

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:** 326876
Well Name: Harrison #002 **API:** 30-025-25825
Pool: Jalmat (Oil) **Pool Code:** 79240

**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 **Harrison** Address **N-25-24S-36E** **Lea**
Lease **329326** Well No. **329831** Unit Letter-Section-Township-Range **30-025-25825** County **X**
OGRID No. _____ Property Code _____ API No. _____ Lease Type: ☐ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Jalmat		Langlie Mattix
Pool Code	79240		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,894 – 3,416'		3,502' – 3,578'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
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)	36 API / 1.050 BTU		36 API / 1.050 BTU
Producing, Shut-In or New Zone	Producing		Producing
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.)	See Attached Date: Rates:	Date: Rates:	See Attached 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 13 % Gas 0 %	Oil % Gas %	Oil 87 % Gas 100 %

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 Jonathan Gatlin TITLE Project Analyst DATE 12/10/2020

TYPE OR PRINT NAME Jonathan Gatlin TELEPHONE NO. (832) 241 - 8080

E-MAIL ADDRESS Marshall@faenergyus.com

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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: Harrison #002: API 30-025-25825
Jalmat Pool: 79240
Langlie Mattix Pool: 37240

Dear Mr. McClure:

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

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

Thank you for your attention to this matter.

Sincerely,

FAE II Operating, LLC



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 and Sell Oil and Gas Production from the Langlie Mattix Pool for the Harrison #002 well located in Sec. 25, T-24S, R-36E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for downhole commingling of oil and gas production from the Langlie Mattix Pool for its Harrison #002 well located in Unit Letter N, Section 25, T-24S, R-36E, 660 feet FSL and 1,980 feet FWL, as shown in the attached C-102's for each zone.

Harrison #002 is currently open to the Yates-Seven Rivers zone, which translates to the JALMAT; TAN-YATES-7 RVRs pool [Pool ID: 33820]. The production curve for this zone is shown in Exhibit A. To develop a production forecast, a decline curve was utilized based on the well's historical production within the zone.

The other zone that has production history in the Harrison #002 is the Seven Rivers-Queen, which translates to the LANGLIE MATTIX; 7 RVRs-Q-GRAYBURG [Pool ID: 37240]. To develop a production forecast, sixty-one (61) surrounding wells with historical production from the Seven Rivers-Queen were used as an offset by taking the average of the oil, gas, and water production. The resulting historical average production curve for this interval is shown in Exhibit B. From there, a decline curve was utilized based on the aforementioned historical production. Furthermore, Geology studied an Harrison #002 log, Attachment A, and also correlated it with other logs in the surrounding area to help determine the location of the new perforations in the Seven Rivers-Queen zone for the Harrison #002.

Overall, the forecast for the proposed downhole commingled production was formed by combining the forecasts for both zones, as shown in the Synthetic Decline Curve column of Exhibit D. This forecast for the Harrison #002 proved that an IP of 3.0 BOPD and 3.4 MCFPD is the expected total, and of that, 2.6 BOPD and 3.4 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 0.4 BOPD and 0.0 MCFPD with the additional intervals that will be opened up. This information along with the percentage allocation across the zones is shown in Exhibit D.

