Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated April 20, 2021 and ending with the issue dated April 20, 2021.

Publisher

Sworn and subscribed to before me this 20th day of April 2021.

Business Manager



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said 67115951

00253249

MARITZA SANTANA FORTY ACRES ENERGY 11757 KATY FREEWAY SUITE 1000 HOUSTON , TX 77079

LEGALS

LEGAL NOTICE April 20, 2021

C o m m i n g l i n g Notification: Interested parties must file objections or requests for hearing in writing with the Oil Conservation Division Santa Fe office within 20 days after publication, or the division may approve the application. FAE II Operating, LLC 11757 Katy Freeway, Suite 1000 Houston, TX 77079 832-706-0041 Marshall Bates Location: T25S-R37E, Section 22 Facility Location: T25S-R37E, Section 22: NWNW Commingling production is pooled from the Jalmatt; Tan-Yates-7 Rivers (OIL - 33820) #36426

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

Page 2 of 24

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION 1220 S. St Francis Drive Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

ADDI ICATION CITTD DOD CIDEA

APPI	LICATION FOR SU	RFACE COMMINING	LING (DIVER	SE OWNERSHIP)	
OPERATOR NAME:	FAE II Operating,				
OPERATOR ADDRES	and the second se	te. 1000, Houston, TX 770	79 —	a.	
APPLICATION TYPE	:				
Pool Commingling	Lease Commingling Pool	and Lease Commingling	ff-Lease Storage and Me	easurement (Only if not Surfac	e Commingled)
LEASE TYPE:	Fee State	Federal			66
		No If "Yes", please in d State Land office (SLO) b			ningling
	Please	(A) POOL COMMIN attach sheets with the follo			
(1) Pool Names and Codes	Gravities / BTU of Non- Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
37240 Langlie Mattix	1.346 BTU	1.400 BTU	\$2.09/MMBTU	\$3,870.68 / Month	732/ Month
33820 Jalmat (Oil)	1.435 BTU		\$2.09/MMBTU		1,120/Month
79240 Jalmat (Gas)	1.433 010		<i>φ</i> 2.07/11/1010		1,120/10/0/0/
(Jus)					(MMBTU)
(4) Measurement type:	Metering Other (Sp	nail of the proposed commingl pecify) n? □Yes ⊠No If "yes		No. ingling should be approved	
	Please a	(B) LEASE COMMIN attach sheets with the follo		1	
(3) Has all interest owner	m same source of supply? [ail of the proposed comminglin	ng? □Yes	No	
	(C) I	POOL and LEASE CO	MMINGLING		
		attach sheets with the follo			
(1) Complete Sections A	A and E.				
	Please at	LEASE STORAGE and itached sheets with the foll			
	n same source of supply? [
		NAL INFORMATION (attach sheets with the follo		n types)	
(2) A plat with lease bou	n of facility, including legal lo	cation. facility locations. Include leas	ан на н	r State lands are involved.	
I hereby certify that the inf	formation above is true and co	omplete to the best of my know	ledge and belief.		
	Bates		neering Tech	DATE: 3	21/2021
	Marshall Bates			TELEPHONE NO.: (83	2)241-808
E-MAIL ADDRESS:	narshall@ FAEn	lergyus. com			



Contract No. 14-08-001-2896

COMMUNITIZATION AGREEMENT Carlson Federal #1 Well

THIS AGREEMENT entered into as of the 15th day of July , 19 55, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto"; 2 1956 MAN 2 1956

WITNESSETH: U.S. GEOLOGICAL ONE MEXICO WHEREAS, the Act of February 25, 1920, 41 Stat. MONTH MEXICO WHEREAS, the Act of February 25, 1920, 41 Stat. MONTH As amended by the Act of August 8, 1946, 60 Stat. 950, 30 U.S.C., Secs. 181, et seq., authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the wellspacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing dry gas and associated liquid hydrocarbons in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto, as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described, as follows:

> Township 25 South, Range 37 East, N.M.P.M. Section 22: S/2 Lea County, New Mexico containing <u>320.00</u> acres,

more or less, and this agreement shall extend to and include only the <u>Yates</u>, <u>Seven</u> <u>Rivers and/or <u>Queen</u> formations underlying said lands and the dry gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible</u>

1

1.

NM 48

NM 49 NM 72 NM 72-1 NM 95

ı.

141 - 19 1956 M. S. GEOLOGICAL SU-MORBS. MENICU 1

Page 4 of 24

from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit A designating the operator of the communitized area and showing the acreage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Oil and Gas Supervisor.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations. Operator, in operations hereunder, shall not discriminate against any employee or applicant for employment, because of race, creed, color or national origin and an identical provision shall be incorporated in all sub-contracts.

5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payment of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued.

2.

