

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - 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

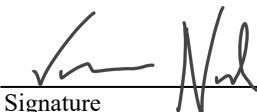
Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 - Check One Only for [B] or [C]
 - [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 - [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Vanessa Neal  Sr Reservoir Engineer 28 Jun 2023
 Print or Type Name Signature Title Date

 vanessa@faenergyus.com

 e-mail Address

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079
Operator Address

E C HILL B FEDERAL #018 G-34-23S-37E LEA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 329326 Property Code 330766 API No. 30-025-33493 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	TEAGUE; PADDOCK-BLINEBRY	IMPERIAL; TUBB-DRINKARD	TEAGUE; ABO, SOUTH
Pool Code	58300	33600	58250
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5048-5788'	5950-6399'	6458-6622'
Method of Production (Flowing or Artificial Lift)	ARTIFICIAL LIFT	ARTIFICIAL LIFT	ARTIFICIAL LIFT
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)	35 API / 1.189 BTU	35 API / 1.189 BTU	35 API / 1.189 BTU
Producing, Shut-In or New Zone	PRODUCING	PRODUCING	NEW ZONE
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>	Date: SEE Rates: ATTACHED	Date: SEE Rates: ATTACHED	Date: SEE Rates: ATTACHED
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 47 % 46 %	Oil Gas 33 % 23 %	Oil Gas 20 % 31 %

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

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  TITLE Sr Reservoir Engineer DATE 28 JUN 2023

TYPE OR PRINT NAME Vanessa Neal TELEPHONE NO. (832) 219-0990

E-MAIL ADDRESS vanessa@faenergyus.com

FAE II Operating, LLC
11757 Katy Fwy #725, Houston, TX 77079
832-220-9188
joe@faenergyus.com

faeIIoperating

June 29, 2023

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

Re: E C Hill B Federal #018
API: 30-025-33493
[58300] Teague; Paddock-Blinebry
[33600] Imperial; Tubb-Drinkard
[58250] Teague; Abo, South

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 downhole 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.

Please feel free to contact me directly if you have any questions or need any additional information. Thank you for your attention to this matter.

Respectfully,



Joe Kent
Director of Land

June 28, 2023

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: E C Hill B Federal #018
API: 30-025-33493
[58300] Teague; Paddock-Blinebry
[33600] Imperial; Tubb-Drinkard
[58250] Teague; Abo, South

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: G-34-23S-37E 1400 FNL 2280 FEL
Lat/Long: 32.264225,-103.1496048 NAD83

The well is currently producing from the **[58300] Teague; Paddock-Blinebry** and **[33600] Imperial; Tubb-Drinkard** pools; Exhibit A shows the well's historical production from this pool. It is proposed to downhole commingle these pools with the **[58250] Teague; Abo, South** 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 **E C Hill B Federal #018** 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,



