

**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 RHODES;  
YATES-SEVEN RIVERS POOL WITHIN THE  
SOUTH 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 Rhodes; Yates-Seven Rivers Pool (Pool Code 52250) to include the Queen formation only within the boundaries of the South Jal Unit. In support of its application, FAE states the following.

1. On March 12, 2025, the Division issued Order No. R-23736 approving the South 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 19,359.77-acres of the following federal, state, and fee lands located in Lea County, New Mexico:

**Township 25 South, Range 36 East**

Section 13: SE/4  
Section 24: E/2  
Section 25: All  
Section 26: E/2 E/2  
Section 36: N/2, SE/4

**Township 25 South, Range 37 East**

Section 15: W/2 W/2  
Section 16: All  
Section 18: Lot 4  
Section 19: All  
Section 21: Lot 1 through Lot 4 (inclusive), E/2 SW/4  
Section 22: W/2 NW/4, S/2

Section 23: SW/4  
Section 26: W/2, SW/4 SE/4  
Section 27: All  
Section 28: All  
Section 30: Lot 1 through Lot 4 (inclusive), E/2 W/2, W/2 E/2  
Section 31: All  
Section 32: All  
Section 33: All  
Section 34: All  
Section 35: NW/4, W/2 NE/4, S/2

**Township 26 South, Range 37 East**

Section 3: All  
Section 4: All  
Section 5: All  
Section 6: All  
Section 7: All  
Section 8: All  
Section 9: All  
Section 10: All  
Section 15: All  
Section 16: All  
Section 17: All  
Section 18: Lot 1, NE/4 NW/4, E/2  
Section 19: NE/4  
Section 20: All  
Section 21: W/2, NE/4, W/2 SE/4  
Section 22: N/2  
Section 23: SW/4 NW/4  
Section 29: All  
Section 32: N/2 N/2, Lots 1 through 4 (inclusive)

**Township 25 South, Range 37 East**

Section 32: All

3. FAE is the designated operator of the Unit.
4. Order No. R-23736 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 2,635 feet and 3,563 feet, respectively, in Western Gas Company's Dabbs Well No. 1 (current well name Dabbs Well No. 4; API No. 30-025-11887), located at 1,650 feet from

the north line and 660 feet from the west line of Section 34, Township 25 South, Range 37 East, Lea County, New Mexico, as recorded on the Schlumberger Gamma Ray-Neutron Log run taken on August 14, 1957, said log being measured from a Kelly Bushing elevation of 3,025 feet above sea level. *See* Order No. R-23736 at ¶ 5.

5. As stated in Order No. R-23736, the Unitized Interval includes the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240), and the Yates, Seven Rivers, and Queen formations.

6. The Rhodes; Yates-Seven Rivers Pool (Pool Code 52250) is also within the Unitized Interval.

7. In order to allow for the most efficient well development pattern, to effectively drain the reserves in the unitized formation underlying the Unit Area, and to maximize administrative reporting and efficiency, FAE proposes to expand the vertical limit of the Rhodes; Yates-Seven Rivers Pool (Pool Code 52250) to include the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Code 37240), the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), and the Yates, Seven Rivers, and Queen formations within the boundaries of the Unit Area. Subsequent to the approval of this Application, FAE will re-assign all wells unitized within the South Jal Unit to the Rhodes; Yates-Seven Rivers Pool (Pool Code 52250).

8. Approval of the expansion of the pool as set forth herein will promote administrative and reporting efficiency.

9. 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,

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