

Office  
District I – (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II – (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III – (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV – (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-025-26111
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. F-218
7. Lease Name or Unit Agreement Name STATE C TR 11
8. Well Number #010
9. OGRID Number 371416
10. Pool name or Wildcat [29710] Hardy; Blinebry [29760] Hardy; Tubb-Drinkard

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator FORTY ACRES ENERGY LLC	
3. Address of Operator 11757 Katy Freeway, Suite 725, Houston, TX 77079	
4. Well Location Unit Letter <u>B</u> : <u>3300</u> feet from the <u>NORTH</u> line and <u>1980</u> feet from the <u>EAST</u> line Section <u>02</u> Township <u>21S</u> Range <u>36E</u> NMPM LEA County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3507' GL	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>          TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>          PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>          DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>          CLOSED-LOOP SYSTEM <input type="checkbox"/>          OTHER: <input type="checkbox"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>          COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/>          CASING/CEMENT JOB <input type="checkbox"/>          OTHER: <input type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.


MIRU. Sqz QUEEN perfs 3520-3562'. Drill out cmt & CIBP. Perf BLINEBRY 6388-6390', 6401-6403', 6411-6413', 6416-6418', 6420-6423', 6438-6440' (2 SPF). Perf TUBB 6456-6462', 6536-6537', 6540-6542', 6550-6559', 6585-6586', 6589-6592' (2 SPF). Perf DRINKARD 6600-6605', 6610-6613', 6633-6639', 6662-6666', 6674-6676', 6687-6690' (2 SPF). Acidize perfs 6388-6462' w/ 5000 gals 15% NEFE HCL acid, 1500# rocksalt, & flush w/ 500 bbls 2% KCL wtr. Acidize perfs 6536-6690' w/ 5000 gals 15% NEFE HCL acid, 1500# rocksalt, & flush w/ 500 bbls 2% KCL wtr. TIH w/ production string. RIH w/ pump & rods. RDMO. RTP, DHC pre-approved pools [29710] Hardy; Blinebry & [29760] Hardy; Tubb-Drinkard.

[29710] Hardy; Blinebry 69 % Oil, 53 % Gas  
[29760] Hardy; Tubb-Drinkard 31 % Oil, 47 % Gas

DHC will not reduce value. The interest owners are the same across both pools.

Spud Date: 9/23/2022 Rig Release Date: 10/04/2022

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

SIGNATURE  TITLE Sr Reservoir Engineer DATE 28 JUL 2022  
Type or print name Vanessa Neal E-mail address: vanessa@faenergyus.com PHONE: (832) 219-0990  
**For State Use Only**

APPROVED BY:  TITLE Petroleum Engineer DATE 03/06/2023

Conditions of Approval (if any):

## CONDITIONS OF APPROVAL

If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.

If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.

If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

Well Name: **STATE C TR 11 #010** Lease No: **F-218** Lease Type: **State**  
 Township: **21-S** Range: **36-E** Sec: **02-B** Location: **3300' FNL & 1980' FEL**  
 County: **Lea** State: **NM** API: **30-025-26111** Formation: **DHC: [29710] Hardy; Blinebry, [29760] Hardy; Tubb-Drinkard**

**Surface Csg**

Size: **13-3/8"**  
 Wt.&Thrd: **48#**  
 Grade: **H-40 ST&C**  
 Set @: **1275'**  
 Sxs cmt: **800 sxs**  
 Circ: **95 sxs**  
 TOC: **Surface**  
 Hole Size: **17-1/2"**

KB: **3520'**  
 DF:   
 GL: **3507'**  
 Spud Date: **11/10/1978**  
 Compl. Date: **1/31/1979**

**PROPOSED****History - Highlights**

**1979-06:** RC to EUMONT; Set CIBP to isolate BLINEBRY, Add Perfs & Frac QUEEN.

**Proposed:** Sqz QUEEN. Drill out cmt & CIBP. Add Perfs & Acidize BLINEBRY-TUBB-DRINKARD. DHC pre-approved pools.

**YATES (Top @ 2658')****SEVEN RIVERS (Top @ 2912')****QUEEN (Top @ 3404')**

3520-3562' (2 SPF) - Jun 1979 [SQUEEZED]

Acidized w/ 2600 gals 15% acid w/ additives & 400 scf N/bbl w/ 124 ball sealers; Frac w/ 36,900 gals Krystal Frac 30, 34% CO2 & 76,000# 20/40 sand w/ 18 ball sealers & flush w/ 2% KCL, 33% CO2

**GRAYBURG (Top @ 3640')****SAN ANDRES (Top @ 4010')****GLORIETTA (Top @ 5230')****BLINEBRY (Top @ 5820') [ISOLATED]**

5824-5863', 5881-5886', 5898-5904', 5907-5911', 5924-5930', 6000-6007', 6056-6090' (2 SPF) - Jan 1979

Acidized w/ 2000 gals 15% NE acid w/ 130 ball sealers; Frac w/ Mid BLINEBRY 59,750 gals frac fluid, 1170 gals brine, 3200# rock salt, 1000 gals 15% NE acid & 58,375# 200/40 sand

6251-6254', 6271-6275', 6294-6297', 6317-6319' (2 SPF) - Jan 1979

Acidized w/ 1500 gals 15% NE acid w/ 35 ball sealers; Frac w/ Upr BLINEBRY

6388-6390', 6401-6403', 6411-6413', 6416-6418', 6420-6423', 6438-6440' (2 SPF) - Propo:

Acidize w/ Upr TUBB w/ 5000 gals 15% NEFE HCL acid, 1500# rocksalt, & flush w/ 500 bbls 2% KCL wtr

**TUBB (Top @ 6453')**

6456-6462', 6536-6537', 6540-6542', 6550-6559', 6585-6586', 6589-6592' (2 SPF) - Propo

Acidize 6456-6462' w/ Lwr BLINEBRY; Acidized 6536-6592' w/ DRINKARD

**DRINKARD (Top @ 6602')**

6600-6605', 6610-6613', 6633-6639', 6662-6666', 6674-6676', 6687-6690' (2 SPF) - Propo:

Acidize w/ Lwr TUBB w/ 5000 gals 15% NEFE HCL acid, 1500# rocksalt, & flush w/ 500 bbls 2% KCL wtr

SN **6623'**  
 EOT **6659'**

**Production Csg**

Size: **5-1/2"**  
 Wt.&Thrd: **14-15.5#**  
 Grade: **K-55 ST&C**  
 Set @: **6750'**  
 Sxs Cmt: **2843 sxs**  
 Circ: **102 sxs**  
 TOC: **Surface**  
 Hole Size: **12-1/4"**

**PBTD 6711'****TD 6750'****Tubulars - Capacities and Performance**

2-7/8" 6.5# J-55 EUE 8rd Tubing (205 jts 2-7/8" tbg, SN, 4' perf sub, MA w/ bull plug)

Well Name: **STATE C TR 11 #010** Lease No: **F-218** Lease Type: **State**  
 Township: **21-S** Range: **36-E** Sec: **02-B** Location: **3300' FNL & 1980' FEL**  
 County: **Lea** State: **NM** API: **30-025-26111** Formation: **[76480] Eumont; Yates-7 RVRs-Queen (Ga**