Exhibit A – Historical Production of Current Pool

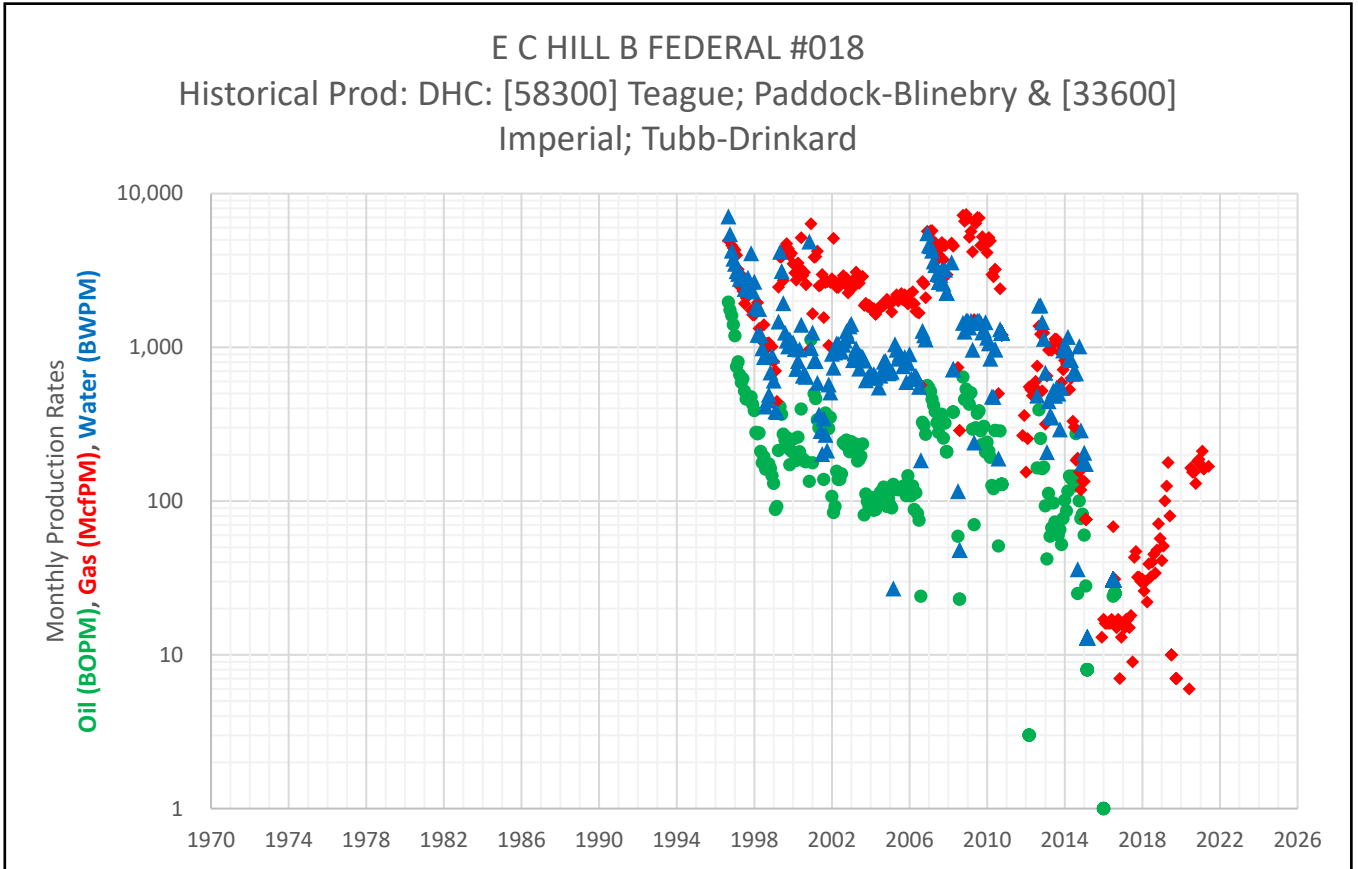


Exhibit B – Average Historical Production of Offset Analog Wells

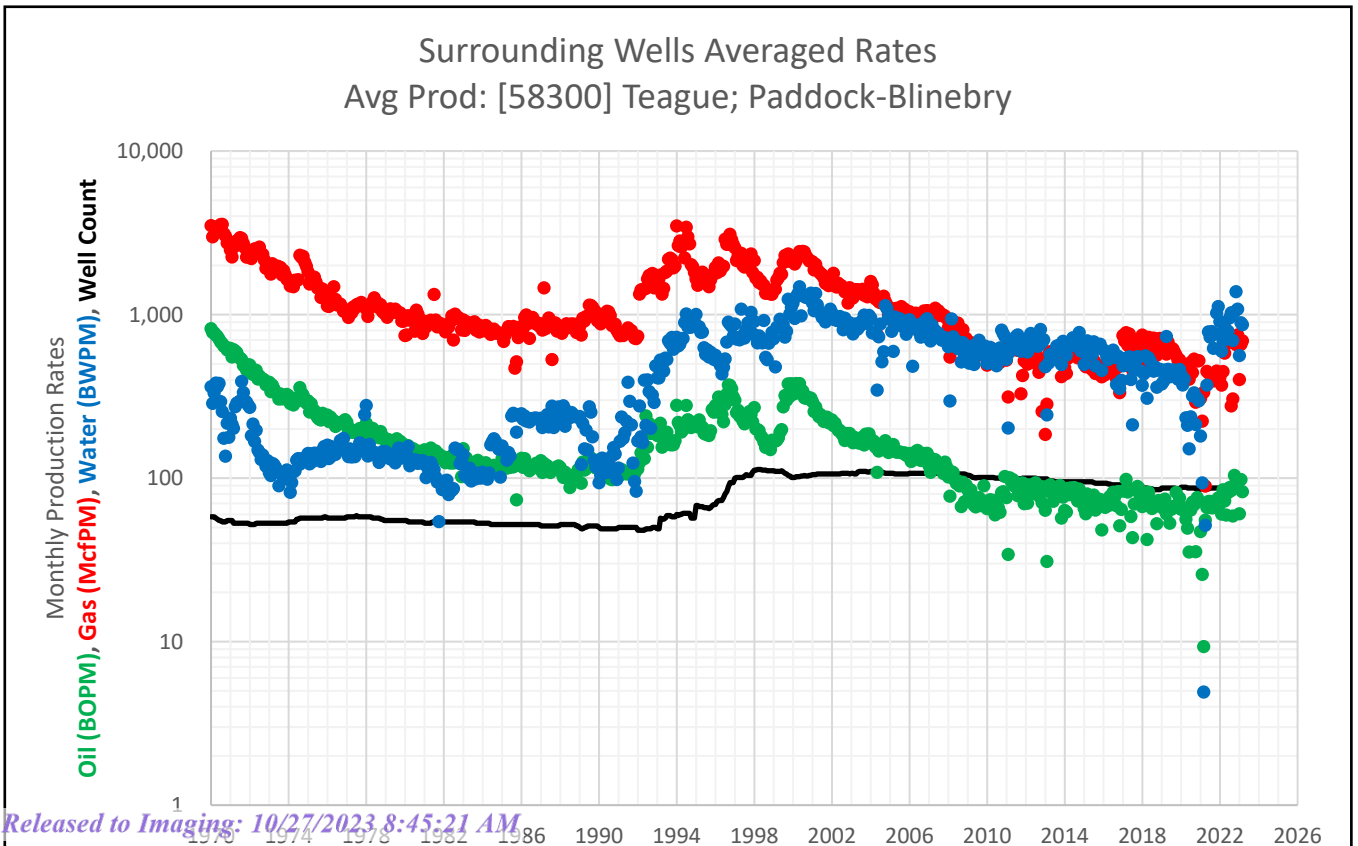


Exhibit B – Average Historical Production of Offset Analog Wells, cont.

