

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.

Marshall Bates		Engineering Tech	6/25/2021
Print or Type Name	Signature	Title	Date
		Marshall@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 Fwy. Ste. 1000, Houston, TX 77079

Operator **Emery King NW** Address **F-01-23S-36E** **Lea**
Lease **329326** Well No. **326928** Unit Letter-Section-Township-Range **30-025-09191** 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>79240</i>		<i>37240</i>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<i>3,136 - 3,353'</i>		<i>3,690 - 3,758</i>
Method of Production (Flowing or Artificial Lift)	<i>Artificial Lift</i>		<i>Artificial Lift</i>
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>	<i>35.0API / 1.372 BTU</i>		<i>35.0 API / 1.372 BTU</i>
Producing, Shut-In or New Zone	<i>Producing</i>		<i>Shut-In</i>
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>	<i>See Attached</i> Date: Rates:	Date: Rates:	<i>See Attached</i> Date: Rates:
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 <i>9 %</i> Gas <i>56 %</i>	Oil <i>%</i> Gas <i>%</i>	Oil <i>91 %</i> Gas <i>44 %</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 *MBates* TITLE Engineering Tech DATE 6/24/2021
TYPE OR PRINT NAME Marshall Bates TELEPHONE NO. (832) 706 - 0041
E-MAIL ADDRESS Marshall@FAEnergyus.com

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June 22, 2021

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

Re: Emery King NW #004: API 30-025-09192
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) 220-9188 or by email at steven@faenergyus.com.

Thank you for your attention to this matter.

Sincerely,

FAE II Operating, LLC



Steven Lehrbass
Land

fae II operating

June 23, 2021

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 Jalmat and Langlie Mattix Pools for the Emery King NW #4 well located in Sec. 1, T-23S, 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 Jalmat and Langlie Mattix Pools for its Emery King NW #4 well located in Unit Letter F, Section 1, T-23S, R-36E, 1,650 feet FNL and 2,310 feet FWL, as shown in the attached C-102's for each zone.

Emery King NW #4 is currently open to the Yates-Seven Rivers interval, which translates to the JALMAT; TAN-YATES-7 RVRS (GAS) [Pool ID: 79240]. The production curve for this interval is shown in Exhibit A. To develop a forecast for this zone, a decline curve was utilized based on the aforementioned historical production.

The zone that does not have production history in the Emery King NW #4 is the Seven Rivers-Queen, which translates to the LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG [Pool ID: 37240]. To develop a forecast for this zone, eighteen (18) surrounding wells with production history from the Seven Rivers-Queen were used as an offset to prove up hole potential by taking the historical 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.

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 C. This forecast proved that an IP of 0.9 BOPD and 24.3 MCFPD is the expected total, and of that, 0.8 BOPD and 10.7 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 0.1 BOPD and 13.6 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.

