DATE IN	SUSPEN	SE	ENGINEER	LOGGED IN	TYPE	APP NO.	
				ABOVE THIS LINE FOR DIVISION U			
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		NEWI		eering Bureau -	IN DIVISION	S GIN E	
		127	0	cis Drive, Santa Fe,	NM 87505		
		ADM	INISTRATI	VE APPLIC	TION CHE	CKLIST	
тн	IS CHECKLIST IS M	ANDATOR				D DIVISION RULES AND F	EGULATIONS
Applic	cation Acronym	s:	WHICH REQUIRE PF	ROCESSING AT THE DIV	ISION LEVEL IN SANT	A FE	
, de le tre	[NSL-Non-Sta	ndard L				multaneous Dedica	
						ool/Lease Commingl ease Measurement]	
				sion] [PMX-Press			
		-		sposal] [IPI-Injec			_
	[EOR-Qual	ified En	hanced Oil Reco	very Certification]	[PPR-Positive	Production Respon	sel
[1]				hose Which Apply			
	[A]		ion - Spacing Uni	t - Simultaneous D $\Box$ SD	edication		
			NSL [] INSP				
			nly for [B] or [C]				
	[B]		ningling - Storage DHC 🔲 CTB	$\square$ PLC $\square$ P		] OLM	
			_			_	
	[C]			ressure Increase - E			
	[D]	Other	: Specify				
	NOTIFICAT	ION RI	FOUIRED TO -	Check Those Whit	h Apply or Do	es Not Apply	
[2]	[A]			or Overriding Roya			
[2]					face Orum on		
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[2]	[B]		onset operators,	Leaseholders or Sur	Tace Owner		
[2]	[B] [C]			Leaseholders or Sur e Which Requires P		otice	
[2]	[C]		Application is One	e Which Requires P	ublished Legal N		
[2]			Application is One		ublished Legal N wal by BLM or S	LO	
[2]	[C]		Application is One Notification and/o .S. Bureau of Land Manag	e Which Requires P r Concurrent Appro ement - Commissioner of Put	ublished Legal N wal by BLM or S lic Lands, State Land Offic	LO	r,
[2]	[C] [D]		Application is One Notification and/o .S. Bureau of Land Manag	e Which Requires P r Concurrent Appro ement - Commissioner of Put re, Proof of Notifica	ublished Legal N wal by BLM or S lic Lands, State Land Offic	LO e	r,

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Marshall Bates	MBates	Engineering Tech	11/1/2021
Print or Type Name	Signature	Title	Date
		Marshall@FAEnergyus	.com

e-mail Address

District I 1625 N. French Drive, Hobbs, NM 88240 District II St., Artesia, NM 88210

Dage 2 of 24

District III Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107A Revised August 1, 2011

**Oil Conservation Division** 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE X\_\_\_\_Single Well Establish Pre-Approved Pools EXISTING WELLBORE \_X\_Yes \_\_No

# APPLICATION FOR DOWNHOLE COMMINGLING

## FAE II Operating, LLC

## 11757 Katy Fwy. Ste. 725, Houston, TX 77079

Operator C E Lamunyon	90		Address <b>D-27-23S-37E</b>			Lea	
Lease	Well No.	Unit Lett	er-Section-Township-Range			County	
	33068	36 31	0-025-37924	λ	C		
OGRID No.	Property Code	API No.	Leas	se Type:	_Federal _	State	Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Jalmat		Langlie Mattix
Pool Code	79240		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,523 – 3,122'		3,262 – 3,680
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.0API / 1.189 BTU		35.0 API / 1.189 BTU
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	See Attached Date: Rates:	Date: Rates:	See Attached Date: Rates:
Fixed Allocation Percentage	Oil Gas	Oil Gas	Oil Gas
(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	0 % 75 %	% %	100 % 25 %

## **ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	Yes Yes	_X	No No
Are all produced fluids from all commingled zones compatible with each other?	Yes	_X_	_No
Will commingling decrease the value of production?	Yes		No_X_
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?	Yes_	_X_	_No
NMOCD Reference Case No. applicable to this well:			

### Attachments:

Received by OCD: 11/2/2021 7:50:36 AM

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. (If not available, attach explanation.) For zones with no production history, estimated production rates and supporting data. Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases. Any additional statements, data or documents required to support commingling.

