCL acid, 600# rocksalt & flush w/ 300 bbls w

BLINEBRY (Top @ 5361')

5355', 5365-5368', 5371-5375', 5428', 5438', 5444', 5456', 5460-5462', 5467', 5476', 5492', 5507', 5516', 5523-5526', 5530', 5555', 5559', 5567-5569', 5576', 5584', 5596', 5606', 5616', 5624-5627', 5633', 5640', 5660', 5666', 5683', 5860'

Acidized w/ 3000 gals 15% NEFE HCL acid, 600# rocksalt & flush w/ 300 bbls wtr; Acidize 5355-5693' w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt & flush w/ 50 bbls 2% KCL wtr

5365-5379', 5402-5424', 5430-5433', 5442-5446', 5450-5460', 5484-5489', 5502-5511', 5517-5519', 5525-5527', 5531-5533', 5549-5551', 5556-5558', 5566-5568', 5588-5590', 5601-5603', 5616-5618', 5625-5627', 5635-5637', 5656-5658', 5666-5668', 5682-5684', 5691-5693', 5709-5711', 5723-5725' (2 SPF) - Proposed

5741-5783', 5808-5848', 5868'-5923' (17 holes) - Mar 1968

Acidized w/ 2750 gals 15% NELST acid; Frac w/ 20,000 gals gel brine wtr & 28,000# sand; Acidized w/ 3000 gals 15% NEFE HCL acid, 600# rocksalt, & flush w/ 300 bbls wtr; Acidize 5709-5923' w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt & flush w/ 50 bbls 2% KCL wtr

TUBB (Top @ 5990')

5992-5996' (2 SPF) - Proposed

6004'-6117' (10 holes) - Mar 1968

Acidized w/ 2750 gals 7% Dolowash acid; Frac w/ 20,000 gals gel wtr, 23,000# sand & 20 tons CO₂

DRINKARD (Top @ 6148')

6136'-6282' (14 holes) - Mar 1968

Acidized w/ 2000 gals 15% DS-30; Frac w/ 20,000 gals slick salt water & 22,000# sand; Acidized w/ 4000 gals 7% Dolowash acid; Acidize 5992-6282' w/ 3000 gals 15% NEFE HCL acid, 300# rocksalt & flush w/ 25 bbls wtr

TAC **5749'**
 SN **6235'**
 EOT **6271'**

Production Csg

Size: **7"**
 Wt.&Thrd: **23# & 26#**
 Grade: _____
 Set @: **6350'**
 Sxs cmt: **550 sxs**
 Circ: _____
 TOC: **2350' (Calc)**
 Hole Size: **8-3/4"**

PBTD 6324'
 TD 6350'

Tubulars - Capacities and Performance

2-3/8" 4.7# J-55 EUE 8rd Tubing (178 jts 2-3/8" tbg, TAC, 15 jts 2-3/8" tbg, SN, 4' perf sub, MA w/ bull plug)

Well Name: **FANNING A #001** Lease No: _____ Lease Type: **Private**
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 County: **Lea** State: **NM** API: **30-025-22364** Formation: **[58300] Teague; Paddock-Blinebry**

CURRENTSurface Csg

Size: **9-5/8"**
 Wt.&Thrd: **32#**
 Grade: _____
 Set @: **1053'**
 Sxs cmt: **425 sxs**
 Circ: **Circ**
 TOC: **Surface**
 Hole Size: **12-1/4"**

KB: **3303'**
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 GL: **3291'**
 Spud Date: **12/7/1967**
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Acidized w/ 3000 gals 15% NEFE HCL acid, 600# rocksalt & flush w/ 300 bbls w

BLINEBRY (Top @ 5361')

5355', 5365-5368', 5371-5375', 5428', 5438', 5444', 5456', 5460-5462', 5467', 5476', 5492', 5507', 5516', 5523-5526', 5530', 5555', 5559', 5567-5569', 5576', 5584', 5596', 5606', 5616', 5624-5627', 5633', 5640', 5660', 5666', 5683', 5860'

Acidized w/ 3000 gals 15% NEFE HCL acid, 600# rocksalt & flush w/ 300 bbls w

5741-5783', 5808-5848', 5868'-5923' (17 holes) - Mar 1968

Acidized w/ 2750 gals 15% NELST acid; Frac w/ 20,000 gals gel brine wtr & 28,000# sand; Acidized w/ 3000 gals 15% NEFE HCL acid, 600# rocksalt, & flush w/ 300 bbls wtr