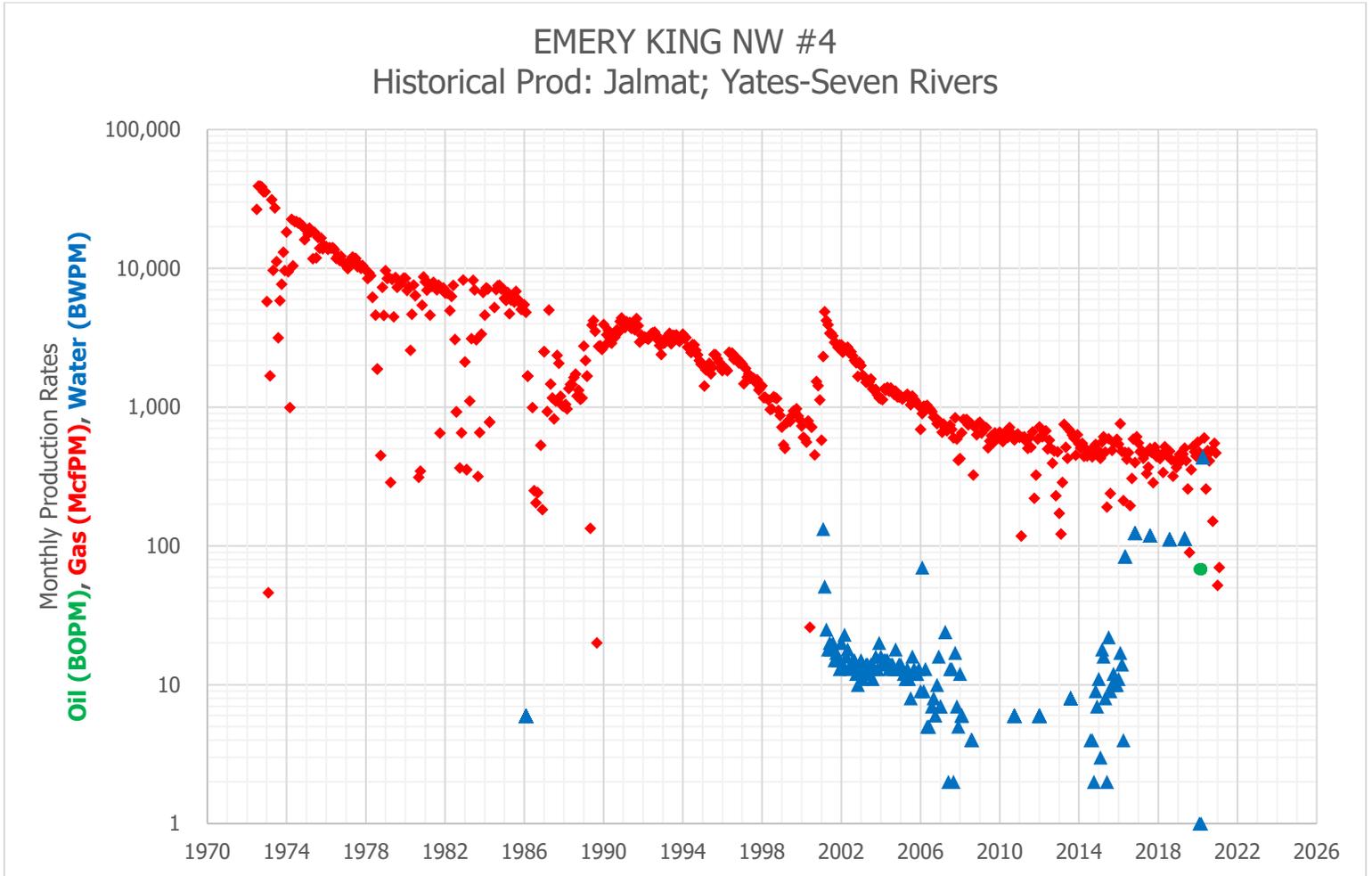
Very truly yours,



FAE II Operating, LLC

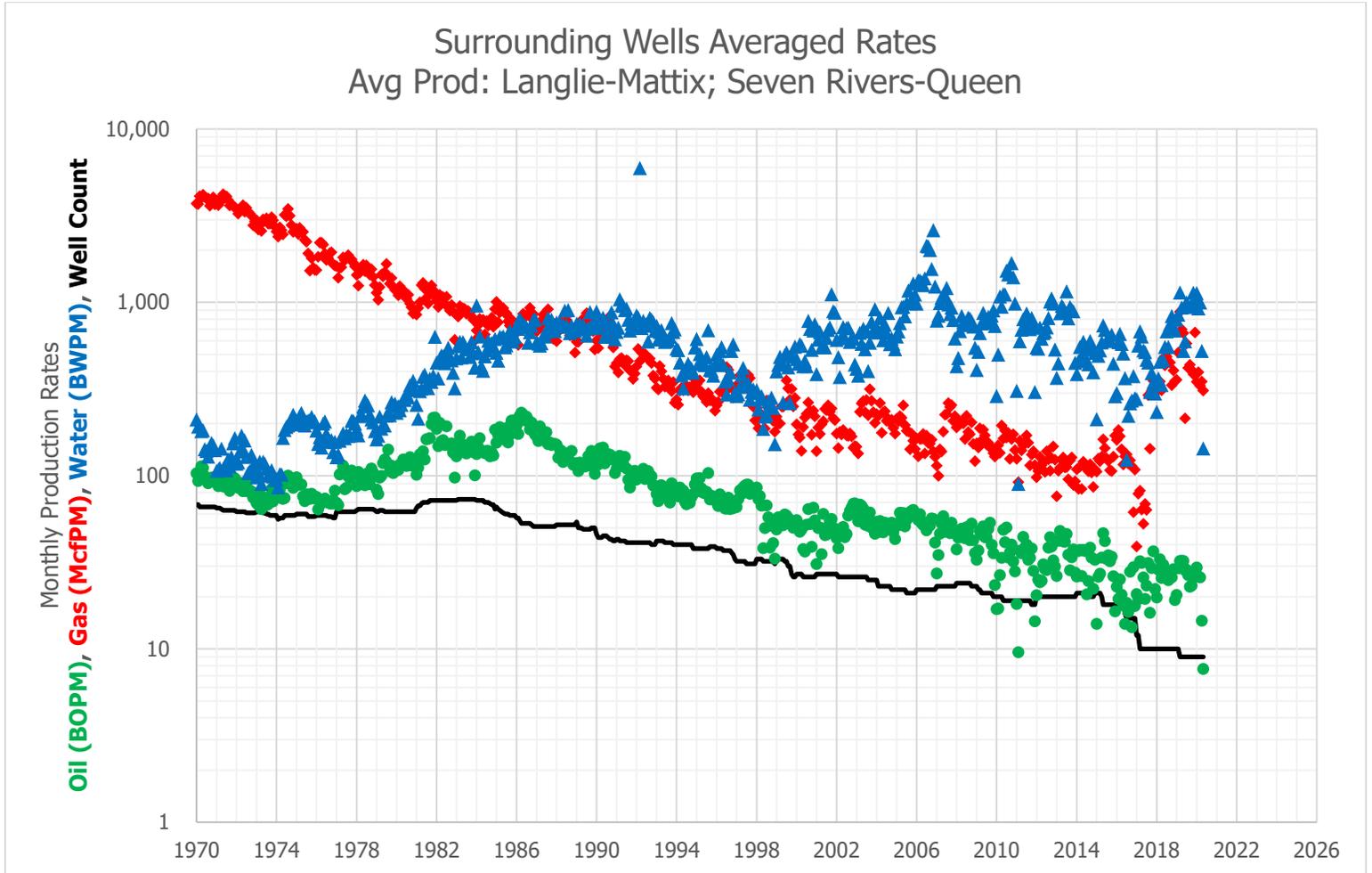
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Exhibit A – Historical and Forecast Production in the Current Zone