## **PRE-APPROVED POOLS**

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools List of all operators within the proposed Pre-Approved Pools Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE MBates	_TITLE	Engineering Tech	DATE_	_11/1/2021_
TYPE OR PRINT NAMEMarshall Bates		TELEPHONE NO. (8	32) 706 - 004	41
E-MAIL ADDRESS Marshall@FAEnergyus.com	n			

November 1, 2021

Mr. Dean McClure New Mexico Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: C E LAMUNYON # 90: API 30-025-37924 Jalmat Pool: 79240 Langley Mattix Pool: 37240

Dear Mr. McClure:

Forty Acres Energy, LLC, as operator, will be filing applications with the New Mexico Oil Conservation Division for approval of the aforementioned commingling project. After a review of internal records, this letter serves as notice that the operator and interest owners are identical for the pools listed above.

If you have any questions, please feel free to contact the undersigned phone at (832) 220-9188 or by email at steven@faenergyus.com.

Thank you for your attention to this matter.

Sincerely,

Forty Acres Energy, LLC

Steven Lehrbass

Land

Received by OCD: 11/2/2021 7:50:36 AM

# faeIIoperating

November 1, 2021

### VIA ONLINE FILING

Mr. Dean McClure New Mexico Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Application of FAE II Operating, LLC for Administrative Approval to Downhole Commingle and Sell Oil and Gas Production from the Jalmat and Langlie Mattix Pools for the C E Lamunyon #90 well located in Sec. 27, T-23S, R-37E, Lea County, New Mexico

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for downhole commingling of oil and gas production from the Jalmat and Langlie Mattix Pools for its C E Lamunyon #90 well located in Unit Letter D, Section 27, T-23S, R-37E, 940 feet FNL and 660 feet FWL, as shown in the attached C-102's for each zone.

C E Lamunyon #90 is currently open to the Queen-Grayburg interval, which translates to the LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG [Pool ID: 37240]. The production curve for this interval is shown in Exhibit A. To develop a forecast for this zone, a decline curve was utilized based on the aforementioned historical production.

The zone that does not have production history in the C E Lamunyon #90 is the Yates-Seven Rivers, which translates to the JALMAT; TAN-YATES-7 RVRS (GAS) [Pool ID: 79240]. To develop a forecast for this zone, four (4) surrounding wells with production history from the Yates-Seven Rivers were used as an offset to prove up hole potential in the C E Lamunyon #90 by taking the historical average of the oil, gas, and water production. The resulting historical average production curve for this interval is shown in Exhibit B. From there, a decline curve was utilized based on the aforementioned historical production.

Overall, the forecast for the proposed downhole commingled production was formed by combining the forecasts for both zones, as shown in the Synthetic Decline Curve column of Exhibit C. This forecast proved that an IP of 0.0 BOPD and 13.7 MCFPD is the expected total, and of that, 0.0 BOPD and 3.4 MCFPD will come from the Queen-Grayburg zone. The Yates-Seven Rivers is projected to yield 0.0 BOPD and 10.2 MCFPD with the additional intervals that will be opened up. This information along with the percentage allocation across the zones is shown in Exhibit D.

After a review of internal records, the interest owners are identical for the aforementioned wells. As such, notification to the relevant parties of our intent to commingle production will not be necessary.

This proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. If there are further questions concerning this application, please feel free to contact the undersigned by email at marshall@faenergyus.com or by telephone at (832) 241-8080.