**Surface Csg**

Size: **13-3/8"**  
 Wt.&Thrd: **48#**  
 Grade: **H-40 ST&C**  
 Set @: **1275'**  
 Sxs cmt: **800 sxs**  
 Circ: **95 sxs**  
 TOC: **Surface**  
 Hole Size: **17-1/2"**

KB: **3520'**  
 DF:   
 GL: **3507'**  
 Spud Date: **11/10/1978**  
 Compl. Date: **1/31/1979**

**History - Highlights**

**1979-06:** RC to EUMONT; Set CIBP to isolate BLINEBRY, Add Perfs & Frac QUEEN.

**YATES (Top @ 2658')****SEVEN RIVERS (Top @ 2940')** All info from OCD well files ONLY**QUEEN (Top @ 3404')**

3520-3562' (2 SPF) - Jun 1979

Acidized w/ 2600 gals 15% acid w/ additives & 400 scf N/bbl w/ 124 ball sealers; Frac w/ 36,900 gals Krystal Frac 30, 34% CO<sub>2</sub> & 76,000# 20/40 sand w/ 18 ball sealers & flush w/ 2% KCL, 33% CO<sub>2</sub>

**GRAYBURG (Top @ 3640')****SAN ANDRES (Top @ 4010')****GLORIETTA (Top @ 5230')****BLINEBRY (Top @ 5820') [ISOLATED]**

5824-5863', 5881-5886', 5898-5904', 5907-5911', 5924-5930', 6000-6007', 6056-6090' (2 SPF) - Jan 1979

Acidized w/ 2000 gals 15% NE acid w/ 130 ball sealers; Frac w/ Lwr BLINEBRY 59,750 gals frac fluid, 1170 gals brine, 3200# rock salt, 1000 gals 15% NE acid & 58,375# 200/40 sand

6251-6254', 6271-6275', 6294-6297', 6317-6319' (2 SPF) - Jan 1979

Acidized w/ 1500 gals 15% NE acid w/ 35 ball sealers; Frac w/ Upr BLINEBRY

**TUBB (Top @ 6453')****DRINKARD (Top @ 6602')**

PBTD 5715'  
 TD 6750'

EOT 3412'

cmt on top 5715'  
 CIBP 5750'

**Production Csg**

Size: **5-1/2"**  
 Wt.&Thrd: **14-15.5#**  
 Grade: **K-55 ST&C**  
 Set @: **6750'**  
 Sxs Cmt: **2843 sxs**  
 Circ: **102 sxs**  
 TOC: **Surface**  
 Hole Size: **12-1/4"**

**Tubulars - Capacities and Performance**

2-7/8" 6.5# Tubing

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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 30-025-26111	<sup>2</sup> Pool Code 29710	<sup>3</sup> Pool Name HARDY; BLINEBRY
<sup>4</sup> Property Code 330780	<sup>5</sup> Property Name STATE C TR 11	<sup>6</sup> Well Number #010
<sup>7</sup> OGRID No. 371416	<sup>8</sup> Operator Name FORTY ACRES ENERGY LLC	<sup>9</sup> Elevation 3507'

<sup>10</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	02	21S	36E	10	3300	N	1980	E	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
B	02	21S	36E	10	3300	N	1980	E	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	------------------------------------	----------------------------------	-------------------------

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.

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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>  Signature Date 02/02/2022 VANESSA NEAL Printed Name vanessa@faenergyus.com E-mail Address	
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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>	
	Date of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	

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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 30-025-26111	<sup>2</sup> Pool Code 29760	<sup>3</sup> Pool Name HARDY; TUBB-DRINKARD
<sup>4</sup> Property Code 330780	<sup>5</sup> Property Name STATE C TR 11	<sup>6</sup> Well Number #010
<sup>7</sup> OGRID No. 371416	<sup>8</sup> Operator Name FORTY ACRES ENERGY LLC	<sup>9</sup> Elevation 3507'

<sup>10</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	02	21S	36E	10	3300	N	1980	E	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
B	02	21S	36E	10	3300	N	1980	E	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	------------------------------------	----------------------------------	-------------------------

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.

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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>	
	Signature VANESSA NEAL Printed Name vanessa@faenergyus.com E-mail Address	Date 02/02/2022
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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>	
	Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number	

Forty Acres Energy LLC  
11757 Katy Fwy #725, Houston, TX 77079  
(832) 220-9188  
steven@faenergyus.com

forty acres energy

August 30, 2022

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Dr  
Santa Fe, NM 87505

**Re: State C TR 11 #010**  
**API: 30-025-26111**  
**[29710] Hardy; Blinebry**  
**[29760] Hardy; Tubb-Drinkard**

Dear Mr. McClure:

Forty Acres Energy LLC, as operator, will be filing applications with the New Mexico Oil Conservation Division for approval of the aforementioned downhole commingling project. After a review of internal records, this letter serves as notice that the operator and interest owners are identical for the pools listed above.

If you have any questions, please feel free to contact the undersigned.

Thank you for your attention to this matter.

Respectfully,



Steven Lehrbass  
Director of Land

August 30, 2022

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Dr  
Santa Fe, NM 87505

**Re: State C TR 11 #010**  
**API: 30-025-26111**  
**[29710] Hardy; Blinebry**  
**[29760] Hardy; Tubb-Drinkard**

Dear Mr. McClure:

Forty Acres Energy LLC, OGRID: 371416, requests administrative approval for downhole commingling of oil and gas production from the aforementioned well and pools. This well's surface location is described below and the downhole locations of each pool are shown in the attached C-102's.

**Surface Location:** B-02-21S-36E Lot: 10 3300 FNL 1980 FEL  
**Lat/Long:** 32.5131149,-103.2338638 NAD83

The well is currently producing from the **[24130] Eunice; 7 RVRs-Queen, South** pool; Exhibit A shows the well's historical production from this pool. It is proposed to squeeze the currently producing pool, then recompleat and downhole commingle the **[29710] Hardy; Blinebry** and **[29760] Hardy; Tubb-Drinkard** pools. While there is no recent production for the proposed pools in this well, there are multiple offset wells that are currently producing from the proposed pools. The average historical production of the surrounding analog wells producing from the proposed pools are shown in Exhibit B.

Decline curve analysis was used to create forecasts for each pool with a heavy weighting toward the last five years of production as it should most heavily influence future performance. Historical monthly volumes for each pool for the last five years as wells as a forecast of the combined pools are shown in Exhibit C. After comparing the forecasts generated from the historical production of the **State C TR 11 #010** and the offset analogs for each pool, pool allocations were calculated on a proportional volume basis. This allocation, along with estimated IP rates for each pool after the comingling work is complete, are displayed in the table in Exhibit D.

After a review of internal records, the interest owners are identical for the aforementioned wells. As such, notification to the relevant parties of our intent to commingle production will not be necessary.

This proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. If you have any questions, please feel free to contact the undersigned. Thank you for your attention to this matter.