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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					EMERY KING NW #4				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	Est Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
7/1/2015	33	126	597	18	9/1/2011		663		1	10/1/2020	26.5	739	637
8/1/2015	35	121	621	18	10/1/2011		220		2	11/1/2020	26.3	737	635
9/1/2015	32	107	604	18	11/1/2011		325		3	12/1/2020	26.2	735	633
10/1/2015	34	106	649	18	12/1/2011		589		4	1/1/2021	26.1	733	631
11/1/2015	26	128	443	18	1/1/2012		721	6	5	2/1/2021	26.0	731	629
12/1/2015	16	170	287	18	2/1/2012		617		6	3/1/2021	25.8	729	626
1/1/2016	23	161	298	18	3/1/2012		611		7	4/1/2021	25.7	728	624
2/1/2016	19	183	588	18	4/1/2012		667		8	5/1/2021	25.6	726	622
3/1/2016	25	169	656	18	5/1/2012		676		9	6/1/2021	25.5	724	620
4/1/2016	21	142	575	18	6/1/2012		500		10	7/1/2021	25.3	722	618
5/1/2016	18	116	506	18	7/1/2012		577		11	8/1/2021	25.2	720	616
6/1/2016	14	129	365	16	8/1/2012		508		12	9/1/2021	25.1	719	614
7/1/2016	18	133	123	15	9/1/2012		395		13	10/1/2021	25.0	717	612
8/1/2016	16	117	221	15	10/1/2012		484		14	11/1/2021	24.9	715	610
9/1/2016	28	123	261	15	11/1/2012		230		15	12/1/2021	24.7	713	608
10/1/2016	13	113	271	15	12/1/2012		478		16	1/1/2022	24.6	711	606
11/1/2016	30	61	375	15	1/1/2013		172	-	17	2/1/2022	24.5	710	604
12/1/2016	18	108	279	15	2/1/2013		122	-	18	3/1/2022	24.4	708	602
1/1/2017	21	39	276	12	3/1/2013		287	-	19	4/1/2022	24.3	706	600
2/1/2017	19	79	563	12	4/1/2013		754	-	20	5/1/2022	24.2	704	598
3/1/2017	32	82	679	10	5/1/2013		515	-	21	6/1/2022	24.0	703	596
4/1/2017	31	64	635	10	6/1/2013		427	-	22	7/1/2022	23.9	701	594
5/1/2017	26	53	528	10	7/1/2013		690	-	23	8/1/2022	23.8	699	592
6/1/2017	19	69	515	10	8/1/2013		665	8	24	9/1/2022	23.7	697	590
7/1/2017	23	63	466	10	9/1/2013		629		25	10/1/2022	23.6	696	588
8/1/2017	31	291	449	10	10/1/2013		597		26	11/1/2022	23.5	694	587
9/1/2017	16	143	303	10	11/1/2013		450		27	12/1/2022	23.4	692	585
10/1/2017	29	308	390	10	12/1/2013		632		28	1/1/2023	23.3	690	583
11/1/2017	37	353	345	10	1/1/2014		543	-	29	2/1/2023	23.1	689	581
12/1/2017	22	348	297	10	2/1/2014		507	-	30	3/1/2023	23.0	687	579
1/1/2018	20	308	234	10	3/1/2014		549	-	31	4/1/2023	22.9	685	577
2/1/2018	29	311	364	10	4/1/2014		443	-	32	5/1/2023	22.8	683	575
3/1/2018	33	349	455	10	5/1/2014		505	-	33	6/1/2023	22.7	682	573
4/1/2018	26	311	333	10	6/1/2014		445	-	34	7/1/2023	22.6	680	571
5/1/2018	31	473	464	10	7/1/2014		477	-	35	8/1/2023	22.5	678	569
6/1/2018	28	432	552	10	8/1/2014		491	4	36	9/1/2023	22.4	677	568
7/1/2018	27	485	679	10	9/1/2014		438	4	37	10/1/2023	22.3	675	566
8/1/2018	25	453	552	10	10/1/2014		463	2	38	11/1/2023	22.2	673	564
9/1/2018	26	450	746	10	11/1/2014		539	9	39	12/1/2023	22.1	672	562
10/1/2018	26	332	833	10	12/1/2014		500	7	40	1/1/2024	22.0	670	560
11/1/2018	29	404	724	10	1/1/2015		476	11	41	2/1/2024	21.8	668	558
12/1/2018	19	350	686	10	2/1/2015		429	3	42	3/1/2024	21.7	667	556
1/1/2019	20	357	794	10	3/1/2015		561	18	43	4/1/2024	21.6	665	555
2/1/2019	29	512	848	10	4/1/2015		613	16	44	5/1/2024	21.5	663	553
3/1/2019	32	879	1,137	9	5/1/2015		474	8	45	6/1/2024	21.4	662	551
4/1/2019	32	697	933	9	6/1/2015		191	2	46	7/1/2024	21.3	660	549
5/1/2019	32	665	523	9	7/1/2015		591	22	47	8/1/2024	21.2	658	547
6/1/2019	28	213	596	9	8/1/2015		239	9	48	9/1/2024	21.1	657	546
7/1/2019	29	577	998	9	9/1/2015		488	10	49	10/1/2024	21.0	655	544
8/1/2019	27	418	941	9	10/1/2015		556	12	50	11/1/2024	20.9	653	542
9/1/2019	23	436	941	9	11/1/2015		563	10	51	12/1/2024	20.8	652	540
10/1/2019	23	406	939	9	12/1/2015		587	10	52	1/1/2025	20.7	650	538
11/1/2019	26	385	1,135	9	1/1/2016		542	11	53	2/1/2025	20.6	649	537
12/1/2019	28	668	1,045	9	2/1/2016		760	17	54	3/1/2025	20.5	647	535
1/1/2020	30	347	1,130	9	3/1/2016		480	14	55	4/1/2025	20.4	645	533
2/1/2020	26	395	921	9	4/1/2016		212	4	56	5/1/2025	20.3	644	531
3/1/2020	26	329	997	9	5/1/2016		472	84	57	6/1/2025	20.2	642	530
4/1/2020	15	349	524	9	6/1/2016		422	-	58	7/1/2025	20.1	640	528
5/1/2020	8	309	144	9	7/1/2016		471	-	59	8/1/2025	20.0	639	526
6/1/2020	12	282	221	9	8/1/2016		195	-	60	9/1/2025	19.9	637	524
7/1/2020	16	447	420	8	9/1/2016		307	-					
8/1/2020	19	542	610	6	10/1/2016		590	-					
9/1/2020	20	520	830	6	11/1/2016		398	124					
10/1/2020	18	357	838	6	12/1/2016		612						
11/1/2020	35	535	1,490	5	1/1/2017		553	-					
12/1/2020	30	796	1,689	5	2/1/2017		478	-					