TUBB (Top @ 5990') [ISOLATED]

6004'-6117' (10 holes) - Mar 1968

Acidized w/ 2750 gals 7% Dolowash acid; Frac w/ 20,000 gals gel wtr, 23,000# sand & 20 tons CO2

DRINKARD (Top @ 6148') [ISOLATED]

6136'-6282' (14 holes) - Mar 1968

Acidized w/ 2000 gals 15% DS-30; Frac w/ 20,000 gals slick salt water & 22,000# sand; Acidized w/ 4000 gals 7% Dolowash acid

TAC 4978'
 SN 5500'
 EOT 5536'

Otis Permatrievie Pkr w/
 blanking plug 5952'
 EOT 6125'

Production Csg

Size: **7"**
 Wt.&Thrd: **23# & 26#**
 Grade: _____
 Set @: **6350'**
 Sxs cmt: **550 sxs**
 Circ: _____
 TOC: **2350' (Calc)**
 Hole Size: **8-3/4"**

PBTD 5952'
 TD 6350'

Tubulars - Capacities and Performance

2-3/8" Tubing string (MA w/ bull plug, 4' perf sub, SN, 16 jts 2-3/8" IPC tbg, TAC, 156 jts 2-3/8" J-55 tbg)

August 30, 2022

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Dr
Santa Fe, NM 87505

Re: **Fanning A #001**
API: 30-025-22364
[58300] Teague; Paddock-Blinebry
[33600] Imperial; Tubb-Drinkard

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for downhole commingling of oil and gas production from the aforementioned well and pools. This well's surface location is described below and the downhole locations of each pool are shown in the attached C-102's.

Surface Location: B-33-23S-37E 330 FNL 1650 FEL
Lat/Long: 32.26717,-103.16465 NAD83

The well is currently producing from the **[58300] Teague; Paddock-Blinebry** pool; Exhibit A shows the well's historical production from this pool. It is proposed to downhole commingle this pool with the **[33600] Imperial; Tubb-Drinkard** pool. While there is no recent production for the proposed pool in this well, there are multiple offset wells that are currently producing from the proposed pool. The average historical production of the surrounding analog wells producing from the proposed pool are shown in Exhibit B.

Decline curve analysis was used to create forecasts for each pool with a heavy weighting toward the last five years of production as it should most heavily influence future performance. Historical monthly volumes for each pool for the last five years as wells as a forecast of the combined pools are shown in Exhibit C. After comparing the forecasts generated from the historical production of the **Fanning A #001** and the offset analogs for each pool, pool allocations were calculated on a proportional volume basis. This allocation, along with estimated IP rates for each pool after the comingling work is complete, are displayed in the table 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 you have any questions, please feel free to contact the undersigned. Thank you for your attention to this matter.