Released to Imaging: 10/26/2022 10:57:21 AM

÷.

7. There shall be no obligation on the lessees to offset any dry gas well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligations to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. This agreement shall be effective as of the date hereof upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior, or his duly authorized representative and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representatives, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto.

з.

11. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is Lessor, and in the applicable oil and gas regulations of the Department of the Interior.

12. In connection with the performance of work under this agreement, the operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

The operator agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

13. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferree or other successor in interest, and as to Federal land shall be subject to the approval of the Secretary of the Interior.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

15. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

EL PASO NATURAL GAS COMPANY ATTEST: MAA 1ssistant Secretary 4.

ATTEST:

ATTES]

ATTES

Í ce President

INDIAN PETROLEUM COMPANY President

WESTATES PETROLEUM CORPORATION

ANDERSON PRICHARD OIL CORPORATION

President

ATTEST:

arfreh c.T. President

STATE OF TEXAS 0

SS. COUNTY OF EL PASO Ø

On this 15th, day of <u>March</u>, 19<u>56</u>, before me appeared N. F. STEEN, to me personally known, who, being by me duly sworn, did say that he is the Vice President of El Paso Natural Gas Company and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said B. F. STEEN acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My Commission expires:

Mautha B. July Notary Public in and for El Paso County,

June 1, 1957

State of Texas

MARTHA B. IVEY, Notary Public, in and for El Paso County, Texas

By commission expires June 1, 1957

STATE OF 0 SS. / 0 COUNTY OF

On this 21 th day of february, 1956, before me appeared A change, to me personally known, who, being by me duly sworn, did say that he is the corporate of Skelly Oil Company and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in hehalf of said corporation by authority of its board of directors, and said A. Cashman acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have bereunto set my hand and affixed my official seal the day and year in this certificate first above written,

My Commission expires; Statery Public. Tulse County, Oklahome logion Syntecs Induced 21 183

Notary Public in and for County, State of

alifornia () STATE OF CITY AND SS. musio () COUNTY OF

On this <u>7th</u> day of <u>fluary</u>, 19<u>56</u>, before me appeared <u>Mauson</u>, to me personally known, who, being by me duly sworn, <u>did</u> say that he is the <u>President of Indian Petroleum Company and that</u> the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said <u>Mauson</u> acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My Commission expires:

ec. 14, 1956

Notary Public in and for fan Transier CITY AND County, State of California

STATE OF COUNTY OF <u>Angeneral</u>() SS

On this <u>figure</u>, 19<u>56</u>, before me appeared <u>R.A. Garle</u>, to me personally known, who, being by me duly sworn, did say that he is the <u>President of Westates Petroleum Corporation</u> and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said <u>R.A. Earle</u> acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have bereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My Commission expires:

Lembo Q

My Commission Expires Dec. 2, 1956.

Notary Public in and	for the City and County
Notarysa Public.	strie singlifair
County, State	of

STATE OF SS. COUNTY OF

On this ______ day of ______, 19____, before me appeared <u>duly sworn, did say that he is the</u>______, to me personally known, who, being by me <u>duly sworn, did say that he is the</u>______ President of Anderson Prichard Oil Corporation and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said <u>bland</u> <u>bl</u>

.

said corportion.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written;

My Commission expires:

County, State of

_/~/	13	58	

EXHIBIT A

To a Communitization Agreement dated July 15, 1955, embracing the following described land in Lea County, New Mexico, to-wit:

> Township 25 South, Range 37 East N.M.P.M. Section 22: S/2

Operator of Communitized Area

EL PASO NATURAL GAS COMPANY

Anderson-Prichard Oil Corporation

Gas Operating and Development Contract

Township 25 South, Range 37 East, N.M.P.M.

Skelly Oil Company holds the oil operating

.

Section 22: E/2 SW/4, containing 80.00

dated November 6, 1939 by Anderson-Prichard Oil Corporation to El Paso

Well Name:

Lessor:

Carlson Federal #1

Skelly Oil Company

December 8, 1937

Natural Gas Company.

acres, more or less.

LC 063261

rights.

Description of Leases Committed

Tract No. 1

El Paso Natural Gas Company United States of America

Original Lessee:

Lessees of Record

Lease Committed by:

Serial Number of Lease

Lease Date:

.

Operating Agreements:

Description of lands committed:

Special Provisions:

Tract No. 2

,

Lease Committed by:	El Paso Natural Gas Company
Lessor:	United States of America
Original Lessee:	Anderson-Prichard Oil Corporation
Lessees of Record:	Anderson-Prichard Oil Corporation
Serial Number of Lease:	LC 032579 (A)
Lease Date:	December 8, 1937
Operating Agreements:	Gas Operating and Development Contract dated November 6, 1939 by Anderson- Prichard Oil Corporation to El Paso Natural Gas Company.
Description of Lands Committed:	Township 25 South, Range 37 East, N.M.P.M. Section 22, N/2 SE/4, containing 80.00 acres, more or less.