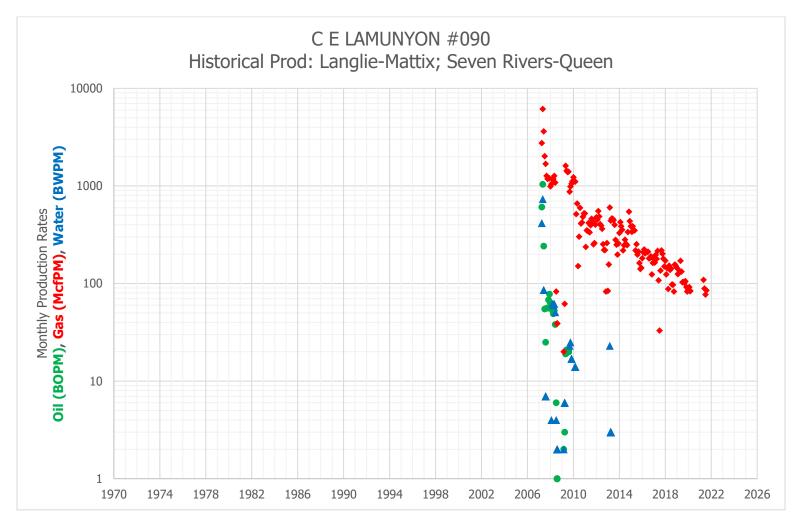
Very truly yours,

Batus

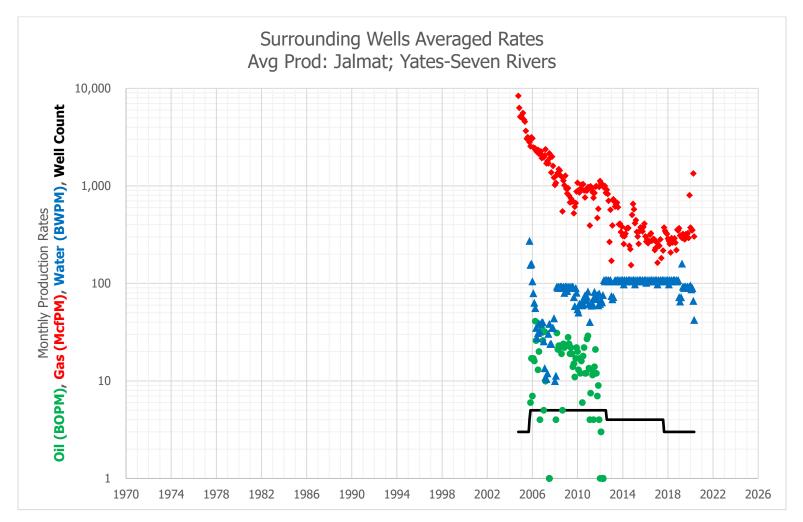
FAE II Operating, LLC

-10

## Exhibit A – Historical and Forecast Production in the Current Zone



## Exhibit B – Historical Average Production in the Proposed Zone



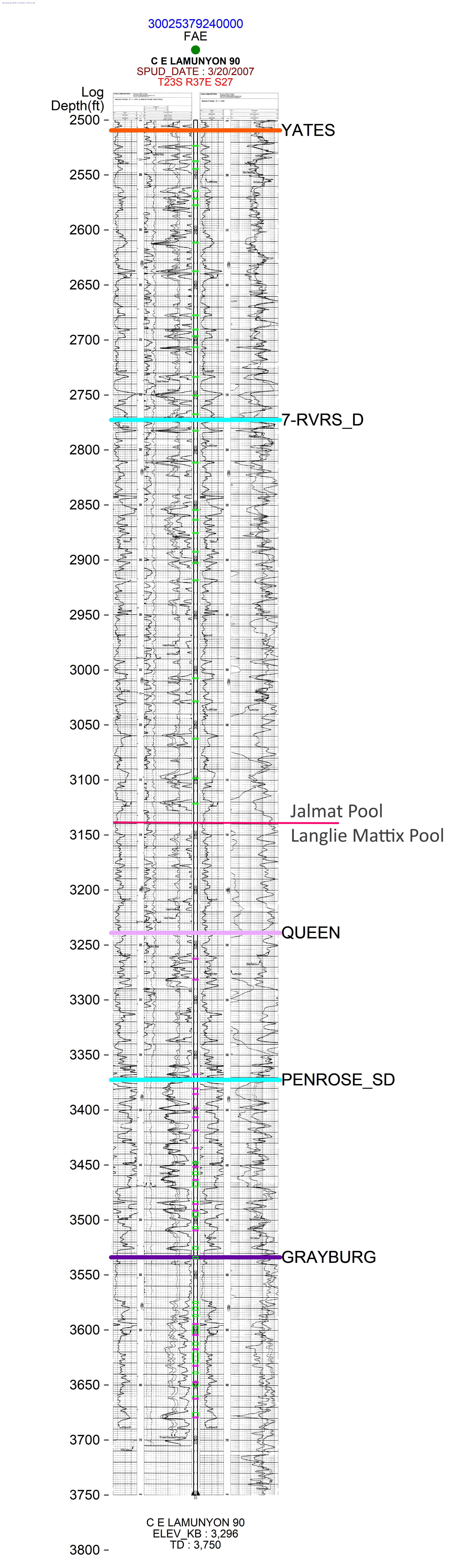
# Exhibit C – Historical Production and Decline Curve

