

**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 and Natural Resources**  
**Oil Conservation Division**  
**1220 South St. Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
Revised July 18, 2013

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address <b>FAE II Operating LLC</b> <b>11757 Katy Freeway, Suite 1000, Houston, TX 77079</b>		<sup>2</sup> OGRID Number <b>329326</b>
		<sup>3</sup> API Number <b>30-025-11842</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>WINNINGHAM</b>	<sup>6</sup> Well No. <b>1</b>

**7. Surface Location**

UL - Lot <b>C</b>	Section <b>30</b>	Township <b>25S</b>	Range <b>37E</b>	Lot Idn	Feet from <b>660</b>	N/S Line <b>N</b>	Feet From <b>1980</b>	E/W Line <b>W</b>	County <b>LEA</b>
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**8. Proposed Bottom Hole Location**

UL - Lot <b>C</b>	Section <b>30</b>	Township <b>25S</b>	Range <b>37E</b>	Lot Idn	Feet from <b>660</b>	N/S Line <b>N</b>	Feet From <b>1980</b>	E/W Line <b>W</b>	County <b>LEA</b>
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**9. Pool Information**

Pool Name <b>JALMAT;TAN-YATES-7 RVRS (OIL)</b>	Pool Code <b>33820</b>
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**Additional Well Information**

<sup>11</sup> Work Type <b>E</b>	<sup>12</sup> Well Type <b>O</b>	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type <b>P</b>	<sup>15</sup> Ground Level Elevation <b>3041.35'</b>
<sup>16</sup> Multiple <b>No</b>	<sup>17</sup> Proposed Depth <b>3600'</b>	<sup>18</sup> Formation <b>QUEEN</b>	<sup>19</sup> Contractor <b>Swabco</b>	<sup>20</sup> Spud Date <b>2/15/2021</b>
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

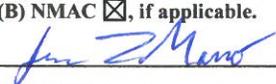
Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	11"	9-5/8"	40#/ft	300'	200	Surface
Orig. Prod	8-5/8"	7"	20#/ft	2675'	300	696'
New Prod	7"	5-1/2"	15.5#/ft	3600'	300	Surface

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	Unknown

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature:  Printed name: Jessica LaMarro Title: Geologist E-mail Address: <a href="mailto:jessica@faenergyus.com">jessica@faenergyus.com</a> Date: <b>1/21/2021</b>	<b>OIL CONSERVATION DIVISION</b>	
	Approved By:	
	Title:	
	Approved Date:	Expiration Date:
Phone: 832-706-0051	Conditions of Approval Attached	

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-107  
Supplements 1-120  
Effective 1-1-63

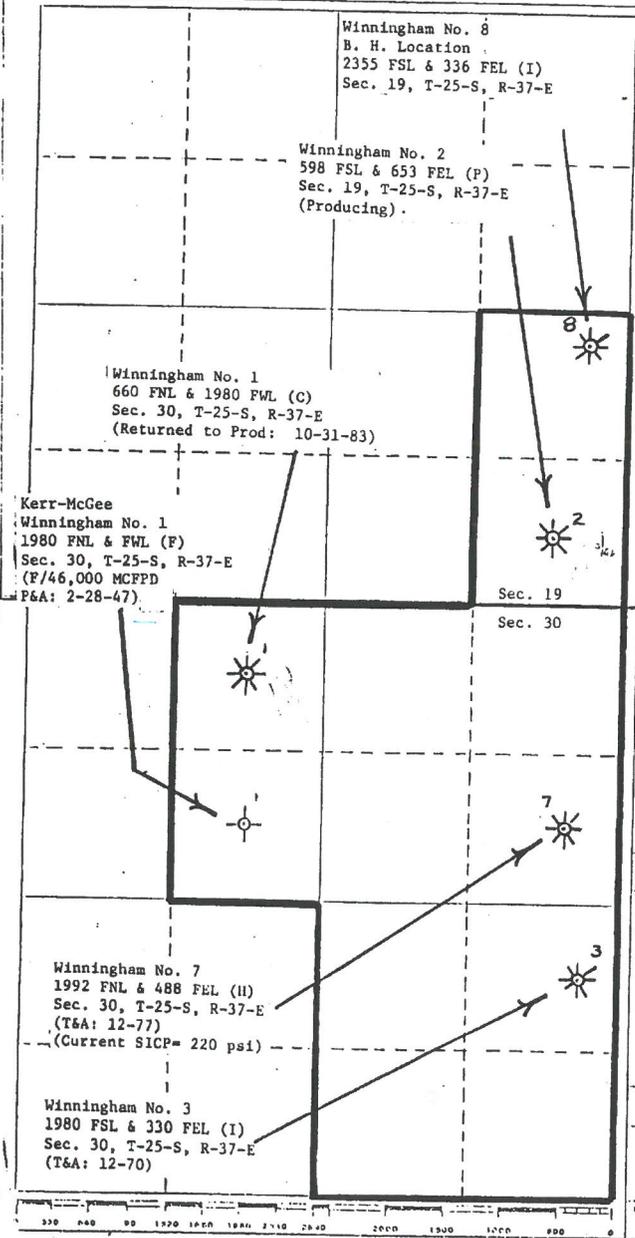
All distances must be from the outer boundaries of the Section.

