Form 3160-5 (June 2019)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

5.	Lease	Serial	No

BURI	EAU OF LAND MANAGEMENT	5. Lease Serial No.	5. Lease Serial No.		
Do not use this f	OTICES AND REPORTS ON Worm for proposals to drill or to Jse Form 3160-3 (APD) for suc	6. If Indian, Allottee or	Tribe Name		
SUBMIT IN 1	TRIPLICATE - Other instructions on pag	e 2	7. If Unit of CA/Agreen	ment, Name and/or No.	
1. Type of Well			8. Well Name and No.		
Oil Well Gas W	Vell Other				
2. Name of Operator		9. API Well No.			
3a. Address	3b. Phone No.	(include area code)	10. Field and Pool or E	xploratory Area	
4. Location of Well (Footage, Sec., T.,R	.,M., or Survey Description)		11. Country or Parish, S	State	
12. CHE	CK THE APPROPRIATE BOX(ES) TO IN	DICATE NATURE OF N	NOTICE, REPORT OR OTH	ER DATA	
TYPE OF SUBMISSION		ТҮРЕ О	ACTION		
Notice of Intent	Acidize Deep Alter Casing Hydr	_	Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity	
Subsequent Report	= =	Construction and Abandon	Recomplete Temporarily Abandon	Other	
Final Abandonment Notice		Back	Water Disposal		
14. I hereby certify that the foregoing is	true and correct. Name (Printed/Typed)				
		Title			
Signature		Date			
	THE SPACE FOR FED	ERAL OR STATE	OFICE USE		
Approved by					
Conditions of commons life '	and Approval of this nation described	Title	D	ate	
	ned. Approval of this notice does not warran quitable title to those rights in the subject led duct operations thereon.				
	3 U.S.C Section 1212, make it a crime for an ents or representations as to any matter with		l willfully to make to any dep	partment or agency of the United States	

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

(Form 3160-5, page 2)

Additional Information

Location of Well

 $0. \ SHL: \ SENW \ / \ 1420 \ FNL \ / \ 1340 \ FWL \ / \ TWSP: \ 23S \ / \ RANGE: \ 37E \ / \ SECTION: \ 27 \ / \ LAT: \ 32.278691 \ / \ LONG: \ -103.15496 \ (\ TVD: \ 0 \ feet, \ MD: \ 0 \ feet \)$ $BHL: \ SENW \ / \ 1420 \ FNL \ / \ 1340 \ FWL \ / \ TWSP: \ 23S \ / \ SECTION: \ / \ LAT: \ 32.278691 \ / \ LONG: \ 103.15496 \ (\ TVD: \ 0 \ feet, \ MD: \ 0 \ feet \)$

<u>District I</u> 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 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

■ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numb	¹ API Number ² Pool Code		³ Pool Name	
30-025-341	.53	37240	LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG	
⁴ Property Code		⁵ Pı	roperty Name	⁶ Well Number
330686	C E LAMUNYON		AMUNYON	#063Y
⁷ OGRID No.		8 O ₁	perator Name	⁹ Elevation
329326		FAE II OPERATING, LLC		3290'
		10 Surfa	ace Location	

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	27	23S	37E		1420	N	1340	W	LEA
	¹¹ Bottom Hole Location If Different From Surface								
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	27	23S	37E		1420	N	1340	W	LEA
12 Dedicated Acres	13 Joint o	r Infill	Consolidation Code	15 Order No.					
40	Ţ	Y .			NSL-3793-E	3			

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			17 OPERATOR CERTIFICATION
			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
	50,		proposed bottom hole location or has a right to drill this well at this location
	1420		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
			heretofe e entered by the division.
			04/11/2022
			Signature Date
	lacksquare		Signature / V Date
1340'	ı ~		VANESSA NEAL
		SW/4 NE/4	Printed Name
		Sec 27 (40 acres)	
		(10 11111)	vanessa@faenergyus.com
			E-mail Address
			18SURVEYOR CERTIFICATION
			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.
			Date of Survey
			Signature and Seal of Professional Surveyor:
			Certificate Number

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description <u>Effective May 25, 2021</u>

