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

APPLICATION OF FAE II OPERATING, LLC TO EXTEND THE VERTICAL LIMITS OF THE LANGLIE-MATTIX; SEVEN RIVERS-QUEEN-GRAYBURG POOL WITHIN THE NORTH JAL UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 25422

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Joseph Kent		
A-1	Application & Proposed Notice of Hearing		
A-2	Sample Notice Letter		
A-3	Return Receipts		
Exhibit B	Self-Affirmed Statement of Charles Hooper		
B-1	Stratigraphic Cross Section		
B-2	North Jal Unit Pools Map		
Exhibit C	Self-Affirmed Statement of Dana S. Hardy		
C-1	Affidavit of Publication for June 19, 2025		

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

APPLICATION OF FAE II OPERATING, LLC TO EXTEND THE VERTICAL LIMITS OF THE LANGLIE-MATTIX; SEVEN RIVERS-QUEEN-GRAYBURG POOL WITHIN THE NORTH JAL UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 25422

SELF-AFFIRMED STATEMENT OF JOSEPH KENT

1. I am over 18 years of age and am competent to provide this self-affirmed statement. I have personal knowledge of the matters addressed herein. I am employed by FAE II Operating, LLC ("FAE") as the Vice President of Land and Business Development. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the Application in this case and with the land matters pertaining to this Application. A copy of the application and proposed notice are attached as **Exhibit A-1**.

3. FAE's Application seeks an Order to extend the vertical limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) to include the Yates and Upper Seven Rivers formations within the boundaries of the North Jal (Yates-Seven Rivers-Queen) Unit.

4. On January 13, 2025, the Division issued Order No. R-23638 approving the North Jal (Yates-Seven Rivers-Queen) Unit ("Unit") for enhanced oil recovery operations in the Yates, Seven Rivers, and Queen formations.

5. The Unit encompasses approximately 3,154.37 acres of the following federal, state, and fee lands located in Lea County, New Mexico:

Township 24 South, Range 36 East

Section 25: S/2

FAE II Operating, LLC Case No. 25422 Exhibit A Section 26: E/2 SE/4 Section 35: E/2 NE/4 Section 36: All

Township 24 South, Range 37 East

Section 19: E/2 Section 20: SW/4, SW/4 NW/4 Section 29: W/2 Section 30: NE/4, S/2 Section 31: N/2 NW/4

Township 25 South, Range 36 East

Section 1: All

6. FAE is the designated operator of the Unit.

7. Order No. R-23638 defines the Unitized Interval as the top of the Yates formation to a lower limit at the base of the Queen formation; the geologic markers having been previously found to occur at 2,879 feet and 3,691 feet, respectively, in Skelly Oil company's Sherrill Well No. 7 (current well name Langlig Jal Unit Well No. 17; API No. 30-025-11301), located at 1,980 feet from the South line and 1,930 feet from the East line of Section 31, Township 24 south, Range 37 Eat, Lea County, New Mexico, as recorded on the Frontier Perforators, Inc., Gamma Ray-Neutron Log run taken on September 1, 1957, said log being measured from a Kelly Bushing elevation of 3,241 feet above sea level. *See* Order No. R-23628 at ¶ 3.

8. As stated in Order No. R-23638, the Unitized Interval includes the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240), and the Yates, Seven Rivers, and Queen formations.

9. In order to allow for the most efficient well development pattern and maximize administrative reporting and efficiency, FAE proposes to expand the vertical limits of the Langlie-

2

Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) to include the Yates and entire Seven Rivers formations, only within the boundaries of the Unit.

10. The expansion of the vertical limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) to include the Yates and Upper Seven Rivers formations will allow for the maximization of administrative reporting and efficiency.

11. FAE conducted a diligent, good-faith effort to identify the correct addresses of persons entitled to notice and has complied with the Division's notice requirements.

12. FAE provided notice to all operators within the affected pools, as well as to operators in the same formation as the pool within one (1) mile of the pool's outer boundary as required by 19.15.4.12(A)(4) NMAC. A sample notice letter is attached as Exhibit A-2 and the return receipts are attached as Exhibit A-3.

13. The attached exhibits were either prepared by me or under my supervisor or were compiled from company business records.

14. In my opinion, the granting of FAE's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. I understand that this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my signature below.