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

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

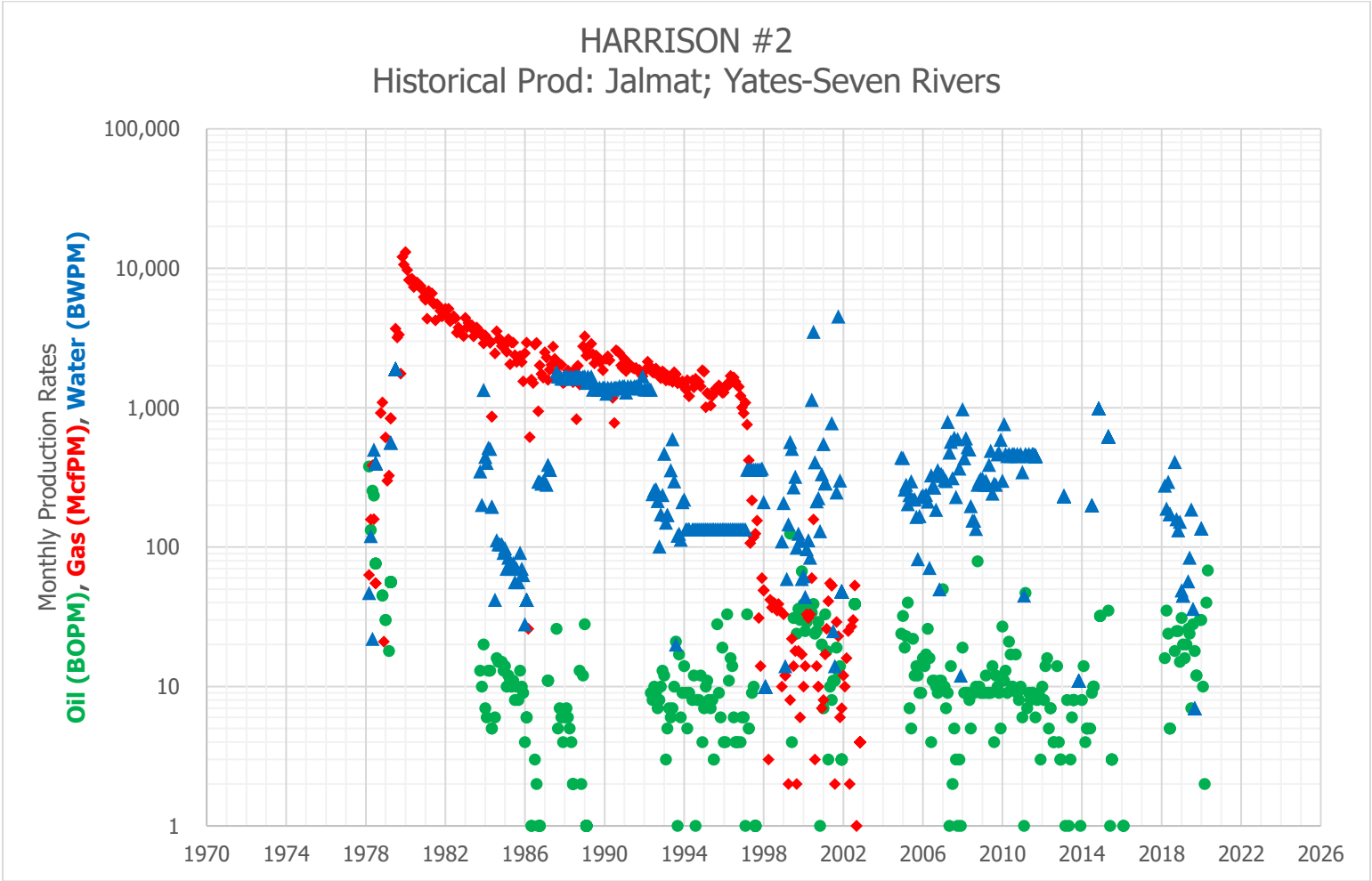
Very truly yours,



FAE II Operating, LLC

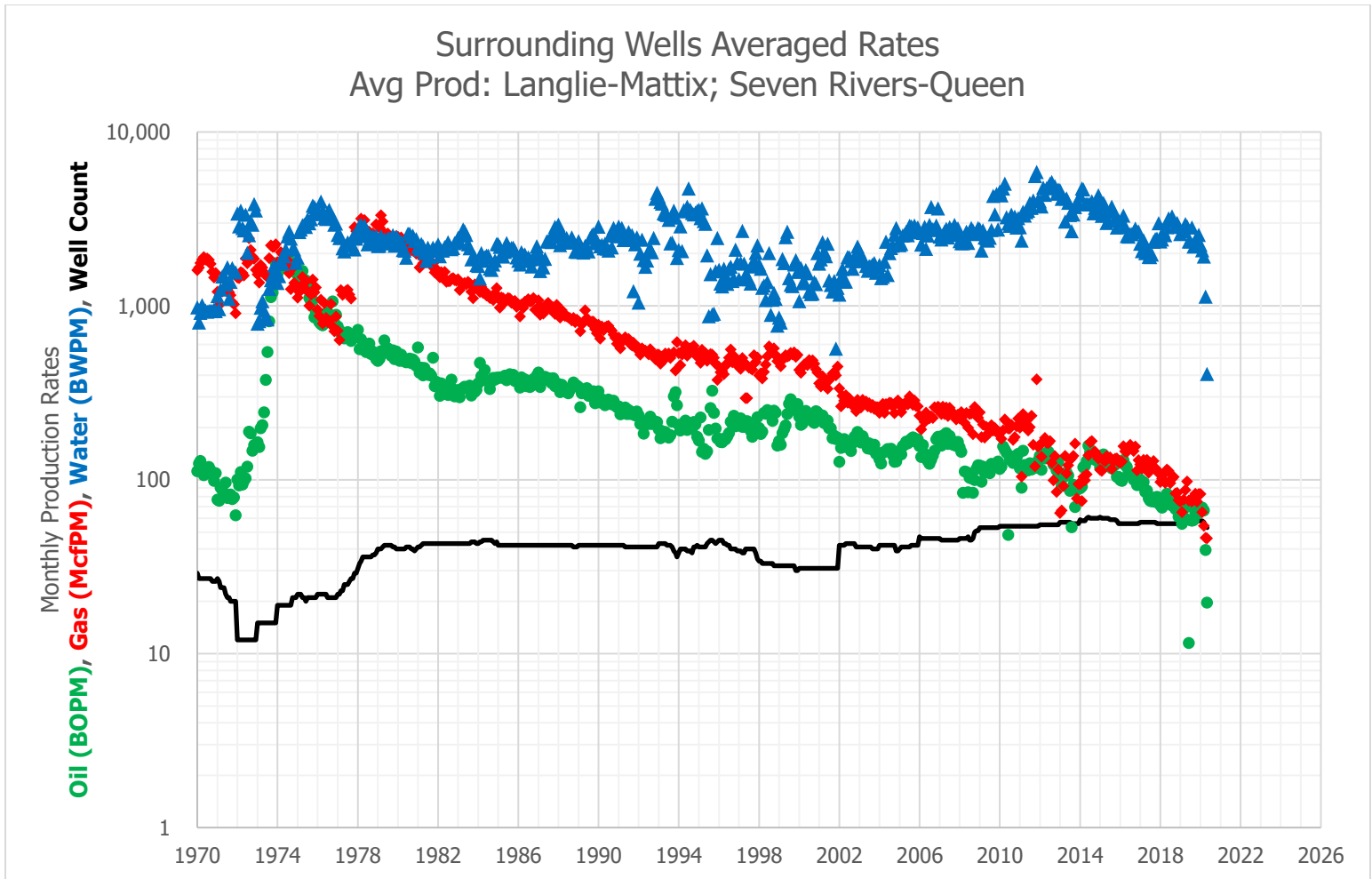
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Exhibit A – Historical Production in the Current Zone



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Exhibit B – Historical Average Production in the Proposed Zone