Respectfully,

Vanessa Neal

Sr. Reservoir Engineer



Exhibit A – Historical Production of Current Pool

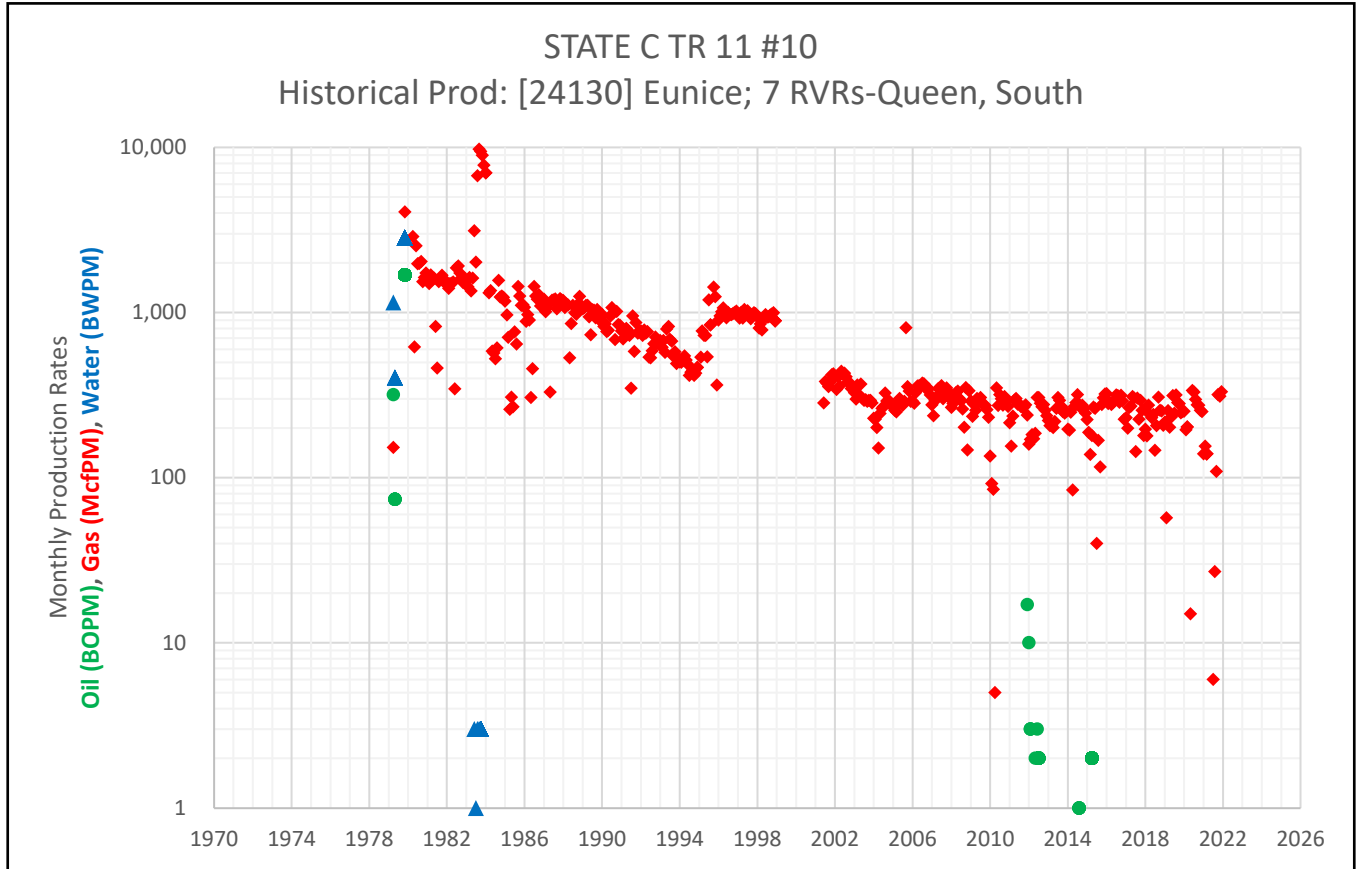


Exhibit B – Average Historical Production of Offset Analog Wells

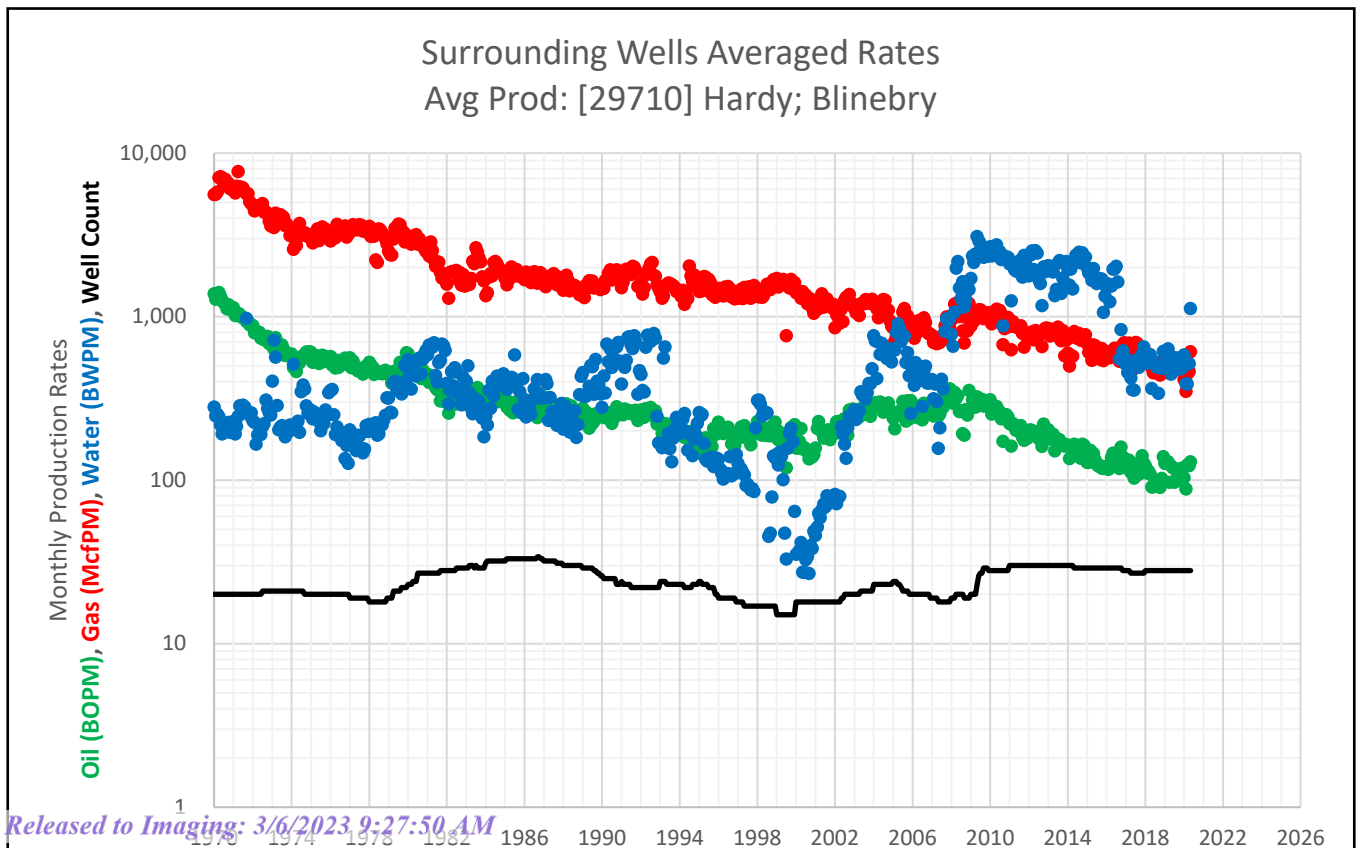
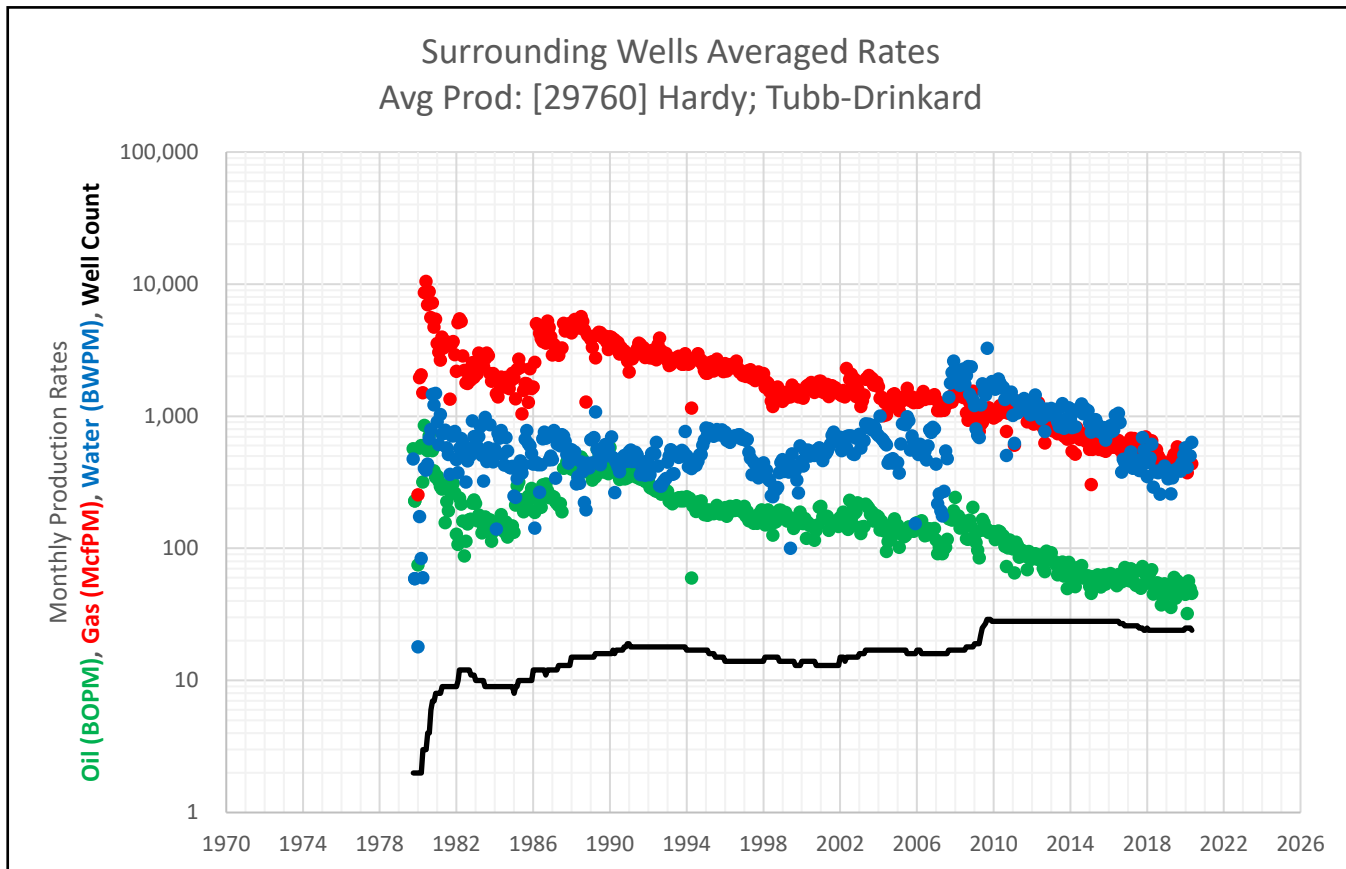


Exhibit B – Average Historical Production of Offset Analog Wells, cont.