1.

Released to Imaging: 10/26/2022 10:57:21 AM

۰ ، _{د ،} ۴ د د

•

Special Provisions:	Anderson-Prichard Oil Corporation holds the oil operating rights.
Trac	t No. 3
Lease Committed by:	El Paso Natural Gas Company
Lessor:	United States of America
Original Lessee:	L. H. Prichard and J. Steve Anderson
Lessee of Record:	Indian Petroleum Company
Serial Number of Lease:	LC 032579 (c)
Lease Date:	December 8, 1937
Operating Agreements:	Gas Operating and Development Contract dated November 6, 1939 by L. H. Prichard and J. Steve Anderson to El Paso Natural Gas Company
Description of Lands Committed:	Township 25 South, Range 37 East, N.M.P.M. Section 22: SW/4 SW/4
Special Provisions:	Anderson-Prichard Oil Corporation holds the oil operating rights.
Tract	No. 4
Lease Committed by:	El Paso Natural Gas Company and Indian Petroleum Company
Lessor:	United States of America
Original Lessee:	L. H. Prichard and J. Steve Anderson
Lessee of Record:	Indian Petroleum Company
Serial Number of Lease:	LC 032579 (C)
Lease Date:	December 8, 1937
Operating Agreements:	Operating Agreement dated May 18, 1955, between Indian Petroleum Company, Anderson-Prichard Oil Corporation, and El Paso Natural Gas Company
Description of Lands Committed:	Township 25 South, Range 37 East, N.M.P.M. Section 22: NW/4 SW/4
Special Provisions:	El Paso Natural Gas Company and Indian Petroleum Company hold the oil operating rights.
Tract	No. 5
Lease Committed by:	El Paso Natural Gas Company and Westates Petroleum Corporation

• • ·

- . -

1,

Released to Imaging: 10/26/2022 10:57:21 AM

⊷ ، _ک د ، ⊷ م

•

ļ

-

•

-

Lessor:	United States of America
Original Lessee:	Indian Petroleum Company
Lessee of Record:	Indian Petroleum Company
Serial Number of Lease	LC 032579 (C)
Date of Lease:	May 25, 1939
Operating Agreements:	Operating Agreement dated October 25, 1955, by Westates Petroleum Corporation and Indian Petroleum Company to El Paso Natural Gas Company, granting El Paso Natural Gas Company the gas operating rights to 3500 feet.
Description of Land Committed:	Township 25 South, Range 37 East, N.M.P.M. Section 22: S/2 SE/4
Special Provisions:	Westates Petroleum Corporation holds gas operating rights below 3500 feet and all oil operating rights.

me e é u

~ • •

-

. •

Released to Imaging: 10/26/2022 10:57:21 AM

Page 1 Of 5

Serial Number

NMLC 0032579C

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page

Run Date/Time: 12/22/2021 14:54 PM

01 02-25-1920;041STAT0437;30USC226 Case Type 310771: O&G EXCHANGE LEASE - PD Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

Case File Juris:

Serial Number:	NMLC 0 032579C
----------------	----------------

Total Acres:

80.000

Name & Address					Int Rel	% Interest
BP AMERICA PRODUCTION CO	501 WESTLAKE PARK BLVD	HOUSTON	TX 7	770792604	OPERATING RIGHTS	0.000000000
KNIPPENBERG ROSE	627 ANCHORAGE	HOUSTON	TX 7	77079	OPERATING RIGHTS	0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON	TX 7	770564497	OPERATING RIGHTS	0.000000000
BP AMERICA PRODUCTION CO	501 WESTLAKE PARK BLVD	HOUSTON	ТХ 7	770792604	LESSEE	0.000000000
LEGACY RESERVES OPERATING LP	303 W WALL ST STE 1400	MIDLAND	TX 7	797015126	LESSEE	0.000000000
HUNT OIL CO	1900 N AKARD ST	DALLAS	TX 7	752012300	OPERATING RIGHTS	0.000000000
FAE II LLC	11757 KATY FWY STE 1000	HOUSTON	ТХ 7	770791762	OPERATING RIGHTS	0.000000000
MARATHON OIL CO	990 TOWN AND COUNTRY BLVD	HOUSTON	ТХ 7	77024	LESSEE	0.000000000
LEGACY RESERVES OPERATING LP	303 W WALL ST STE 1400	MIDLAND	TX 7	797015126	OPERATING RIGHTS	0.000000000

