

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
 Print or Type Name

MBates
 Signature

Engineering Tech
 Title

4/6/2021
 Date

Marshall@FAEnergy.us.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 FOR DOWNHOLE COMMINGLING

APPLICATION TYPE
X Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
X Yes No

Operator
FAE II Operating, LLC

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

Operator
Arnott Ramsay NCT-B

12
Address
0-32-25S-37E

Lea

Lease
329326 Well No. 326919 Unit Letter-Section-Township-Range 30-025-27551
OGRID No. Property Code API No. Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Jalmar		Langlie Mattix
Pool Code	33820		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,725 - 3,330		3,350' - 3,385'
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)	33.1 API / 1.346 BTU		33.1 API / 1.346 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.)	Date: Rates:	Date: Rates:	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 52 % Gas 79 %	Oil % Gas %	Oil 48 % Gas 21 %

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 communized 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 3/30/21
 TYPE OR PRINT NAME Marshall Bates TELEPHONE NO. (832) 241-8080
 E-MAIL ADDRESS Marshall@FAEnergyus.com

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March 31, 2021

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 #012: API 30-025-27551
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 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 | Operating

March 29, 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 Arnett Ramsay NCT-B #12 well located in Sec. 32, T-25S, R-37E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 3293326, requests administrative approval for downhole commingling of oil and gas production from the Jalmat and Langlie Mattix Pools for its Arnett Ramsay NCT-B #12 well located in Unit Letter O, Section 32, T-25S, R-37E, 500 feet FSL and 1,480 feet FEL, as shown in the attached C-102's for each zone.

The Arnett Ramsay NCT-B #12 is currently open to the Yates-Seven Rivers interval, which translates to the JALMAT; TAN-YATES-7 RVRS pool [Pool ID: 33820]. 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 Arnett Ramsay NCT-B #12 is the Seven Rivers-Queen, which translates to the LANGLEIE MATTIX; 7 RVRS-Q-GRAYBURG [Pool ID: 37240]. To develop a forecast for this zone, four (4) surrounding wells with production history from the Seven Rivers-Queen were used as an offset to prove up hole potential in the Arnett Ramsay NCT-B #12 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 for the Arnett Ramsay NCT-B #12 proved that an IP of 11.5 BOPD and 32.2 MCFPD is the expected total, and of that, 5.2 BOPD and 6.4 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 6.3 BOPD and 25.8 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

