

**From:** [McClure, Dean, EMNRD](#)  
**To:** [Brittney Storfa](#)  
**Cc:** [Wrinkle, Justin, EMNRD](#)  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-984  
**Date:** Wednesday, October 26, 2022 10:20:00 AM  
**Attachments:** [image001.png](#)

Ms. Storfa,

It is the Division's understanding that a permit is not required for the commingling project proposed in surface commingling application CTB-984. As such it is now rejected. If new information comes to light or the proposed project changes such that a commingling permit is required, Forty Acres will need to submit another commingling application at that time.

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

**From:** Brittney Storfa <[brittney@faenergyus.com](mailto:brittney@faenergyus.com)>  
**Sent:** Wednesday, October 26, 2022 10:17 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Cc:** Wrinkle, Justin, EMNRD <[Justin.Wrinkle@emnrd.nm.gov](mailto:Justin.Wrinkle@emnrd.nm.gov)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-984

Again, it looks like the previous submitter thought these wells were on separate leases. If you are saying they are on the same lease, I don't not see a need for the surface commingle as well. Thank you!

Thank you,  
Brittney

**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Sent:** Wednesday, October 26, 2022 10:44 AM  
**To:** Brittney Storfa <[brittney@faenergyus.com](mailto:brittney@faenergyus.com)>  
**Cc:** Wrinkle, Justin, EMNRD <[Justin.Wrinkle@emnrd.nm.gov](mailto:Justin.Wrinkle@emnrd.nm.gov)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-984

Ms. Storfa,

Based upon my review of this application, a commingling permit seems unnecessary for the proposed work.

- This is based upon the following factors:
- All wells produce from a common lease; "CA Yates, Seven Rivers, Queen NMSLO PUN 1092344"
  - All wells produce from a common pool; "EUMONT; YATES-7 RVRS-QUEEN (GAS)"
  - Production is proposed to be commingled and sold from a battery on lease; "Shell E State Com 1 CTB"
  - Interest is identical

Please provide any relevant information that may not be clear from my initial review to demonstrate the reason for which the commingling application was submitted.

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

**From:** Brittney Storfa <[brittney@faenergyus.com](mailto:brittney@faenergyus.com)>  
**Sent:** Friday, May 20, 2022 12:41 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-984

Yes they are being allocated to the lease below.

Thank you,  
Brittney

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Friday, May 20, 2022 1:17 PM  
**To:** Brittney Storfa <[brittney@faenergyus.com](mailto:brittney@faenergyus.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-984

Please confirm whether they are both being allocated to the following state CA or if not please confirm what "lease" the production from each is being allocated to:

Lease	UL or Q/Q	S-T-R
CA Yates-Seven Rivers-Queen NMSLO PUN 1092344	9 10 11 12 13 14	6-21S-36E

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

**From:** Brittney Storfa <[brittney@faenergyus.com](mailto:brittney@faenergyus.com)>  
**Sent:** Friday, May 20, 2022 11:30 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-984

Dean,  
I believe we are planning to meter these wells.

It looks like they are the same pool but different state leases.

Thank you,  
Brittney

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Friday, May 20, 2022 12:14 PM  
**To:** Brittney Storfa <[brittney@faenergyus.com](mailto:brittney@faenergyus.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-984

Brittney,

What allocation method is FAE proposing for this commingling project?

Further, presuming that I am correct that both these wells are producing from the same CA, ownership is identical, and they are producing from the same pool, then a commingling permit is not required for the commingling of these wells.

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

**From:** Brittney Storfa <[brittney@faenergyus.com](mailto:brittney@faenergyus.com)>  
**Sent:** Wednesday, May 11, 2022 9:53 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** [EXTERNAL] RE: surface commingling application CTB-984

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

Dean,  
Attached is the SLO approved letter and signed checklist for the Shell E State Com 1 CTB. Please let me know if you need any additional information.

Thank you,

Brittney Storfa | Engineer  
**forty acres energy**  
11757 Katy Freeway, Suite 725 | Houston, TX 77079  
O 832.241.8080 (ext. 161)  
C 406.860.9065  
E [brittney@faenergyus.com](mailto:brittney@faenergyus.com)

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Wednesday, April 27, 2022 3:47 PM  
**To:** Brittney Storfa <[brittney@faenergyus.com](mailto:brittney@faenergyus.com)>  
**Subject:** FW: surface commingling application CTB-984

Hello Brittney,

Please see the email below. I believe this is the last communication I have on record regarding surface commingling application CTB-984.

Commingling Applications														
Admin	Applicant	OGRID Number	ID	Request Number	Title	API	Allocation	Pending CA	C(4) (g)	Infill	Status	Notes	Date	Folder
CTB-984	FAE II Operating, LLC	329326	18533	pDM2105432524	Shell E State Com 1 CTB						Under Review	Asking for admin checklist, SLO notification, gas only	2/22/2021	file:///C:/Users/dmcclure/OneDrive%2520-%2520State%2520of%2520New%2520Mexico/NM%2520WORK/CTB/CTB984

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

**From:** McClure, Dean, EMNRD  
**Sent:** Tuesday, February 23, 2021 9:07 AM  
**To:** Marshall Bates <[marshall@faenergyus.com](mailto:marshall@faenergyus.com)>  
**Subject:** surface commingling application CTB-984

Mr. Bates,

I am reviewing surface commingling application CTB-984 for the commingling project which involves the Shell E State Com 1 CTB operated by FAE II Operating, LLC (329326).

Please fill out the attached application checklist and submit.

Please note that the SLO will need to be notified of applications which involve state land regardless of whether ownership is identical.

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

**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  
Phone:(505) 334-6178 Fax:(505) 334-6170

**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**

COMMENTS

Action 153888

COMMENTS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 153888
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	Rejected under Action ID: 18533	10/26/2022

**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  
Phone:(505) 334-6178 Fax:(505) 334-6170

**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 153888

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 153888
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

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