Joseph Kent Joseph Kent

6/30/2025 Date

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

APPLICATION OF FAE II OPERATING, LLC TO EXTEND THE VERTICAL LIMITS OF THE LANGLIE-MATTIX; SEVEN RIVERS-QUEEN-GRAYBURG POOL WITHIN THE NORTH JAL UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 25422

APPLICATION

FAE II Operating, LLC ("FAE" or "Applicant") (OGRID No. 329326), through its undersigned counsel, files this application with the Oil Conservation Division ("Division") to extend the vertical limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) to include the Yates and Upper Seven Rivers Formations only within the boundaries of the North Jal Unit. In support of its application, FAE states the following.

1. On January 13, 2025, the Division issued Order No. R-23638 approving the North

Jal (Yates-Seven Rivers-Queen) Unit ("Unit") for enhanced oil recovery operations in the Yates, Seven Rivers, and Queen formations.

2. The Unit encompasses approximately 3,154.37 acres of the following federal, state, and fee lands located in Lea County, New Mexico:

Township 24 South, Range 36 East

Section 25: S/2 Section 26: E/2 SE/4 Section 35: E/2 NE/4 Section 36: All

Township 24 South, Range 37 East

Section 19: E/2 Section 20: SW/4, SW/4 NW/4 Section 29: W/2 Section 30: NE/4, S/2 Section 31: N/2 NW/4

> FAE II Operating, LLC Case No. 25422 Exhibit A-1

Township 25 South, Range 36 East

Section 1: All

3. FAE is the designated operator of the Unit.

4. Order No. R-23638 defines the Unitized Interval as the top of the Yates formation to a lower limit at the base of the Queen formation; the geologic markers having been previously found to occur at 2,879 feet and 3,691 feet, respectively, in Skelly Oil company's Sherrill Well No. 7 (current well name Langlig Jal Unit Well No. 17; API No. 30-025-11301), located at 1,980 feet from the South line and 1,930 feet from the East line of Section 31, Township 24 south, Range 37 Eat, Lea County, New Mexico, as recorded on the Frontier Perforators, Inc., Gamma Ray-Neutron Log run taken on September 1, 1957, said log being measured from a Kelly Bushing elevation of 3,241 feet above sea level. *See* Order No. R-23628 at ¶ 3.

5. As stated in Order No. R-23638, the Unitized Interval includes the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820) and Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) and the Yates, Seven Rivers, and Queen formations.

6. In order to allow for the most efficient well development pattern, effectively drain the reserves in the unitized formation underlying the Unit Area, and maximize administrative reporting and efficiency, FAE proposes to expand the vertical limit of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool to include the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), along with the Yates and Seven Rivers formations, within the boundaries of the Unit Area.

7. Approval of the expansion of the pool as set forth herein will promote administrative and reporting efficiency.

8. All Division designated operators of wells within the affected pools, or within the same formation within one mile of the Unit Area, have been provided notice of this application.

WHEREFORE, FAE requests that this Application be set for hearing on July 10, 2025, and

after notice and hearing, the Division enter its order approving the application.

Respectfully submitted,

By: <u>/s/ Dana S. Hardy</u> HARDY MCLEAN LLC Dana S. Hardy Jaclyn M. McLean Daniel Goldberg 125 Lincoln Ave., Suite 223 Santa Fe, NM 87501 505-230-4410 dhardy@hardymclean.com jmclean@hardymclean.com

ATTORNEYS FOR FAE II OPERATING, LLC

Application of FAE II Operating, LLC to Extend the Vertical Limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool within the North Jal Unit, Lea County, New Mexico. FAE II Operating, LLC ("FAE" or "Applicant") seeks an order extending the vertical limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) to include the Yates and Upper Seven Rivers Formations only within the boundaries of the North Jal Unit. Order No. R-23638 approved the North Jal (Yates-Seven Rivers-Queen) Unit ("Unit") for enhanced oil recovery operations in the Yates, Seven Rivers, and Queen formations and designated Applicant as operator of the Unit. The Unit encompasses approximately 3,154.37 acres of the following federal, state, and fee lands located in Lea County, New Mexico:

Township 24 South, Range 36 East

Section 25: S/2 Section 26: E/2 SE/4 Section 35: E/2 NE/4 Section 36: All

Township 24 South, Range 37 East

Section 19: E/2 Section 20: SW/4, SW/4 NW/4 Section 29: W/2 Section 30: NE/4, S/2 Section 31: N/2 NW/4

Township 25 South, Range 36 East

Section 1: All

The Unitized Interval includes the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820) and Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) and the Yates, Seven Rivers, and Queen formations. In order to allow for the most efficient well development pattern, effectively drain the reserves in the unitized formation underlying the Unit Area, and maximize administrative reporting and efficiency, FAE proposes to expand the vertical limit of the Langlie-

Mattix; Seven Rivers-Queen-Grayburg Pool to include the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), along with the Yates and Seven Rivers formations, within the boundaries of the Unit Area. The Unit is located approximately 5 miles north of Jal, New Mexico.