Respectfully,


Vanessa Neal

Sr Reservoir Engineer

Exhibit A – Historical Production of Current Pool

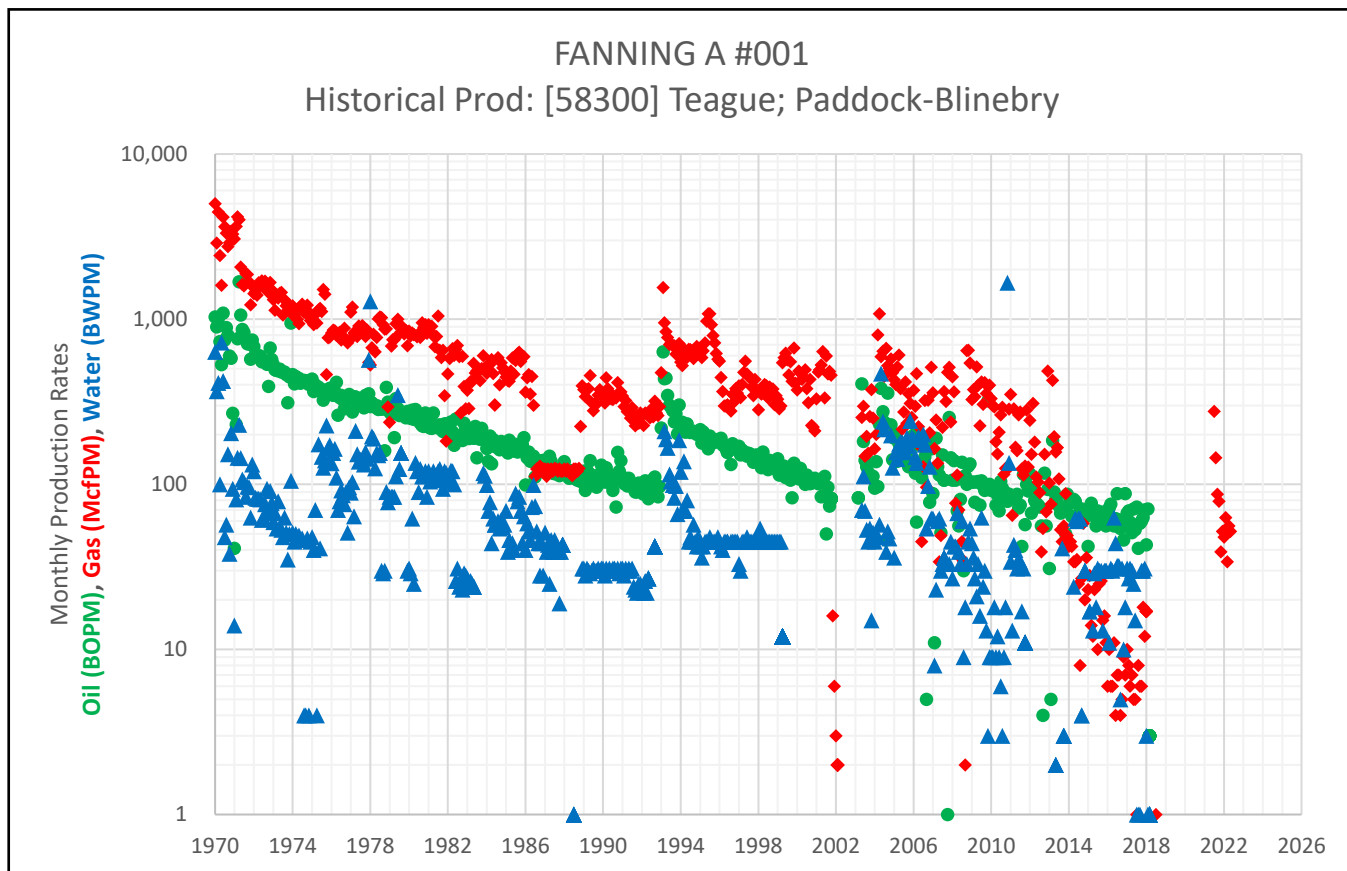


Exhibit B – Average Historical