## Exhibit C – Historical Production from Last 5 Years for Each Pool &amp; Combined Future Forecast

Surrounding Wells Averaged Rates Avg Prod: [29710] Hardy; Blinebry					Surrounding Wells Averaged Rates Avg Prod: [29760] Hardy; Tubb-Drinkard					Synthetic Decline Curve			
Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Month	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
7/1/2016	136	638	2,035	29	7/1/2016	63	658	1,055	28	1	155.5	933.1	1,241.6
8/1/2016	128	583	1,633	29	8/1/2016	57	555	899	27	2	154.8	931	1,237
9/1/2016	118	535	552	29	9/1/2016	56	572	378	27	3	154.0	928	1,233
10/1/2016	160	591	833	29	10/1/2016	63	500	473	27	4	153.3	926	1,229
11/1/2016	139	677	620	28	11/1/2016	72	583	445	26	5	152.6	924	1,225
12/1/2016	136	694	562	28	12/1/2016	64	618	473	26	6	151.8	922	1,221
1/1/2017	130	656	507	28	1/1/2017	57	635	487	26	7	151.1	919	1,217
2/1/2017	118	590	456	28	2/1/2017	57	581	432	26	8	150.4	917	1,213
3/1/2017	132	690	543	28	3/1/2017	70	682	538	26	9	149.7	915	1,209
4/1/2017	112	636	423	27	4/1/2017	64	656	404	26	10	149.0	912	1,205
5/1/2017	114	576	358	27	5/1/2017	55	678	419	26	11	148.2	910	1,201
6/1/2017	103	482	356	27	6/1/2017	52	585	446	26	12	147.5	908	1,197
7/1/2017	126	696	496	27	7/1/2017	67	662	465	26	13	146.8	906	1,193
8/1/2017	118	687	517	27	8/1/2017	53	616	389	25	14	146.1	903	1,190
9/1/2017	109	571	489	27	9/1/2017	50	483	389	25	15	145.4	901	1,186
10/1/2017	129	649	573	27	10/1/2017	73	645	690	25	16	144.7	899	1,182
11/1/2017	141	639	591	27	11/1/2017	69	612	555	24	17	144.0	897	1,178
12/1/2017	128	640	655	27	12/1/2017	63	697	483	24	18	143.3	894	1,174
1/1/2018	123	551	591	28	1/1/2018	54	510	349	25	19	142.7	892	1,170
2/1/2018	111	539	521	28	2/1/2018	65	574	447	24	20	142.0	890	1,166
3/1/2018	114	548	548	28	3/1/2018	66	592	483	24	21	141.3	888	1,162
4/1/2018	109	525	586	28	4/1/2018	69	652	614	24	22	140.6	885	1,159
5/1/2018	91	488	363	28	5/1/2018	45	459	290	24	23	140.0	883	1,155
6/1/2018	91	454	536	28	6/1/2018	48	426	381	24	24	139.3	881	1,151
7/1/2018	99	529	512	28	7/1/2018	55	558	383	24	25	138.6	879	1,147
8/1/2018	100	525	492	28	8/1/2018	55	502	374	24	26	138.0	877	1,143
9/1/2018	96	478	341	28	9/1/2018	51	474	257	24	27	137.3	874	1,140
10/1/2018	91	440	498	28	10/1/2018	37	404	392	24	28	136.6	872	1,136
11/1/2018	103	460	485	28	11/1/2018	42	419	388	24	29	136.0	870	1,132
12/1/2018	139	521	614	28	12/1/2018	54	437	421	24	30	135.3	868	1,129
1/1/2019	127	549	618	28	1/1/2019	50	401	365	24	31	134.7	866	1,125
2/1/2019	128	531	571	28	2/1/2019	45	410	336	24	32	134.0	864	1,121
3/1/2019	130	591	638	28	3/1/2019	48	446	371	24	33	133.4	861	1,117
4/1/2019	97	449	476	28	4/1/2019	36	349	259	24	34	132.8	859	1,114
5/1/2019	122	564	446	28	5/1/2019	51	480	341	24	35	132.1	857	1,110
6/1/2019	119	564	540	28	6/1/2019	60	517	390	24	36	131.5	855	1,106
7/1/2019	97	556	503	28	7/1/2019	42	453	385	24	37	130.9	853	1,103
8/1/2019	99	552	563	28	8/1/2019	57	588	388	24	38	130.2	851	1,099
9/1/2019	105	512	476	28	9/1/2019	49	465	411	24	39	129.6	849	1,096
10/1/2019	117	503	494	28	10/1/2019	47	472	384	24	40	129.0	846	1,092
11/1/2019	118	515	481	28	11/1/2019	51	521	447	24	41	128.4	844	1,088
12/1/2019	119	494	491	28	12/1/2019	54	491	510	24	42	127.8	842	1,085
1/1/2020	104	414	585	28	1/1/2020	45	410	577	25	43	127.2	840	1,081
2/1/2020	89	349	391	28	2/1/2020	32	374	411	25	44	126.6	838	1,078
3/1/2020	124	447	387	28	3/1/2020	57	448	503	25	45	126.0	836	1,074
4/1/2020	123	462	519	28	4/1/2020	50	436	503	25	46	125.4	834	1,071
5/1/2020	130	612	1,124	28	5/1/2020	46	437	636	24	47	124.8	832	1,067
6/1/2020	103	362	1,087	28	6/1/2020	24	194	597	24	48	124.2	830	1,064
7/1/2020	121	592	1,122	28	7/1/2020	52	437	694	24	49	123.6	828	1,060
8/1/2020	133	648	1,189	28	8/1/2020	49	452	614	24	50	123.0	826	1,057
9/1/2020	132	601	1,151	28	9/1/2020	43	371	526	24	51	122.4	823	1,053
10/1/2020	125	571	1,190	28	10/1/2020	40	379	545	24	52	121.8	821	1,050
11/1/2020	121	510	1,087	28	11/1/2020	46	396	566	24	53	121.2	819	1,046
12/1/2020	112	517	1,122	28	12/1/2020	48	390	586	24	54	120.6	817	1,043
1/1/2021	73	423	894	28	1/1/2021	27	285	451	24	55	120.1	815	1,039
2/1/2021	55	259	801	28	2/1/2021	20	147	403	24	56	119.5	813	1,036
3/1/2021	60	296	893	28	3/1/2021	22	101	452	24	57	118.9	811	1,033
4/1/2021	46	225	903	28	4/1/2021	22	138	433	24	58	118.3	809	1,029
5/1/2021	70	380	1,041	28	5/1/2021	32	202	472	24	59	117.8	807	1,026
6/1/2021	84	370	1,426	28	6/1/2021	32	168	911	24	60	117.2	805	1,022
7/1/2021	93	296	1,260	28	7/1/2021	37	178	852	24				
8/1/2021	86	265	1,424	28	8/1/2021	36	207	848	24				
9/1/2021	95	337	1,591	27	9/1/2021	39	257	941	22				
10/1/2021	102	342	1,739	27	10/1/2021	39	239	949	22				
11/1/2021	80	350	1,500	27	11/1/2021	37	246	850	22				
12/1/2021	78	278	1,525	25	12/1/2021	40	224	1,040	20				

## Exhibit D – Pool Allocations &amp; Post Workover IP Rates

	OIL (bbls)	GAS (Mcf)	WATER (bbls)	POOL
5 yr Cum	6,467	29,813	44,220	<b>[29710] Hardy; Blinebry</b>
Allocated %	69%	53%	59%	
Daily IP Rate	3.5	16.3	24.2	
5 yr Cum	2,875	26,247	30,424	<b>[29760] Hardy; Tubb-Drinkard</b>
Allocated %	31%	47%	41%	
Daily IP Rate	1.6	14.4	16.6	
<b>Daily IP Rate</b>	<b>5.1</b>	<b>30.7</b>	<b>40.8</b>	<b>Commingled (Total)</b>

**From:** [Jessica LaMarro](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Cc:** [Vanessa Neal](#)  
**Subject:** [EXTERNAL] DHC - Proof of SLO Mailing  
**Date:** Wednesday, March 1, 2023 10:12:26 AM  
**Attachments:** [image001.png](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean,

We have mailed the following downhole commingle (DHC) packets to the SLO via USPS certified mail.

PO Number	Well	API	DHC C-107a	Tracking Number
R3N4F-220927-C-107A	State A A/C 1 #067	30-025-09313	[79240] Jalmat & [37240] Langlie Mattix	7022 1670 0001 4676 6892
DL6KM-220728-C-107A	STATE C TR 11 #010	30-025-26111	[29710] HARDY;BLINEBRY & [29760] HARDY;TUBB-DRINKARD	7022 1670 0001 4676 6908

Please let me know if you are missing anything or need additional information.

Best regards,  
Jessica LaMarro | Geologist  
**forty acres energy**  
11757 Katy Freeway, Suite 725 | Houston, TX 77079  
O [832.706.0051](tel:832.706.0051)  
C [832.877.2552](tel:832.877.2552)  
E [jessica@faenergyus.com](mailto:jessica@faenergyus.com)

**From:** [Vanessa Neal](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Cc:** [Jessica LaMarro](#)  
**Subject:** [EXTERNAL] RE: Action ID: 129645; DHC-5258  
**Date:** Monday, February 27, 2023 3:10:07 PM  
**Attachments:** [image001.png](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean,

This one apparently fell through the cracks. We will be sending out the notice this week. Jess will follow up with the mail tracking ID.

Thank you,

Vanessa Neal | Sr Reservoir Engineer

**forty acres energy**

O [832.219.0990 \(ext 165\)](tel:832.219.0990)

C [979.255.3476](tel:979.255.3476)

---

**From:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>

**Sent:** Friday, February 24, 2023 3:43 PM

**To:** Vanessa Neal <vanessa@faenergyus.com>

**Subject:** Action ID: 129645; DHC-5258

To whom it may concern (c/o Vanessa Neal for Forty Acres Energy, LLC),

The Division is reviewing the following application:

<b>Action ID</b>	129645
<b>Admin No.</b>	DHC-5258
<b>Applicant</b>	Forty Acres Energy, LLC (371416)
<b>Title</b>	State C TR 11 #10
<b>Sub. Date</b>	07/28/2022

Please provide the following additional supplemental documents:

- 

Please provide additional information regarding the following:

- Confirm that the SLO was notified of this application.