June 12, 2025

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 25422 – Application of FAE Operating, LLC to Extend the Vertical Limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool Within the North Jal Unit, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 10, 2025** beginning at 9:00 a.m.

Hearings are currently conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Writer:

Dana S. Hardy Senior Managing Partner dhardy@hardymclean.com

> FAE II Operating, LLC Case No. 25422 Exhibit A-2

HardyMclean.com

Page 10 of 35

505-230-4410

125 Lincoln Avenue, Suite 223

Santa Fe, NM 87501

Hardy McLean LLC July 1, 2025 Page 2

If you have questions about this matter, please contact Joe Kent at 832-674-1255 or email info@faenergyus.com.

Sincerely,

Hardy McLean LLC

By: <u>/s/ Dana S. Hardy</u> Dana S. Hardy

NJU Pool Notice Mailing to Operators June 12, 2025 Certified Mail Receipts

FAE II Operating, LLC Case No. 25422 Exhibit A-3

Received by OCD: 7/2/2025 8:46:17 AM



























Keceived by OCD: 7/2/2025 8:46:17 MM









1700 Lincoln St. Ste 4550

Denver, CO 80203

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instruction

œ

158

D





25 fo 51 9804

MA 71:34:8 2202/2/7 :UDO Vd bevieseReceived by OCD: 7/2/2025









































NJU Pool Notice Mailing to Operators June 12, 2025 Returned Green Cards



Page 20 of 35

eceived by OCD: 7/2/2025 8:46:17 AM	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse 	A. Signature
so that we can return the card to you. Attach this card to the back of the mailpiece,	B. Received by (<i>Printed Name</i>) C. Date of Delivery
or on the front if space permits.	JennyEdwards 673-25
1. Article Addressed to: Driftwood Oil, LLC	D. Is delivery address different from item 1? Ves If YES, enter delivery address below: Vo
PO Box 1224	
Jal, NM 88252	
	3. Service Type Priority Mail Express® Adult Signature Registered Mail [™]
9590 9402 9420 5002 3370 18	Adult Signature Restricted Delivery Certified Mail® Certified Mail®
	□ Certified Mail Restricted Delivery □ Signature Confirmation™ □ Collect on Delivery □ Signature Confirmation □ Collect on Delivery Restricted Delivery Restricted Delivery
2. Article Number (Transfer from service label) 9589 0710 5270 1883 448	Title Mail
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt
101011011, 001 2020 P3147030-02-000-9003	Domestic Heturn Heceipt
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse so that we can return the card to you.	X Sauna Tawell Agent
Attach this card to the back of the mailpiece,	B. Received by (Printed wame) C. Date of Delivery
or on the front if space permits. 1. Article Addressed to:	D. Is delivery address different from item 1?
Extex Operating Company	If YES, enter delivery address below:
1616 S Voss RD, Ste 400 Houston, TX 77057	
	3. Service Type
	□ Adult Signature □ Registered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail™
9590 9402 9420 5002 3344 44	□ Certified Mail® Delivery □ Certified Mail Restricted Delivery □ Signature Configuration™
2. Article Number (Transfer from service label)	Collect on Delivery Restricted Delivery Restricted Delivery
9589 0710 5270 1883 4487	A Mail Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt
da.	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	x Agent
so that we can return the card to you. Attach this card to the back of the mailpiece, 	B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	Insl. I I
1. Article Addressed to: Finaly Resources, LLC	D. Is delivery address different from item 1? Uss If YES, enter delivery address below: No
16585 PCH, Ste 324	
Sunset Beach, CA 90742	
	3. Service Type Priority Mail Express®
	Adult Signature Restricted Delivery Certified Mail® Generating G
9590 9402 9420 5002 3344 68	Certified Mail Restricted Delivery
2. Article Number (Transfer from service label)	Collect on Delivery Restricted Delivery Restricted Delivery
9589 D710 5270 1883 4486	Mall Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Released to Imaging: 7/2/2025 9:32:27 AM