							Serial Nu	mber: NMLC 0 032579C
Mer	[.] Twp Rng	Sec	SType	Nr	Suff Subdivision	District/ Field Office	County	Mgmt Agency
23	0250S 0370E	023	ALIQ		NESW,SWSE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
Reli	inquished/W	'ithdr	rawn Lai	nds			Serial Nu	mber: NMLC 0 032579C
23	0250S 0370E	722	FF		W2SW,S2SE,SEGR;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT
23	0250S 0370E	723	FF		NWSW,SESW,SEGR;	PECOS DISTRICT OFFICE	LEA	BUREAU OF LAND MGMT

Act Date	Act Co	ode Action Txt	Action Remarks	Serial Number: NMLC 0 032579C Pending Off
07/17/1926	124	APLN RECD		
12/08/1937	237	LEASE ISSUED		
12/08/1937	496	FUND CODE	05;145003	
12/08/1937	868	EFFECTIVE DATE		
11/02/1938	650	HELD BY PROD - ACTUAL		
11/02/1938	658	MEMO OF 1ST PROD-ACTUAL		
08/08/1946	500	GEOGRAPHIC NAME	LANGLIE FIELD;	
08/08/1946	510	KMA CLASSIFIED		
12/01/1957	237	LEASE ISSUED	EXCHANGE LEASE	

Page 2 Of 5

.

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page

Run Date/Time: 12/22/2021 14:54 PM

Act Date	Act Code	e Action Txt	Action Remarks	Serial Number: NMLC 0 032579 Pending Off
12/01/1957	549	RLTY RATE 12.5-25% SCH C	/A/	
12/01/1957	868	EFFECTIVE DATE	EXCHANGE LEASE	
04/17/1962	246	LEASE COMMITTED TO CA	SW 25	
05/15/1979	940	NAME CHANGE RECOGNIZED	OIL DEV/SANTA FE ENE	
04/21/1981	940	NAME CHANGE RECOGNIZED	ODESSA NAT/EPX CO	
05/27/1982	140	ASGN FILED	ALLIED CORP/UNION TX	
10/04/1982	567	ASGN RETURNED UNAPPROVED	D ALLIED CORP/UNION TX	
10/29/1982	932	TRF OPER RGTS FILED		
04/18/1983	933	TRF OPER RGTS APPROVED	EFF 11/01/82;	
01/11/1985	932	TRF OPER RGTS FILED		
08/26/1985	940	NAME CHANGE RECOGNIZED	EL PASO EXPL/MERIDIAN	
08/01/1986	933	TRF OPER RGTS APPROVED	EFF 02/01/85;	
02/17/1987	932	TRF OPER RGTS FILED	(1)	
02/17/1987	932	TRF OPER RGTS FILED	(2)	
02/23/1987	932	TRF OPER RGTS FILED	(1)	
02/23/1987	932	TRF OPER RGTS FILED	(2)	
04/03/1987	932	TRF OPER RGTS FILED		
)7/07/1987	933	TRF OPER RGTS APPROVED	(1)EFF 03/01/87;	
07/07/1987	933	TRF OPER RGTS APPROVED	(2)EFF 03/01/87;	
07/07/1987	933	TRF OPER RGTS APPROVED	(3)EFF 03/01/87;	
07/07/1987	933	TRF OPER RGTS APPROVED	(4)EFF 03/01/87;	
07/07/1987	933	TRF OPER RGTS APPROVED	(5)EFF 03/01/87;	
07/20/1987	963	CASE MICROFILMED/SCANNED	CNUM 103,682 GLC	
12/07/1987	932	TRF OPER RGTS FILED		
03/15/1988	933	TRF OPER RGTS APPROVED	EFF 01/01/88;	
03/15/1988	974	AUTOMATED RECORD VERIF	TF/LO	
06/14/1988	932	TRF OPER RGTS FILED		
06/23/1988	933	TRF OPER RGTS APPROVED	EFF 07/01/88;	
06/23/1988	974	AUTOMATED RECORD VERIF	GLC/BTM	
03/09/1989	932	TRF OPER RGTS FILED		
)3/23/1989	932	TRF OPER RGTS FILED		
03/30/1989	933	TRF OPER RGTS APPROVED	(1)EFF 04/01/89;	
03/30/1989	933	TRF OPER RGTS APPROVED	(2)EFF 04/01/89;	
)3/30/1989	974	AUTOMATED RECORD VERIF	MCS/MS	
)6/14/1989	932	TRF OPER RGTS FILED	EL PASO PROD/HARTMAN	
06/26/1989	932	TRF OPER RGTS FILED	DAVIDSON/MERIDIAN OIL	
07/12/1989	933	TRF OPER RGTS APPROVED	(1)EFF 07/01/89;	
07/12/1989	933	TRF OPER RGTS APPROVED	(2)EFF 07/01/89;	
07/12/1989	974	AUTOMATED RECORD VERIF	TF/MT	