I. Operator:	FAE II Opera	ting, LLC	OGRID:	329326	Date:	06/13/2022	
II. Type: ☐ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☒ Other.							
If Other, please describe: Recomplete to Langlie Mattix pool in C E Lamunyon #63Y							
III. Well(s): Provide the be recompleted from a s					vells proposed to	be drilled or proposed to	
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D	
C E LAMUNYON #063Y	30-025-34153	F-27-23S-37E	1420' FNL & 1340' FWL	3	8	11	
IV. Central Delivery Point Name: LAMUNYON BATTERY [See 19.15.27.9(D)(1) NMAC] V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.							
Well Name	API	Spud Date	TD Reached Date	Completion Commencement			
C E LAMUNYON #063Y	30-025-34153	7/1/2022	7/1/2022	7/1/2022	7/11/20	022 7/12/2022	
VI. Separation Equipment: Attach a complete description of how Operator will size separation equipment to optimize gas capture. VII. Operational Practices: Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.							
VIII. Best Management Practices: ⊠ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.							

Section 2 – Enhanced Plan <u>EFFECTIVE APRIL 1, 2022</u>

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☑ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the
production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural	gas gathering system	will □ will not hav	e capacity to gather	100% of the anticipa	ıted natural gas
production volume from the well	prior to the date of first p	production.			

XIII. Line Pressure. Operator \square does \square does not anticipate that its existing well(s) connected to the same segment, or portion, of the
natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

Attach Operator's plan to manage production in response to the increase	ced line precente

XIV. Confidenti	ality: 🗌 Operat	or asserts confidentia	lity pursuant to	Section 7	71-2-8 NMSA	1978 for the	information	provided in
Section 2 as prov	ded in Paragraph	(2) of Subsection D	of 19.15.27.9 NI	MAC, and	attaches a full	description of	f the specific	information
for which confide	ntiality is asserted	d and the basis for suc	ch assertion.					

Section 3 - Certifications Effective May 25, 2021

	2.1. 2.1. 2.1. 2.1. 2.1. 2.1. 2.1. 2.1.
Operator certifies that, a	after reasonable inquiry and based on the available information at the time of submittal:
one hundred percent of	e to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering
hundred percent of the into account the current	able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. Abox, Operator will select one of the following:
Well Shut-In. □ Opera D of 19.15.27.9 NMAC	tor will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection; or
	lan. Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential
	es for the natural gas until a natural gas gathering system is available, including:
(a)	power generation on lease;
(b)	power generation for grid;
(c)	compression on lease;
(d)	liquids removal on lease;
(e)	reinjection for underground storage;
(f)	reinjection for temporary storage;
(g)	reinjection for enhanced oil recovery;
(h)	fuel cell production; and
(i)	other alternative beneficial uses approved by the division.

Section 4 - Notices

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- (b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:
Printed Name: Vanessa Neal
Title: Sr. Reservoir Engineer
E-mail Address: vanessa@faenergyus.com
Date: 13 JUNE 2022
Phone: 832-219-0990
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

FAE II Operating, LLC ("FAE") Natural Gas Management Plan

VI. Separation Equipment

- Separation equipment is sized to allow for retention time and velocity to adequately separate oil, gas, and water at anticipated peak rates.
- Valves and meters are designed to service without flow interruption or venting of gas.
- Gas from treater and wellhead will be tied into the sales line.

VII. Operational Practices

19.15.27.8 (A)

FAE's field operations are designed with the goal of minimizing venting of natural gas. Wellhead and existing production equipment are tied into the gas sales line.

19.15.27.8 (B) Venting and Flaring during drilling operations

- Venting will only occur if there is an equipment malfunction and/or to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment.
- Daily vented volumes during drilling operations will be estimated on the daily report.
- All equipment will be available to process wellhead production upon completion of the well.

19.15.27.8 (C) Venting and Flaring during completions or recompletions operations.

- During all phases of flowback, wells will flow through a sand separator, or other appropriate
 flowback separation equipment, and the well stream will be directed to a central tank battery (CTB)
 through properly sized flowlines.
- The CTB will have properly sized separation equipment for maximum anticipated flowrates.
- All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks;
 vented gas volumes from oil tanks will be estimated based on annual GOR since expected production from well is <60 MCFPD.

19.15.27.8 (D) Venting and Flaring during production operations.

- During production, the well stream will be routed to the CTB where multiple stages of separation will separate gas from liquids. All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks; vented gas volumes from oil tanks will be estimated based on annual GOR since expected production from will is <60 MCFPD.</p>
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. Any active leaks or releases will be reported as required and repaired in a timely manner.
- Gas sales volumes are recorded and monitored via EFMS.