Domestic Return Receipt

Page 21 of 35

Received by OCD: 7/	17/2025 8-46-17 AM		Page 22 of 35
Received by OCD. //	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	1 uge 22 0j 55
	Complete items 1, 2, and 3.	A. Signatore	
	Print your name and address on the reverse so that we can return the card to you.	* Jong Educes Agent	
	Attach this card to the back of the mailpiece.	B. Received by (Printed Name) C. Date of Delivery	
	or on the front if space permits.	Jenny Edwards 10-23-25	
	Fulfer Oil & Cattle, LLC	D. Is delivery address different from item 1? If YES, enter delivery address below:	
	PO Box 1224		
	Jal, NM 88252		
	×		
		3. Service Type C Priority Mail Express® Adult Signature Registered Mail TM	
	9590 9402 9420 5002 3369 12	Adult Signature Restricted Delivery Cretified Mail® Delivery	
	2. Article Number (Transfer from service label)	Certified Mail Restricted Delivery Collect on Delivery	
		ten e annali	
	PS Form 3811, July 2020 PSN 7530-02-000-9053		
		Domestic Return Receipt	
	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
	Complete items 1, 2, and 3.	A. Signature	
	Print your name and address on the reverse so that we can return the card to you.	X Cellor Myler Addressee	
	Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Delivery	
	or on the front if space permits. 1. Article Addressed to:	D. Is delivery address different from item 1? Yes	
	Hilcorp Energy Company	If YES, enter delivery address below: No	
	1111 Travis St Houston, TX 77002		
	AL M MEMORY AND AND A BY INCLUME THE ANT A DATE OF THE AND A DATE	3. Service Type	
		□ Adult Signature □ Registered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail Restricted	
	9590 9402 9420 5002 3345 12	Certified Mail® Certified Mail® Certified Mail® Certified Mail® Signature Confirmation™ Confirmation™ Confirmation™ Confirmation™	
	2. Article Number (Transfer from service label)	Collect on Delivery Collect on Delivery Collect on Delivery Insured Mail	
	9589 0710 5270 1883 4486	5 B 00)	
	PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt	
	SENDER: COMPLETE THE SECTION	COMPLETE THIS SECTION ON DELIVERY	
	SENDER: COMPLETE THIS SECTION	A. Signature	*
	 Complete items 1, 2, and 3. Print your name and address on the reverse 	Y B D O D Agent	
	so that we can return the card to you.	B. Received by (Printed Name)	
	Attach this card to the back of the mailpiece, or on the front if space permits.	Barbara Abney 620/25	
	1. Article Addressed to: Kratos Operating, LLC	D. Is delivery address different from item 1? □ Yes If YES, enter delivery address below: □ No	
	PO Box 769		
	Hobbs, NM 88241		
		3. Service Type □ Priority Mail Express®	
		Adult Signature Restricted Delivery Certified Mail® Delivery	
		□ Certified Mail Restricted Delivery □ Signature Confirmation □ □ Collect on Delivery □ Signature Confirmation □ □ Signature Confirmation □	
	E. Paloio Malliber (Maloier nom control label)	Collect on Delivery Restricted Delivery Mail Automaticated Delivery Automaticated Delivery Collection Collec	
	9589 0710 5270 1883 4486		
Released to Imaging	PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt	

Released to Imaging: 7/2/2025 9:32:27 AM

.









Page 26 of 35



Released to Imaging: 7/2/2025 9:32:27 AM

Page 27 of 35

Received by OCD:	 SENDER: COMPLETE THIS SECTION 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. Article Addressed to: Yarbrough Oil LP, c/o Hale Duncan & Co. Box 2526 Hobbs, NM 88241 	COMPLETE THIS SECTION ON DELIVERY A. Struture Agent Agent Addressee B. Received by (Printed Name) C. Date of Delivery Monica D. Is delivery address different from item 1? If YES, enter delivery address below:
	9590 9402 9420 5002 3343 52	3. Service Type □ Priority Mail Express® □ Adult Signature □ Registered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail™ □ Certified Mail® □ Signature Confirmation™ □ Certified Mail Restricted Delivery □ Signature Confirmation™
	2. Article Number (Transfer from service label) 9589 0710 5270 1883 4488	Collect on Delivery Restricted Delivery Aail Aail Restricted Delivery IO
	PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

.

