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** 1220 South St. Francis Dr.

☐AMENDED REPORT

Santa Ea NM 97505

			1. Operator Name ar	nd Address				<sup>2.</sup> OGRID N		
		11	FAE II Operation 757 Katy Freewa					32932 3. API Nur		
		11	Houston, TX	77079				30-025-09	9293	
	rty Code I 162				roperty Name TE A A/C 1				<sup>6.</sup> Well No. #055	
		<u>.</u>		7. Surfac	ce Location			<u>.</u>		
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County	
E	10	23S	36E		1980	N	660	W	LEA	
	a .:	m 1:		8 Proposed B				Day I		
UL - Lot	Section 10	Township	Range 36E	Lot Idn	Feet from 1980	N/S Line	Feet From 660	E/W Line	1	
E	10	23S	30E	9 Daal I		N	000	VV	LEA	
				Pool Nar	nformation				Pool Code	
	JALMAT	; TANSILL	-YATES-7 RVR			; 7 RVRS-QL	IEEN-GRAYBI	JRG	79240 // 3724	
				Additional V	Vell Informat	ion				
	k Туре <b>\</b>		<sup>12.</sup> Well Type	13. Cable/Rotary 14.		<sup>14.</sup> Lease Type	15.	Ground Level Elevation 3474'		
	ıltiple		17. Proposed Depth	18. Formation			19. Contractor		<sup>20.</sup> Spud Date	
			RS/QUEE	V	TBD		11/18/2022			
Depth to Grou	nd water		Distanc	e from nearest fresi	n water well		Distar	nce to nearest surf	ace water	
Type	Hole	e Size	Casing Size	oposed Casing Casing Weigh		Setting Depth	Sacks	of Cement	Estimated TOC	
Surface	12.	250"	8.625"	28#		333'	30	00 sxs	Surface	
Production	7.8	375"	5.500"	14#		3799'	25	50 sxs	2520' (Temp)	
			Casing/	Cement Progra	am: Addition	al Comment	S			
				oposed Blowou	ut Prevention	Program				
	<b>T</b>	Type Wor		11 75			Test Pressure		Manufacturer	
			W	orking Pressure						
D	Type ouble R	am	W	orking Pressure 3,000#		3,00			Manufacturer Unknown	
<sup>3.</sup> I hereby ce	ouble R	e information	W given above is true	3,000#	ne best	3,00	00#	ATION DI	Unknown	
3. I hereby ce	ouble R	e information	given above is true	3,000#		3,00		ATION DIV	Unknown	
3. I hereby ce of my knowle further cer 9.15.14.9 (B	ouble R  rtify that the dge and bel  ify that I h	e information ief. nave complie	given above is true	3,000#	d/or	3,00	00#	ATION DIV	Unknown	
3. I hereby ce of my knowle further cer 9.15.14.9 (B	ouble R  rtify that the dge and bel  ify that I h	e information ief. nave complie	given above is true	3,000#	Appro	3,00 OII	00#	ATION DIV	Unknown	
3. I hereby ce of my knowle further cer 9.15.14.9 (B) Signature:	ouble R	e information ief. nave complica	given above is true	3,000#	Appro	3,00 OII	00#	ATION DIV	Unknown	
I hereby ce f my knowle further cer 9.15.14.9 (B ignature:	ouble R  rtify that the dge and belify that I I	e information ief. nave complica , if applica	given above is true	3,000#	Approx P Title:	OII  ved By:  Kautz	00#		Unknown	
<sup>3.</sup> I hereby ce	ouble R  rtify that the dge and belify that I I I  VANESSA  ERVOIR E	e information ief. nave complie , if applica  NEAL	given above is true ed with 19.15.14.9 ( ble.	3,000#	Approx P Title:	OII  ved By:  Kautz	00# L CONSERV		Unknown	

<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

<sup>1</sup> API Number		<sup>2</sup> Pool Code <sup>3</sup> Pool Name			
30-025-09293		79240 JALMAT; TANSILL-YATES-7 R		VRs (GAS)	
<sup>4</sup> Property Code		<sup>5</sup> Property Name			
331162		STATE A A/C 1			
<sup>7</sup> OGRID No.		8 O <sub>l</sub>	perator Name	<sup>9</sup> Elevation	
329326		FAE II OPERATING, LLC			
9 Surface Location					