		ig Wells Avei Imat; Yates-S	-		Historical		JNYON #090 ie-Mattix; Se	ven Rivers-		Synthetic	Decline Curv	e
	Avg Oil	Avg Gas	Avg Water	Well		Avg Oil	Avg Gas	Avg Water		Avg Oil	Avg Gas	Avg Water
Date	(BOPM)	(McfPM)	(BWPM)	Count	Date	(BOPM)	(McfPM)	(BWPM)	Month	(BOPM)	(McfPM)	(BWPM)
7/1/2015	-	344	109	4	9/1/2011	(50110)	431	(500100)	1	(50110)	415	91
	-			4					-	-		
8/1/2015		376	109	-	10/1/2011		252		2	_	414	90
9/1/2015	-	359	105	4	11/1/2011		260		3	-	413	90
10/1/2015	-	342	109	4	12/1/2011		402		4	-	412	90
11/1/2015	-	380	105	4	1/1/2012		477		5	-	411	89
12/1/2015	-	410	109	4	2/1/2012		452		6	-	410	89
1/1/2016	-	305	109	4	3/1/2012		553		7	-	409	89
2/1/2016	-	269	102	4	4/1/2012		487		8	-	408	89
3/1/2016	-	284	102	4	5/1/2012		406		9	-	407	88
		-							-	-		
4/1/2016	-	259	105	4	6/1/2012		393		10		406	88
5/1/2016	-	271	109	4	7/1/2012		364		11	-	405	88
6/1/2016	-	316	105	4	8/1/2012		253		12	-	404	87
7/1/2016	-	326	109	4	9/1/2012		221		13	-	403	87
8/1/2016	-	274	109	4	10/1/2012		220		14	-	402	87
9/1/2016	-	283	105	4	11/1/2012		83		15	-	401	87
10/1/2016	-	286	109	-	12/1/2012		260		15	-	400	86
				4	-				-			
11/1/2016	-	220	105	4	1/1/2013		84	-	17	-	399	86
12/1/2016	-	231	109	4	2/1/2013		157	-	18	-	398	86
1/1/2017	-	265	109	4	3/1/2013		601	23	19	-	397	85
2/1/2017	-	163	98	4	4/1/2013		441	3	20	-	396	85
3/1/2017	-	242	109	4	5/1/2013		464		21	-	395	85
4/1/2017	-	243	105	4	6/1/2013		461		22	-	394	85
	-	243	105	4			401		22	-	393	83
5/1/2017					7/1/2013		-		-			
6/1/2017	-	182	105	4	8/1/2013		400		24	-	392	84
7/1/2017	-	107	109	4	9/1/2013		280		25	-	391	84
8/1/2017	-	217	109	4	10/1/2013		250		26	-	390	83
9/1/2017	-	374	105	3	11/1/2013		198		27	-	389	83
10/1/2017	-	346	109	3	12/1/2013		257		28	-	388	83
11/1/2017	-	330	105	3	1/1/2014		330		29	-	387	83
					-				-			
12/1/2017	-	321	109	3	2/1/2014		427		30	-	386	82
1/1/2018	-	288	109	3	3/1/2014		386		31	-	385	82
2/1/2018	-	272	98	3	4/1/2014		356		32	-	384	82
3/1/2018	-	255	109	3	5/1/2014		219		33	-	383	82
4/1/2018	-	207	105	3	6/1/2014		247		34	-	382	81
5/1/2018	-	292	109	3	7/1/2014		282		35	-	381	81
6/1/2018	-	262	105	3	8/1/2014		256		36	-	380	81
							-		-	-		
7/1/2018	-	277	109	3	9/1/2014		248		37		379	81
8/1/2018	-	291	109	3	10/1/2014		338		38	-	378	80
9/1/2018	-	261	105	3	11/1/2014		546		39	-	378	80
10/1/2018	-	220	109	3	12/1/2014		436		40	-	377	80
11/1/2018	-	355	105	3	1/1/2015		386		41	-	376	79
12/1/2018	-	350	109	3	2/1/2015		339		42	-	375	79
1/1/2019	-	369	72	3	3/1/2015		386		43	-	373	79
				3	-				-	-		
2/1/2019	-	310	65		4/1/2015		351		44		373	79
3/1/2019	-	310	72	3	5/1/2015		351		45	-	372	78
4/1/2019	-	292	160	3	6/1/2015		219		46	-	371	78
5/1/2019	-	322	93	3	7/1/2015		253		47	-	370	78
6/1/2019	-	290	90	3	8/1/2015		198		48	-	369	78
7/1/2019	-	283	93	3	9/1/2015		213		49	-	368	77
8/1/2019	-	320	93	3	10/1/2015		162		50	-	367	77
		-							-		-	
9/1/2019	-	317	90	3	11/1/2015		141		51	-	366	77
10/1/2019	-	326	93	3	12/1/2015		145		52	-	365	77
11/1/2019	-	293	90	3	1/1/2016		182		53	-	365	76
12/1/2019	-	802	93	3	2/1/2016		209		54	-	364	76
1/1/2020	-	375	95	3	3/1/2016		224		55	-	363	76
2/1/2020	-	353	87	3	4/1/2016		204		56	-	362	76
		353	90		-		204		57	-	361	
3/1/2020	-	-		3	5/1/2016				-		-	75
4/1/2020	-	1,345	66	3	6/1/2016		210		58	-	360	75
5/1/2020	-	303	42	3	7/1/2016		212		59	-	359	75
6/1/2020	-	149	42	3	8/1/2016		181		60	-	358	75
7/1/2020	-	127	47	3	9/1/2016		183					
8/1/2020	-	595	51	3	10/1/2016		100					
	-											
9/1/2020		164	3	3	11/1/2016		124					
10/1/2020	-	2	73	3	12/1/2016		163					
11/1/2020	-	222	5	3	1/1/2017		179					
12/1/2020	-	362	54	3	2/1/2017		164					