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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	0.1	13.6	0.6
Langlie Mattix	Seven Rivers-Queen	0.8	10.7	20.4
	Total	0.9	24.3	30.0
Jalmat	Yates-Seven Rivers	9%	56%	3%
Langlie Mattix	Seven Rivers-Queen	91%	44%	97%
	Total (%)	100%	100%	100%

30025091920000
 FAE
 EMERY KING NW 4
 SPUD_DATE : 4/5/1959
 T23S R36E S1

Log
 Depth(ft)

3100 -
 3150 -
 3200 -
 3250 -
 3300 -
 3350 -
 3400 -
 3450 -
 3500 -
 3550 -
 3600 -
 3650 -
 3700 -
 3750 -
 3800 -
 3850 -



SEVEN_RIVERS

QUEEN

PENROSE_SD

EMERY KING NW 4
 ELEV_KB : 3,432
 TD : 3,806

API	Source	Type	Top Perf	Btm Perf
30025091920000	WBD	ACTIVE	3136	3698
30025091920000	WBD	ACTIVE	3144	3145
30025091920000	WBD	ACTIVE	3147	3148
30025091920000	WBD	ACTIVE	3189	3190
30025091920000	WBD	ACTIVE	3230	3231
30025091920000	WBD	ACTIVE	3235	3236
30025091920000	WBD	ACTIVE	3271	3272
30025091920000	WBD	ACTIVE	3276	3277
30025091920000	WBD	ACTIVE	3279	3280
30025091920000	WBD	INACTIVE	3690	3698
30025091920000	WBD	INACTIVE	3704	3707
30025091920000	WBD	INACTIVE	3726	3733
30025091920000	WBD	INACTIVE	3737	3744
30025091920000	WBD	INACTIVE	3750	3758

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 30-025-09192		² Pool Code 37240		³ Pool Name LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	
⁴ Property Code 326928		⁵ Property Name EMERY KING NW			⁶ Well Number #004
⁷ OGRID No. 329326		⁸ Operator Name FAE II OPERATING, LLC			⁹ Elevation

¹⁰ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	1	23S	36E		1650	N	2310	W	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
F	1	23S	36E		1650	N	2310	W	LEA

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

<p>¹⁶</p>	<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>Signature: <i>M Bates</i> Date: 6/22/2021</p> <p>Printed Name: Marshall Bates</p> <p>E-mail Address: Marshall@FAEnergyus.com</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>	

District I
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Phone: (575) 393-6161 Fax: (575) 393-0720
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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

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⁷ OGRID No. 329326		⁸ Operator Name FAE II OPERATING, LLC			⁹ Elevation

¹⁰ Surface Location

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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

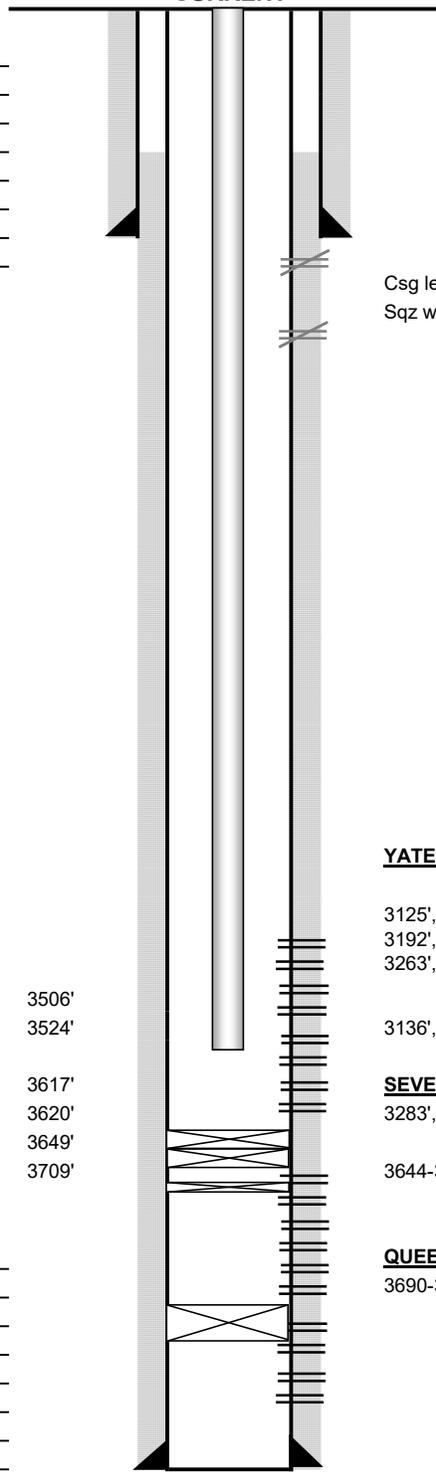
	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or 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><i>M. Bates</i> 6/22/2021</p> <p>Signature Date</p> <hr/> <p>Marshall Bates Printed Name</p> <hr/> <p>Marshall@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> <hr/> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <hr/> <p>Certificate Number</p>	