Additional notes:

- 

All additional supplemental documents and information may be provided via email and should be

done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

August 30, 2022

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Dr  
Santa Fe, NM 87505

**Re: State C TR 11 #010**  
**API: 30-025-26111**  
**[29710] Hardy; Blinebry**  
**[29760] Hardy; Tubb-Drinkard**

Dear Mr. McClure:

Forty Acres Energy LLC, OGRID: 371416, requests administrative approval for downhole commingling of oil and gas production from the aforementioned well and pools. This well's surface location is described below and the downhole locations of each pool are shown in the attached C-102's.

**Surface Location:** B-02-21S-36E Lot: 10 3300 FNL 1980 FEL  
**Lat/Long:** 32.5131149,-103.2338638 NAD83

The well is currently producing from the **[24130] Eunice; 7 RVRs-Queen, South** pool; Exhibit A shows the well's historical production from this pool. It is proposed to squeeze the currently producing pool, then recompleat and downhole commingle the **[29710] Hardy; Blinebry** and **[29760] Hardy; Tubb-Drinkard** pools. While there is no recent production for the proposed pools in this well, there are multiple offset wells that are currently producing from the proposed pools. The average historical production of the surrounding analog wells producing from the proposed pools are shown in Exhibit B.

Decline curve analysis was used to create forecasts for each pool with a heavy weighting toward the last five years of production as it should most heavily influence future performance. Historical monthly volumes for each pool for the last five years as wells as a forecast of the combined pools are shown in Exhibit C. After comparing the forecasts generated from the historical production of the **State C TR 11 #010** and the offset analogs for each pool, pool allocations were calculated on a proportional volume basis. This allocation, along with estimated IP rates for each pool after the comingling work is complete, are displayed in the table in Exhibit D.

After a review of internal records, the interest owners are identical for the aforementioned wells. As such, notification to the relevant parties of our intent to commingle production will not be necessary.

This proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. If you have any questions, please feel free to contact the undersigned. Thank you for your attention to this matter.