Page 3 Of 5

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page

Run Date/Time: 12/22/2021 14:54 PM

				Serial Number: NMLC 0 032579C
Act Date	Act Code	Action Txt	Action Remarks	Pending Off
06/11/1991	140	ASGN FILED	PACIFIC/NEW YORK LIFE	
09/09/1991	567	ASGN RETURNED UNAPPROVE	D PACIFIC/NEW YORK LIFE	
09/09/1991	974	AUTOMATED RECORD VERIF	ST/MT	
09/10/1992	817	MERGER RECOGNIZED	AMCOG/AUSTRAL OIL CO	
09/10/1992	817	MERGER RECOGNIZED	AMKAN/AUSTRAL OIL CO	
09/10/1992	817	MERGER RECOGNIZED	KEC/AUSTRAL OIL CO	
09/10/1992	817	MERGER RECOGNIZED	TES/AUSTRAL OIL CO	
09/10/1992	817	MERGER RECOGNIZED	TOC/AUSTRAL OIL CO	
09/10/1992	817	MERGER RECOGNIZED	AMKAN ACQ/AUSTRAL OIL	
09/10/1992	817	MERGER RECOGNIZED	KEC ACQ/AUSTRAL OIL	
09/10/1992	817	MERGER RECOGNIZED	TES ACQ/AUSTRAL OIL	
09/10/1992	817	MERGER RECOGNIZED	TOC ACQ/AUSTRAL OIL	
09/10/1992	817	MERGER RECOGNIZED	AMCOG ACQ/AUSTRAL OIL	
09/10/1992	974	AUTOMATED RECORD VERIF	BTM/MV	
11/18/1992	625	RLTY REDUCTION APPV	/1/	
11/24/1992	140	ASGN FILED	PACIFIC/NY LIFE ETAL	
12/31/1992	700	LEASE SEGREGATED	INTO NMNM90798;	
01/01/1993	232	LEASE COMMITTED TO UNIT	NMNM87877X;S JUSTIS	
01/28/1993	140	ASGN FILED	PAC ENTPR/HUNT OIL	
01/29/1993	932	TRF OPER RGTS FILED	PAC ENTPR/HUNT OIL	
04/29/1993	933	TRF OPER RGTS APPROVED	EFF 02/01/93;	
04/29/1993	974	AUTOMATED RECORD VERIF	JLV/LR	
12/06/1993	269	ASGN DENIED	PAC ENTPR/HUNT OIL	
12/06/1993	974	AUTOMATED RECORD VERIF	TF/KRP	
12/10/1993	974	AUTOMATED RECORD VERIF	MRR/KRP	
02/10/1994	974	AUTOMATED RECORD VERIF	VHG	
02/22/1994	115	AMEND/CORR APLN RQSTD	PAC ENTPR/HUNT OIL	
02/22/1994	974	AUTOMATED RECORD VERIF	MRR/KRP	
04/28/1994	269	ASGN DENIED	PAC ENTPR/HUNT OIL	
04/28/1994	974	AUTOMATED RECORD VERIF	MRR/VHG	
05/18/1994	899	TRF OF ORR FILED		
06/03/1994	600	RECORDS NOTED		
01/10/1995	140	ASGN FILED	PAC ENTPR/MARATHON	
01/17/1995	140	ASGN FILED	PACIFIC/NEW YORK LIFE	
09/25/1995	140	ASGN FILED	NY LIFE/ATL RICHFELD	
09/25/1995	932	TRF OPER RGTS FILED	AUSTRAL/ATL RICHFIELD	
10/02/1995	139	ASGN APPROVED	EFF 02/01/95;	
01/08/1996	899	TRF OF ORR FILED		
02/26/1996	269	ASGN DENIED	PAC ENTPR/MARATHON	