fae II operating

March 29, 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

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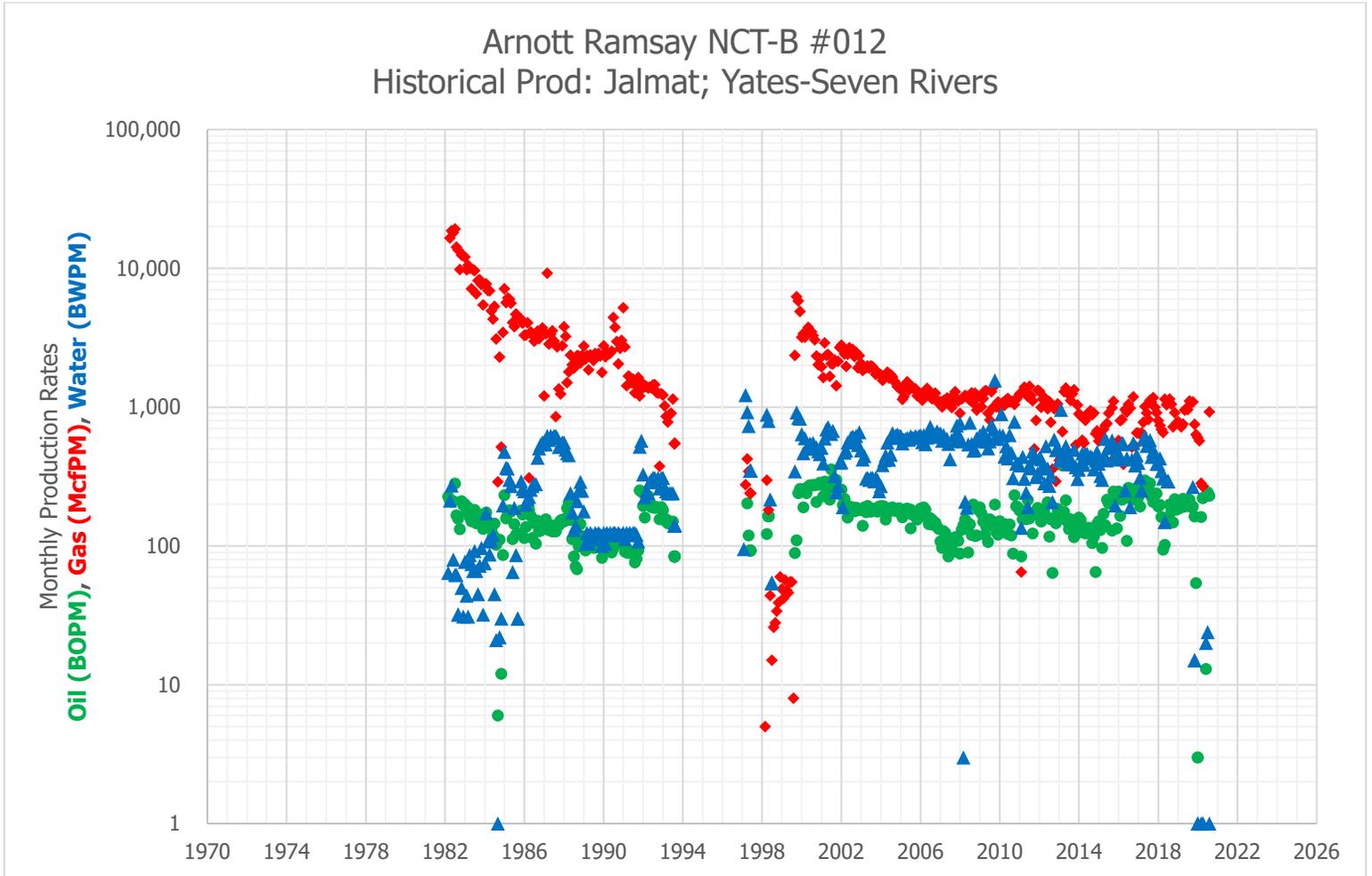
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Very truly yours,