#### Surface Location

	Surface Education									
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County	
E	10	23S	36E		1980	N	660	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	
E	10	23S	36E		1980	N	660	W	LEA	
12 Dedicated Acres	s 13 Joint o	r Infill	Consolidation Code	15 Order No.						
160	•	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				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
				proposed bottom hole location or has a right to drill this well at this location
	0,			pursuant to a contract with an owner of such a mineral or working interest,
	1980'			or to a voluntary pooling agreement or a compulsory pooling order
	1			heretoffre entered by the Vivisipn.
				08/27/2022
				VV — WM
				Signature / V Date
				VANESSA NEAL
		NW/4		Printed Name
660,	)	Sec 10 (160 acres)		
000		Sec 10 (100 acres)		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.
				and correct to the cest of my condy.
				Date of Survey
				Signature and Seal of Professional Surveyor:
				j -
				Certificate Number
				Certificate (variety)

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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 Numbe	per <sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
30-025-09293		37240 LANGLIE MATTIX; 7 RVRS-Q-		RAYBURG
<sup>4</sup> Property Code		<sup>5</sup> Property Name		
331162	STATE A A/C 1			#055
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name		
329326	FAE II OPERATING, LLC			3485'
		10 Cumfo	and I nanting	-

UL - Lot Section Township Range Lot Idn Feet from N/S Line Feet From E/W Line County									
Е	10	23S	36E		1980	N	660	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
E	10	23S	36E		1980	N	660	W	LEA
12 Dedicated Acres	13 Joint o	r Infill	Consolidation Code	15 Order No.					
40	7	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	Ĭ		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
			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,
1980'			or to a voluntary pooling agreement or a compulsory pooling order
			heretofore entered by the division.
			08/27/2022
			S. A.
			Signature Date
			VANESSA NEAL
	SW/4 NW/4		Printed Name
	Sec 10 (40 acres)		
000	Sec 10 (40 acres)		vanessa@faenergyus.com
			E-mail Address
	Т		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.
			und correct to the sest of my series.
			Date of Survey
			Signature and Seal of Professional Surveyor:
			g
			Certificate Number
			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 Effective May 25, 2021

I. Operator:	FAE II Opera	ting, LLC	OGRID:	329326	Date:	08/30/2022	
II. Type: ☐ Original [	☐ Amendment	due to □ 19.15.27	.9.D(6)(a) NMA	C □ 19.15.27.9.D(	6)(b) NMAC ⊠	Other.	
If Other, please describe	e: <u>DO BP, CC</u>	to TD, Perf & Ac	cidize QUEEN in	State A A/C 1 #05	5; DHC Jalmat &	& Langlie Mattix pools	
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	
STATE A A/C 1 #055	30-025-09293	E-10-23S-36E	1980' FNL & 660' FWL	3	10	21.3	
V. Anticipated Schedu proposed to be recomple  Well Name	le: Provide the		ation for each nev	v or recompleted w	Initial		
STATE A A/C 1 #055	30-025-09293	11/18/2022	11/18/2022	11/18/2022	12/1/2		
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 during active and plann			ete description of	f Operator's best n	nanagement prac	etices to minimize venting	

# 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.

 $\boxtimes$  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. $\square$ 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 or
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 n	ot have capacity to	gather 1	00% of the an	ticipated	natural ga	ıs
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 (	Inerator'	s nlan t	o manage	production	in response	to the	increased lin	e pressure

XIV. Co	onfidentiality: $\square$	Operator a	asserts confidence	entiality <sub>I</sub>	pursuant to	Section	71-2-8 1	NMSA	1978 for	the in	nformation	provided in
Section 2	2 as provided in Par	agraph (2)	of Subsection	n D of 19	.15.27.9 NI	MAC, an	d attache	s a full	description	on of t	he specific	information
for which	h confidentiality is	asserted ar	nd the basis fo	r such as	sertion.							

(i)

# Section 3 - Certifications <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal: 🖂 Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or ☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following: Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or Venting and Flaring Plan. 

Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including: power generation on lease; **(b)** power generation for grid; compression on lease; (c) (d) liquids removal on lease; reinjection for underground storage; (e) reinjection for temporary storage; **(f)** reinjection for enhanced oil recovery; (g) fuel cell production; and (h)

# **Section 4 - Notices**

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

other alternative beneficial uses approved by the division.