4 | Page

# Exhibit D – Decline Curve IP Rates and Zone Allocation Percentage

Zone (1)	Zone (2)	Oil IP (BOPD)	Gas IP (MCFD)	Water IP (BWPD)
Jalmat	Yates-Seven Rivers	0.0	10.2	3.0
Langlie Mattix	Queen-Grayburg	0.0	3.4	0.0
	Total	0.0	13.7	3.0
Jalmat	Yates-Seven Rivers	50%	75%	100%
Langlie Mattix	Queen-Grayburg	50%	25%	0%
	Total (%)	100%	100%	100%



				i i i i i i i i i i i i i i i i i i i
API	SOURCE	STATUS	TOP	BASE
30025379240000	СН	PROPOSED	2522	2524
30025379240000	CJH	PROPOSED	2537	2538
30025379240000	CJH	PROPOSED	2544	2545
30025379240000	CIH	PROPOSED	2564	2565
30025379240000	CJH	PROPOSED	25/1	25/2
30025379240000	CJH	PROPOSED	2577	2578
30025379240000	CIH	PROPOSED	2611	2612
30025379240000	CJH	PROPOSED	2637	2638
30025379240000	CJH	PROPOSED	2677	2678
30025379240000	CIH	PROPOSED	2690	2691
30025379240000	CJH	PROPOSED	2696	2697
30025379240000	CJH	PROPOSED	2706	2707
30025379240000	СІН	PROPOSED	2733	2734
30025379240000	CJH	PROPOSED	2750	2/51
30025379240000	CJH	PROPOSED	2767	2768
30025379240000	CIH	PROPOSED	2782	2783
30025379240000	CJH	PROPOSED	2811	2812
30025379240000	CJH	PROPOSED	2854	2855
30025379240000	CIH	PROPOSED	2862	2861
30025379240000	CJH	PROPOSED	2875	2876
30025379240000	CJH	PROPOSED	2892	2893
30025379240000	CIH	PROPOSED		
30025379240000	CJH	PROPOSED	2918	2919
30025379240000	CJH	PROPOSED	3007	3008
30025379240000	CIH	PROPOSED		
30025379240000	CJH	PROPOSED	3062	3063
30025379240000	CJH	PROPOSED	3098	3099
30025379240000	CJH	PROPOSED	3121	JIZZ
30025379240000	OCD	ACTIVE	3262	3679
30025379240000	WELLFILE	ACTIVE	3262	3263
30025379240000	VVELLFILE	ACTIVE	3281	3202
30025379240000	WELLFILE	ACTIVE	3367	3368
30025379240000	WELLFILE	ACTIVE	3380	3381
30025379240000				
			3385	3300
30025379240000	WELLFILE	ACTIVE	3398	3399
30025379240000	WELLFILE	ACTIVE	3406	3407
30025379240000		ACTIVE	3418	
			3410	3413
30025379240000	WELLFILE	ACTIVE	3434	3435
30025379240000	CJH	PROPOSED	3447	3449
30025379240000		ACTIVE	2151	3452
				/s
30025379240000	CJH	PROPOSED	3456	3459
30025379240000	WELLFILE	ACTIVE	3463	3464
30025379240000	СІН	PROPOSED	2165	2/70
30025379240000	CJH	PROPOSED	3483	3485
30025379240000	WELLFILE	ACTIVE	3485	3486
30025379240000	WELLFIIF	ACTIVE	3491	3492
30025379240000		PROPOSED		
30025379240000	CJH	PROPOSED	3506	3508
30025379240000	WELLFILE	ACTIVE	3509	3510
30025379240000	CIH	PROPOSED		
30025379240000	CJH	PROPOSED	3533	3535
30025379240000	CJH	PROPOSED	3574	3576
30025379240000	CIH	PROPOSED		
30025379240000	CJH	PROPOSED	3586	3588
30025379240000	WELLFILE	ACTIVE	3594	3595
30025379240000	CIH	PROPOSED		
30025379240000	WELLFILE	ACTIVE	3604	3605
30025379240000	CJH	PROPOSED	3611	3614
30025379240000			3617	
30025379240000	CJH	PROPOSED	3620	3630
30025379240000	WELLFILE	ACTIVE	3632	3633
30025379240000		PROPOSED		
30025379240000	WELLFILE	ACTIVE	3647	3648
30025379240000	CJH	PROPOSED	3648	3651
	CIH			
30025379240000		PROPOSED		
30025379240000	WELLFILE	ACTIVE	3662	3663
30025379240000	CJH	PROPOSED	3675	3679
			3679	
30025379240000				