FAE II Operating, LLC

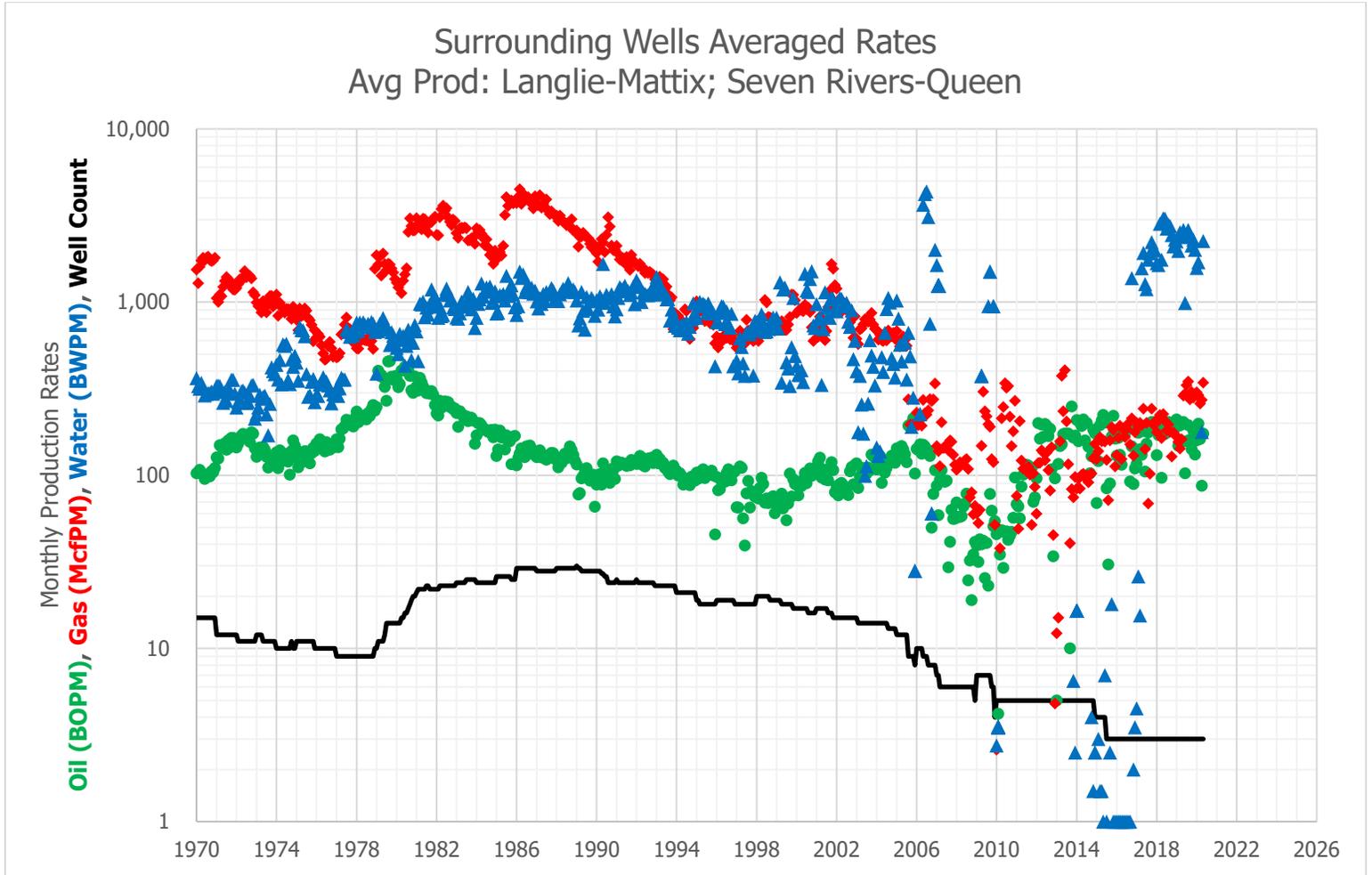
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Exhibit A – Historical and Forecast Production in the Current Zone