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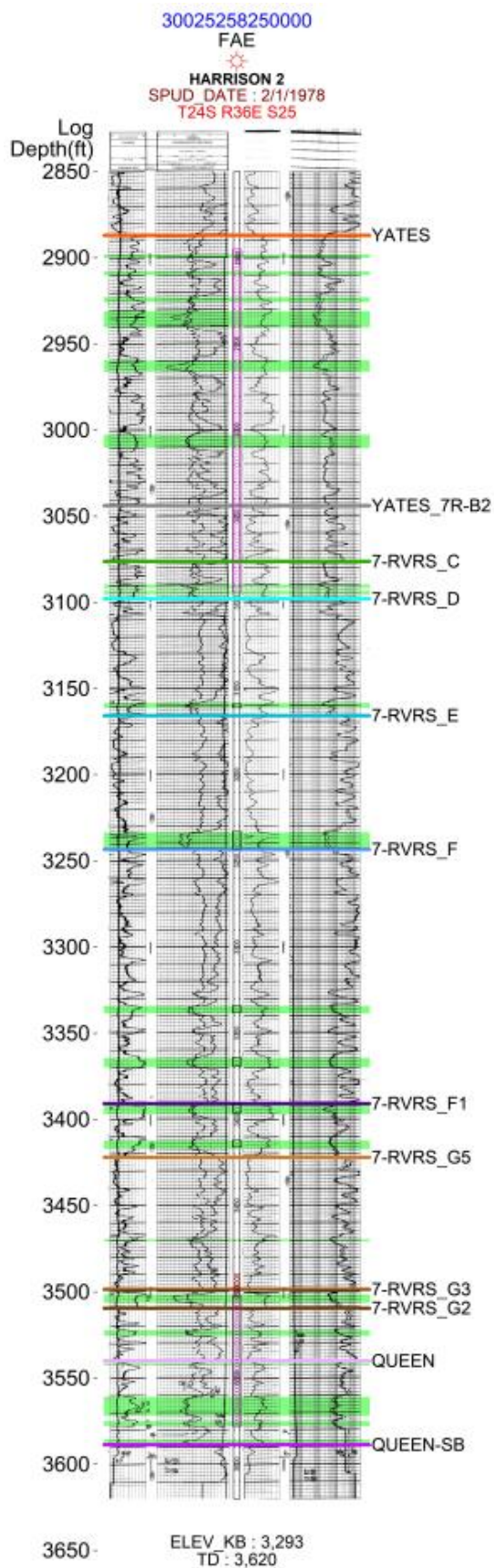
Exhibit C – Historical Production and Decline Curve

