

**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

Form C-101  
Revised July 18, 2013

## Energy Minerals and Natural Resources

## Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

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

<sup>1</sup> Operator Name and Address FAE II Operating LLC 11757 Katy Freeway, Suite 1000 Houston, TX 77079		<sup>2</sup> OGRID Number 329326
		<sup>3</sup> API Number 30-025-34404
<sup>4</sup> Property Code 326914	<sup>5</sup> Property Name C T BATES	<sup>6</sup> Well No. #004

<sup>7</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
N	10	26S	37E		660	SOUTH	2145	WEST	LEA

<sup>8</sup> Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
N	10	26S	37E		660	SOUTH	2145	WEST	LEA

<sup>9</sup> Pool Information

Pool Name	Pool Code
LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	37240

## Additional Well Information

<sup>11</sup> Work Type	<sup>12</sup> Well Type	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type	<sup>15</sup> Ground Level Elevation
A	G O	R	P	2984
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth	<sup>18</sup> Formation	<sup>19</sup> Contractor	<sup>20</sup> Spud Date
YES	3635	7 RVRS-QUEEN	TBD	5/05/2021
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<sup>21</sup> Proposed Casing and Cement Program

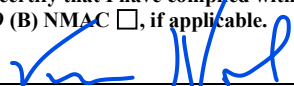

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Conductor		20.000"	94#	93'	916 sxs	Surface
Surface		13.375"	61#	1346'	975 sxs	Surface
Intermediate		8.625"	32#	2601'	1800 sxs	Surface
Production		5.500"	15.5#	3634'	425 sxs	Surface

## Casing/Cement Program: Additional Comments

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<sup>22</sup> 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 type="checkbox"/> , if applicable. Signature: 		OIL CONSERVATION DIVISION	
Printed name: VANESSA NEAL		Approved By: 	
Title: RESERVOIR ENGINEER		Title:	
E-mail Address: <a href="mailto:vanessa@faenergyus.com">vanessa@faenergyus.com</a>		Approved Date: 04/22/2021 Expiration Date: 04/22/2023	
Date: 08 April 2021	Phone: 832-219-0990	Conditions of Approval Attached	

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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

<sup>1</sup> API Number 30-025-34404	<sup>2</sup> Pool Code 37240	<sup>3</sup> Pool Name LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG
<sup>4</sup> Property Code 326914	<sup>5</sup> Property Name C T BATES	
<sup>7</sup> OGRID No. 329326	<sup>8</sup> Operator Name FAE II OPERATING, LLC	<sup>6</sup> Well Number #004  <sup>9</sup> Elevation 2984'

## <sup>10</sup> Surface Location

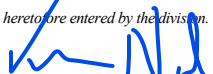
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
N	10	26S	37E		660	S	2145	W	LEA

<sup>11</sup> 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
N	10	26S	37E		660	S	2145	W	LEA

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
40	Y		

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.

16				<p>17 <b>OPERATOR CERTIFICATION</b></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> 4/8/2021</p> <p>Signature Date</p> <p><u>VANESSA NEAL</u></p> <p>Printed Name</p> <p><u>vanessa@faenergyus.com</u></p> <p>E-mail Address</p>
	SE/4 SW/4 Sec 32 (40 acres)			<p>18 <b>SURVEYOR CERTIFICATION</b></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>_____</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>_____</p> <p>Certificate Number</p>

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State of New Mexico  
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: 08 APR 2021

☐ Original Operator & OGRID No.: FAE II Operating LLC (329326)  
☒ Amended - Reason for Amendment: Workover C T Bates #004; Add Zone

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
CT Bates #004	30-025-34404	N-10-26S-37E	660' FSL & 2145' FWL	8	No	

#### Gathering System and Pipeline Notification

Well(s) 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 [241472] SOUTHERN UNION GAS SERVICES, LTD (Gas Transporter) and will be connected to Gas Transporter low/high pressure gathering system located in LEA County, New Mexico. It will require 1340 ' of pipeline to connect the facility to low/high pressure gathering system. [329326] FAE II OPERATING LLC (Operator) provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec. 33, Twn. 24S, 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 the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. 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 Gas Transporter system at that time. Based on current information, it is Operator'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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**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
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CONDITIONS

Action 23539

**CONDITIONS OF APPROVAL**

Operator:			OGRID:	Action Number:	Action Type:
FAE II OPERATING LLC	11757 Katy Freeway, Suite 1000	Houston, TX77079	329326	23539	APD

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well