



Outlook

Re: [EXTERNAL] Re: FAE II Operating LLC - STATE A A/C 1 #065. Final Reclamation Report nAPP2327749668 - Denied.

From Cindy Crain <cindy.crain@gmail.com>

Date Mon 7/20/2026 3:50 PM

To Knight, Tami C. <tknight@nmslo.gov>

Cc Bratcher, Michael, EMNRD <mike.bratcher@emnrd.nm.gov>; David, Deon W. <ddavid@nmslo.gov>; Bisbey-Kuehn, Elizabeth A. <ebisbeykuehn@nmslo.gov>; Whitman, Connor J. <cwhitman@nmslo.gov>; Biernoff, Ari <abiernoff@nmslo.gov>; Heltman, Elaine G. <eheltman@nmslo.gov>; Brittney Carroll <bcarroll@mcvayservices.com>; Averill, Erin P. <eaverill@nmslo.gov>; Huxley Song <huxley@faenergyus.com>; Velez, Nelson, EMNRD <Nelson.Velez@emnrd.nm.gov>

 1 attachment (8 MB)

++State A AC 2 65_Closure Report_Final_7.9.24_reduced.pdf;

Mike and Tami -

You are correct that the initial C141 listed an incorrect well name and gps coordinate. The Closure Report includes an amended C141 with the correct site name and coordinates (State C A/C 2 #065 Injection Well at 32.409592, -103.278313).

Mike - could you possibly update the incident information in your records using this information? A copy of the Closure Report is attached.

Tami - Thank you for taking the time to speak with me today!

When Ensolum conducted the vegetation inspection, they only sent the email I referred to in my previous email. Since Ensolum did not prepare an actual Vegetation Survey, it was not sent to you. I apologize if you feel ECO is being ignored! FAE is making every effort to promote vegetation growth at the Site. FAE has been updated with the items we discussed today, and will reach out to the Ag Lessee to determine how he would like to handle the cow/vegetation situation. We look forward to hearing from you regarding any kind of vegetation waiver he could possibly sign.

Regarding the State A A/C #1 and tank battery, FAE will conduct an inspection and determine a path forward on that as well.

Please let me know if you have any questions or need additional information at this time.

Thank you,
Cindy Crain

On Mon, Jul 20, 2026 at 8:52 AM Knight, Tami C. <tknight@nmslo.gov> wrote:

All,

It appears that the C141 was attempted to be corrected in the closure documents but was not ever officially corrected in the OCD incident records. Please confirm with OCD and ECO, which well the actual release/remediation was located at. Based on ECO's desktop review it does appear that there was a release at State A A/C #2 #065 30-025-28274, as indicated in the remediation closure reports.

However, ECO has identified areas of concern at State A A/C #1 and the tank battery south of #1. There appears to be an abandoned tank west of the #1 well pad, exposed pipeline east of the #1, and a large unreported spill at the tank battery south of the #1. These all require assessment and remediation under approved workplans and reporting to NMOCD as required by 19.15.29 NMAC



Tami Knight, CHMM

Sr. Enviro. Scientist

Environmental Compliance Office



505.670.1638

301 McWilliams Rd, Aztec, NM 87410



tknight@nmslo.gov; nmstatelands.org

*To streamline future projects, ensure site characterization data is reviewed at project initiation so essential surveys and permits (such as Right of Entry for Remediation, depth to water determination, biological, and karst) can be incorporated upfront. This proactive approach will prevent delays and keep project operations running smoothly.

*Reporting spills and remediation to ECO does not fulfill your obligations to NMOCD. You must also report historical and new spills directly to NMOCD to ensure regulatory compliance (19.15.29 NMAC).

CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner.

From: Bratcher, Michael, EMNRD <mike.bratcher@emnrd.nm.gov>

Sent: Friday, July 17, 2026 3:13 PM

To: Knight, Tami C. <tknight@nmslo.gov>; Cindy Crain <cindy.crain@gmail.com>; Bio <bio@nmslo.gov>

Cc: David, Deon W. <ddavid@nmslo.gov>; Bisbey-Kuehn, Elizabeth A. <ebisbeykuehn@nmslo.gov>; Whitman, Connor J. <cwhitman@nmslo.gov>; Biernoff, Ari <abiernoff@nmslo.gov>; Heltman, Elaine G. <eheltman@nmslo.gov>; Brittney Carroll <bcarroll@mcvayservices.com>; Averill, Erin P. <eaverill@nmslo.gov>; Huxley Song <huxley@faenergyus.com>; Velez, Nelson, EMNRD <Nelson.Velez@emnrd.nm.gov>

Subject: RE: [EXTERNAL] Re: FAE II Operating LLC - STATE A A/C 1 #065. Final Reclamation Report nAPP2327749668 - Denied.