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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					Arnett Ramsay NCT-B #012				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	69	124	-	4	1/1/2015	151	570	392	1	349.9	980	1,441
2/1/2015	121	138	3	4	2/1/2015	130	625	320	2	348.2	977	1,436
3/1/2015	195	166	2	4	3/1/2015	97	615	300	3	346.5	975	1,432
4/1/2015	208	157	2	4	4/1/2015	170	690	438	4	344.9	972	1,427
5/1/2015	223	160	1	4	5/1/2015	141	740	591	5	343.2	970	1,422
6/1/2015	202	156	7	4	6/1/2015	215	762	415	6	341.6	968	1,417
7/1/2015	84	122	1	3	7/1/2015	203	906	523	7	339.9	965	1,413
8/1/2015	31	72	1	3	8/1/2015	204	403	506	8	338.3	963	1,408
9/1/2015	90	159	3	3	9/1/2015	129	987	575	9	336.7	960	1,404
10/1/2015	168	189	18	3	10/1/2015	247	1,103	427	10	335.1	958	1,399
11/1/2015	221	182	1	3	11/1/2015	219	425	196	11	333.5	955	1,394
12/1/2015	163	112	1	3	12/1/2015	134	503	491	12	331.9	953	1,390
1/1/2016	130	130	1	3	1/1/2016	247	576	459	13	330.3	951	1,385
2/1/2016	165	165	1	3	2/1/2016	165	800	421	14	328.7	948	1,381
3/1/2016	131	193	1	3	3/1/2016	215	814	554	15	327.2	946	1,376
4/1/2016	115	124	1	3	4/1/2016	240	387	542	16	325.6	944	1,372
5/1/2016	184	183	1	3	5/1/2016	226	960	251	17	324.0	941	1,367
6/1/2016	174	166	1	3	6/1/2016	109	923	425	18	322.5	939	1,363
7/1/2016	187	185	1	3	7/1/2016	263	1,052	-	19	320.9	937	1,358
8/1/2016	189	199	1	3	8/1/2016	219	984	191	20	319.4	934	1,354
9/1/2016	92	151	1	3	9/1/2016	219	517	421	21	317.9	932	1,349
10/1/2016	147	213	1,375	3	10/1/2016	257	1,186	553	22	316.4	930	1,345
11/1/2016	89	129	2	3	11/1/2016	215	527	381	23	314.9	927	1,340
12/1/2016	110	177	4	3	12/1/2016	252	654	450	24	313.3	925	1,336
1/1/2017	116	200	5	3	1/1/2017	225	651	397	25	311.8	923	1,332
2/1/2017	176	191	26	3	2/1/2017	192	642	311	26	310.4	920	1,327
3/1/2017	142	201	16	3	3/1/2017	249	655	250	27	308.9	918	1,323
4/1/2017	131	194	1,566	3	4/1/2017	287	777	586	28	307.4	916	1,318
5/1/2017	180	242	1,919	3	5/1/2017	297	1,010	618	29	305.9	913	1,314
6/1/2017	105	141	1,271	3	6/1/2017	269	910	527	30	304.5	911	1,310
7/1/2017	152	201	1,185	3	7/1/2017	260	815	538	31	303.0	909	1,306
8/1/2017	177	69	1,758	3	8/1/2017	283	1,125	579	32	301.6	907	1,301
9/1/2017	198	102	1,911	3	9/1/2017	227	1,086	438	33	300.1	904	1,297
10/1/2017	203	242	2,216	3	10/1/2017	207	1,171	483	34	298.7	902	1,293
11/1/2017	203	196	2,040	3	11/1/2017	234	996	466	35	297.3	900	1,288
12/1/2017	184	205	1,986	3	12/1/2017	239	914	392	36	295.8	898	1,284
1/1/2018	131	177	1,675	3	1/1/2018	192	799	390	37	294.4	895	1,280
2/1/2018	171	206	1,633	3	2/1/2018	198	739	428	38	293.0	893	1,276
3/1/2018	196	223	2,831	3	3/1/2018	162	690	346	39	291.6	891	1,272
4/1/2018	97	163	1,752	3	4/1/2018	94	657	307	40	290.2	889	1,267
5/1/2018	203	226	3,039	3	5/1/2018	102	1,143	149	41	288.8	886	1,263
6/1/2018	173	206	3,026	3	6/1/2018	159	1,039	-	42	287.5	884	1,259
7/1/2018	187	181	2,651	3	7/1/2018	158	1,070	292	43	286.1	882	1,255
8/1/2018	203	196	2,795	3	8/1/2018	199	1,144	-	44	284.7	880	1,251
9/1/2018	192	178	2,745	3	9/1/2018	177	1,053	-	45	283.3	878	1,247
10/1/2018	183	128	2,438	3	10/1/2018	148	720	-	46	282.0	875	1,243
11/1/2018	202	177	2,092	3	11/1/2018	217	913	-	47	280.6	873	1,239
12/1/2018	187	171	2,294	3	12/1/2018	183	768	-	48	279.3	871	1,234
1/1/2019	210	168	2,240	3	1/1/2019	211	788	-	49	278.0	869	1,230
2/1/2019	148	156	1,971	3	2/1/2019	187	746	-	50	276.6	867	1,226
3/1/2019	194	142	2,528	3	3/1/2019	201	722	-	51	275.3	865	1,222
4/1/2019	198	161	2,436	3	4/1/2019	218	756	-	52	274.0	862	1,218
5/1/2019	203	288	2,609	3	5/1/2019	192	952	-	53	272.7	860	1,214
6/1/2019	103	295	986	3	6/1/2019	213	977	-	54	271.4	858	1,210
7/1/2019	157	330	2,371	3	7/1/2019	204	960	-	55	270.1	856	1,206
8/1/2019	195	348	2,602	3	8/1/2019	215	1,108	-	56	268.8	854	1,202
9/1/2019	160	274	2,403	3	9/1/2019	191	1,079	-	57	267.5	852	1,198
10/1/2019	141	302	2,120	3	10/1/2019	192	1,089	266	58	266.2	850	1,194
11/1/2019	181	281	2,293	3	11/1/2019	163	751	15	59	265.0	847	1,191
12/1/2019	132	294	2,000	3	12/1/2019	54	634	-	60	263.7	845	1,187
1/1/2020	159	301	1,572	3	1/1/2020	3	602	1				
2/1/2020	198	290	1,693	3	2/1/2020	-	574	-				
3/1/2020	162	259	1	3	3/1/2020	162	283	1				
4/1/2020	87	272	178	3	4/1/2020	222	270	1				
5/1/2020	174	342	2,248	3	5/1/2020	-	-	-				
					6/1/2020	13	-	20				