Page 9 of 24

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Form C-102

Revised October 12, 2005

State Lease - 4 Copies

□ AMENDED REPORT

Well Number

Elevation

3285

90

Fee Lease - 3 Copies

Submit to Appropriate District Office

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT IV

DISTRICT II 1301 V. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III 1000 Rio Brazos Ed., Aztec, NM 87410

1220 S. ST. FRANCIS DR., SANTA PE, NM 87505

API Number

### State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION SU 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code 79240 Jalmat

OGRID No. 329326

30.025.37

Property Code

330686

POGO PRODUCING COMPANY

**Property** Name

C.E. LAMUNYON FEDERAL

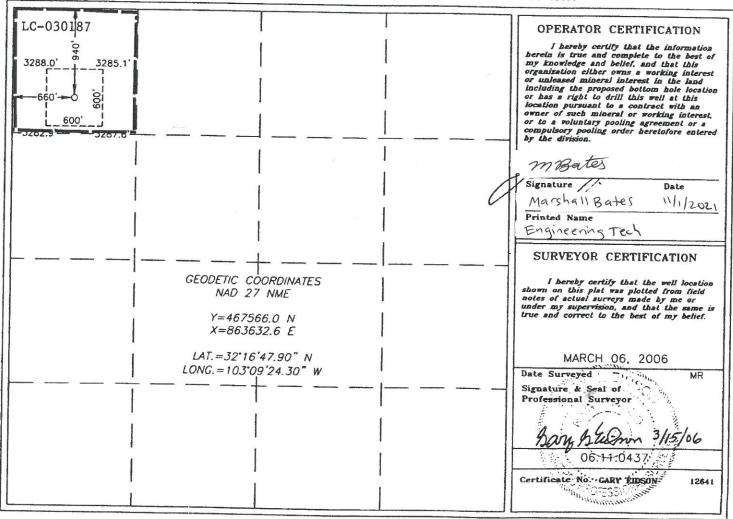
**Operator** Name

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	23-S	37-E		940	NORTH	660	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint o	or Infill C	onsolidation	Code Or	der No.	1		·	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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Energy, Minerals and Natural Resources Department

DISTRICT I 1625 N. PRENCH DR., HOBBS, NM 88240

.

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DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

## OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA PE, NM 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	, GRAYBURG
30-025-37924	37240	LANGLIE MATTIX- 7RIVERS, QUEEN	
Property Code		Property Name	Well Number
330686		IUNYON FEDERAL	90
OGRID No.		Operator Name	Elevation
329326		DDUCING COMPANY	3285'

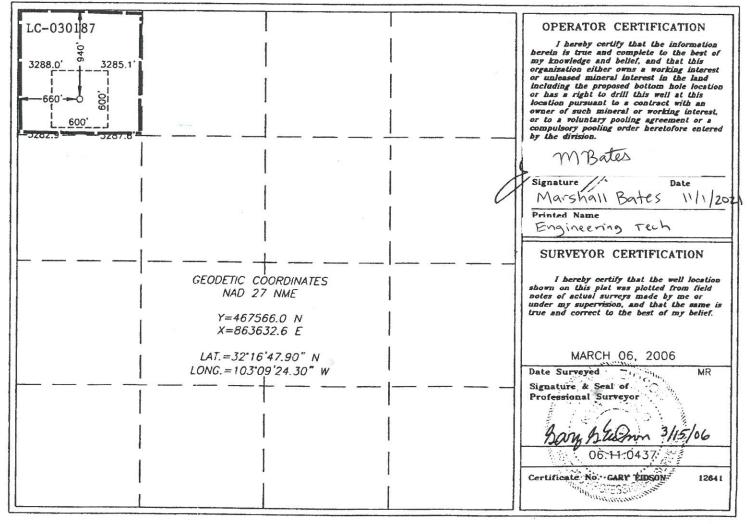
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	23-S	37-E		940	NORTH	660	WEST	LEA