Cindy et al.,

I noticed that coordinates listed on Figure 2 (pdf page 7) of the "Re-Vegetation Report" do not match the coordinates listed as the release site on nAPP2327749668. The well names on these two sites are similar so are you sure you are at the right site?

Thank you,

Mike Bratcher

Incident Supervisor

Environmental Bureau

EMNRD - Oil Conservation Division

506 W. Texas Ave | Artesia, NM 88210

(575) 626-0857 |

mike.bratcher@emnrd.nm.gov

<http://www.emnrd.nm.gov/ocd>

From: Knight, Tami C. <tknight@nmslo.gov>

Sent: Monday, July 13, 2026 7:25 AM

To: Cindy Crain <cindy.crain@gmail.com>; Bio <bio@nmslo.gov>

Cc: David, Deon W. <ddavid@nmslo.gov>; Bisbey-Kuehn, Elizabeth A. <ebisbeykuehn@nmslo.gov>; Whitman, Connor J. <cwhitman@nmslo.gov>; Biernoff, Ari <abiernoff@nmslo.gov>; Heltman, Elaine G. <eheltman@nmslo.gov>; Brittney Carroll <bcarroll@mcvayservices.com>; Averill, Erin P. <eaverill@nmslo.gov>; Huxley Song <huxley@faenergyus.com>; Bratcher, Michael, EMNRD <mike.bratcher@emnrd.nm.gov>; Velez, Nelson, EMNRD <Nelson.Velez@emnrd.nm.gov>

Subject: RE: [EXTERNAL] Re: FAE II Operating LLC - STATE A A/C 1 #065. Final Reclamation Report nAPP2327749668 - Denied.

FAE Team

ECO explicitly stated in May that a workplan was needed if further work was going to occur; furthermore, we did not receive Ensolum's vegetation survey. Communication with ECO appears to have been ignored.

The rules do not discuss cattle damage and a variance request per [19.15.29.14](#) NMAC has not been provided.

My recommendation is that your biologist consult with NMSLO's biologist, cc'd here at bio@nmslo.gov. The NMSLO specialist will provide requirements on how to proceed.

Please remember, for future projects, a qualified person(s) must complete the vegetation survey. You should be documenting how you determined percent vegetation coverage and identification of vegetation and noxious or invasive weeds etc. Just "looking at it" will not be sufficient. NMSLO also accepts drone vegetation surveys, the software the drones use is rather accurate.

Tami Knight, CHMM

Sr. Enviro. Scientist

Environmental Compliance Office



505.670.1638

301 McWilliams Rd, Aztec, NM 87410



tknight@nmslo.gov; nmstatelands.org

*To streamline future projects, ensure site characterization data is reviewed at project initiation so essential surveys and permits (such as Right of Entry for Remediation, depth to water determination, biological, and karst) can be incorporated upfront. This proactive approach will prevent delays and keep project operations running smoothly.

*Reporting spills and remediation to ECO does not fulfill your obligations to NMOCD. You must also report historical and new spills directly to NMOCD to ensure regulatory compliance (19.15.29 NMAC).

CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner.

From: Cindy Crain <cindy.crain@gmail.com>

Sent: Sunday, July 12, 2026 4:51 PM

To: Knight, Tami C. <tknight@nmslo.gov>

Cc: David, Deon W. <ddavid@nmslo.gov>; Velez, Nelson, EMNRD <Nelson.Velez@emnrd.nm.gov>; Bratcher, Michael, EMNRD <mike.bratcher@emnrd.nm.gov>; Bisbey-Kuehn, Elizabeth A. <ebisbeykuehn@nmslo.gov>; Whitman, Connor J. <cwhitman@nmslo.gov>; Biernoff, Ari <abiernoff@nmslo.gov>; Heltman, Elaine G. <eheltman@nmslo.gov>; Brittney Carroll <bcarroll@mcvayservices.com>; Averill, Erin P. <eaverill@nmslo.gov>; Huxley Song <huxley@faenergyus.com>

Subject: [EXTERNAL] Re: FAE II Operating LLC - STATE A A/C 1 #065. Final Reclamation Report nAPP2327749668 - Denied.

Tami,

Following denial of the Final Reclamation Report on 4/14/26, a biologist with Ensolum was contacted to conduct a vegetation survey, which they completed at the end of April, 2026.

Ensolum provided the following response in lieu of a vegetation report:

"Unfortunately, the reclaimed area did meet the vegetation cover requirements for reclamation closure.