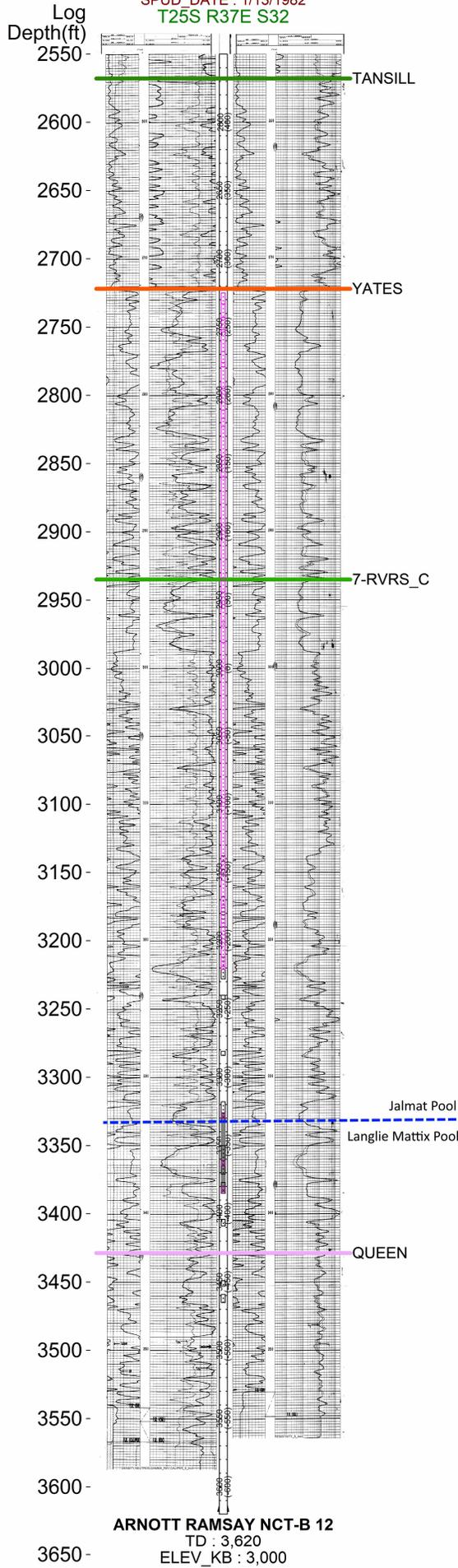
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Exhibit D – Decline Curve IP Rates and Zone Allocation Percentage

Zone (1)	Zone (2)	Oil IP (BOPD)	Gas IP (MCFD)	Water IP (BWPD)
Jalmat	Yates-Seven Rivers	6.3	25.8	7.8
Langlie Mattix	Seven Rivers-Queen	5.2	6.4	39.6
	Total	11.5	32.2	47.4
Jalmat	Yates-Seven Rivers	52%	79%	15%
Langlie Mattix	Seven Rivers-Queen	48%	21%	85%
	Total (%)	100%	100%	100%