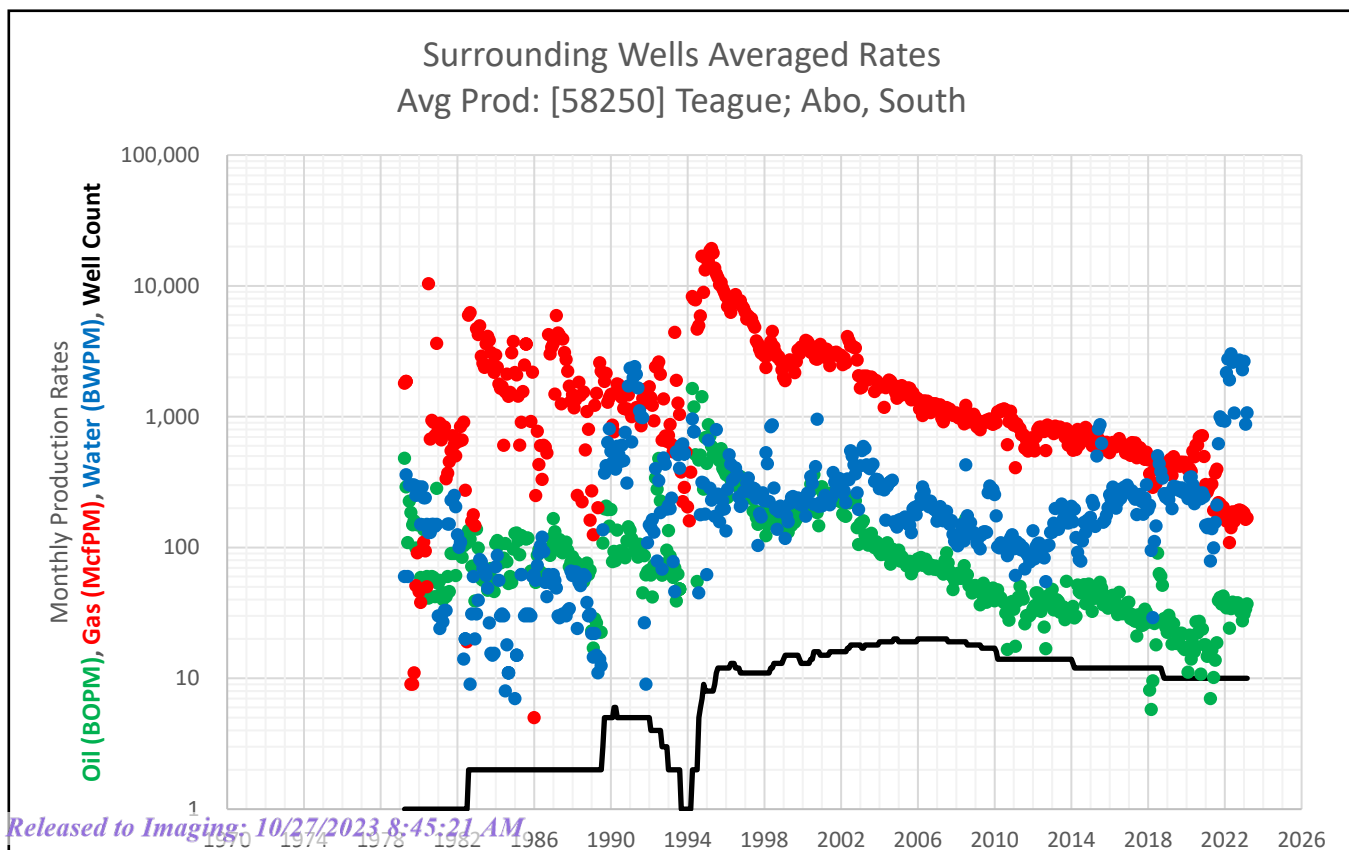
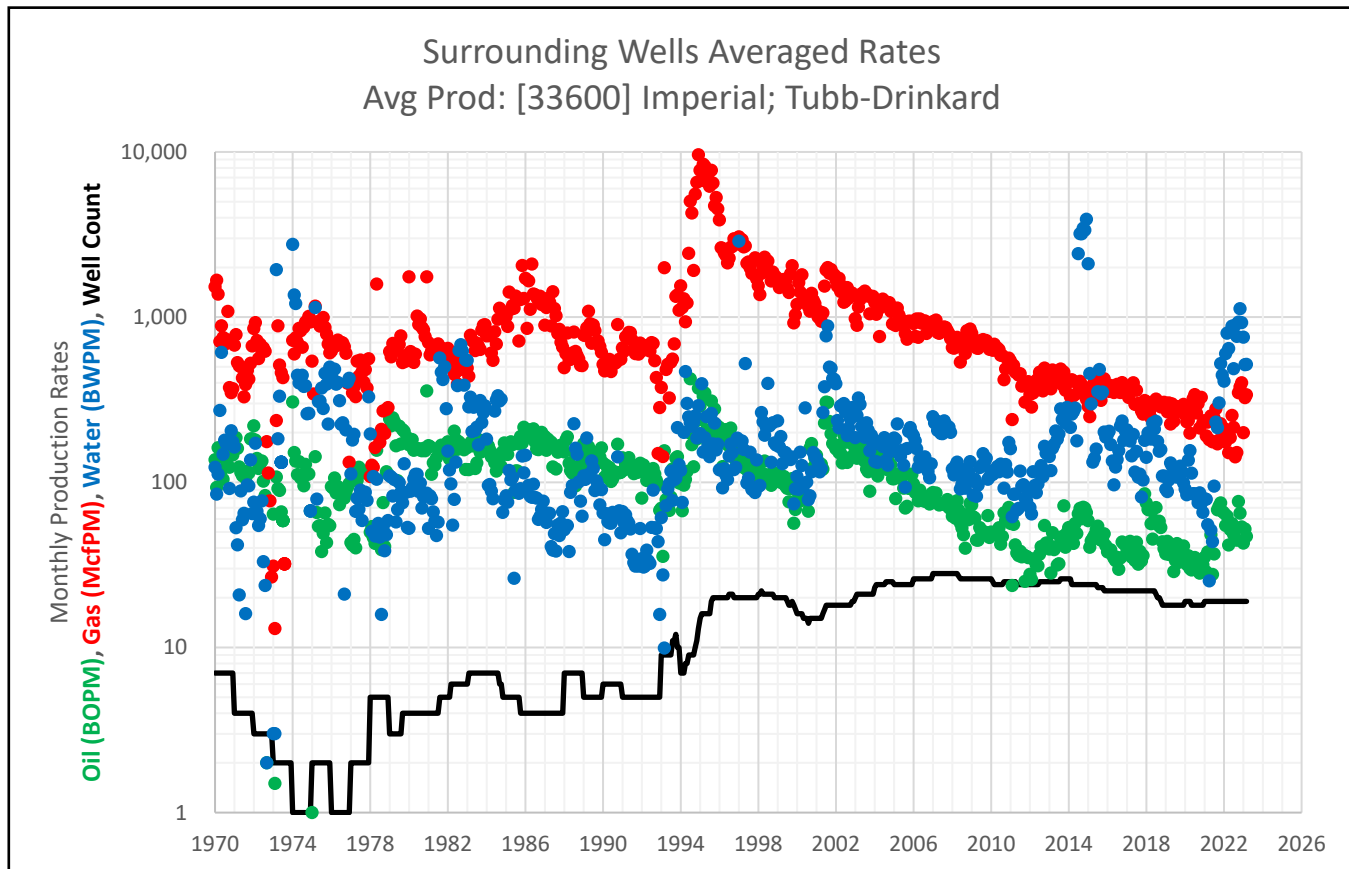