Surrounding Wells Averaged Rates					HARRISON #2				Synthetic Decline Curve			
Avg Prod: Langlie-Mattix; Seven Rivers-Queen					Historical Prod: Jalmat; Yates-Seven Rivers							
Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Month	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
1/1/2015	118	114	3,518	61	1/1/2015	-	-	-	1	90.3	105	2,573
2/1/2015	127	112	3,285	60	2/1/2015	-	-	-	2	89.8	104	2,565
3/1/2015	140	130	3,901	60	3/1/2015	-	-	-	3	89.4	104	2,557
4/1/2015	130	128	3,705	60	4/1/2015	-	-	-	4	89.0	104	2,548
5/1/2015	131	137	2,996	60	5/1/2015	35	-	620	5	88.6	103	2,540
6/1/2015	124	133	3,100	60	6/1/2015	1	-	-	6	88.1	103	2,531
7/1/2015	128	135	3,501	59	7/1/2015	3	-	-	7	87.7	103	2,523
8/1/2015	116	115	3,713	59	8/1/2015	-	-	-	8	87.3	103	2,515
9/1/2015	120	127	3,469	59	9/1/2015	-	-	-	9	86.9	102	2,507
10/1/2015	122	132	3,167	59	10/1/2015	-	-	-	10	86.5	102	2,498
11/1/2015	104	132	2,821	58	11/1/2015	-	-	-	11	86.1	102	2,490
12/1/2015	104	126	3,112	56	12/1/2015	-	-	-	12	85.6	102	2,482
1/1/2016	100	125	2,856	56	1/1/2016	-	-	-	13	85.2	101	2,474
2/1/2016	98	127	3,035	56	2/1/2016	1	-	-	14	84.8	101	2,466
3/1/2016	130	156	3,299	56	3/1/2016	-	-	-	15	84.4	101	2,458
4/1/2016	122	145	2,853	56	4/1/2016	-	-	-	16	84.0	101	2,449
5/1/2016	118	145	2,514	56	5/1/2016	-	-	-	17	83.6	100	2,441
6/1/2016	110	150	2,500	56	6/1/2016	-	-	-	18	83.2	100	2,433
7/1/2016	108	159	2,582	56	7/1/2016	-	-	-	19	82.8	100	2,425
8/1/2016	106	151	2,582	56	8/1/2016	-	-	-	20	82.4	100	2,417
9/1/2016	100	146	2,646	56	9/1/2016	-	-	-	21	82.0	99	2,409
10/1/2016	105	155	2,775	56	10/1/2016	-	-	-	22	81.6	99	2,402
11/1/2016	93	113	2,656	56	11/1/2016	-	-	-	23	81.2	99	2,394
12/1/2016	102	130	2,674	56	12/1/2016	-	-	-	24	80.9	99	2,386
1/1/2017	100	122	2,279	57	1/1/2017	-	-	-	25	80.5	98	2,378
2/1/2017	92	116	2,063	57	2/1/2017	-	-	-	26	80.1	98	2,370
3/1/2017	97	130	2,379	57	3/1/2017	-	-	-	27	79.7	98	2,362
4/1/2017	85	121	2,013	57	4/1/2017	-	-	-	28	79.3	98	2,355
5/1/2017	86	130	2,125	57	5/1/2017	-	-	-	29	78.9	97	2,347