Production of Offset Analog Wells

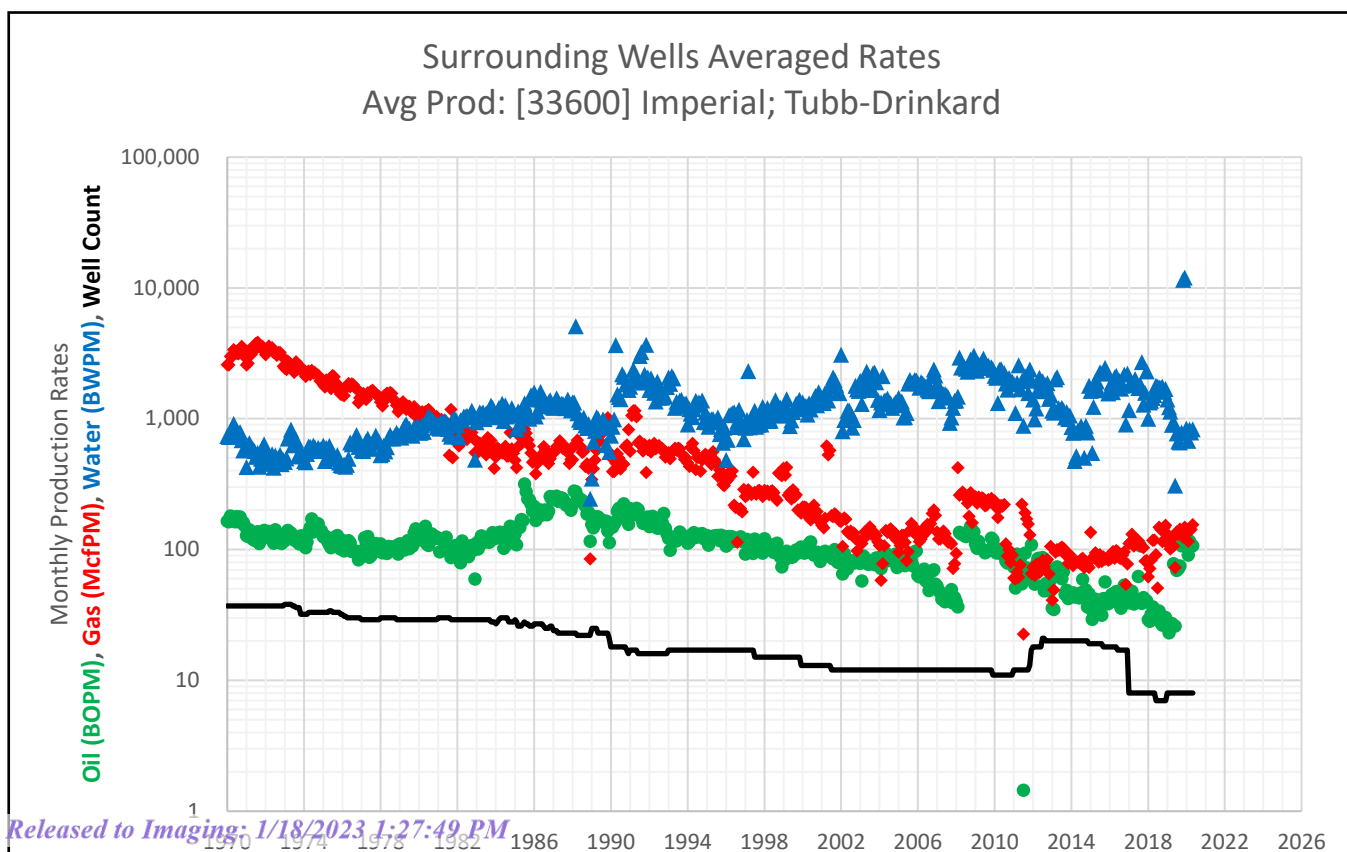


Exhibit C – Historical Production from Last 5 Years for Each Pool & Combined Future Forecast