Page 4 Of 5

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page

Run Date/Time: 12/22/2021 14:54 PM

Run Date/ IIm				Serial Number: NMLC 0 032579C
Act Date	Act Code	e Action Txt	Action Remarks	Pending Off
02/26/1996	974	AUTOMATED RECORD VERIF	RAYO	
02/29/1996	139	ASGN APPROVED	EFF 10/01/95;	
02/29/1996	933	TRF OPER RGTS APPROVED	EFF 10/01/95;	
02/29/1996	974	AUTOMATED RECORD VERIF	TF/TF	
06/24/1996	140	ASGN FILED	PACIFIC/MARATHON OIL	
09/23/1996	139	ASGN APPROVED	EFF 07/01/96;	
09/23/1996	974	AUTOMATED RECORD VERIF	LR	
03/10/1997	140	ASGN FILED	NY LIFE/PROSPECTIVE	
04/01/1997	139	ASGN APPROVED	EFF 04/01/97;	
04/01/1997	974	AUTOMATED RECORD VERIF	MV/MV	
06/13/1997	932	TRF OPER RGTS FILED	BURLINGTON/MAGNUM	
07/22/1997	933	TRF OPER RGTS APPROVED	EFF 07/01/97;	
07/22/1997	974	AUTOMATED RECORD VERIF	MV/MV	
01/18/2000	932	TRF OPER RGTS FILED	MARATHON/KNIPPENBERG	
05/02/2000	933	TRF OPER RGTS APPROVED	EFF 02/01/00;	
05/02/2000	974	AUTOMATED RECORD VERIF	MV/MV	
06/02/2000	899	TRF OF ORR FILED		
06/06/2001	140	ASGN FILED	ATLANTIC RICHFIELD;1	
06/06/2001	932	TRF OPER RGTS FILED	ATLANTIC RICHFIELD;1	
07/20/2001	139	ASGN APPROVED	EFF 07/01/2001	
07/20/2001	933	TRF OPER RGTS APPROVED	EFF 07/01/2001	
07/20/2001	974	AUTOMATED RECORD VERIF	ANN	
12/11/2001	932	TRF OPER RGTS FILED	ATLANTIC RICHFIELD;1	
04/02/2002	933	TRF OPER RGTS APPROVED	EFF 01/01/02;	
04/02/2002	974	AUTOMATED RECORD VERIF	MV	
06/21/2002	940	NAME CHANGE RECOGNIZED	AMOCO/BP AMERICA PROD	
09/26/2005	140	ASGN FILED	PROSPECTI/LEGACY RE;1	
10/25/2005	139	ASGN APPROVED	EFF 10/01/05;	
10/25/2005	974	AUTOMATED RECORD VERIF	LR	
02/01/2006	630	RLTY REDUCTION LIFTED		
05/09/2006	140	ASGN FILED	LEGACY RE/LEGACY RE;1	
12/08/2006	139	ASGN APPROVED	EFF 06/01/06;	
12/08/2007	974	AUTOMATED RECORD VERIF	TF/TF	
03/17/2010	940	NAME CHANGE RECOGNIZED	HENRY PET/COG OPER	
05/10/2011	932	TRF OPER RGTS FILED	BP AMERIC/ZPZ DELAW;1	
07/22/2011	933	TRF OPER RGTS APPROVED	EFF 06/01/11;	
07/22/2011	974	AUTOMATED RECORD VERIF	LBO	
07/10/2013	140	ASGN FILED	COG OPERA/LEGACY RE;1	
07/10/2013	932	TRF OPER RGTS FILED	COG OPERA/LEGACY RE;1	

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page

Page 16 of 24

Page 5 Of 5

Run Date/Time: 12/22/2021 14:54 PM

				Serial Number: NMLC 0 032579C
Act Date	Act Coo	de Action Txt	Action Remarks	Pending Off
12/23/2013	139	ASGN APPROVED	EFF 08/01/13;	
12/23/2013	974	AUTOMATED RECORD VERIF	LBO	
01/06/2014	933	TRF OPER RGTS APPROVED	EFF 08/01/13;	
01/06/2014	974	AUTOMATED RECORD VERIF	LBO	
12/15/2015	066	BANKRUPTCY FILED	MAGNUM HUNTER PROD	
10/06/2016	932	TRF OPER RGTS FILED	MAGNUM HU/SPECIAL E;1	
11/28/2016	933	TRF OPER RGTS APPROVED	EFF 11/01/16;	
11/28/2016	974	AUTOMATED RECORD VERIF	LBO	
03/19/2020	932	TRF OPER RGTS FILED	SPECIAL ENER/FAE II;1	
07/15/2020	933	TRF OPER RGTS APPROVED	EFF 04/01/20;	
07/15/2020	974	AUTOMATED RECORD VERIF	JY	

Line Number	Remark Text		Serial Number: NMLC 0 032579C
0002	/A/AC 535 RLTY RATE 5% EFF 12/8/193	87 THRU 11/20/1957	
0003	AC 549 RLTY RATE 12.5-25% EFF 12/1/	1957 THRU THE	
0004	PRESENT.		
0007	07/20/2001 - WESTBROOK OIL CORP - N	1M2007 S/W	
0008	CURRENT RECORD TITLE OWNERS		
0010	SEC 23:NESW		
0012	MARATHON OIL CO	30.00	
0014	LEGACY RESERVES OPERATING LP	70.00	
0016	SEC 23:SWSE		
0018	MARATHON OIL CO	30.00	
0020	LEGACY RESERVES	70.00	
0021	04/02/2002 LESSEE BONDED		
0022	WY2606/NW		
0023	bonded operator on ca nmnm 87877x - per afmss		
0024	10/25/2005 - HENRY PETROLEUM LP - NM2877 - S/W;		
0026	12/23/2013 - LEGACY RES OP LP NMB001014 NM/SW 125K;		
0027	BONDED OPERATOR		
0028	11/28/16 SPECIAL ENERGY CORP NMB001116 NM/SW \$50K;		