Respectfully,

Vanessa Neal

Sr. Reservoir Engineer



Exhibit A – Historical Production of Current Pool

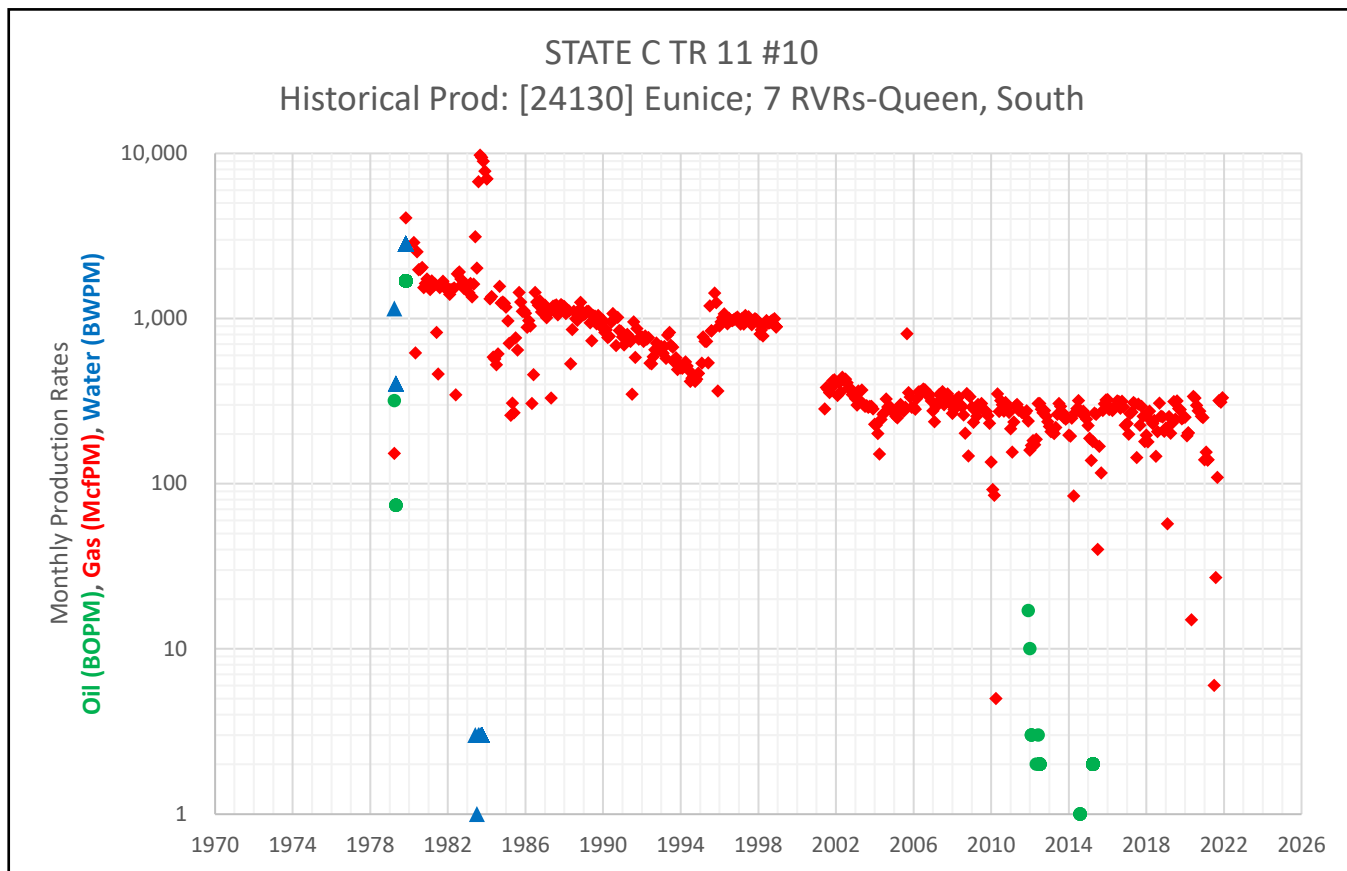


Exhibit B – Average Historical Production of Offset Analog Wells