6/1/2017	78	110	1,912	57	6/1/2017	-	-	-	30	78.6	97	2,339
7/1/2017	76	125	1,909	57	7/1/2017	-	-	-	31	78.2	97	2,331
8/1/2017	75	119	1,971	57	8/1/2017	-	-	-	32	77.8	97	2,324
9/1/2017	79	128	2,338	57	9/1/2017	-	-	-	33	77.4	96	2,316
10/1/2017	75	117	2,421	57	10/1/2017	-	-	-	34	77.1	96	2,309
11/1/2017	80	113	2,432	56	11/1/2017	-	-	-	35	76.7	96	2,301
12/1/2017	79	109	2,983	56	12/1/2017	-	-	-	36	76.3	96	2,293
1/1/2018	71	97	2,347	56	1/1/2018	-	-	-	37	76.0	96	2,286
2/1/2018	69	102	2,404	56	2/1/2018	-	-	-	38	75.6	95	2,278
3/1/2018	75	107	2,700	56	3/1/2018	16	-	276	39	75.3	95	2,271
4/1/2018	75	96	2,544	56	4/1/2018	35	-	189	40	74.9	95	2,263
5/1/2018	83	115	2,829	56	5/1/2018	24	-	294	41	74.5	95	2,256
6/1/2018	76	112	3,187	56	6/1/2018	5	-	173	42	74.2	94	2,249
7/1/2018	72	96	3,095	56	7/1/2018	-	-	-	43	73.8	94	2,241
8/1/2018	71	101	3,263	56	8/1/2018	-	-	-	44	73.5	94	2,234
9/1/2018	73	104	3,088	56	9/1/2018	18	-	409	45	73.1	94	2,226
10/1/2018	68	83	2,874	56	10/1/2018	25	-	159	46	72.8	93	2,219
11/1/2018	67	84	2,999	56	11/1/2018	25	-	132	47	72.4	93	2,212
12/1/2018	61	76	2,840	56	12/1/2018	15	-	152	48	72.1	93	2,205
1/1/2019	63	75	2,587	58	1/1/2019	31	-	49	49	71.7	93	2,197
2/1/2019	56	65	2,685	58	2/1/2019	20	-	45	50	71.4	92	2,190
3/1/2019	61	77	2,762	58	3/1/2019	16	-	-	51	71.0	92	2,183
4/1/2019	72	87	2,956	58	4/1/2019	20	-	-	52	70.7	92	2,176
5/1/2019	70	98	2,861	58	5/1/2019	26	-	57	53	70.4	92	2,169
6/1/2019	12	76	2,346	58	6/1/2019	24	-	84	54	70.0	92	2,161
7/1/2019	59	76	2,342	58	7/1/2019	7	-	186	55	69.7	91	2,154
8/1/2019	58	75	2,822	58	8/1/2019	28	-	36	56	69.4	91	2,147
9/1/2019	58	77	2,191	58	9/1/2019	18	-	7	57	69.0	91	2,140
10/1/2019	64	83	2,391	58	10/1/2019	12	-	-	58	68.7	91	2,133
11/1/2019	63	75	2,287	58	11/1/2019	-	-	-	59	68.4	90	2,126
12/1/2019	69	83	2,556	58	12/1/2019	30	-	-	60	68.0	90	2,119
1/1/2020	66	83	2,242	58	1/1/2020	30	-	136				
2/1/2020	69	65	2,086	58	2/1/2020	10	-	-				
3/1/2020	67	54	1,924	57	3/1/2020	2	-	-				
4/1/2020	39	46	1,130	54	4/1/2020	40	-	-				
5/1/2020	20	46	405	53	5/1/2020	68	-	-				
					6/1/2020	-	-	-				