RECEIVED:	REVIEWER:	TYPE:	APP NO:		
		ABOVE THIS TABLE FOR OCD DIVISION	N USE ONLY		
NEW MEXICO OIL CONSERVATION DIVISION - Geological & Engineering Bureau – 1220 South St. Francis Drive, Santa Fe, NM 87505					
	ADMINISTR	ATIVE APPLICATION	I CHECKLIST		
THIS		L ADMINISTRATIVE APPLICATION QUIRE PROCESSING AT THE DIVIS	NS FOR EXCEPTIONS TO DIVISION RULES AND ISION LEVEL IN SANTA FE		
Applicant:			OGRID Number:		
Well Name:			API:		
Pool:		Pool Code:			
SUBMIT ACCUP	RATE AND COMPLETE INF	ORMATION REQUIRED	D TO PROCESS THE TYPE OF APPLICATION		
A. Location	ICATION: Check those n – Spacing Unit – Simult NSL NSP(PR				
[1] Con [one only for [I] or [II] nmingling – Storage – M DHC CTB PL ction – Disposal – Pressu WFX PMX SV	.C	ced Oil Recovery		
A. Offse B. Roya C. Appl D. Notif E. Notif F. Surfa G. For a	N REQUIRED TO: Check to operators or lease hole alty, overriding royalty ov ication requires publishe ication and/or concurre ication and/or concurre ice owner Il of the above, proof of otice required	ders vners, revenue owner ed notice ent approval by SLO ent approval by BLM	Notice Complete		
administrative understand t	e approval is accurate a	and complete to the en on this application	itted with this application for best of my knowledge. I also in until the required information and		
r	Note: Statement must be comple	ted by an individual with mar	nagerial and/or supervisory capacity.		

Print or Type Name

Date

Phone Number

Signature

e-mail Address

.

From:	McClure, Dean, EMNRD
То:	Brittney Storfa
Cc:	Wrinkle, Justin, EMNRD
Subject:	RE: [EXTERNAL] RE: surface commingling application PLC-756
Date:	Wednesday, October 26, 2022 10:47:00 AM

Ms. Storfa,

Surface commingling application PLC-756 has now been withdrawn at the applicant's request.

Please note the following:

- A commingling permit will be required if commingling of leases or pools occurs prior to a sales meter.
- The spacing for Carlson Harrison Fed Com #4 (30-025-29358) will need to be corrected regardless of commingling.

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

From: Brittney Storfa <brittney@faenergyus.com>
Sent: Wednesday, October 26, 2022 10:22 AM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Wrinkle, Justin, EMNRD <Justin.Wrinkle@emnrd.nm.gov>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-756

Dean,

We have been looking at this project and realize that we already have an upgraded meter at the Carlson Harrision Fed Com #4. So we no longer have a need to this surface commingle. Can you please delete this project. Sorry for the inconvenience. Thank you!

Thank you, Brittney

From: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Sent: Wednesday, October 26, 2022 11:18 AM
To: Brittney Storfa <<u>brittney@faenergyus.com</u>>
Cc: Wrinkle, Justin, EMNRD <<u>Justin.Wrinkle@emnrd.nm.gov</u>>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-756

Ms. Storfa,

Please provide a status update on the topics contained within this email chain; those being the following:

- Spacing for the Carlson Harrison Federal Com #4 (30-025-29358)
- Now notice for the modification in allocation made to proposed commingling project in this application
- Addition to the application of the additional pools to some of the wells within this application

Forty Acres will need to begin taking steps to correct for each of these topics by the end of business day on November 10th or the Division will reject the current application on file and Forty Acres will need to submit a new application for this commingling project once each of these topics have been addressed.

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

From: McClure, Dean, EMNRD
Sent: Monday, October 17, 2022 1:39 PM
To: Brittney Storfa <<u>brittney@faenergyus.com</u>>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-756

Brittney,

New notice will need to be provided to all the working, royalty, and over-riding royalty interest owners. You may opt to also provide public notice at your discretion, but public notice is only sufficient after a good faith effort was made to provide direct notification to the correct addresses for the interest owners.

The spacing for Pool ID: 79240 will need to be updated for the 30-025-29358 CARLSON HARRISON FEDERAL COM #004; currently its spacing unit contains land outside of the CA to which it is being allocated. Please submit a sundry to the BLM updating the spacing. Once submitted print off a copy of the submittal and provide to me. Once approval has been granted by the BLM, you will need to submit that to the OCD as a C-103A to update the spacing.