Well Name: Emery King NW #004 Lease No: 326928 Lease Type: Private
 Township: 23-S Range: 36-E Sec: 1-F Location: 1650' FNL & 2310' FWL
 County: Lea State: NM API: 30-025-09192 Formation: Jalmat; Tansill-Yates-7 Rvrs

CURRENT

Surface Csg
 Size: 8-5/8"
 Wt.&Thrd: 24#
 Grade: J-55
 Set @: 313'
 Sxs cmt: 200 sxs
 Circ: Circ
 TOC: Surface
 Hole Size: 12-1/4"

KB: 3432'
 DF: _____
 GL: 3422'
 Spud Date: 4/6/1959
 Compl. Date: 4/17/1959



Csg leaks @ 540-925'
 Sqz w/ 3700 sxs cmt

History - Highlights
1972-08: Set CIBP to isolate Langlie-Mattix; Perfs YATES & Upr 7 RVRs; Acidize w/ 1500 gals 15% NE acid; Frac w/ 20,000 gals & 30,000# 20/40 sand
2001-02: Found csg leaks & squeezed; Drilled out cmt; Drilled out CIBP @ 3396'; Set 2 CIBPs @ 3620' & 3617'; Reperf YATES & Upr 7 RVRs; Acidize Old & New Perfs w/ 4200 gals acid & 86 ball sealers

SN 3506'
 EOT 3524'
 CIBP 3617'
 CIBP 3620'
 Remainder of DO CIBP 3649'
 RBP 3709'

YATES (Top @ 2983')

3125', 3129', 3134', 3140', 3151', 3156', 3159', 3162', 3170', 3179', 3182', 3187',
 3192', 3194', 3212', 3222', 3227', 3232', 3237', 3240', 3242', 3245', 3248', 3261',
 3263', 3266', 3268', 3273' (1 SPF) - Aug 1972
 Acidized & Fraced w/ Upr 7 RVRs
 3136', 3144', 3147', 3189', 3230', 3235', 3271', 3276', 3279' (1 SPF) - Feb 2001
 Acidize w/ YATES & Upr 7 RVRs

SEVEN RIVERS (Top @ 3277')

3283', 3292', 3315', 3317', 3333', 3353' (1 SPF) - Aug 1972
 Acidized & Fraced w/ YATES
 3644-3707' (4 SPF) - Jan 1960
 Frac w/ 23,000 gals oil & 23,000# sand

QUEEN (Top @ 3678')

3690-3698', 3704-3707', 3726-3733', 3737-3744', 3750-3758' - Apr 1959
 Frac w/ 40,000 gals oil & 40,000# 20/40 sand

Production Csg
 Size: 5-1/2"
 Wt.&Thrd: 15.5#
 Grade: J-55
 Set @: 3797'
 Sxs Cmt: 600 sxs
 Circ: _____
 TOC: _____
 Hole Size: 7-7/8"

PBTB 3617'
 TD 3806''