Surrounding Wells Averaged Rates Avg Prod: [33600] Imperial; Tubb-Drinkard					FANNING A #001 Historical Prod: [58300] Teague; Paddock-Blinebry				Synthetic Decline Curve			
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)
9/1/2016	43	91	1,794	17	5/1/2016	56	11	63	1	128.7	165	1,448
10/1/2016	54	96	2,180	17	6/1/2016	62	4	44	2	128.0	165	1,444
11/1/2016	46	54	907	17	7/1/2016	88	7	32	3	127.4	164	1,439
12/1/2016	46	78	2,214	17	8/1/2016	61	7	32	4	126.8	164	1,434
1/1/2017	39	112	1,168	8	9/1/2016	54	4	5	5	126.2	164	1,429
2/1/2017	44	114	1,871	8	10/1/2016	57	5	31	6	125.6	163	1,425
3/1/2017	48	131	1,828	8	11/1/2016	46	9	10	7	125.0	163	1,420
4/1/2017	39	106	1,908	8	12/1/2016	88	7	18	8	124.4	162	1,415
5/1/2017	41	116	2,017	8	1/1/2017	67	10	31	9	123.8	162	1,411
6/1/2017	42	118	1,815	8	2/1/2017	69	8	27	10	123.2	162	1,406
7/1/2017	62	117	1,719	8	3/1/2017	59	6	31	11	122.6	161	1,401
8/1/2017	107	107	1,823	8	4/1/2017	51	7	30	12	122.1	161	1,397
9/1/2017	39	106	2,715	8	5/1/2017	71	5	25	13	121.5	160	1,392
10/1/2017	43	103	1,285	8	6/1/2017	53	5	15	14	120.9	160	1,388
11/1/2017	41	82	1,583	8	7/1/2017	73	1	1	15	120.3	160	1,383
12/1/2017	41	82	2,301	8	8/1/2017	41	8	1	16	119.7	159	1,379
1/1/2018	29	62	1,005	8	9/1/2017	58	6	1	17	119.2	159	1,374
2/1/2018	28	72	1,339	8	10/1/2017	60	6	30	18	118.6	158	1,369
3/1/2018	32	83	1,373	8	11/1/2017	63	18	30	19	118.0	158	1,365
4/1/2018	37	118	1,444	8	12/1/2017	70	12	31	20	117.5	158	1,360
5/1/2018	32	119	1,519	8	1/1/2018	43	17	3	21	116.9	157	1,356
6/1/2018	33	92	1,789	7	2/1/2018	71	-	1	22	116.3	157	1,352
7/1/2018	34	51	1,760	7	3/1/2018	3	-	1	23	115.8	156	1,347
8/1/2018	34	148	1,738	7	4/1/2018	-	-	-	24	115.2	156	1,343
9/1/2018	28	142	1,736	7	5/1/2018	-	-	-	25	114.7	156	1,338
10/1/2018	27	115	1,766	7	6/1/2018	-	-	-	26	114.1	155	1,334
11/1/2018	27	148	1,609	7	7/1/2018	-	1	-	27	113.6	155	1,329
12/1/2018	30	153	1,688	7	8/1/2018	-	-	-	28	113.0	154	1,325
1/1/2019	27	132	1,407	8	9/1/2018	-	-	-	29	112.5	154	1,321
2/1/2019	23	109	1,230	8	10/1/2018	-	-	-	30	112.0	154	1,316
3/1/2019	25	101	1,138	8	11/1/2018	-	-	-	31	111.4	153	1,312
4/1/2019	27	121	900	8	12/1/2018	-	-	-	32	110.9	153	1,308
5/1/2019	78	106	937	8	1/1/2019	-	-	-	33	110.4	153	1,303
6/1/2019	26	73	308	8	2/1/2019	-	-	-	34	109.8	152	1,299
7/1/2019	69	137	775	8	3/1/2019	-	-	-	35	109.3	152	1,295
8/1/2019	71	132	671	8	4/1/2019	-	-	-	36	108.8	151	1,291
9/1/2019	75	143	662	8	5/1/2019	-	-	-	37	108.3	151	1,286
10/1/2019	107	140	785	8	6/1/2019	-	-	-	38	107.8	151	1,282
11/1/2019	112	125	11,554	8	7/1/2019	-	-	-	39	107.2	150	1,278
12/1/2019	120	149	11,989	8	8/1/2019	-	-	-	40	106.7	150	1,274
1/1/2020	114	144	840	8	9/1/2019	-	-	-	41	106.2	150	1,270
2/1/2020	91	116	681	8	10/1/2019	-	-	-	42	105.7	149	1,265
3/1/2020	117	141	828	8	11/1/2019	-	-	-	43	105.2	149	1,261
4/1/2020	106	143	789	8	12/1/2019	-	-	-	44	104.7	148	1,257
5/1/2020	107	155	835	8	1/1/2020	-	-	-	45	104.2	148	1,253
6/1/2020	87	137	687	8	2/1/2020	-	-	-	46	103.7	148	1,249
7/1/2020	98	132	684	8	3/1/2020	-	-	-	47	103.2	147	1,245
8/1/2020	97	125	846	8	4/1/2020	-	-	-	48	102.7	147	1,241
9/1/2020	73	144	700	8	5/1/2020	-	-	-	49	102.2	147	1,237
10/1/2020	86	131	607	8	6/1/2020	-	-	-	50	101.7	146	1,233
11/1/2020	94	158	602	8	7/1/2020	-	-	-	51	101.3	146	1,229
12/1/2020	94	142	635	8	8/1/2020	-	-	-	52	100.8	145	1,224
1/1/2021	114	158	533	8	9/1/2020	-	-	-	53	100.3	145	1,220
2/1/2021	60	117	349	8	10/1/2020	-	-	-	54	99.8	145	1,216
3/1/2021	72	128	493	8	11/1/2020	-	-	-	55	99.3	144	1,212
4/1/2021	88	117	357	8	12/1/2020	-	-	-	56	98.9	144	1,208
5/1/2021	95	262	485	8	1/1/2021	-	-	-	57	98.4	144	1,204
6/1/2021	53	259	364	8	2/1/2021	-	-	-	58	97.9	143	1,201
7/1/2021	48	178	365	14	3/1/2021	-	-	-	59	97.4	143	1,197
8/1/2021	52	187	367	15	4/1/2021	-	-	-	60	97.0	143	1,193
9/1/2021	49	176	367	15	5/1/2021	-	-	-				
10/1/2021	37	175	382	15	6/1/2021	-	-	-				
11/1/2021	52	130	384	16	7/1/2021		276					
12/1/2021	44	138	373	16	8/1/2021		145					
1/1/2022	19	110	261	16	9/1/2021		87					
2/1/2022	-	-	-	0	10/1/2021		79					

Exhibit D – Pool Allocations & Post Workover IP Rates

	OIL (bbls)	GAS (Mcf)	WATER (bbls)	POOL
5 yr Cum	3,634	7,754	85,799	[33600] Imperial; Tubb-Drinkard
Allocated %	47%	78%	99%	
Daily IP Rate	2.0	4.2	47.0	
5 yr Cum	4,097	2,172	1,155	[58300] Teague; Paddock-Blinebry
Allocated %	53%	22%	1%	
Daily IP Rate	2.2	1.2	0.6	
Daily IP Rate	4.2	5.4	47.6	Commingled (Total)