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Exhibit D – Decline Curve IP Rates and Zone Allocation Percentage

Zone (1)	Zone (2)	Oil IP (BOPD)	Gas IP (MCFD)	Water IP (BWPD)
Jalmat	Yates-Seven Rivers	0.4	0.0	2.3
Langlie Mattix	Seven Rivers-Queen	2.6	3.4	82.3
	Total	2.3	3.4	84.7
Jalmat	Yates-Seven Rivers	13%	0%	3%
Langlie Mattix	Seven Rivers-Queen	87%	100%	97%
	Total (%)	100%	100%	100%

Attachment A – Harrison #002 Well Log

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Superseded C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

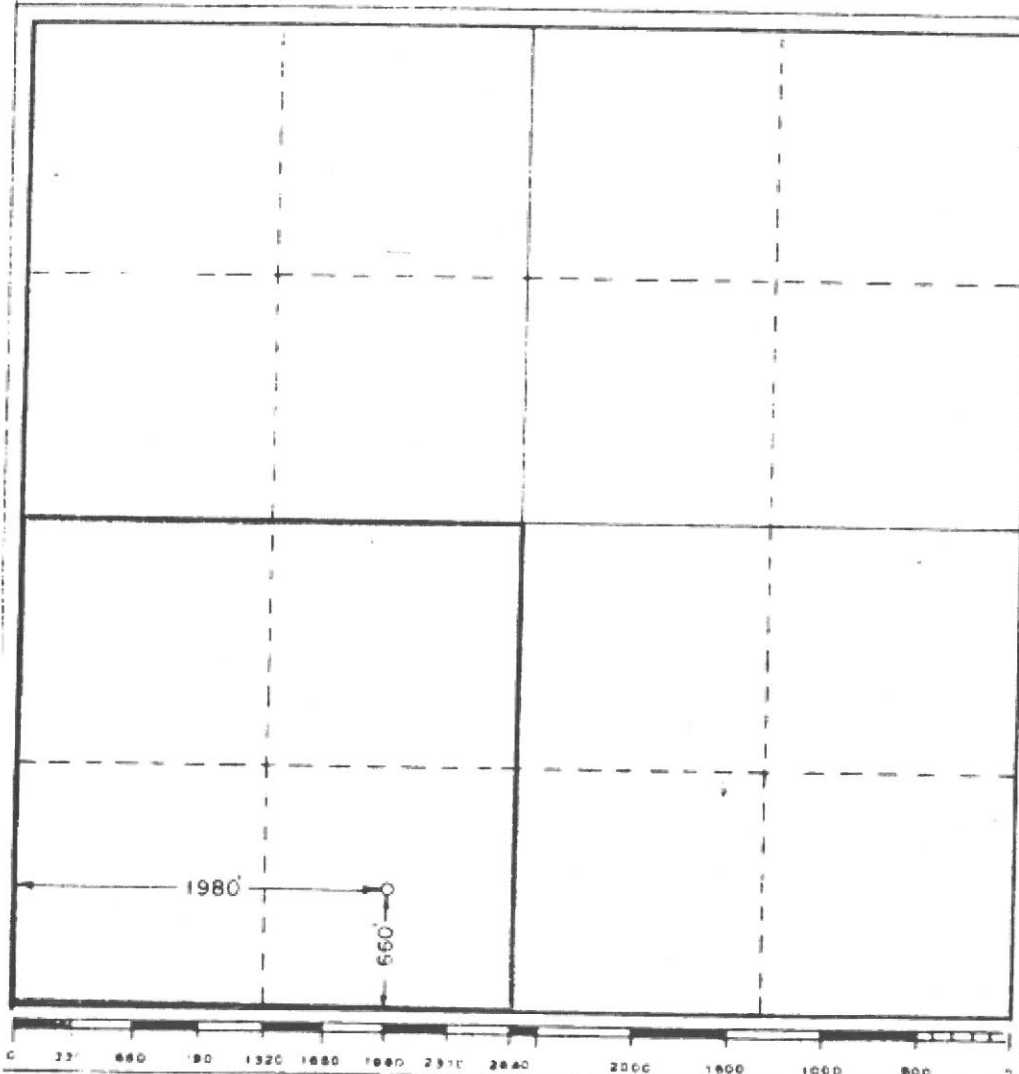
Operator FAE II Operating, LLC		Lease Harrison		Well No. 2
Tract Letter N	Section 25	Township 24 South	Range 36 East	County Lea
Actual Well Location of Well:				
1980	feet from the	West	line and	660
				feet from the
				South
Ground Elev. Elev 3281.1	Producing Formation Yates		Pool Jalmat	Dedicated Acreage: 160