Operator <b>FAETI Operating LLC</b> (OGARD 329336)		T. 25S		Winningham		Well No. 1
Well Letter C	Section 30	Township 25S	Range 37E	County Lea		
Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the West line		Round Level Elev. 3041.35		Producing Formation Yates (Seven Rivers)		Depth 480

- Outline the acreage dedicated in the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
  - Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

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

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



**CERTIFICATION**

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

Name: Jessica LaMorro  
 Profession: Geologist  
 Company: FAETI Operating, LLC  
 Date: 11/21/2021

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

Date Surveyed: \_\_\_\_\_  
 Registered Professional Engineer and/or Land Surveyor

**CERTIFICATION**

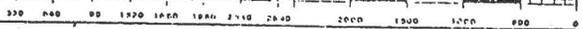
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: \_\_\_\_\_  
 Profession: \_\_\_\_\_  
 Company: \_\_\_\_\_  
 Date: \_\_\_\_\_

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

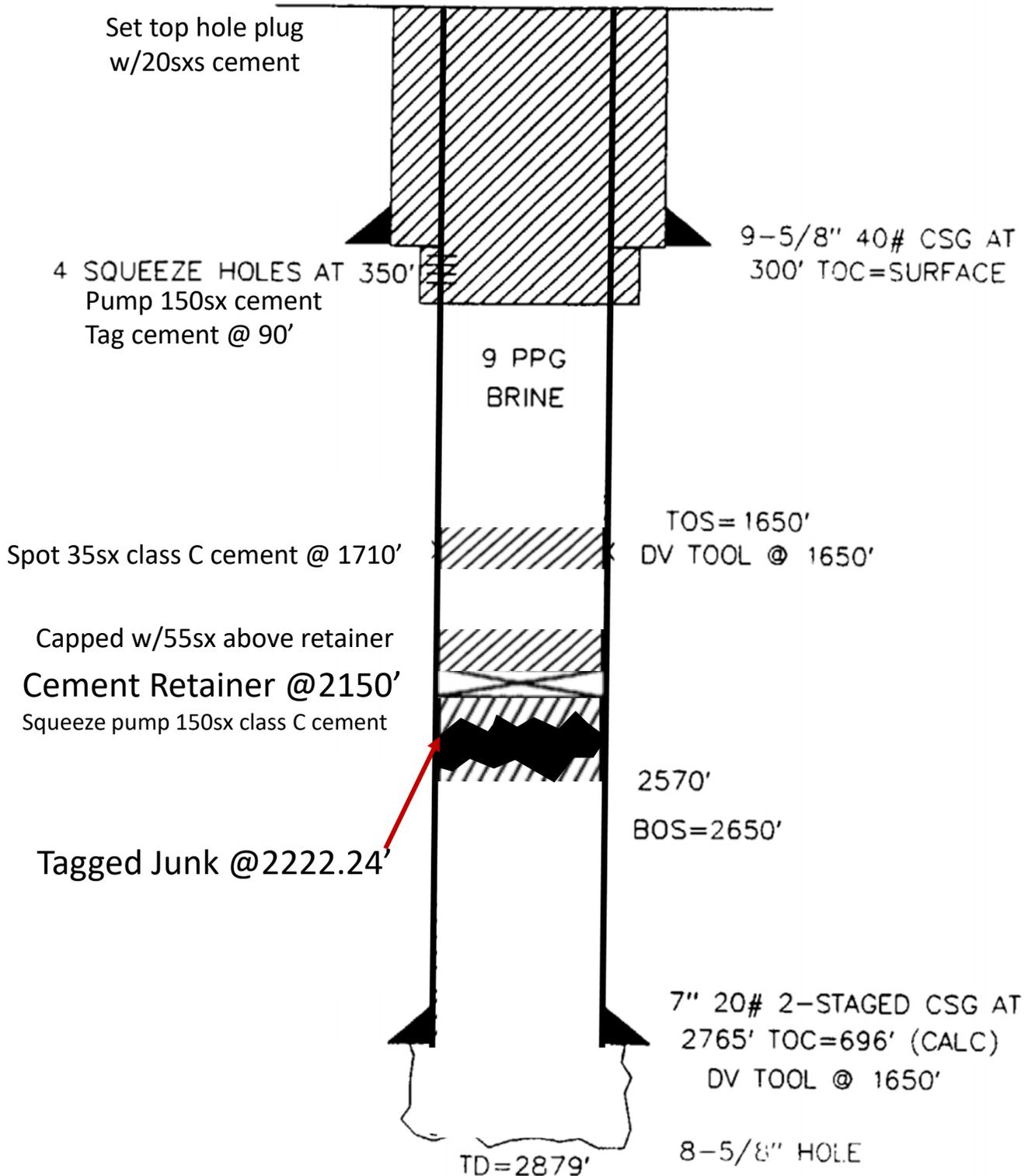
Date Surveyed: \_\_\_\_\_  
 Registered Professional Engineer and/or Land Surveyor