Exhibit C – Historical Production from Last 5 Years for Each Pool & Combined Future Forecast

Surrounding Wells Averaged Rates Avg Prod: [58250] Teague; Abo, South					Surrounding Wells Averaged Rates Avg Prod: [33600] Imperial; Tubb-Drinkard					Surrounding Wells Averaged Rates Avg Prod: [58300] Teague; Paddock-Blinebry				
Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count
11/1/2017	34	472	239	12	11/1/2017	36	258	103	22	11/1/2017	87	709	551	86
12/1/2017	32	535	302	12	12/1/2017	85	312	179	22	12/1/2017	76	703	452	86
1/1/2018	27	468	195	12	1/1/2018	75	307	141	22	1/1/2018	67	749	369	87
2/1/2018	8	365	211	12	2/1/2018	68	284	199	22	2/1/2018	69	623	434	87
3/1/2018	6	317	95	12	3/1/2018	68	266	199	22	3/1/2018	77	635	558	87
4/1/2018	10	288	29	12	4/1/2018	56	245	182	22	4/1/2018	42	514	307	87
5/1/2018	26	397	111	12	5/1/2018	45	304	228	22	5/1/2018	82	725	543	86
6/1/2018	18	308	146	12	6/1/2018	59	232	210	22	6/1/2018	70	643	517	86
7/1/2018	90	462	503	12	7/1/2018	70	318	234	21	7/1/2018	65	697	465	86
8/1/2018	63	422	437	12	8/1/2018	55	294	177	20	8/1/2018	72	718	451	85
9/1/2018	60	407	380	12	9/1/2018	58	302	154	20	9/1/2018	67	662	477	85
10/1/2018	51	387	339	11	10/1/2018	53	285	157	19	10/1/2018	53	564	359	85
11/1/2018	29	416	258	10	11/1/2018	44	300	109	18	11/1/2018	73	710	456	85
12/1/2018	25	420	242	10	12/1/2018	40	304	109	18	12/1/2018	72	714	463	85
1/1/2019	22	446	255	10	1/1/2019	37	292	91	18	1/1/2019	69	700	376	87
2/1/2019	30	421	232	10	2/1/2019	44	266	88	18	2/1/2019	65	635	389	87
3/1/2019	28	472	266	10	3/1/2019	37	302	103	18	3/1/2019	74	687	457	87
4/1/2019	18	355	198	10	4/1/2019	38	225	131	18	4/1/2019	60	573	733	87
5/1/2019	26	494	293	10	5/1/2019	37	298	126	18	5/1/2019	67	679	463	87
6/1/2019	22	424	287	10	6/1/2019	29	234	118	18	6/1/2019	53	609	416	87
7/1/2019	18	433	289	10	7/1/2019	34	273	115	18	7/1/2019	64	624	442	87
8/1/2019	20	445	280	10	8/1/2019	43	287	107	18	8/1/2019	66	616	459	87
9/1/2019	22	417	271	10	9/1/2019	33	269	108	18	9/1/2019	67	587	434	87
10/1/2019	22	449	286	10	10/1/2019	39	283	125	18	10/1/2019	82	562	420	86
11/1/2019	17	426	263	10	11/1/2019	35	287	116	18	11/1/2019	67	526	403	86
12/1/2019	17	448	275	10	12/1/2019	41	296	99	18	12/1/2019	76	529	462	86
1/1/2020	17	418	260	10	1/1/2020	35	256	91	19	1/1/2020	64	451	430	88
2/1/2020	11	394	236	10	2/1/2020	32	232	84	19	2/1/2020	66	420	370	88
3/1/2020	21	401	342	10	3/1/2020	36	236	136	19	3/1/2020	64	439	402	88
4/1/2020	14	382	347	10	4/1/2020	30	198	155	19	4/1/2020	56	400	234	88
5/1/2020	19	544	303	10	5/1/2020	29	288	113	18	5/1/2020	49	477	210	87
6/1/2020	16	492	216	10	6/1/2020	31	320	85	18	6/1/2020	35	402	151	87
7/1/2020	27	607	268	10	7/1/2020	35	339	85	18	7/1/2020	64	509	237	87
8/1/2020	22	606	253	10	8/1/2020	32	262	82	18	8/1/2020	71	441	318	87
9/1/2020	27	695	249	10	9/1/2020	29	299	75	18	9/1/2020	69	535	332	87
10/1/2020	11	711	236	10	10/1/2020	28	213	86	18	10/1/2020	35	291	213	87
11/1/2020	24	716	262	10	11/1/2020	32	326	74	18	11/1/2020	76	520	308	85
12/1/2020	18	496	245	10	12/1/2020	32	229	66	18	12/1/2020	72	522	296	85
1/1/2021	18	303	148	10	1/1/2021	35	236	79	19	1/1/2021	47	307	181	86
2/1/2021	15	265	142	10	2/1/2021	29	191	79	19	2/1/2021	26	223	93	86
3/1/2021	16	283	150	10	3/1/2021	38	231	55	19	3/1/2021	9	334	5	86
4/1/2021	7	148	79	10	4/1/2021	38	181	25	19	4/1/2021	55	89	51	86
5/1/2021	16	306	139	10	5/1/2021	48	252	51	19	5/1/2021	66	449	370	86
6/1/2021	10	192	99	10	6/1/2021	28	176	44	19	6/1/2021	72	439	784	86
7/1/2021	14	370	155	10	7/1/2021	37	245	95	19	7/1/2021	72	435	728	87
8/1/2021	19	396	211	10	8/1/2021	176	278	231	19	8/1/2021	66	418	787	87
9/1/2021	39	221	622	10	9/1/2021	68	171	214	19	9/1/2021	66	392	622	87
10/1/2021	42	216	997	10	10/1/2021	72	180	302	19	10/1/2021	71	420	761	87
11/1/2021	37	182	935	10	11/1/2021	75	226	522	19	11/1/2021	73	452	1,022	87
12/1/2021	43	204	942	10	12/1/2021	67	212	445	19	12/1/2021	76	441	1,119	87
1/1/2022	39	189	923	10	1/1/2022	65	211	409	19	1/1/2022	70	413	905	87
2/1/2022	35	159	2,169	10	2/1/2022	55	175	600	19	2/1/2022	60	370	596	87
3/1/2022	35	175	2,754	10	3/1/2022	62	190	798	19	3/1/2022	85	448	690	87
4/1/2022	24	109	1,910	10	4/1/2022	42	151	644	19	4/1/2022	72	580	837	87
5/1/2022	34	141	3,022	10	5/1/2022	52	186	816	19	5/1/2022	59	661	771	87
6/1/2022	38	187	2,601	10	6/1/2022	56	254	880	19	6/1/2022	81	709	791	87
7/1/2022	35	158	1,066	10	7/1/2022	48	215	487	19	7/1/2022	87	720	953	87
8/1/2022	37	170	2,646	10	8/1/2022	52	142	893	19	8/1/2022	84	276	1,025	87
9/1/2022	38	191	2,630	10	9/1/2022	45	151	762	19	9/1/2022	59	305	694	87
10/1/2022	37	194	2,710	10	10/1/2022	76	348	930	19	10/1/2022	104	685	1,039	87
11/1/2022	32	192	2,586	10	11/1/2022	65	377	1,122	19	11/1/2022	95	654	1,381	87
12/1/2022	28	188	2,281	10	12/1/2022	54	400	925	19	12/1/2022	87	751	1,078	87
1/1/2023	31	184	2,648	10	1/1/2023	43	199	754	19	1/1/2023	60	400	561	88
2/1/2023	34	164	877	10	2/1/2023	52	325	515	19	2/1/2023	98	657	890	87
3/1/2023	37	188	1,070	10	3/1/2023	47	338	516	19	3/1/2023	82	691	868	87
4/1/2023	22	100	629	10	4/1/2023	40	307	542	18	4/1/2023	87	644	949	86