FAE

ARNOTT RAMSAY NCT-B 12
 SPUD DATE : 1/13/1982
 T25S R37E S32



API	Source	Status	Top Perf	Btm Perf
30025275510000	CJH	PROPOSED	3138	3142
30025275510000	CJH	PROPOSED	3148	3152
30025275510000	CJH	PROPOSED	3168	3176
30025275510000	CJH	PROPOSED	3179	3181
30025275510000	CJH	PROPOSED	3184	3190
30025275510000	CJH	PROPOSED	3212	3228
30025275510000	CJH	PROPOSED	3240	3243
30025275510000	CJH	PROPOSED	3281	3284
30025275510000	CJH	PROPOSED	3318	3333
30025275510000	CJH	PROPOSED	3350	3371
30025275510000	CJH	PROPOSED	3377	3385
30025275510000	CJH	PROPOSED	3404	3409
30025275510000	CJH	PROPOSED	3449	3453
30025275510000	CJH	PROPOSED	3459	3465

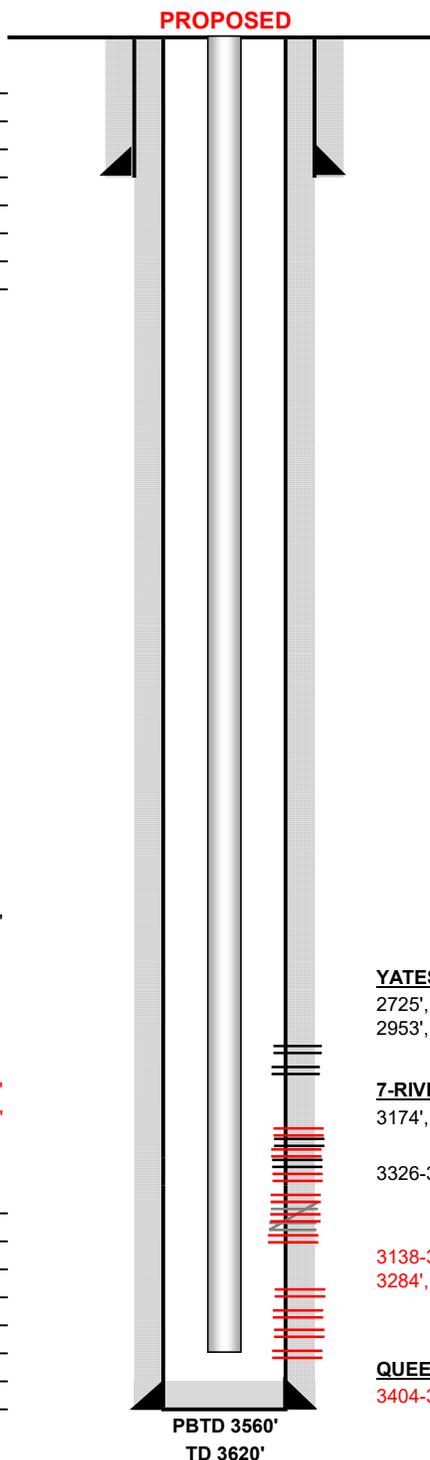
Well Name: ARNOTT RAMSAY NCT-B #012 Lease No: _____ Lease Type: _____ State _____
 Township: 25-S Range: 37-E Sec: 32-O Surface Location: 500' FSL & 1480' FEL
 County: Lea State: NM API: 30-025-27551 Bottom Hole Location: 611' FSL & 749' FEL
 Formation: Jalmat-Langlie Mattix; Y-7R-Q

Surface Csg
 Size: 8-5/8"
 Wt.&Thrd: 24#
 Grade: K-55 ST&C
 Set @: 350'
 Sxs cmt: 225 sxs
 Circ: Circ
 TOC: Surface
 Hole Size: 12-1/4"

KB: 3000'
 DF: _____
 GL: 2989'
 Spud Date: 1/13/1982
 Compl. Date: 3/11/1982

Directional Survey	
MD (feet)	Incl. (Deg)
0	0.00
775	3.00 - KOP
897	5.00
1021	7.00
1114	9.50
1235	17.75
1397	17.75
1581	17.75
2015	17.25
2607	17.25
3107	15.50
3522	15.00
3615	15.00

