

Jones, William V, EMNRD

From: jamesbruc@aol.com
Sent: Friday, December 8, 2017 10:33 AM
To: Jones, William V, EMNRD; Brooks, David K, EMNRD
Subject: Case 15792/Forty Acres Energy/statutory unitization
Attachments: Scan 363.pdf

Will & David: Attached are the following:

1. The SLO's letter of preliminary approval for the West Eumont Unit (first two pages).
2. An e-mail from the BLM stating that they are content with the proposed unit (page 3 of the attachment). Two days ago the BLM contacted my client and said they would soon get out their "letter of designation," which is the BLM's preliminary approval.

Let me know if you need anything else.

Jim



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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May 31, 2017

Mr. Chris Fling
Forty Acres Energy, LLC
11777B Katy Freeway, Suite 305
Houston, TX 77079

Re: Preliminary Approval
West Eumont Unit
Lea County, New Mexico

Dear Mr. Fling:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed West Eumont Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases until final approval and an effective date have been given.

When submitting your agreement for final approval, please include the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, a statement of facts showing that:
 - a. The agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. Under the proposed unit operation, the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. Each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. The unit agreement is in other respects for the best interest of the Trust.

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3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and contain original signatures.
4. Approval order from the New Mexico Oil Conservation Division. State Land Office approval is conditioned upon approval by the New Mexico Oil Conservation Division.
5. One copy of the Unit Operating Agreement (if applicable).
6. A \$1,500 filing fee. The filing fee is \$100 for each section or partial section included in the unit, whether federal, state, or privately owned.

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791.

Respectfully,



AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mmg

cc: NMOCD, Attn: Mr. Daniel Sanchez
TRD, Attn: Ms. Judy Vigil
RMD, Attn: Mr. Danny Martinez
BLM, Attn: Mr. Chris Walls
OGMD and Units Reader Files

From: Christopher Fling <cfling@primaryfuels.com>
To: jamesbruc <jamesbruc@aol.com>
Subject: West Eumont 2017 POD
Date: Wed, Jul 5, 2017 4:41 pm

Jim, to me this is equivalent to the SLO prelim approval letter. I don't think we can ask for much more in prep for Aug OCD docket.

Are you good with this?

From: Nimmer, Charles [<mailto:cnimmer@blm.gov>]
Sent: Wednesday, July 5, 2017 5:31 PM
To: Christopher Fling <cfling@primaryfuels.com>
Cc: Christopher Walls <cwalls@blm.gov>
Subject: Re: FW: West Eumont 2017 POD

Good Afternoon Chris,

I hope you are well. We have a long list of Unit Development Plans / Plan of Developments that we are working on. Due to our current workload we have not been able to thoroughly review your plan as of yet. As of late, we have been receiving extra help from some of our other offices concerning units and PODs and this will help expedite some of this workload. The BLM is okay with the outlines / concept of the proposed secondary recovery unit in the current location but we must still conduct a more in depth analysis to give our full approval. Let me know your thoughts and what you would like to do?

Very Respectfully,

Charles L. Nimmer
Petroleum Engineer
BLM - Carlsbad Field Office
Phone: (575) 234-2237
Email: cnimmer@blm.gov

On Wed, Jul 5, 2017 at 3:16 PM, Christopher Fling <cfling@primaryfuels.com> wrote:

Our OCD hearing is now scheduled for August. If you could just send me a short note indicating BLM is OK with our plan I would appreciate it.