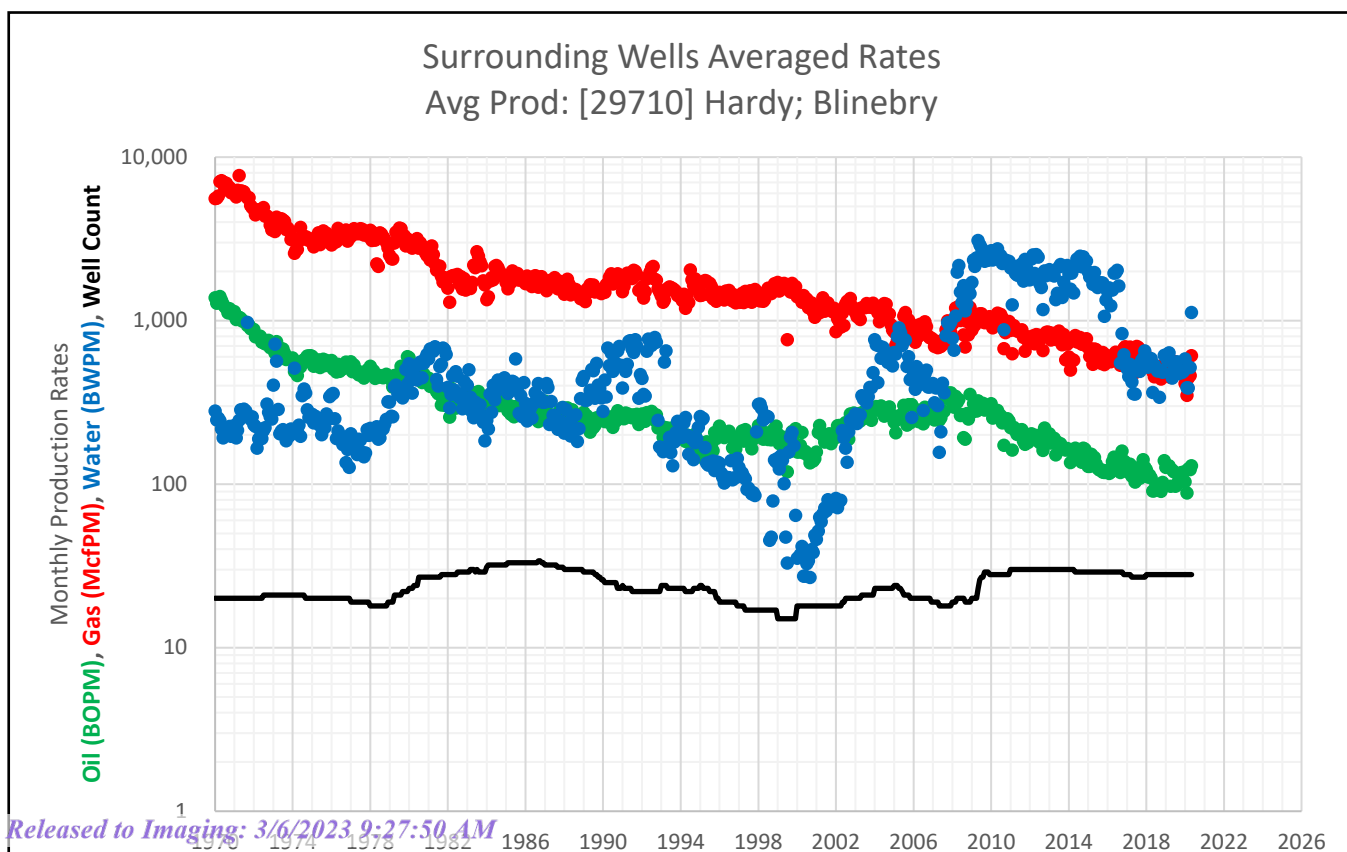
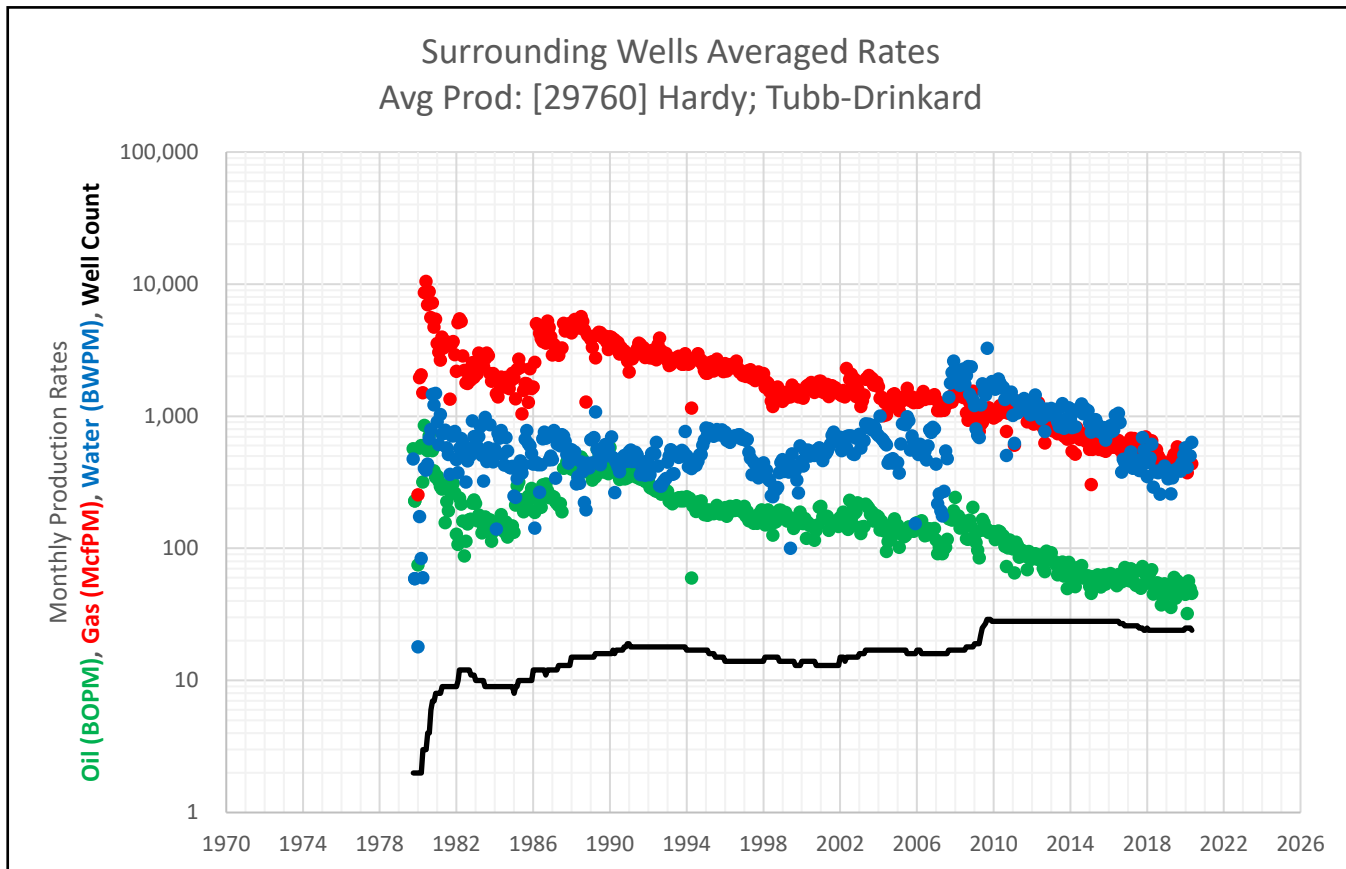


Exhibit B – Average Historical Production of Offset Analog Wells, cont.