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

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 knowledge and belief.

Date Surveyed

1/21/78

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **John W. West**

Ronald J. Edison

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NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Superseded C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

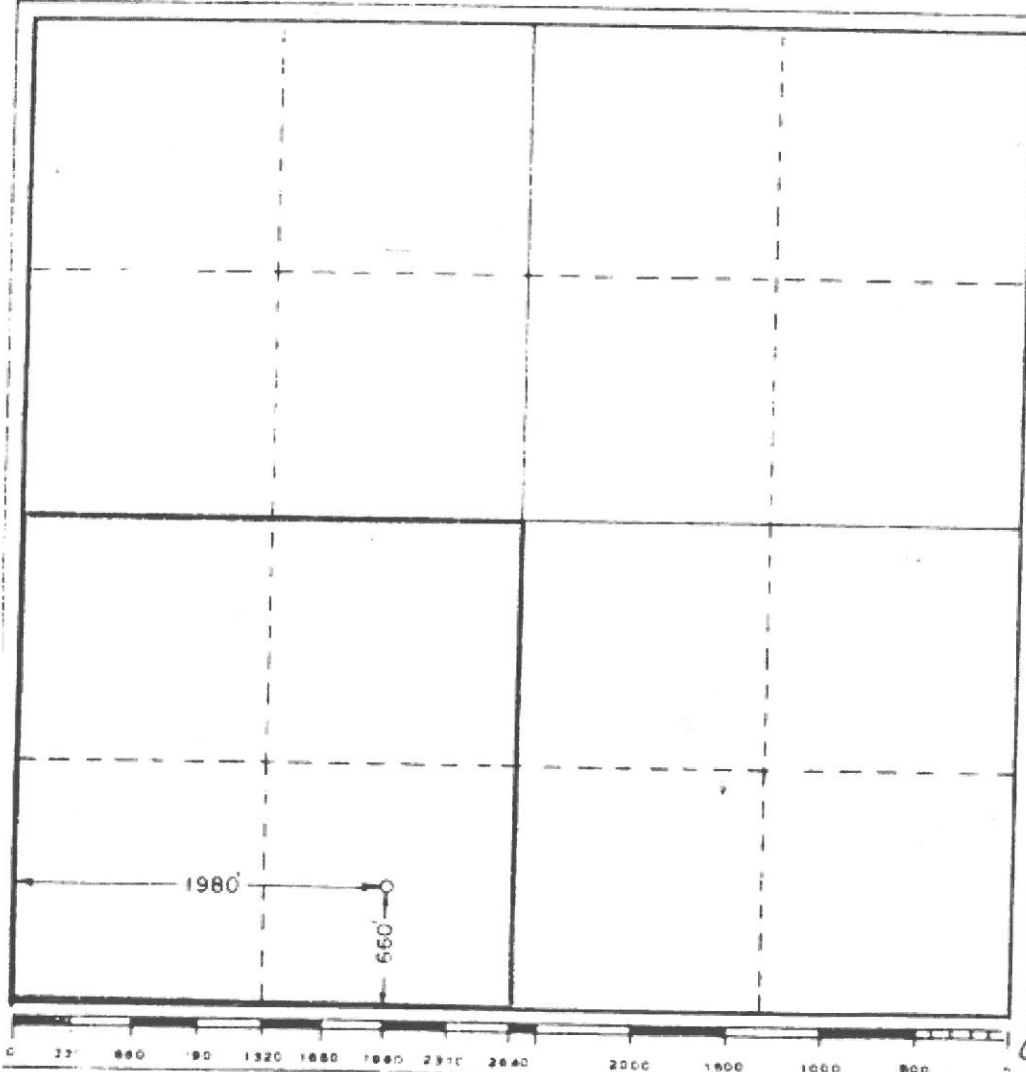
Operator FAE II Operating, LLC			Lease Harrison			Well No. 2
Section N	Range 25	Township 24 South	Range 36 East	County Lea		
Amount for the Location of Well:						
1980	feet from the West line and		660	feet from the South line		
Ground Level Elev 3281.1	Producing Formation 7 Rvs Queen		Pool Langlie Mattix	Dedicated Acreage 160		Acreage

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

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 knowledge and belief.

Date Surveyed

1/21/78

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **John W. West**

Ronald J. Edson

676

3239

From: [Engineer, OCD, EMNRD](#)
To: [Marshall Bates](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); lisa@rwbyram.com
Subject: Approved Administrative Order DHC-5099
Date: Wednesday, December 16, 2020 11:31:32 AM
Attachments: [DHC5099 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5099 which authorizes FAE II Operating, LLC (329326) to downhole commingle production from 2 pools in their Harrison #2 well (30-025-25825).

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.

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

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

**APPLICATION FOR DOWNHOLE COMMINGLING
SUBMITTED BY FAE II OPERATING, LLC**

ORDER NO. DHC-5099

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. FAE II Operating, LLC (“Applicant”) submitted a complete application (“Application”) to downhole commingle the pools described in Exhibit A (“the Pools”) within the well bore of the well identified in Exhibit A (“the Well”).
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
7. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
10. The bottom perforation of the lower zone is within one hundred fifty (150) percent of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
3. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
4. 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.
5. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 12/16/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: DHC-5099			
Operator: FAE II Operating, LLC (329326)			
Well Name: Harrison #2			
Well API: 30-025-25825			
Upper Zone	Pool Name: JALMAT;TAN-YATES-7 RVRS (GAS)		
	Pool ID: 79240	Current: X	New:
	Allocation: Fixed Percent	Oil: 13%	Gas: 0%
Intermediate Zone	Pool Name:		
	Pool ID:	Current:	New:
	Allocation:	Oil:	Gas:
Lower Zone	Pool Name: LANGLEIE MATTIX;7 RVRS-Q-GRAYBURG		
	Pool ID: 37240	Current:	New: X
	Allocation: Fixed Percent	Oil: 87%	Gas: 100%

OCD Reviewer	Condition
dmccclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.