- (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: 30 AUG 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.</li>

# 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.

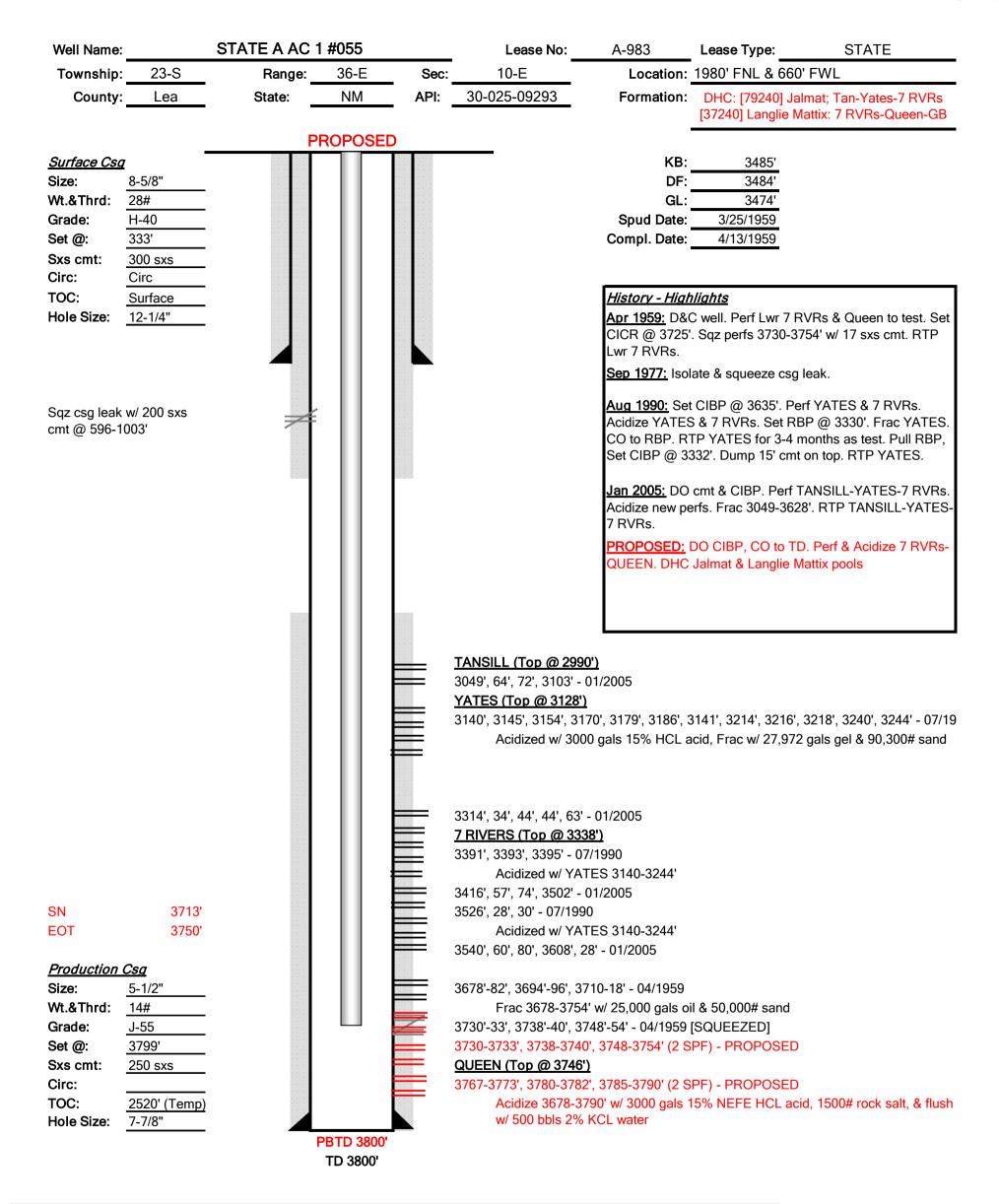
# 19.15.27.8 (F) Measurement or estimation of vented and flared natural gas

- 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.