Severe dogleg 1100-1200'



DV tool 2660'

SN 3425'
 EOT 3461'

Production Csg
 Size: 5-1/2"
 Wt.&Thrd: 15.5#
 Grade: LT&C
 Set @: 3618'
 Sxs Cmt: 1000 sxs
 Circ: 50 sxs
 TOC: Surface
 Hole Size: 7-7/8"

History - Highlights

1999-08: CO2 foam frac YATES & 7 RVRs w/ 266,307 gals gel water (44.7% CO2), 60,000# 20/40 sand, 90,000# 10/20 sand, & 450,000# 8/16 sand

Proposed: Add Perfs & Acidize 7 RVRs & QUEEN formations; DHC Jalmat & Langlie Mattix Pools

YATES (Top @ 2722')

2725', 2733', 2743', 2752', 2768', 2776', 2779', 2795', 2811', 2817', 2823', 2860', 2944', 2953', 2956', 2966', 2969', 2981' (1 SPF) - Aug 1999

Acidized w/ 3280 gal 15% MCA acid, 29 ball sealers & flush w/ 30 bbls 2% KCL water

7-RIVERS (Top @ 2989')

3174', 3187', 3215', 3219', 3221' (1 SPF) - Aug 1999

Acidized w/ 920 gal 15% MCA acid, 8 ball sealers & flush w/ 17 bbls 2% KCL water

3326-3330', 3361-3365', 3380-3384' (2 SPF) - Mar 1982 [SQUEEZED]

Acidized w/ 1800 gals 15% NEFE acid & 30 RCNBs; Frac w/ 26,000 gals gel, 39,000# 20/40 sand & 16 RCNBs

3138-3142', 3148-3152', 3168-3176', 3179-3181', 3184-3190', 3212-3228', 3240-3243', 3281-3284', 3318-3333', 3350-3371', 3377-3385' (2 SPF) - Proposed

Acidize 3138-3284' w/ 2500 gals 15% NEFE HCL acid, 750# rock salt, & flush w/ 500 bbls 2% KCL wtr

QUEEN (Top @ 3404')

3404-3409', 3449-3453', 3459-3465' (2 SPF) - Proposed

Acidize 3318-3465' w/ 3000 gals 15% NEFE HCL acid, 1000# rock salt, & flush w/ 750 bbls 2% KCL wtr

Tubulars - Capacities and Performance

2-3/8" 4.7# 8rd EUE Tubing (106 jts 2-3/8" tbg, SN, 4' perf sub, MA w/ bull plug)

Well Name: ARNOTT RAMSAY NCT-B #012 Lease No: _____ Lease Type: _____ State _____
 Township: 25-S Range: 37-E Sec: 32-O Surface Location: 500' FSL & 1480' FEL
 County: Lea State: NM API: 30-025-27551 Bottm Hole Location: 611' FSL & 749' FEL
 Formation: Jalmat; TANSILL-YATES-7 RVRs

CURRENT

Surface Csg
 Size: 8-5/8"
 Wt.&Thrd: 24#
 Grade: K-55 ST&C
 Set @: 350'
 Sxs cmt: 225 sxs
 Circ: Circ
 TOC: Surface
 Hole Size: 12-1/4"

KB: 3000'
 DF: _____
 GL: 2989'
 Spud Date: 1/13/1982
 Compl. Date: 3/11/1982

Directional Survey	
MD (feet)	Incl. (Deg)
0	0.00
775	3.00 - KOP
897	5.00
1021	7.00
1114	9.50
1235	17.75
1397	17.75
1581	17.75
2015	17.25
2607	17.25
3107	15.50
3522	15.00
3615	15.00

Severe dogleg 1100-1200'

History - Highlights

1999-08: CO2 foam frac YATES & 7 RVRs w/ 266,307 gals gel water (44.7% CO2), 60,000# 20/40 sand, 90,000# 10/20 sand, & 450,000# 8/16 sand

All info from OCD well files ONLY

DV tool 2660'

EOT 3451'