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

E C HILL B FEDERAL #018
Historical Prod: DHC: [58300] Teague; Paddock-Blinebry & [33600] Imperial; Tubb-Drinkard

Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
1/1/2016	1	17	-
2/1/2016	-	16	-
3/1/2016	-	16	-
4/1/2016	-	16	-
5/1/2016	-	16	-
6/1/2016	-	17	-
7/1/2016	24	68	31
8/1/2016	25	31	-
9/1/2016	-	15	-
10/1/2016	-	17	-
11/1/2016	-	7	-
12/1/2016	-	13	-
1/1/2017	-	16	-
2/1/2017	-	15	-
3/1/2017	-	17	-
4/1/2017	-	17	-
5/1/2017	-	15	-
6/1/2017	-	18	-
7/1/2017	-	9	-
8/1/2017	-	43	-
9/1/2017	-	47	-
10/1/2017	-	32	-
11/1/2017	-	32	-
12/1/2017	-	30	-
1/1/2018	-	31	-
2/1/2018	-	26	-
3/1/2018	-	30	-
4/1/2018	-	22	-
5/1/2018	-	39	-
6/1/2018	-	32	-
7/1/2018	-	40	-
8/1/2018	-	45	-
9/1/2018	-	34	-
10/1/2018	-	48	-
11/1/2018	-	71	-
12/1/2018	-	57	-
1/1/2019	-	41	-
2/1/2019	-	51	-
3/1/2019	-	100	-
4/1/2019	-	125	-
5/1/2019	-	178	-
6/1/2019	-	80	-
7/1/2019	-	10	-
8/1/2019	-	-	-
9/1/2019	-	-	-
10/1/2019	-	7	-
11/1/2019	-	-	-
12/1/2019	-	-	-
1/1/2020	-	-	-
2/1/2020	-	-	-
3/1/2020	-	-	-
4/1/2020	-	-	-
5/1/2020	-	-	-
6/1/2020	-	6	-
7/1/2020	-	164	-
8/1/2020	-	154	-
9/1/2020	-	154	-
10/1/2020	-	130	-
11/1/2020	-	181	-
12/1/2020	-	186	-
1/1/2021	-	173	-
2/1/2021	-	211	-
3/1/2021	-	162	-
4/1/2021	-	-	-
5/1/2021	-	-	-
6/1/2021	-	168	-

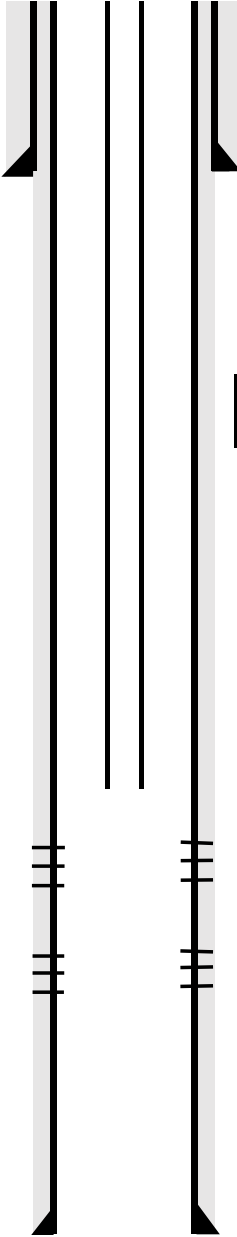
Synthetic Decline Curve			
Month	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
1	142.0	1,178	1,585
2	141.4	1,175	1,580
3	140.7	1,172	1,575
4	140.0	1,169	1,570
5	139.3	1,166	1,565
6	138.7	1,163	1,559
7	138.0	1,160	1,554
8	137.4	1,157	1,549
9	136.7	1,154	1,544
10	136.0	1,151	1,539
11	135.4	1,149	1,534
12	134.7	1,146	1,529
13	134.1	1,143	1,524
14	133.5	1,140	1,519
15	132.8	1,137	1,514
16	132.2	1,134	1,509
17	131.6	1,132	1,504
18	130.9	1,129	1,499
19	130.3	1,126	1,494
20	129.7	1,123	1,489
21	129.1	1,120	1,484
22	128.4	1,117	1,479
23	127.8	1,115	1,475
24	127.2	1,112	1,470
25	126.6	1,109	1,465
26	126.0	1,106	1,460
27	125.4	1,104	1,455
28	124.8	1,101	1,450
29	124.2	1,098	1,446
30	123.6	1,095	1,441
31	123.0	1,093	1,436
32	122.4	1,090	1,432
33	121.8	1,087	1,427
34	121.3	1,084	1,422
35	120.7	1,082	1,417
36	120.1	1,079	1,413
37	119.5	1,076	1,408
38	119.0	1,074	1,404
39	118.4	1,071	1,399
40	117.8	1,068	1,394
41	117.3	1,066	1,390
42	116.7	1,063	1,385
43	116.1	1,060	1,381
44	115.6	1,058	1,376
45	115.0	1,055	1,372
46	114.5	1,052	1,367
47	113.9	1,050	1,363
48	113.4	1,047	1,358
49	112.9	1,045	1,354
50	112.3	1,042	1,349
51	111.8	1,039	1,345
52	111.2	1,037	1,340
53	110.7	1,034	1,336
54	110.2	1,032	1,332
55	109.7	1,029	1,327
56	109.1	1,026	1,323
57	108.6	1,024	1,318
58	108.1	1,021	1,314
59	107.6	1,019	1,310
60	107.1	1,016	1,305