Any previously established vegetation appeared to have been overgrazed/damaged by cattle. Fencing and re-seeding are recommended."

Upon receiving Ensolum's response, FAE elected to reseed the area. Photos of 6/9/26 vegetation were emailed to you by FAE on 7/9/26.

As part of the location is a natural watering hole for cows, FAE elected not to fence the area. Growth is progressing in all areas except where the cows congregate.

FAE plans to monitor growth at the Site, and will obtain a vegetation report from Ensolum once the vegetation appears to be sufficient for site closure.

Is there any leeway that ECO will approve regarding the vegetation cover, given that cows congregate at and migrate to/from a large percentage of the area?

Thank you,

Cindy Crain

On Thu, May 28, 2026 at 10:21 AM Knight, Tami C. <tknight@nmslo.gov> wrote:

Forty Acres Team,

I am following up on Deon's denial. ECO has mentioned several times that a qualified professional (biologist, botanist, rangeland specialist etc.) must conduct the vegetation surveys. A formal vegetation survey should be submitted with the Final Reclamation Reports, which would clearly identify how percent plant coverage was determined and what species are present etc.

The Final Reclamation Report remains denied. For this one project, an NMSLO biologist conducted a field inspection today and confirmed that the vegetation does not meet the 70% density requirement, which was also evident in the site photographs provided in the report. Furthermore, our biologist noted that erosion is going to need to be monitored at this location closely and that there are undesirable vegetation species establishing. Our biologist formal report will be shared with Forty Acres once it is prepared.

At this time ECO requires that the site be frequently monitored and that Forty Acres provides a path forward. Please send a reclamation workplan if field work is going to be proposed. I have also cc'd NMOCD staff so they are aware of the issue identified by ECO.

Thank you,



Tami C. Knight, CHMM
Senior Environmental Scientist

Environmental Compliance Office

Mobile: 505.670.1638

301 McWilliams Rd

Aztec, New Mexico 87410

 tknight@nmslo.gov

nmstatelands.org.

OOO June 4, 2026; NMSLO Closed June 19

NOTE: New requests to meet with ECO are now only scheduled for Tuesdays and Thursdays, 2-4 PM MST. Existing scheduled meetings are not affected.

.....

CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

From: David, Deon W. <ddavid@nmslo.gov>

Sent: Tuesday, April 14, 2026 2:29 PM

To: Cindy Crain <cindy.crain@gmail.com>

Cc: david@faenergyus.co; Bisbey-Kuehn, Elizabeth A. <ebisbeykuehn@nmslo.gov>; Knight, Tami

C. <tknight@nmslo.gov>; Honea, Tammy <thonea@nmslo.gov>; Whitman, Connor J. <cwhitman@nmslo.gov>; Biernoff, Ari <abiernoff@nmslo.gov>; Heltman, Elaine G. <eheltman@nmslo.gov>

Subject: FAE II Operating LLC - STATE A A/C 1 #065. Final Reclamation Report - Denied.

RE: 30-025-09394 (Active)/ FAE II Operating LLC; STATE A A/C 1 #065; A009830004/ KERR-MCGEE O/G ONSHORE, LP

Incident Number: nAPP2327749668

Final Reclamation Report Received: November 27, 2025

Report Status: **Denied.**

The Final Reclamation Report is denied, and the following tasks must be completed. Submit an updated Final Reclamation Report to eco@nmslo.gov by 05/14/26.

Reclamation Activity	Completed	Not Completed	Not Required
Vegetation Survey (>70% coverage of natural plant density)		Not Completed. Please note that the Vegetation Survey must be performed by a qualified professional (e.g., a botanist, biologist, or rangeland specialist).	
Discussion of invasive/noxious weeds	Completed.		
Erosion Control Measures			Not Required.
Traffic Control Measures			Not Required.
Photographs	Completed.		

**The conclusions of this report review are based on the documentation provided by the submitter. ECO may conduct a field verification of the information provided, though it is not obligated to do so. In the event that field conditions or subsequent information reveal discrepancies, ECO may require additional corrective work.*

We appreciate the efforts being taken to reclaim State Trust Land.

Environmental Compliance Office

Surface Resources Division

eco@nmslo.gov

nmstatelands.org

.....

CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

--

Crain Environmental

2925 East 17th Street

Odessa, TX 79761

(575) 441-7244

--

Crain Environmental

2925 East 17th Street

Odessa, TX 79761

(575) 441-7244

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 607760

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 607760
	Action Type: [IM-SD] Incident File Support Doc (ENV) (IM-BNF)

CONDITIONS

Created By	Condition	Condition Date
nvez	None	7/24/2026