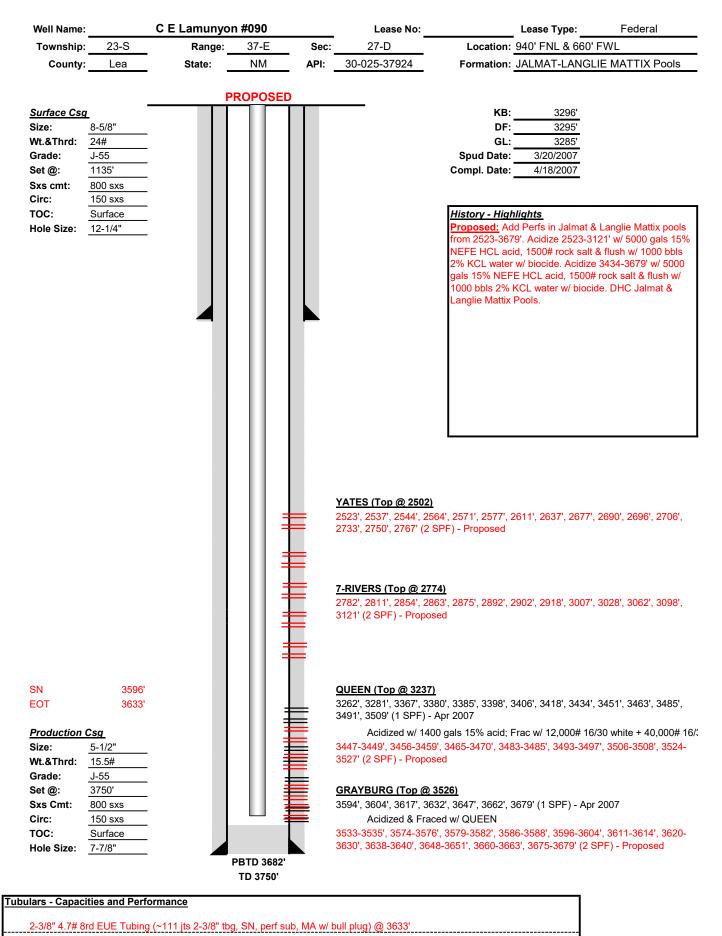
### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint o	r Infill Co	onsolidation	Code Or	der No.	I	I	<u> </u>	L

### NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



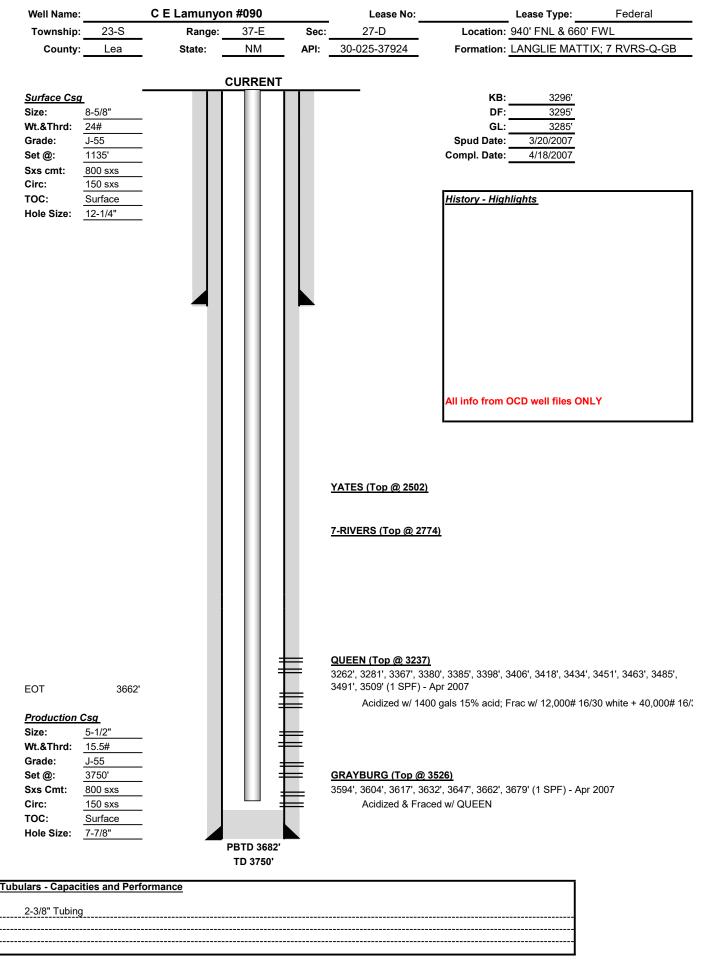
## Received by OCD: 11/2/2021 7:50:36 AM



WBD\_C E Lamunyon #090\_CURRENT\_2021-11-03.xlsx

Released to Imaging: 12/20/2021 4:41:00 PM

## Received by OCD: 11/2/2021 7:50:36 AM



WBD\_C E Lamunyon #090\_CURRENT\_2021-11-03.xlsx

From:	Vanessa Neal
То:	McClure, Dean, EMNRD
Subject:	RE: [EXTERNAL] DHC Applications Format & Missing Items?
Date:	Wednesday, November 3, 2021 12:16:21 PM
Attachments:	image001.png
	BLM_DHC_C_E_Lamunyon #090_Sundry_Submittal_2021-11-03.pdf

Awesome, thank you Dean!