Exhibit D – Pool Allocations & Post Workover IP Rates

	OIL (bbls)	GAS (Mcf)	WATER (bbls)	POOL
5 yr Cum	4,012	31,398	32,595	[58300] Teague; Paddock-Blinebry
Allocated %	47%	46%	34%	
Daily IP Rate	2.2	17.2	17.8	
5 yr Cum	2,825	15,330	17,209	[33600] Imperial; Tubb-Drinkard
Allocated %	33%	23%	18%	
Daily IP Rate	1.5	8.4	9.4	
5 yr Cum	1,660	20,851	45,363	[58250] Teague; Abo, South
Allocated %	20%	31%	48%	
Daily IP Rate	0.9	11.4	24.9	
Daily IP Rate	4.7	37.0	52.1	Commingled (Total)

forty acres energy Well Name: **WELLBORE DIAGRAM E C HILL B FEDERAL 18** Date: 7/12/2021
 OGRID# 329326

County Lea State NM Field _____ API# 30-025-33493
 Surf Location: SEC 34 T23S R37E GL Elev: 3275' RKB _____
 Wellhead _____ TVD: _____ PBTD: 6582 TD: 6650
 Original Spud Date: 8/25/1996 Completed Pool: PADDOCK / BLINBRY / TUBB



Set Depth Csg Details Hole Size
Surface
 1145' 8 5/8" 24# J-55 12.25 inch
 630 sks Prem Plus

CMT SQUEEZE HOLES @ 1200'

CURRENT

PERFORATIONS:

1996: BLINBRY 5597-5788' 3 JSPF 0.44" (84 holes), Upper BLINBRY 5278-5428' 0.44" (111 holes)
 2000: Lower Paddock 5048(5116)-5166' (37 holes)
 1996: ABO 6458-69' , 6418-6426' 2-JSPF 0.44"
 1996: Drinkard/TUBB 6301-6399'

Prod
 6650' 5 1/2" 14# & 15.5# J-55 ST&C & 7.88 inch
 1755 sks Prem Plus

Tubing Details: **Run Date:** 8/31/1996

Description	Qty	Length	Depth
KB	1		0
Wellhead	1		0
2 3/8" 4.7#		6,363.00	6,363
SN			6,363
Perf Sub			6,363
Mud Anchor			6,363
End of Tubing			6,363

Pump Details: **Run Date:**

Description	Size	Qty	Length	Depth
Pony Rods		1	0	0
1" Rods		1	0	0
7/8" Rods	7/8"		0	0
3/4" rods	3/4"		0	0
Sinker Bar 1 1/2"		1.5	0.00	0
			0.00	

Pump Description
 Unknown

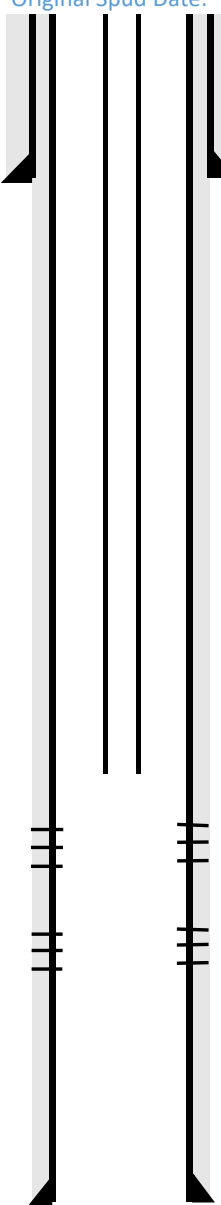
Formation Tops

Formation	Depth	Formation	Depth	Formation	Depth
YATES		SAN ANDRES	3,803	TUBB	5893
7 RIVERS		GLORIETA	4,901	Drinkard	6071
QUEEN	3,296	PADDOCK	5,085	ABO	6403
PENROSE	3,400	BLINBRY	5,265		

Completion Details
 1996: BLINBRY 5597-5788 Acidize w/ 3000 gal 15% HCL 135 ball sealers Frac w/ 43,600 gal 82,411# 16/30 SD. 5278-5428 Acidize w/ 3000 gal 15% HCL 120 ball sealers, Frac w/ 54,796 gal & 125,300# 16/30 1996 ABO: Acidize w/ 1000 gal HCL (Isolated w/ CIBP)
 1996 DRINKARD: 1500 gal HCL 135 Ball Sealers (Isolated with CIBP)
 2000: Paddock 5116-5166 acid 2500 gal 15% & 2000 gal 15% HCL & 10,000 gal 28% w/ 40 BS & 10,000 gal 28% w/ 40 BS
 2000: 5048-5064' acidize w/ 2500 gal 15%
 2006: Drill out CIBP @ 6230 & acidize Drinkard 1500 gal 15% acidize Paddock w/ 1500 gal 15% HCL 40 BS 2008: CMT SQUEEZE perf @1200' 110 bbl CMT