Tubulars - Capacities and Performance

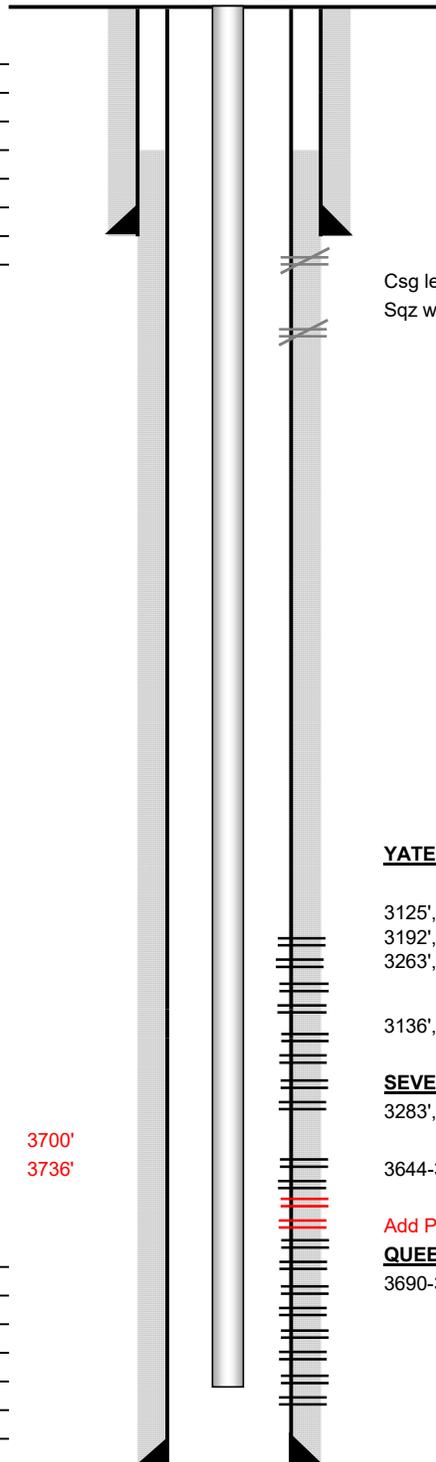
2-3/8" 4.7# J-55 EUE 8rd Tubing (108 jts 2-3/8" tbg, SN, MA) @ 3524'
 Rods: 2" x 1-1/4" x 12' RHAC, 139- 3/4" rods, 8', 6', 4', 2' subs, 1-1/4" x 16' polished rod w/ liner
 POP @ 7.5 SPM x 64" x 1-1/4" Lufkin C-114D-143-64

Well Name: Emery King NW #004 Lease No: 326928 Lease Type: Private
 Township: 23-S Range: 36-E Sec: 1-F Location: 1650' FNL & 2310' FWL
 County: Lea State: NM API: 30-025-09192 Formation: Jalmat & Langlie-Mattix; Y-7R-Q

PROPOSED

Surface Csg
 Size: 8-5/8"
 Wt.&Thrd: 24#
 Grade: J-55
 Set @: 313'
 Sxs cmt: 200 sxs
 Circ: Circ
 TOC: Surface
 Hole Size: 12-1/4"

KB: 3432'
 DF: _____
 GL: 3422'
 Spud Date: 4/6/1959
 Compl. Date: 4/17/1959



Csg leaks @ 540-925'
 Sqz w/ 3700 sxs cmt

History - Highlights
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2001-02: Found csg leaks & squeezed; Drilled out cmt; Drilled out CIBP @ 3396'; Set 2 CIBPs @ 3620' & 3617'; Reperf YATES & Upr 7 RVRs; Acidize Old & New Perfs w/ 4200 gals acid & 86 ball sealers
Proposed: DO 4 CIBPs, Add Perfs in 7 RVRs G, Acidize Oil Window 3644-3758' w/ 5000 gals 15% NEFE acid, 1500# rock salt & flush w/ 1000 bbls 2% KCL water, DHC Jalmat & Langlie-Mattix pools

YATES (Top @ 2983')

3125', 3129', 3134', 3140', 3151', 3156', 3159', 3162', 3170', 3179', 3182', 3187', 3192', 3194', 3212', 3222', 3227', 3232', 3237', 3240', 3242', 3245', 3248', 3261', 3263', 3266', 3268', 3273' (1 SPF) - Aug 1972

Acidized & Fraced w/ Upr 7 RVRs

3136', 3144', 3147', 3189', 3230', 3235', 3271', 3276', 3279' (1 SPF) - Feb 2001

Acidize w/ YATES & Upr 7 RVRs

SEVEN RIVERS (Top @ 3277')

3283', 3292', 3315', 3317', 3333', 3353' (1 SPF) - Aug 1972

Acidized & Fraced w/ YATES

3644-3707' (4 SPF) - Jan 1960

Frac w/ 23,000 gals oil & 23,000# sand

Add Perfs in 7 RVRs G

QUEEN (Top @ 3678')