Certificate No. \_\_\_\_\_



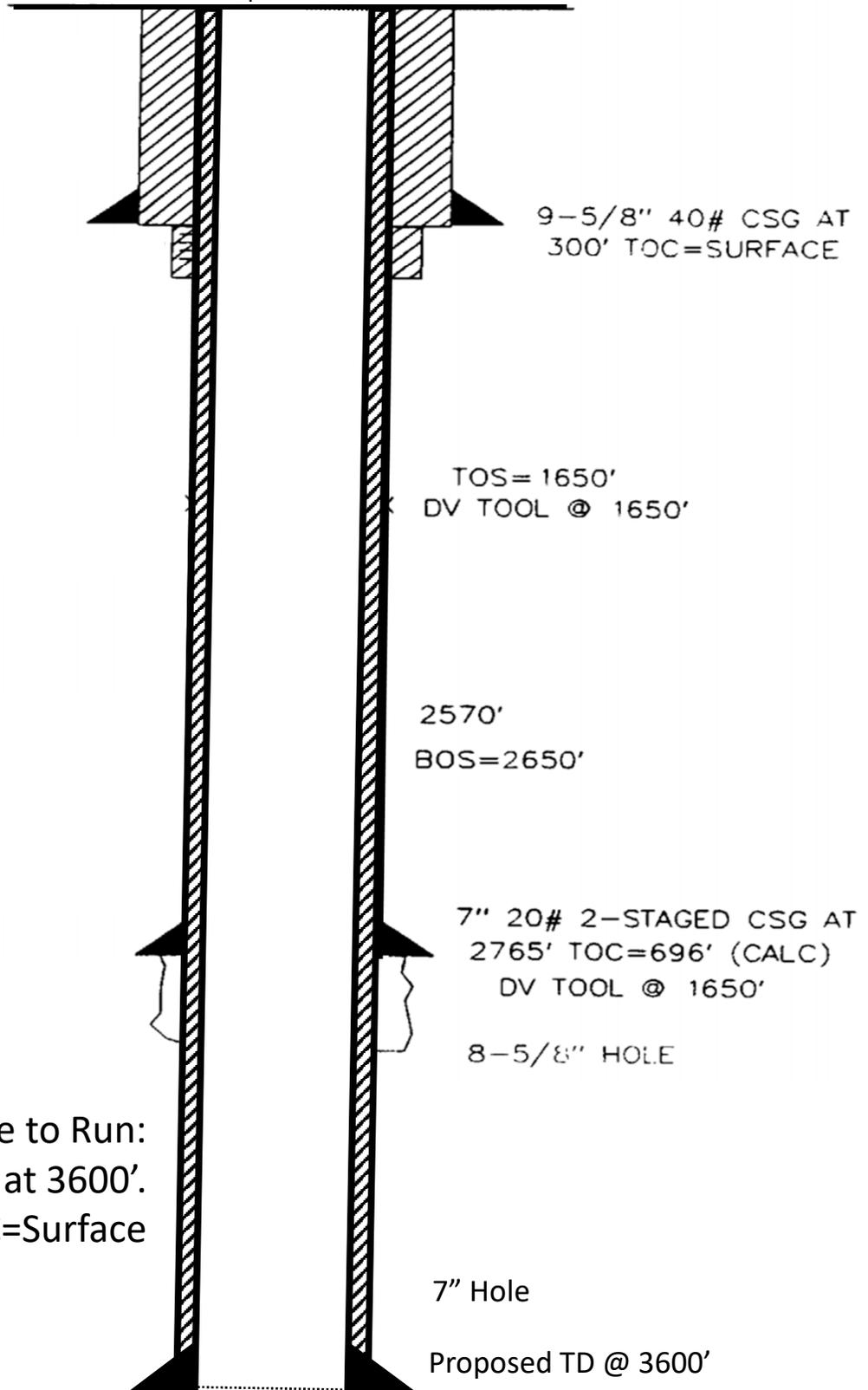
1/21/2021  
Current

WINNINGHAM #1  
JALMAT (GAS) FIELD  
LEA COUNTY, NEW MEXICO  
CONDITION AFTER P & A



1/21/2021

WINNINGHAM #1  
API: 30-025-11842  
Twn 25S Rge 37E Sec 30  
660 FNL 1980 FWL  
Proposed WBD



Propose to Run:  
5-1/2" 15.5# csg at 3600'.  
TOC=Surface

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Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit Original  
to Appropriate  
District Office

**GAS CAPTURE PLAN**

Date: 1/21/2021

Original Operator & OGRID No.: FAE II Operating LLC 329326  
 Amended - Reason for Amendment: \_\_\_\_\_

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

*Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).*

**Well(s)/Production Facility – Name of facility**

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
WINNINGHAM #1	30-025-11842	C-30-25S-37E	660 FNL & 1980 FWL	25	0 mcf flared	Sales meter at existing battery
WINNINGHAM #9	30-025-28637	B-30-25S-37E	660 FNL & 1980 FEL			

**Gathering System and Pipeline Notification**

The well will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to **ETC** and will be connected to **ETC** low pressure gathering system located in LEA County, New Mexico. It will require 1250' of pipeline to connect the facility to low pressure gathering system. FAE II Operating LLC provides (periodically) to **ETC** a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, FAE II Operating LLC and **ETC** have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at **ETC** Processing Plant located in Sec. 33, Twn. 25S, Rng. 37E, LEA County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

**Flowback Strategy**

After completion, the well will be tied into the production facilities. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on **ETC** system at that time. Based on current information, it is FAE II Operating LLC's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

**Alternatives to Reduce Flaring**

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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CONDITIONS

Action 16748

**CONDITIONS OF APPROVAL**

Operator:	FAE II OPERATING LLC	11757 Katy Freeway, Suite 1000	Houston, TX77079	OGRID:	329326	Action Number:	16748	Action Type:	APD
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OCD Reviewer	Condition
pkautz	Special pool rules - special vertical limits for Jalmat from top of Tansil formation down to a point 100 feet above the base of Seven Rivers formation