Pumping Unit	SPM	Stroke Length
Lufkin C320D-298-100		

WELLBORE DIAGRAM				Date:	7/12/2021
E C HILL B FEDERAL 18				OGRID#	329326
forty acres energy		Well Name:		API#	30-025-33493
County	Lea	State	NM	Field	
Surf Location:	SEC 34 T23S R37E			GL Elev:	3275'
Wellhead				TVD:	PBTD: 6582 TD: 6650
Original Spud Date:	8/25/1996	Completed Pool:	PADDOCK / BLINBRY / TUBB		



Set Depth	Csg Details	Hole Size
1145'	8 5/8" 24# J-55 630 sks Prem Plus	12.25 inch

CMT SQUEEZE HOLES @ 1200'

PROPOSED

PERFORATIONS:

2000: Lower Paddock 5048(5116)-5166' (37 holes) 1996:
 BLINBRY 5597-5788' 3 JSPF 0.44" (84 holes), Upper BLINBRY 5278-5428' 0.44" (111 holes)
 1996: Drinkard/TUBB 6301-6399' 1996:
 ABO 6458-69' , 6418-6426' 2-JSPF 0.44"
 2021: 5950-57 (7), 5965-72 (7), 5975-80(5), 6039-46(7),6495-97(2), 6550-6554(4), 6562-65(3), 6577-79(2), 6581-84(3), 6588-90(2), 6619-6622(3) 4 JSPF

Prod			
6650'	5 1/2" 14# & 15.5# J-55 ST&C &	7.88 inch	
	1755 sks Prem Plus		

Tubing Details:		Run Date:		8/31/1996
Description	Qty	Length	Depth	
KB	1	13.0	13	
Wellhead	1		13	
2 3/8" 4.7#	157	4,976.90	4,990	
TAC	1	2.75	4,993	
2 3/8" 4.7#	50	1,585.00	6,578	
SN & MA	1	68.00	6,646	
End of Tubing			6,646	

Pump Details:		Run Date:		RODSTAR
Description	Size	Qty	Length	Depth
Pony Rods	1	0	0	0
1" Fiberglass Rods	1"	65	1,625	1,625
7/8" Rods	7/8"	84	2,100	3,725
3/4" rods	3/4"	105	2,625	6,350
Sinker Bar 1 1/2"	1.5	12	300	6,650
Pump	1.5		6,650	

Formation Tops				
YATES		SAN ANDRES	3,803	TUBB 5893
7 RIVERS		GLORIETA	4,901	Drinkard 6071
QUEEN	3,296	PADDOCK	5,085	ABO 6403
PENROSE	3,400	BLINBRY	5,265	

Completion Details

1996: BLINBRY 5597-5788 Acid w/ 3000 gal 15% HCL 135 BS Frac w/ 43,600 gal 82,411# 16/30 SD. 5278-5428 Acidize w/ 3000 gal 15% HCL 120 BS, Frac w/ 54,796 gal & 125,300# 16/30
 1996 ABO: Acidize w/ 1000 gal HCL (Isolated w/ CIBP)
 1996 DRINKARD: 1500 gal HCL 135 Ball Sealers (Isolated with CIBP)
 2000: Paddock 5116-5166 acid 2500 gal 15% & 2000 gal 15% HCL & 10,000 gal 28% w/ 40 BS & 10,000 gal 28% w/ 40 BS
 2000: 5048-5064' acidize w/ 2500 gal 15% 2006:
 Drill out CIBP @ 6230 & acidize Drinkard 1500 gal 15% acidize Paddock w/ 1500 gal 15% HCL 40 BS 2008: CMT
 SQUEEZE perf @1200' 110 bbl CMT 2021:
 Add perms in Abo, Acidize Drink/Tubb 3,000 gal & Abo w/ 3,000 gal

Pumping Unit	SPM	Stroke Length
Lufkin C320D-298-100	9	100

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 30-025-33493		² Pool Code 58300		³ Pool Name Teague; PADDOCK-BLINEBRY	
⁴ Property Code 330766		⁵ Property Name E C HILL B FEDERAL			⁶ Well Number #018
⁷ OGRID No. 329326		⁸ Operator Name FAE II OPERATING, LLC			⁹ Elevation 3275'

¹⁰ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
G	34	23S	37E		1400	N	2280	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
G	34	23S	37E		1400	N	2280	E	LEA

¹² Dedicated Acres 40	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No. NSL-3683
-------------------------------------	------------------------------------	----------------------------------	-------------------------------------

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 	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 Vanessa Neal Printed Name vanessa@faenergyus.com E-mail Address	Date 06/28/2023
	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

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Phone: (505) 334-6178 Fax: (505) 334-6170
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State of New Mexico
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OIL CONSERVATION DIVISION
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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 30-025-33493		² Pool Code 33600		³ Pool Name IMPERIAL; TUBB-DRINKARD	
⁴ Property Code 330766		⁵ Property Name E C HILL B FEDERAL			⁶ Well Number #018
⁷ OGRID No. 329326		⁸ Operator Name FAE II OPERATING, LLC			⁹ Elevation 3275'

¹⁰ Surface Location

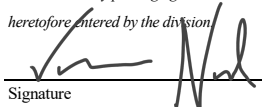
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
G	34	23S	37E		1400	N	2280	E	LEA

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
G	34	23S	37E		1400	N	2280	E	LEA

¹² Dedicated Acres 40	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No. NSL-3683
-------------------------------------	------------------------------------	----------------------------------	-------------------------------------

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		1400'			
		○		2280'	
SW/4 NE/4 Sec 34 (40 acres)					<p>¹⁷ OPERATOR CERTIFICATION</p> <p><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></p> <p style="text-align: right;"> 06/28/2023</p> <p>Signature _____ Date _____</p> <p>Vanessa Neal Printed Name _____</p> <p>vanessa@faenergyus.com E-mail Address _____</p>
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>_____ Date of Survey</p> <p>_____ Signature and Seal of Professional Surveyor:</p> <p>_____ Certificate Number</p>