## Exhibit C – Historical Production from Last 5 Years for Each Pool &amp; Combined Future Forecast

Surrounding Wells Averaged Rates Avg Prod: [29710] Hardy; Blinebry					Surrounding Wells Averaged Rates Avg Prod: [29760] Hardy; Tubb-Drinkard					Synthetic Decline Curve			
Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Month	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
7/1/2016	136	638	2,035	29	7/1/2016	63	658	1,055	28	1	155.5	933.1	1,241.6
8/1/2016	128	583	1,633	29	8/1/2016	57	555	899	27	2	154.8	931	1,237
9/1/2016	118	535	552	29	9/1/2016	56	572	378	27	3	154.0	928	1,233
10/1/2016	160	591	833	29	10/1/2016	63	500	473	27	4	153.3	926	1,229
11/1/2016	139	677	620	28	11/1/2016	72	583	445	26	5	152.6	924	1,225
12/1/2016	136	694	562	28	12/1/2016	64	618	473	26	6	151.8	922	1,221
1/1/2017	130	656	507	28	1/1/2017	57	635	487	26	7	151.1	919	1,217
2/1/2017	118	590	456	28	2/1/2017	57	581	432	26	8	150.4	917	1,213
3/1/2017	132	690	543	28	3/1/2017	70	682	538	26	9	149.7	915	1,209
4/1/2017	112	636	423	27	4/1/2017	64	656	404	26	10	149.0	912	1,205
5/1/2017	114	576	358	27	5/1/2017	55	678	419	26	11	148.2	910	1,201
6/1/2017	103	482	356	27	6/1/2017	52	585	446	26	12	147.5	908	1,197
7/1/2017	126	696	496	27	7/1/2017	67	662	465	26	13	146.8	906	1,193
8/1/2017	118	687	517	27	8/1/2017	53	616	389	25	14	146.1	903	1,190
9/1/2017	109	571	489	27	9/1/2017	50	483	389	25	15	145.4	901	1,186
10/1/2017	129	649	573	27	10/1/2017	73	645	690	25	16	144.7	899	1,182
11/1/2017	141	639	591	27	11/1/2017	69	612	555	24	17	144.0	897	1,178
12/1/2017	128	640	655	27	12/1/2017	63	697	483	24	18	143.3	894	1,174
1/1/2018	123	551	591	28	1/1/2018	54	510	349	25	19	142.7	892	1,170
2/1/2018	111	539	521	28	2/1/2018	65	574	447	24	20	142.0	890	1,166
3/1/2018	114	548	548	28	3/1/2018	66	592	483	24	21	141.3	888	1,162
4/1/2018	109	525	586	28	4/1/2018	69	652	614	24	22	140.6	885	1,159
5/1/2018	91	488	363	28	5/1/2018	45	459	290	24	23	140.0	883	1,155
6/1/2018	91	454	536	28	6/1/2018	48	426	381	24	24	139.3	881	1,151
7/1/2018	99	529	512	28	7/1/2018	55	558	383	24	25	138.6	879	1,147
8/1/2018	100	525	492	28	8/1/2018	55	502	374	24	26	138.0	877	1,143
9/1/2018	96	478	341	28	9/1/2018	51	474	257	24	27	137.3	874	1,140
10/1/2018	91	440	498	28	10/1/2018	37	404	392	24	28	136.6	872	1,136
11/1/2018	103	460	485	28	11/1/2018	42	419	388	24	29	136.0	870	1,132
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12/1/2019	119	494	491	28	12/1/2019	54	491	510	24	42	127.8	842	1,085
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6/1/2020	103	362	1,087	28	6/1/2020	24	194	597	24	48	124.2	830	1,064
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11/1/2021	78	250	1,500	25	11/1/2021	37	246	850	22				
12/1/2021	78	278	1,525	25	12/1/2021	40	224	1,040	20				

## Exhibit D – Pool Allocations &amp; Post Workover IP Rates

	OIL (bbls)	GAS (Mcf)	WATER (bbls)	POOL
5 yr Cum	6,467	29,813	44,220	[29710] Hardy; Blinebry
Allocated %	69%	53%	59%	
Daily IP Rate	3.5	16.3	24.2	
5 yr Cum	2,875	26,247	30,424	[29760] Hardy; Tubb-Drinkard
Allocated %	31%	47%	41%	
Daily IP Rate	1.6	14.4	16.6	
<b>Daily IP Rate</b>	<b>5.1</b>	<b>30.7</b>	<b>40.8</b>	<b>Commingled (Total)</b>

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 & 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 30-025-26111	<sup>2</sup> Pool Code 29710	<sup>3</sup> Pool Name HARDY; BLINEBRY
<sup>4</sup> Property Code 330780	<sup>5</sup> Property Name STATE C TR 11	<sup>6</sup> Well Number #010
<sup>7</sup> OGRID No. 371416	<sup>8</sup> Operator Name FORTY ACRES ENERGY LLC	<sup>9</sup> Elevation 3507'

<sup>10</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	02	21S	36E	10	3300	N	1980	E	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
B	02	21S	36E	10	3300	N	1980	E	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	------------------------------------	----------------------------------	-------------------------

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.

<sup>16</sup> 	NW/4 NE/4 Sec 02 (320 acres)		3300'	1980'	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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>  Signature Date 02/02/2022 VANESSA NEAL Printed Name vanessa@faenergyus.com E-mail Address
					<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number

District I  
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## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-26111	<sup>2</sup> Pool Code 29760	<sup>3</sup> Pool Name HARDY; TUBB-DRINKARD
<sup>4</sup> Property Code 330780	<sup>5</sup> Property Name STATE C TR 11	<sup>6</sup> Well Number #010
<sup>7</sup> OGRID No. 371416	<sup>8</sup> Operator Name FORTY ACRES ENERGY LLC	<sup>9</sup> Elevation 3507'

<sup>10</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	02	21S	36E	10	3300	N	1980	E	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
B	02	21S	36E	10	3300	N	1980	E	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

<sup>16</sup> 	NW/4 NE/4 Sec 02 (320 acres)		3300'	1980'	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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>  Signature Date 02/02/2022 VANESSA NEAL Printed Name vanessa@faenergyus.com E-mail Address
					<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Forty Acres Energy LLC  
11757 Katy Fwy #725, Houston, TX 77079  
(832) 220-9188  
steven@faenergyus.com

forty acres energy

August 30, 2022

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Dr  
Santa Fe, NM 87505

**Re: State C TR 11 #010**  
**API: 30-025-26111**  
**[29710] Hardy; Blinebry**  
**[29760] Hardy; Tubb-Drinkard**

Dear Mr. McClure:

Forty Acres Energy LLC, as operator, will be filing applications with the New Mexico Oil Conservation Division for approval of the aforementioned downhole commingling project. After a review of internal records, this letter serves as notice that the operator and interest owners are identical for the pools listed above.

If you have any questions, please feel free to contact the undersigned.

Thank you for your attention to this matter.

Respectfully,



Steven Lehrbass  
Director of Land

**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 Rd., Aztec, NM 87410  
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**District IV**

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 129645

**CONDITIONS**

Operator: FORTY ACRES ENERGY, LLC 11757 KATY FWY HOUSTON, TX 77079173	OGRID: 371416
	Action Number: 129645
	Action Type: [C-107] Down Hole Commingle (C-107A)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.	3/6/2023
dmcclure	If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.	3/6/2023
dmcclure	If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.	3/6/2023