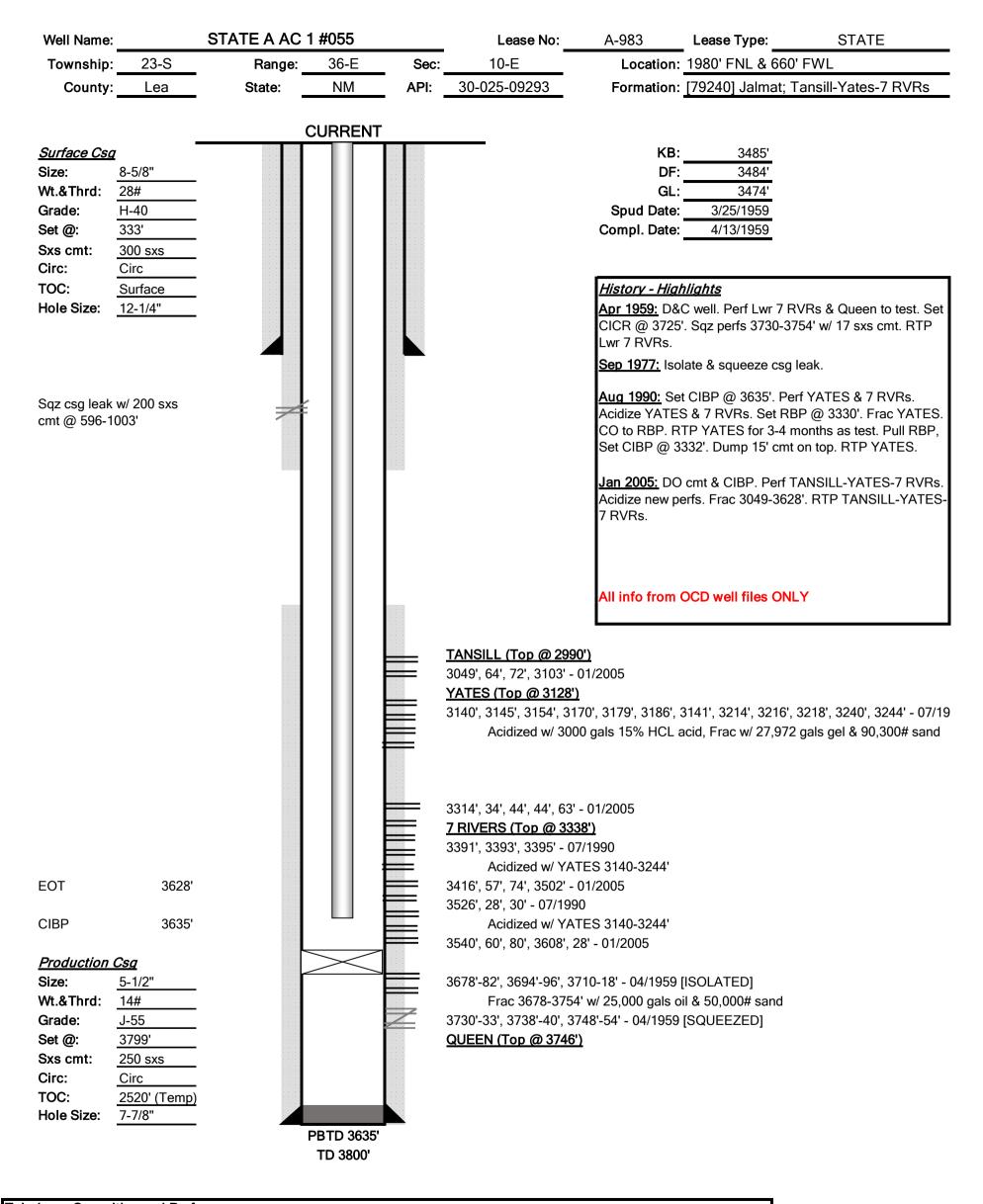
#### **VIII. Best Management Practices**

- 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.

Received by OCD: 8/30/2022 3:40:34 PM



ubulars - Capacities and Performance	
2-3/8" 4.7# 8rd EUE Tubing (116 jts 2-3/8" tbg, SN, 4' perf sub, MA w/ bull plug)	,



Tubulars - Capacities and Performance	
2-3/8" 4.7# Tubing	

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**State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505** 

CONDITIONS

Action 139601

#### **CONDITIONS**

Operator:	OGRID:		
FAE II Operating LLC	329326		
11757 Katy Freeway, Suite 725 Houston, TX 77079	Action Number: 139601		
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)		

#### CONDITIONS

Created By	Condition	Condition Date
pkautz	REQUIRES DHC ORDER	9/1/2022