

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

**APPLICATION OF FAE II OPERATING,  
LLC FOR REINSTATEMENT OF INJECTION  
AUTHORITY AND AUTHORIZATION TO CONVERT  
DISPOSAL WELL TO AN INJECTOR FOR  
WATERFLOOD OPERATIONS,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 22134**

**PRE-HEARING STATEMENT**

FAE II Operating, LLC (“Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**  
FAE II Operating, LLC

**ATTORNEYS**  
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**INTERESTED PARTIES**  
No other parties of record.

**ATTORNEYS**

**STATEMENT OF THE CASE**

Applicant applies for an order: (1) reinstating injection authority for certain injection wells within its Blackbeard South Waterflood Project (“Project”) within the Seven Rivers and Queen formations comprised of portions of Sections 3, 4, 9-11, 13-15, 17, and 20-24, Township 23 South, Range 36 East, Lea County, New Mexico; and (2) authorizing FAE to convert a produced-water disposal well to an injector for waterflood operations.

On July 9, 1974, the Division entered Order No. R-4819 in Case No. 5258 establishing the Project. On June 17, 1975, the Division entered Order No. R-4819-A expanding the Project area. On January 2, 1984, the Division entered Administrative Order WFX-522 expanding the Project area to include injection into the State "A" A/C 1 No. 117 and 120 wells and the State "A" A/C 3 No. 10 and 11 wells. Administrative Order WFX-522 was amended on July 17, 1984 to expand the Project area to include injection into the State "A" A/C 1 No. 116 well. The following wells (“Wells”) authorized under the Orders are located within the Jalmat; Tan-Yates-7 RVRS (Oil) and Langlie Mattix; 7 RVRS-Q-Grayburg pools of the Seven Rivers and Queen formations:

<b>Well Name (API: 30-025-)</b>	<b>Location within T23S-R6E</b>	<b>Injection interval</b>
State "A" A/C 1 No. 116 (28396)	Unit D, 1260 FNL & 1310 FWL, Sec. 10	3644'- 3845'
State "A" A/C 1 No. 117 (28512)	Unit K, 1395 FSL & 1345 FWL, Sec. 3	3640'- 3820'
State "A" A/C 1 No. 120 (28515)	Unit C, 25 FNL & 1345 FWL, Sec. 10	3650'- 3800'
State "A" A/C 3 No. 10 (28509)	Unit G, 1345 FNL & 1480 FEL, Sec. 10	3575'- 3705'
State "A" A/C 3 No. 11 (28510)	Unit G, 1345 FNL & 2615 FEL, Sec. 10	3575'- 3705'

Applicant proposes to convert its State "A" A/C 1 No. 116 well from a salt-water disposal well to an injector for waterflood operations and to reinstate injection into the State "A" A/C 1 No. 117 and 120 wells and State "A" A/C 3 No. 10 and 11 wells for waterflood operations. FAE plans to inject water through a closed system of perforations at depths of 3,500' to 4,000' within the Seven Rivers and Queen formations. The proposed average injection pressure is expected to be 700 psi. The expected maximum injection pressure will be calculated relative to the depth of the highest perforation, using a factor of 0.2 psi/ft. The proposed Wells will have perforation depths of approximately 3,640' and 3599' (or 728 psi and 720 psi maximum injection pressure, respectively). Pending results of a step rate test, the maximum injection pressure could potentially be increased to a factor of 0.6 psi/ft (or 2,184 psi at 3,640' and 2160 psi at 3599'). The proposed average injection rate is expected to be approximately 600 barrels of water per day. The maximum

daily injection rate will be 1,000 barrels of water per day or as permitted by the Division. The Unit acreage is located approximately 9.3 miles southwest of Eunice, New Mexico.

**PROPOSED EVIDENCE**

<b><u>Witness</u></b>	<b><u>Occupation</u></b>	<b><u>Estimated Time</u></b>	<b><u>Exhibits</u></b>
Stephen Lehrbass	Director of Land	Affidavit	Approx. 7
Jessica LaMarro	Geologist	Affidavit	Approx. 5
Huxley Song	Vice President of Engineering	Affidavit	Approx. 2

**PROCEDURAL MATTERS**

Applicant will present its case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

*/s/ Dana S. Hardy* \_\_\_\_\_

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

QUESTIONS

Action 46279

**QUESTIONS**

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 1000 Houston, TX 77079	OGRID: 329326
	Action Number: 46279
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>