Additionally, with the amended application being noticed; please update it to include all of the current proposed pools for these wells unless the pools are no longer going to be added. For instance, the well referenced above has an additional pool within the well details and related DHC order which was likely approved after this surface commingling application was originally submitted.

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

From: Brittney Storfa <<u>brittney@faenergyus.com</u>>
Sent: Thursday, October 13, 2022 9:07 AM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-756

Dean,

I think we will want to stick with shutting in 3 wells to test one well, rather than going through setting meters for a short time. When you say we need to send out new notice. Does that mean we will need to send packets to all the royalty owner again or can we just publish in the newspaper?

I have attached the pooling agreement for the Carlson Harrison Fed Com. Do you need any addition information from us on this matter?

Thank you, Brittney

From: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Sent: Tuesday, October 11, 2022 3:29 PM
To: Brittney Storfa <<u>brittney@faenergyus.com</u>>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-756

Brittney,

Alternatively, FAE could initially meter the production allowing for the application to proceed and then amend the order after its been issued to allocate via well tests instead. This could potentially allow for an order to be issued sooner, but it would mean that meters would need to be temporarily used and also there is still the question about the spacing for the following well to be taken care of before any order could be issued:

	Carlson Harrison Federal Com #4	W/2 SW/4	22-25S-37E	
30-025-29358		W/2 NW/4, SE/4 NW/4	27-25S-37E	79240

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

From: McClure, Dean, EMNRD
Sent: Tuesday, October 11, 2022 2:21 PM
To: Brittney Storfa <<u>brittney@faenergyus.com</u>>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-756

Brittney,

To make sure we are on the same page; is FAE's new proposed allocation method to conduct well tests monthly for each of the included 4 wells during which the other 3 wells will be shut in?

If so, this will be acceptable and meets the standard requirement for well tests for vertical wells since shutting in all production except that from a single well is essentially separating its production from all other production during the test. However, because the allocation method is less accurate than the originally proposed method, new notice will be required.

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

From: Brittney Storfa <<u>brittney@faenergyus.com</u>>
Sent: Tuesday, October 11, 2022 10:47 AM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-756

Dean,

We would use separate allocations for the Airport #1 and Airport #2. We would get these allocations by shutting in all but one well and testing each well individually. Is this an acceptable method?

Thank you, Brittney

From: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Sent: Friday, October 7, 2022 9:19 AM
To: Brittney Storfa <<u>brittney@faenergyus.com</u>>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-756

Brittney,

I'm not sure what you are referring to by shut-in method; well tests maybe?

The reason that the proposed allocation method is unacceptable is because it is being proposed that a single allocation would be determined for both the Airport #1 and #2. There needs to be a way to distinguish between the two wells as they are producing from two different pools. I don't recall if they are producing from different leases, but if so that would also be a factor which causes them to need to be allocated separately.

If subtraction method were to be used, then essentially all of the wells except 1 would need to have a meter installed on it and then subtraction method used for the last well.

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

From: Brittney Storfa <<u>brittney@faenergyus.com</u>>
Sent: Thursday, October 6, 2022 1:43 PM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: [EXTERNAL] RE: surface commingling application PLC-756

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

Dean,

Please find attached the pooling agreement for the Carlson Harrison Federal Com #4.

I assume the subtraction method is the same a shut-in method. I assume we will need to set a meter at each well. Are there any other forms of measurement that would be acceptable?

Thank you, Brittney

From: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>>
Sent: Friday, April 29, 2022 9:19 AM
To: Brittney Storfa <<u>brittney@faenergyus.com</u>>
Subject: surface commingling application PLC-756

Ms. Storfa,

I am reviewing surface commingling application PLC-756 which involves a commingling project that includes the Lanehart Airport Compression System.

FAE proposes using the subtraction method to determine production to the Airport #1 and #2 wells. However, this will not be acceptable as they each produce from different pools and will need to be measured separately. Another method of allocation will need to be proposed.

Additionally, I am looking for the pooling agreement for the Carlson Harrison Federal Com #4, but am not finding it on my end. Please submit a copy of this pooling agreement or alternatively an approval letter from the appropriate federal agency for it.

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

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

COMMENTS

Operator:	OGRID:			
FAE II Operating LLC	329326			
11757 Katy Freeway, Suite 725	Action Number:			
Houston, TX 77079	153907			
	Action Type:			
	[IM-SD] Admin Order Support Doc (ENG) (IM-AAO)			
COMMENTS				

Create	ed By	Comment	Comment Date
dmc	clure	Withdrawn under Action ID: 22202	10/26/2022

Page 23 of 24

.

Action 153907

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

Operator:	OGRID:
FAE II Operating LLC	329326
11757 Katy Freeway, Suite 725	Action Number:
Houston, TX 77079	153907
	Action Type:
	[IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By Condition dmcclure None

Action 153907

Condition Date 10/26/2022