

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: FAE II Operating, LLC **OGRID Number:** 329326
Well Name: Arnott Ramsay NCT-B #16 **API:** 30-025-48079
Pool: Jalmat Oil **Pool Code:** 33820

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

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

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

FOR OCD ONLY

- ☐ Notice Complete
☒ Application Content Complete

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

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

David Schellstede

Print or Type Name

Signature

12/10/2020

Date

(832) 220-3202

Phone Number

David@FAEnergyus.com

e-mail Address

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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised August 1, 2011

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

FAE II Operating, LLC

11757 Katy Fwy. Ste. 1000, Houston, TX 77079

Operator **Arnott Ramsay NCT-B** Address **J-32-25S-37E** **Lea**
Lease **329326** Well No. **326919** Unit Letter-Section-Township-Range **30-025-48079** County **X**
OGRID No. _____ Property Code _____ API No. _____ Lease Type: ☐ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>Jalmat</i>		<i>Langlie Mattix</i>
Pool Code	<i>33820</i>		<i>37240</i>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<i>3,050' – 3,200'</i>		<i>3,200' – 3,425'</i>
Method of Production (Flowing or Artificial Lift)	<i>Artificial Lift</i>		<i>Artificial Lift</i>
Bottomhole Pressure (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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<i>33.1 API / 1,346 BTU</i>		<i>33.1 API / 1,346 BTU</i>
Producing, Shut-In or New Zone	<i>New Zone</i>		<i>New Zone</i>
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	<i>See Attached</i> Date: Rates:	Date: Rates:	<i>See Attached</i> Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas <i>0 % 0 %</i>	Oil Gas <i>% %</i>	Oil Gas <i>0 % 0 %</i>

ADDITIONAL DATA

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

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

Will commingling decrease the value of production? Yes _____ No ☒ _____

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

NMOCD Reference Case No. applicable to this well: _____

Attachments:

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

PRE-APPROVED POOLS

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

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

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

SIGNATURE *M Bates* TITLE *Engineering Tech* DATE *12/10/2020*

TYPE OR PRINT NAME *Marshall Bates* TELEPHONE NO. *(832) 241-8080*

E-MAIL ADDRESS *Marshall@FAEnergyus.com*

faeIIoperating

December 9, 2020

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

Re: Arnott Ramsay NCT-B #016: API 30-025-48079
Jalmat Pool: 33820
Langlie Mattix Pool: 37240

Dear Mr. McClure:

FAE II Operating LLC, as operator, will be filing applications with the New Mexico Oil Conservation Division for approval of the aforementioned commingling project. After a review of internal records, this letter serves as notice that the operator and interest owners are identical for the pools listed above.

If you have any questions, please feel free to contact the undersigned by phone at (832) 219-0809 or by email at rebecca@faenergyus.com.

Thank you for your attention to this matter.

Sincerely,

FAE II Operating, LLC

A handwritten signature in blue ink, appearing to read "RWg".

Rebecca Wing
Land

faeIIoperating

December 10, 2020

VIA ONLINE FILING

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

Re: Application of FAE II Operating, LLC for Administrative Approval to Downhole Commingle Water Injection from the Jalmat and Langlie Mattix Pools for the Arnott Ramsay NCT-B #16 well located in Sec. 32, T-25S, R-37E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for downhole commingling of water injection from the Jalmat and Langlie Mattix Pools for its Arnott Ramsay NCT-B #16 proposed well located in Unit Letter J, Section 32, T-25S, R-37E, 2,603 feet FSL and 2,630 feet FEL, as shown in the attached C-102's for each zone.

The Arnott Ramsay NCT-B #16 will be open to the Yates-Seven Rivers-Queen formation, which translates to both the JALMAT; TAN-YATES-7 RVRS pool [Pool ID: 33820] and the LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG [Pool ID: 37240]. Since this well has not yet been drilled, the historical production curve in this formation does not exist. Furthermore, as this is will be an injector well, no oil, gas, or water production is expected from this particular wellbore.

After a review of internal records, the interest owners are identical for the aforementioned wells. As such, notification to the relevant parties of our intent to commingle production will not be necessary.

This proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. If there are further questions concerning this application, please feel free to contact the undersigned by email at marshall@faenergyus.com or by telephone at (832) 241-8080.

Very truly yours,



FAE II Operating, LLC

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240
Phone (575) 393-8161 Fax: (575) 393-0720

DISTRICT II

811 S. First St., Artesia, NM 88210
Phone (575) 745-1203 Fax: (575) 745-9720

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410
Phone (505) 334-8176 Fax: (505) 334-8176

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3400 Fax: (505) 476-3403State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-48079	Pool Code 37240	Pool Name LANGLIE MATTIX
Property Code 326919	Property Name ARNOTT RAMSEY NCT-B	Well Number 16
GRID No. 329326	Operator Name FAE II OPERATING, LLC	Elevation 2988'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	32	25 S	37 E		2603	SOUTH	2630	EAST	LEA

Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

N032.094054 W103.193348 (NAD83)		N032.094051 W103.176303 (NAD83)	OPERATOR CERTIFICATION 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. Signature: <u>Jessica LaMarr</u> Date: <u>11/3/2020</u> Printed Name: <u>Jessica LaMarr</u> Email Address: <u>jessica@faenergyus.com</u>
N032.096004 W103.193342 (NAD83)	SURFACE LOCATION Lat - N 32.085699° Long - W 103.184791° NADSPCE - N 397172.2 E 897046.8 (NAD-83)		SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date Surveyed: <u>AUGUST 19, 2020</u> Signature: <u>[Signature]</u> Professional Surveyor: <u>7977</u> Certificate: <u>Gary L. Jones</u> 7977 State of New Mexico Surveyor
N032.079545 W103.193341 (NAD83)		N032.079544 W103.184820 (NAD83)	0' 500' 1000' 1500' 2000' SCALE: 1" = 1000' WO Num.: 35158

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-8181 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) 354-6178 Fax: (505) 354-6170

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-5460 Fax: (505) 476-5462State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-48079	Pool Code 33820	Pool Name Jalmat; Tan-Yates-Seven Rivers Pool (oil)
Property Code 326919	Property Name ARNOTT RAMSEY NCT-B	Well Number 16
OGRID No. 329326	Operator Name FAE II OPERATING, LLC	Elevation 2988'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	32	25 S	37 E		2603	SOUTH	2630	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

N032.094054 W103.193348 (NAD83)		N032.094051 W103.176303 (NAD83)
N032.086804 W103.193342 (NAD83)	<p>SURFACE LOCATION Lat - N 32.086699° Long - W 103.184791° NMSPCE - N 397172.2 E 897046.8 (NAD-83)</p>	2630'
N032.079545 W103.193341 (NAD83)		N032.079540 W103.176297 (NAD83)

OPERATOR CERTIFICATION

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.

Signature: Jessica LaMarro Date: 11/3/2020

Printed Name: Jessica LaMarro

Email Address: jessica@faenergyus.com

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DATE SURVEYED: AUGUST 19, 2020

Date Surveyed: _____

Signature & Seal of Professional Surveyor: [Signature]

Certificate No. 7977 Gary L. Jones

SCALE: 1" = 1000'

WO Num.: 35158