19.15.27.8 (E) Performance Standards

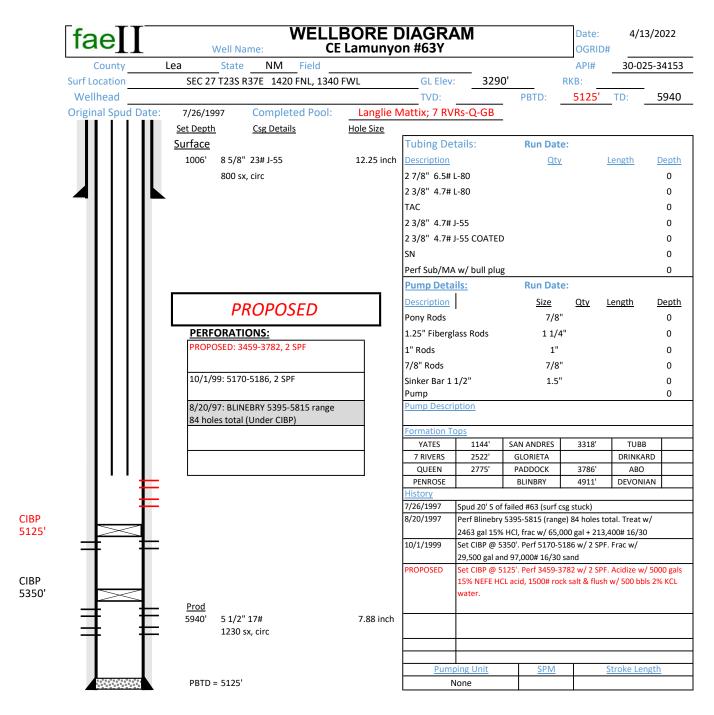
- Production equipment will be designed to handle maximum anticipated rates and pressure.
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. Any active leaks or releases will be reported as required and repaired in a timely manner.
- Gas/H2S detectors will be installed throughout the facilities and wellheads to detect leaks and enable timely repairs.

19.15.27.8 (F) Measurement or estimation of vented and flared natural gas

- All gas from wellhead and treater will be routed to a sales outlet.
- When metering is not practical due to low pressure/low rate (<60 MCFPD), the vented volume will be estimated based on annual GOR.

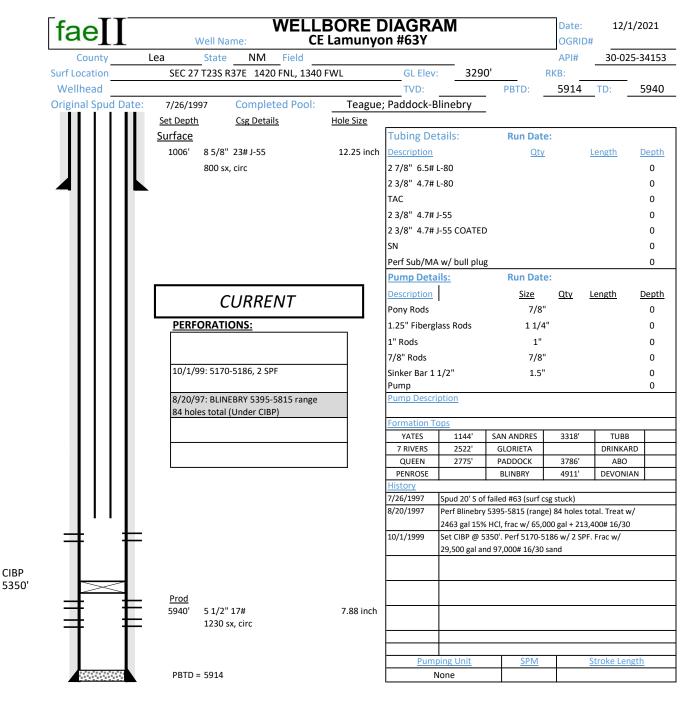
VIII. Best Management Practices

- FAE will use best management practices to vent as minimally as possible during well intervention operations and downhole well maintenance.
- All gas from wellhead and treater will be routed to a sales outlet. Fluids will be routed to tanks; vented gas volumes from oil tanks will be estimated based on annual GOR since expected production from will is <60 MCFPD. All venting events will be recorded and all start-up, shutdown, maintenance logs will be kept for control equipment</p>
- All equipment will be maintained to provide highest run-time possible.
- AVO inspections will be conducted on the well and facility as required (weekly or monthly) based on actual daily production from the well or facility. Records of inspections will be kept for no less than 5 years. Any active leaks or releases will be reported as required and repaired in a timely manner.
- Gas sales volumes are recorded and monitored via EFMS.
- All procedures are drafted to keep venting to the absolute minimum.