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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 30-025-33493		² Pool Code 58250		³ Pool Name Teague; Abo, South	
⁴ Property Code 330766		⁵ Property Name E C HILL B FEDERAL			⁶ Well Number #018
⁷ OGRID No. 329326		⁸ Operator Name FAE II OPERATING, LLC			⁹ Elevation 3275'

¹⁰ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
G	34	23S	37E		1400	N	2280	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
G	34	23S	37E		1400	N	2280	E	LEA

¹² Dedicated Acres 40	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No. NSL-3683
-------------------------------------	------------------------------------	----------------------------------	-------------------------------------

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 <div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> 1400' </div> <div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> ○ </div> <div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> <p>SW/4 NE/4 Sec 34 (40 acres)</p> </div> <div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> 2280' </div>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><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></p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> Signature </div> <div style="text-align: center;"> 06/28/2023 Date </div> </div> <p>Vanessa Neal Printed Name</p> <p>vanessa@faenergyus.com E-mail Address</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>_____ Date of Survey</p> <p>_____ Signature and Seal of Professional Surveyor:</p>
	<p>_____ Certificate Number</p>

Form 3160-5
(June 2019)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2		5. Lease Serial No.
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator		7. If Unit of CA/Agreement, Name and/or No.
3a. Address	3b. Phone No. (include area code)	8. Well Name and No.
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)		9. API Well No.
		10. Field and Pool or Exploratory Area
		11. Country or Parish, State

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	Title
Signature	Date

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: SWNE / 1400 FNL / 2280 FEL / TWSP: 23S / RANGE: 37E / SECTION: 34 / LAT: 0.0 / LONG: 0.0 (TVD: 0 feet, MD: 0 feet)

BHL: SWNE / 1400 FNL / 2280 FEL / TWSP: 23S / SECTION: / LAT: 0.0 / LONG: 0.0 (TVD: 0 feet, MD: 0 feet)

From: [Vanessa Neal](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXTERNAL] RE: Action ID: 234582; DHC-5334
Date: Monday, October 23, 2023 7:51:13 AM
Attachments: [image001.png](#),
[C-107a_DHC_E C Hill B Federal #018_2023-10-23.pdf](#)

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

Dean,

You are correct, the intended perforation range for the Abo pool is 6418 to 6622. The C-107A has been corrected and is attached.

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@emnrn.nm.gov>
Sent: Friday, October 20, 2023 5:41 PM
To: Vanessa Neal <vanessa@faenergyus.com>
Subject: Action ID: 234582; DHC-5334

To whom it may concern (c/o Vanessa Neal for FAE II Operating, LLC),

The Division is reviewing the following application:

Action ID	234582
Admin No.	DHC-5334
Applicant	FAE II Operating, LLC (329326)
Title	E C Hill B Federal #18
Sub. Date	6/29/2023

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- Please confirm the perforation range for the Abo pool. From the WBD it appears that perhaps the intended perforation range is 6418 to 6622 rather than the included 6458 to 6622. If the C-107A does have the incorrect perf range, please correct it and send back to me.

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

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

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Vanessa Neal](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order DHC-5334
Date: Friday, October 27, 2023 8:30:13 AM
Attachments: [DHC5334 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5334 which authorizes FAE II Operating, LLC (329326) to downhole commingle production within the following well:

Well Name: E C Hill B Federal #18

Well API: 30-025-33493

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079
Operator Address

E C HILL B FEDERAL #018 G-34-23S-37E LEA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 329326 Property Code 330766 API No. 30-025-33493 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	TEAGUE; PADDOCK-BLINEBRY	IMPERIAL; TUBB-DRINKARD	TEAGUE; ABO, SOUTH
Pool Code	58300	33600	58250
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5048-5788'	5950-6399'	6418-6622'
Method of Production (Flowing or Artificial Lift)	ARTIFICIAL LIFT	ARTIFICIAL LIFT	ARTIFICIAL LIFT
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 <small>(Degree API or Gas BTU)</small>	35 API / 1.189 BTU	35 API / 1.189 BTU	35 API / 1.189 BTU
Producing, Shut-In or New Zone	PRODUCING	PRODUCING	NEW ZONE
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>	Date: SEE Rates: ATTACHED	Date: SEE Rates: ATTACHED	Date: SEE Rates: ATTACHED
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 47 % 46 %	Oil Gas 33 % 23 %	Oil Gas 20 % 31 %

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

NMOCED 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  TITLE Sr Reservoir Engineer DATE 23 OCT 2023

TYPE OR PRINT NAME Vanessa Neal TELEPHONE NO. (832) 219-0990

E-MAIL ADDRESS vanessa@faenergyus.com

**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-5334

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. 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

7. 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.
8. 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.
9. 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.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
11. 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. This Order supersedes Order DHC-187.
3. 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.
4. 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 Order to become inaccurate, then no later than sixty (60) days after that event, Applicant 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 Order shall terminate on the date of such action.
5. 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.
6. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
7. 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.
8. 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.
9. 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).
10. 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**



**DYLAN M. FUGE
DIRECTOR**

DATE: 10/27/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5334**

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

Well Name: **E C Hill B Federal #18**

Well API: **30-025-33493**

Pool Name: **TEAGUE; PADDOCK-BLINEBRY**

Upper Zone

Pool ID: **58300**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **47%**

Gas: **46%**

Interval: **Perforations**

Top: **5,048**

Bottom: **5,788**

Pool Name: **IMPERIAL; TUBB-DRINKARD**

Intermediate Zone

Pool ID: **33600**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **33%**

Gas: **23%**

Interval: **Perforations**

Top: **5,950**

Bottom: **6,399**

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

Pool Name: **TEAGUE; ABO, SOUTH**

Lower Zone

Pool ID: **58250**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **20%**

Gas: **31%**

Interval: **Perforations**

Top: **6,418**

Bottom: **6,622**

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 234582

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 234582
	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.	10/27/2023