

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF FAE II OPERATING, LLC  
FOR DISMISSAL OF ORDER NO. R-21423,  
LEA COUNTY, NEW MEXICO.**

Case No. \_\_\_\_\_

**APPLICATION**

FAE II Operating, LLC [OGRID 329326] (“FAE” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”), pursuant to the provisions of the New Mexico Oil and Gas Act, Chapter 70, Article 1, NMSA 1978, to dismiss Order No. R-14123, and dissolve the Arnott Ramsey Waterflood Project (“Waterflood Project”), pursuant to Ordering Paragraph 23 of Order No. R-21423, and for a Division order dismissing the Waterflood Project in Lea County, New Mexico. In support of its Application, FAE states the following:

1. FAE is the designated operator of the Arnott Ramsey Waterflood Project, approved under Order No. R-21423, in Case No. 21118, on August 12, 2020, which consists of 640 acres, more or less, of State trust land, all situated in Lea County, New Mexico, as follows:

**Township 25 South, Range 37 East, NMPM**

Section 32: All

2. FAE hereby applies, as required by Paragraph 23 of the Order, to dissolve the Arnott Ramsey Waterflood Project (“Arnott Ramsey Waterflood Project”), pursuant to Ordering Paragraph 23 of Order R-21423, and for a Division order dismissing the Waterflood Project located in Lea County, New Mexico.

3. FAE is also the designated operator under Division Order No. R-23736, in Case No. 23712, approved on March 12, 2025. Pursuant to that Order, FAE received an order approving statutory unitization, pursuant to NMSA 1978 Sections 70-7-1 through 70-7-21, as amended (the “Statutory Unitization Act”), of the South Jal Unit, comprising 19,369.77 acres, more or less, of federal, state and fee lands (“South Jal Unit”).

4. Paragraph No. 3 of Order No. R-23736 provides that the inclusion of the Arnott Ramsey Waterflood Project, as approved under Order No. R-21423, into the South Jal Unit Area is conditional.

5. FAE does not seek inclusion of the Arnott Ramsey Waterflood Project into the South Jal Unit.

6. As such, pursuant to Order No. R-23736, FAE seeks complete dismissal of Order No. R-21423, and rescission or dismissal of the Waterflood Project, effective simultaneous with the effective date of the South Jal Unit (the Unit order is pending currently with the Division for approval).

WHEREFORE, FAE requests this Application be set for hearing on July 10, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Granting this Application to Dismiss Order No. R-21423 (entered by the Division on August 12, 2020), upon approval of the Sal Jal Unit; and
- B. Dissolving the Unit effective upon OCD approval of the South Jal Unit (Unit Order No. R-pending).

Respectfully submitted,

PADILLA LAW FIRM, P.A.

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