

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

**APPLICATION OF FAE II OPERATING, LLC TO EXTEND
THE VERTICAL LIMITS OF THE LANGLIE-MATTIX;
SEVEN RIVERS-QUEEN-GRAYBURG POOL
WITHIN THE NORTH JAL UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

FAE II Operating, LLC (“FAE” or “Applicant”) (OGRID No. 329326), through its undersigned counsel, files this application with the Oil Conservation Division (“Division”) to extend the vertical limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) to include the Yates and Upper Seven Rivers Formations only within the boundaries of the North Jal Unit. In support of its application, FAE states the following.

1. On January 13, 2025, the Division issued Order No. R-23638 approving the North Jal (Yates-Seven Rivers-Queen) Unit (“Unit”) for enhanced oil recovery operations in the Yates, Seven Rivers, and Queen formations.

2. The Unit encompasses approximately 3,154.37 acres of the following federal, state, and fee lands located in Lea County, New Mexico:

Township 24 South, Range 36 East

Section 25: S/2
Section 26: E/2 SE/4
Section 35: E/2 NE/4
Section 36: All

Township 24 South, Range 37 East

Section 19: E/2
Section 20: SW/4, SW/4 NW/4
Section 29: W/2
Section 30: NE/4, S/2
Section 31: N/2 NW/4

Township 25 South, Range 36 East

Section 1: All

3. FAE is the designated operator of the Unit.
4. Order No. R-23638 defines the Unitized Interval as the top of the Yates formation to a lower limit at the base of the Queen formation; the geologic markers having been previously found to occur at 2,879 feet and 3,691 feet, respectively, in Skelly Oil company's Sherrill Well No. 7 (current well name Langlig Jal Unit Well No. 17; API No. 30-025-11301), located at 1,980 feet from the South line and 1,930 feet from the East line of Section 31, Township 24 south, Range 37 East, Lea County, New Mexico, as recorded on the Frontier Perforators, Inc., Gamma Ray-Neutron Log run taken on September 1, 1957, said log being measured from a Kelly Bushing elevation of 3,241 feet above sea level. *See* Order No. R-23628 at ¶ 3.
5. As stated in Order No. R-23638, the Unitized Interval includes the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820) and Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) and the Yates, Seven Rivers, and Queen formations.
6. In order to allow for the most efficient well development pattern, effectively drain the reserves in the unitized formation underlying the Unit Area, and maximize administrative reporting and efficiency, FAE proposes to expand the vertical limit of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool to include the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), along with the Yates and Seven Rivers formations, within the boundaries of the Unit Area.
7. Approval of the expansion of the pool as set forth herein will promote administrative and reporting efficiency.
8. All Division designated operators of wells within the affected pools, or within the same formation within one mile of the Unit Area, have been provided notice of this application.

WHEREFORE, FAE requests that this Application be set for hearing on July 10, 2025, and after notice and hearing, the Division enter its order approving the application.

Respectfully submitted,

By: /s/ Dana S. Hardy
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