

From: [McClure, Dean, EMNRD](#)
To: [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Surface commingling application PLC-756 has now been withdrawn at the applicant's request.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 Harrison 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 <Dean.McClure@emnrd.nm.gov>
Sent: Wednesday, October 26, 2022 11:18 AM
To: Brittney Storfa <brittney@faenergyus.com>
Cc: Wrinkle, Justin, EMNRD <Justin.Wrinkle@emnrd.nm.gov>
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.

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From: McClure, Dean, EMNRD
Sent: Monday, October 17, 2022 1:39 PM
To: Brittney Storfa <brittney@faenergyus.com>
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.

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From: Brittney Storfa <brittney@faenergyus.com>
Sent: Thursday, October 13, 2022 9:07 AM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
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 <Dean.McClure@emnrd.nm.gov>
Sent: Tuesday, October 11, 2022 3:29 PM
To: Brittney Storfa <brittney@faenergyus.com>
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:

30-025-29358	Carlson Harrison Federal Com #4	W/2 SW/4 W/2 NW/4, SE/4 NW/4	22-25S-37E 27-25S-37E	79240
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Dean McClure
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From: McClure, Dean, EMNRD
Sent: Tuesday, October 11, 2022 2:21 PM
To: Brittney Storfa <brittney@faenergyus.com>
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 <brittney@faenergyus.com>
Sent: Tuesday, October 11, 2022 10:47 AM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
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 <Dean.McClure@emnrd.nm.gov>
Sent: Friday, October 7, 2022 9:19 AM
To: Brittney Storfa <brittney@faenergyus.com>
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.

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From: Brittney Storfa <brittney@faenergyus.com>
Sent: Thursday, October 6, 2022 1:43 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
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 <Dean.McClure@state.nm.us>

Sent: Friday, April 29, 2022 9:19 AM

To: Brittney Storfa <brittney@faenergyus.com>

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
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New Mexico Energy, Minerals and Natural Resources Department
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811 S. First St., Artesia, NM 88210
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COMMENTS

Action 153906

COMMENTS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 153906
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	Withdrawn under Action ID: 22202	10/26/2022

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CONDITIONS

Action 153906

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Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 153906
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CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	10/26/2022