District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-22364	² Pool Code 33600	³ Pool Name IMPERIAL; TUBB-DRINKARD
⁴ Property Code 331164	⁵ Property Name FANNING A	⁶ Well Number #001
⁷ OGRID No. 329326	⁸ Operator Name FAE II OPERATING, LLC	⁹ Elevation 3291'

¹⁰ Surface Location

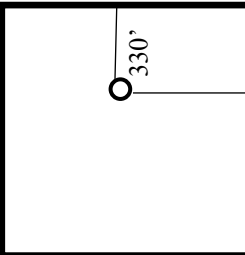
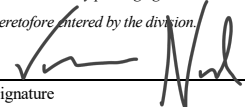
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	33	23S	37E		330	N	1650	E	LEA

¹¹ Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	33	23S	37E		330	N	1650	E	LEA

¹² Dedicated Acres 40	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶	NW/4 NE/4 Sec 33 (40 acres)		1650'	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>
				 07/28/2022 Signature Date
				VANESSA NEAL Printed Name
				vanessa@faenergyus.com E-mail Address
				¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
				Date of Survey
				Signature and Seal of Professional Surveyor:
				Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-22364	² Pool Code 58300	³ Pool Name TEAGUE; PADDOCK-BLINEBRY
⁴ Property Code 331164	⁵ Property Name FANNING A	⁶ Well Number #001
⁷ OGRID No. 329326	⁸ Operator Name FAE II OPERATING, LLC	⁹ Elevation 3291'

¹⁰ Surface Location

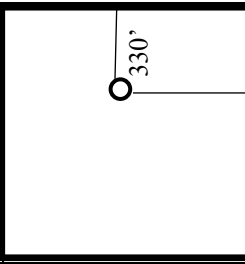
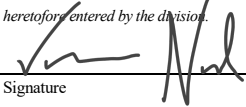
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¹⁶ 	NW/4 NE/4 Sec 33 (40 acres)	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature Date 07/28/2022 VANESSA NEAL Printed Name vanessa@faenergyus.com E-mail Address
		¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

From: [Vanessa Neal](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] RE: downhole commingling application DHC-5256
Date: Monday, January 16, 2023 1:08:59 PM
Attachments: [image001.png](#)
[WBD FANNING A #001 PROPOSED-CURRENT 2023-01-16.pdf](#)

Mr. McClure,

My apologies, I used the wrong proposed perms on the WBD. The original sundry has the correct perms.

Attached is the updated WBD with the corrected perms.

Thank you!

Vanessa Neal | Sr Reservoir Engineer

forty acres energy

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

C [979.255.3476](tel:979.255.3476)

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, January 13, 2023 2:52 PM
To: Vanessa Neal <vanessa@faenergyus.com>
Subject: RE: [EXTERNAL] RE: downhole commingling application DHC-5256

Ms. Neal,

Is the provided updated WBD correct? The original sundry described perforations being added from 5365 to 5725 and from 5992 to 5996. The provided WBD depicts perforations being added from 5026 to 5316. Does the original sundry need to be updated?

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

From: Vanessa Neal <vanessa@faenergyus.com>
Sent: Tuesday, January 3, 2023 12:46 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Subject: [EXTERNAL] RE: downhole commingling application DHC-5256

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

Mr. McClure,

Please find the attached supplemental documents requested in your previous email for DHC-5256 for the Fanning A #1 (30-025-22364).

Thank you,
Vanessa Neal | Sr Reservoir Engineer

forty acres energy

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

C [979.255.3476](tel:979.255.3476)

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

Sent: Tuesday, December 27, 2022 9:44 AM

To: Vanessa Neal <vanessa@faenergyus.com>

Subject: downhole commingling application DHC-5256

Ms. Neal,

I am reviewing downhole commingling application DHC-5256 which involves the commingling of pools within the Fanning A #1 (30-025-22364) well bore and is operated by FAE II Operating, LLC (329326).

Please provide the following:

- An amended proposed WBD that includes all of the proposed changes to the well construction
- A C-102 for each of the pools
- Supporting data for how the proposed fixed percentage allocation was determined

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

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

CONDITIONS

Action 129643

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 129643
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.	1/18/2023
dmcclure	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 the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.	1/18/2023
dmcclure	If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.	1/18/2023