Production Csg
 Size: 5-1/2"
 Wt.&Thrd: 15.5#
 Grade: LT&C
 Set @: 3618'
 Sxs Cmt: 1000 sxs
 Circ: 50 sxs
 TOC: Surface
 Hole Size: 7-7/8"

YATES (Top @ 2722')

2725', 2733', 2743', 2752', 2768', 2776', 2779', 2795', 2811', 2817', 2823', 2860', 2944', 2953', 2956', 2966', 2969', 2981' (1 SPF) - Aug 1999

Acidized w/ 3280 gal 15% MCA acid, 29 ball sealers & flush w/ 30 bbls 2% KCL water

7-RIVERS (Top @ 2989')

3174', 3187', 3215', 3219', 3221' (1 SPF) - Aug 1999

Acidized w/ 920 gal 15% MCA acid, 8 ball sealers & flush w/ 17 bbls 2% KCL water

3326-3330', 3361-3365', 3380-3384' (2 SPF) - Mar 1982

Acidized w/ 1800 gals 15% NEFE acid & 30 RCNBs; Frac w/ 26,000 gals gel, 39,000# 20/40 sand & 16 RCNBs

QUEEN (Top @ 3404')

PBTD 3560'
 TD 3620'

Tubulars - Capacities and Performance

2-3/8" Tubing (106 jts 2-3/8" tbg + SN + 18' MA - 2' AGL + 10' KBC)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY*													
<ul style="list-style-type: none"> ■ 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. 	<p>A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>													
<p>1. Article Addressed to:</p> <p>Commissioner of Public Lands Attn: Commingling Manager PO Box 1148 Santa Fe, NM 87504</p>	<p>B. Received by (Printed Name)</p>	<p>C. Date of Delivery</p>												
 9590 9402 6545 1028 5770 08	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>													
<p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 9346 5552</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> </table>		<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery	
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<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™													
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<input type="checkbox"/> Collect on Delivery Restricted Delivery														
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>														

From: [Engineer, OCD, EMNRD](#)
To: [Vanessa Neal](#); [Marshall Bates](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Dawson, Scott](#)
Subject: Approved Administrative Order DHC-5131
Date: Wednesday, December 22, 2021 5:33:02 PM
Attachments: [DHC5131 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5131 which authorizes FAE II Operating, LLC (329326) to downhole commingle production from 2 pools in their Arnott Ramsay NCT B #12 well (30-025-27551).

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-5131
Date: Tuesday, December 21, 2021 11:21:25 AM
Attachments: [image001.png](#)
[WBD AR NCT-B #012 CURRENT-PROPOSED 2021-12.pdf](#)

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

Mr. McClure,

Please find the attached current and proposed wellbore diagrams for the downhole commingling application DHC-5131 which involves the Arnott Ramsay NCT B #12 (30-025-27551) operated by FAE II Operating, LLC (329326).

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 4:02 PM
To: Marshall Bates <marshall@faenergyus.com>; Vanessa Neal <vanessa@faenergyus.com>
Subject: downhole commingling application DHC-5131

Mr. Bates, Ms. Neal,

I am reviewing downhole commingling application DHC-5131 which involves the Arnott Ramsay NCT B #12 (30-025-27551) operated by FAE II Operating, LLC (329326).

Please provide current and proposed well bore 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-5131

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.

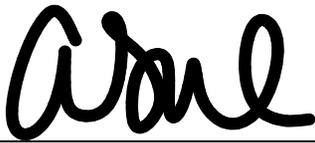
ORDER

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: 12/22/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5131**

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

Well Name: **Arnott Ramsay NCT B #12**

Well API: **30-025-27551**

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

Upper Zone

Pool ID: **33820**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **52%**

Gas: **79%**

Interval: **Perforations**

Top: **2,725**

Bottom: **3,304**

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: **48%**

Gas: **21%**

Interval: **Perforations**

Top: **3,304**

Bottom: **3,465**

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

Top of Queen Formation: **3,404**

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 23144

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 1000 Houston, TX 77079	OGRID: 329326
	Action Number: 23144
	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.	12/22/2021