Page 28 of 35



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

APPLICATION OF FAE II OPERATING, LLC TO EXTEND THE VERTICAL LIMITS OF THE LANGLIE-MATTIX; SEVEN RIVERS-QUEEN-GRAYBURG POOL WITHIN THE NORTH JAL UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 25422

SELF-AFFIRMED STATEMENT OF CHARLES HOOPER

1. I am over 18 years of age and am competent to provide this self-affirmed statement. I have personal knowledge of the matters addressed herein. I am employed by FAE II Operating, LLC ("FAE") as a geologist. I am familiar with the Application in this case and with the geology matters pertaining to this Application. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. FAE's Application seeks an Order to extend the vertical limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) to include the Yates and Upper Seven Rivers formations within the boundaries of the North Jal (Yates-Seven Rivers-Queen) Unit ("Unit").

3. The Unitized Interval is identified in **Exhibit B-1** by a stratigraphic cross section, using the Yates formation top as the reference datum. The cross section shows that porous, reservoir-quality rock is present in the Unitized Interval across the entire Unit and is relatively consistent.

4. The Unitized Interval includes the includes the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code

> FAE II Operating, LLC Case No. 25422 Exhibit B

37240); and the Yates, Seven Rivers, and Queen formations. **Exhibit B-2** is a map that depicts the pools that include the Yates, Seven Rivers, and/or Queen formations within the Unit.

5. It is my opinion that the vertical limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) should be expanded to include the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), along with the Yates and Seven Rivers formations, within the boundaries of the Unit Area.

6. The expansion of the vertical limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) to include the Yates and Upper Seven Rivers formations will allow the Unitized Interval to be efficiently developed, will effectively drain reserves in the unitized formation underlying the Unit Area, and will maximize administrative reporting and efficiency.

7. The exhibits referenced above were either prepared by me or under my supervision or were compiled from company business records.

8. In my opinion, the granting of FAE's application would serve the interests of conservation, the prevention of waste, and the protection of correlative rights.

9. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my signature below.

Charles Hooper

June 27, 2025

Date







VELLS AT 1 VELLS AT 1 VELLS AT 1 VELLS AT 1	WELLS B1 #5	6	5
		FAE II Operating, LLC Case No. 25422	
PETRA 6/27/2025 10:31:02 AM		Exhibit B-2	

Released to Imaging: 7/2/2025 9:32:27 AM

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

APPLICATION OF FAE II OPERATING, LLC TO EXTEND THE VERTICAL LIMITS OF THE LANGLIE-MATTIX; SEVEN RIVERS-QUEEN-GRAYBURG POOL WITHIN THE NORTH JAL UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 25422

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of FAE II Operating, LLC, the Applicant herein.

2. On June 19, 2025, I caused a notice to be published in the Hobbs – News Sun. An Affidavit of Publication from the legal Clerk of the Hobbs News – Sun along with a copy of the Notice Publication, is attached as **Exhibit C-1**.

3. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

<u>/s/Dana S. Hardy</u> Dana S. Hardy <u>July 1, 2025</u> Date

FAE II Operating, LLC Case No. 25422 Exhibit C

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Andy Brosig, Editor of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated June 19, 2025 and ending with the issue dated June 19, 2025.

Editor

Sworn and subscribed to before me this 19th day of June 2025.

Business Manager

My commission expires

January 29, 2027 (Seal) STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made. LEGAL NOTICE June 19, 2025

Township 24 South, Range 36 East Section 25: S/2 Section 26: E/2 SE/4 Section 35: E/2 NE/4 Section 36: All

Township 24 South, Range 37 East Section 19: E/2 Section 20: SW/4, SW/4 NW/4 Section 29: W/2 Section 30: NE/4, S/2 Section 31: N/2 NW/4

Township 25 South, Range 36 East Section 1: All

The Unitized Interval includes the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool Pool Code 33820) and Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) and the Yates, Seven Rivers, and Queen formations. In order to allow for the most efficient well development pattern, effectively drain the reserves in the unitized formation underlying the Unit Area, and maximize administrative reporting and efficiency, Applicant proposes to expand the vertical limit of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool to include the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), along with the Yates and Seven Rivers formations, within the boundaries of the Unit Area. The Unit is located approximately 5 miles north of Jal, New Mexico.

67118479

00301892

HARDY MCLEAN LLC 125 LINCOLN AVE, STE. 223 SANTA FE, NM 87501

> FAE II Operating, LLC Case No. 25422 Exhibit C-1