3690-3698', 3704-3707', 3726-3733', 3737-3744', 3750-3758' - Apr 1959

Frac w/ 40,000 gals oil & 40,000# 20/40 sand

SN 3700'
 EOT 3736'

Production Csg
 Size: 5-1/2"
 Wt.&Thrd: 15.5#
 Grade: J-55
 Set @: 3797'
 Sxs Cmt: 600 sxs
 Circ: _____
 TOC: _____
 Hole Size: 7-7/8"

PBTB 3797'
TD 3806'

Tubulars - Capacities and Performance

2-3/8" 4.7# J-55 EUE 8rd Tubing (~115 jts 2-3/8" tbg, SN, perf sub, MA w/ bull plug) @ 3736'

Lufkin C-114D-143-64

From: [Engineer, OCD, EMNRD](#)
To: [Marshall Bates](#); [Vanessa Neal](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com
Subject: Approved Administrative Order DHC-5135
Date: Wednesday, December 8, 2021 11:07:16 AM
Attachments: [DHC5135 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5135 which authorizes FAE II Operating, LLC (329326) to downhole commingle production from 2 pools in their Emery King NW 4 well (30-025-09192).

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

From: [Vanessa Neal](#)
To: [McClure, Dean, EMNRD](#); [Marshall Bates](#)
Subject: [EXTERNAL] RE: downhole commingling application DHC-5135
Date: Monday, November 29, 2021 7:38:04 AM
Attachments: [image001.png](#)
[WBD Emery King NW #004 PROPOSED 2021-06.pdf](#)
[WBD Emery King NW #004 CURRENT 2001-02.pdf](#)

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

Attached are the current and proposed wellbore schematics for the Emery King NW #4 (30-025-09192).

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: Vanessa Neal
Sent: Monday, November 29, 2021 8:35 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>; Marshall Bates <marshall@faenergyus.com>
Subject: RE: downhole commingling application DHC-5135

Mr. McClure,

You are correct, the api number 30-025-09191 is a typo, the downhole commingling application DHC-5135 is for the Emery King NW #4 (30-025-09192).

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@state.nm.us>
Sent: Wednesday, November 24, 2021 4:23 PM
To: Marshall Bates <marshall@faenergyus.com>; Vanessa Neal <vanessa@faenergyus.com>
Subject: downhole commingling application DHC-5135

Mr. Bates, Ms. Neal,

I am reviewing downhole commingling application DHC-5135 which involves the Emery King NW #4 (30-025-09192) operated by FAE II Operating, LLC (329326).

Please confirm that the Emery King NW #4 (30-025-09192) is the correct well that this application is

for; the api number is referenced as 30-025-09191 in one place, but I assume that to be a typo.

Please provide current and proposed well diagrams for this well.

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-5135

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 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.

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. Prior to commingling production from the Pools within the Well's well bore, Applicant shall confirm the depth of the top of the Queen Formation with OCD's Engineering Bureau. If the depth confirmed by OCD's Engineering Bureau is different than the depth submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after commingling production, Applicant shall submit Form C-103 to the OCD Engineering Bureau correcting the depth of the top of the Queen Formation.
5. If the Well is deepened, then Applicant shall conduct and, no later than forty-five (45) days after the Well is deepened, provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. 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.
7. 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.

8. 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).
9. 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**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 12/07/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5135**

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

Well Name: **Emery King NW #4**

Well API: **30-025-09192**

Pool Name: **JALMAT; TAN-YATES-7 RVRS (GAS)**

Upper Zone

Pool ID: **79240**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **9%**

Gas: **56%**

Interval: **Perforations**

Top: **3,136**

Bottom: **3,353**

Pool Name:

Intermediate Zone

Pool ID:

Current:

New:

Allocation:

Oil:

Gas:

Interval:

Top:

Bottom:

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

Pool Name: **LANGLIE MATTIX;7 RVRS-Q-GRAYBURG**

Lower Zone

Pool ID: **37240**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **91%**

Gas: **44%**

Interval: **Perforations**

Top: **3,690**

Bottom: **3,758**

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

Top of Queen Formation: **3,655**

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 33736

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 1000 Houston, TX 77079	OGRID: 329326
	Action Number: 33736
	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.	12/8/2021