History

7/26/1997	Spud 20' S of failed #63. 9 jts surf csg stuck in hole and abandoned original
8/20/1997	Perf 5394, 5420, 5435, 5455, 5478, 5499, 5554, 5594, 5614, 5639, 5649, 5661, 5690, 5705, 5724, 5735, 5750, 5766, 5790, 5815, 84 holes. Treat w/ 2463 gal 15% HCl acid. Frac w/ 65,000 gal 40# gel w/ 70-50% CO2 and 213,400# 16/30 Jordan sand
10/1/1999	Set CIBP @ 5350'. Perf 51770-5186 w/ 2 SPF. Frac w/ 29,500 gal and 97,000# 16/30 sand



History

7/26/1997	Spud 20' S of failed #63. 9 jts surf csg stuck in hole and abandoned original
	Perf 5394, 5420, 5435, 5455, 5478, 5499, 5554, 5594, 5614, 5639, 5649, 5661, 5690, 5705, 5724, 5735, 5750, 5766, 5790, 5815, 84 holes. Treat w/ 2463 gal 15% HCl acid. Frac w/ 65,000 gal 40# gel w/ 70-50% CO2 and 213,400# 16/30 Jordan sand
10/1/1999	Set CIBP @ 5350'. Perf 51770-5186 w/ 2 SPF. Frac w/ 29,500 gal and 97,000# 16/30 sand

FAE II Operating, LLC

C E Lamunyon #063Y

Unit F, Sec 27, T23S, R37E

Lea County, New Mexico

API#: 30-025-34153

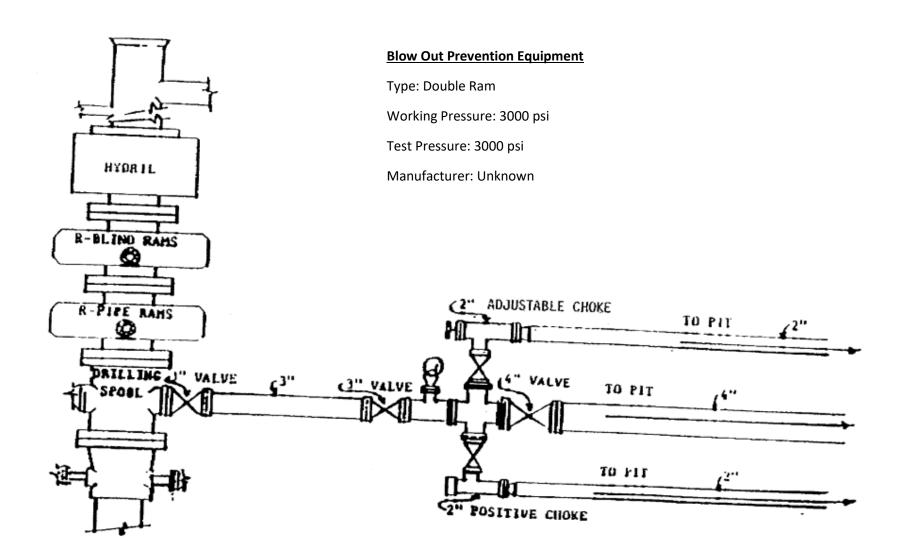
Equipment and Design:

FAE II Operating, LLC will use a closed loop system in this operation. The following equipment will be on location:

1) 2- 500 bbl steel tanks

Operation and Maintenance:

During each day of operation, the rig's crew will inspect and closely monitor the fluids contained within the steel tanks and visually monitor any release that may occur. Should a release or spill occur, the NMOCD District 1 office Hobbs (575-393-6161) will be notified, as required in NMOCD's rule 19.15.29.8.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

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 116377

CONDITIONS

Operator:	OGRID:
FAE II Operating LLC	329326
11757 Katy Freeway, Suite 725	Action Number:
Houston, TX 77079	116377
	Action Type:
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	None	7/7/2022