Here are the tracking numbers we have for the submitted DHCs. I'm not sure which ones you were waiting on, so I included all the tracking numbers we had documented.

I've also attached a PDF of the DHC submitted to the BLM for C E Lamunyon #90; a DHC application was submitted earlier this week to the OCD. Is the PDF attached an acceptable substitute for the BLM tracking numbers for future submissions?

Project	ΑΡΙ	SLO/BLM Submittal Tracking Info
State A A/C 2 #062	30-025-25542	7020 0640 0000 9346 5293
State C TR 11 #003	30-025-23103	7020 0640 0000 9346 5293
State C TR 11 #005	30-025-25517	7020 0640 0000 9346 5293
State I Com #002	30-025-06133	7020 0640 0000 9346 5293
C D Woolworth #008	30-025-32862	7020 0640 0000 9346 5293
Cagle C #005	30-025-34450	7021 0350 0001 5380 9936
Cagle C Federal Com #006	30-025-37342	7021 0350 0001 5380 9936
Myers B #006	30-025-31382	7021 0350 0001 5380 9936
Rhodes Federal Unit #047	30-025-20011	7021 0350 0001 5380 9936
Rhodes Federal Unit #096	30-025-24536	7021 0350 0001 5380 9936
Rhodes Federal Unit #098	30-025-37514	7021 0350 0001 5380 9936
Rhodes Federal Unit #102	30-025-24537	7021 0350 0001 5380 9936
Shell A State COM #006	30-025-32030	7020 0640 0000 9346 3985
State A A/C 1 #096	30-025-09250	7020 0640 0000 9346 5293
State A A/C 1 #129	30-025-34877	7020 0640 0000 9346 5293
State A A/C 2 #057	30-025-20297	7020 0640 0000 9346 5293
Stevens A-35 Com #002	30-025-09467	7021 0350 0001 5380 9936

Thank you, Vanessa Neal |Sr Reservoir Engineer

forty acres energy

O 832.219.0990 (ext 165)

C <u>979.255.3476</u>

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, November 2, 2021 6:41 PM
To: Vanessa Neal <vanessa@faenergyus.com>

# Subject: RE: [EXTERNAL] DHC Applications Format & Missing Items?

Hello Vanessa,

Quite busy, but I suppose I can't complain; hopefully everything in your world is going great.

Based off my conversations with Marshall, I think he had mentioned that there may be some applications in the current batch that require notice to either the BLM or SLO which the evidence of which has not been provided, but I have not had a chance to sit down and go through them all quite yet. Regarding format and future submittals, I have an outdated guidance document regarding DHCs, but I will see if I can update it and help make it more specific to what would be more relevant to FAE. Please note that there are different requirements based upon whether the pools being commingled have been commonly commingled in the area or not. For FAE, this becomes relevant because some of your proposed pools to be commingled are common and some are not. An example of an application that is not is DHC-5150 for the E C Hill A 7.

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

From: Vanessa Neal <<u>vanessa@faenergyus.com</u>>
Sent: Tuesday, November 2, 2021 5:25 PM
To: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>>
Subject: [EXTERNAL] DHC Applications Format & Missing Items?

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

Hi Dean,

I hope everything is going great in your world.

I am going to be helping Marshall Bates submit downhole commingle applications in the future and I was wondering if you had a preferred format for submissions? I would also like to make sure you get everything you need for approval upon initial submission, if possible; is there anything that we have repeatedly missed in the past that you have had to ask for?

I know that we are planning a lot of work in 2022 that will require DHC permits, so I am hoping to get those to you as soon as possible. For the DHC applications currently in your que, are you waiting on any missing items from us? If you let me know what you need I will get it to you ASAP.

Looking forward to working with you! Vanessa Neal |Sr Reservoir Engineer

# forty acres energy

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- 11757 Katy Freeway, Suite 725 | Houston, TX 77079
- O <u>832.219.0990 (ext 165)</u>
- C <u>979.255.3476</u>
- E <u>vanessa@faenergyus.com</u>

Received by UCD.S1/2/2021 7:50:36 AM U.S. Department of the Interior BUREAU OF LAND MANAGEMENT		Sundry Print Report 11/03/2021
Well Name: CE LA MUNYON FED	Well Location: T23S / R37E / SEC 27 / NWNW / 32.28001 / -103.157172	County or Parish/State: LEA / NM
Well Number: 90	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMLC030187	Unit or CA Name:	Unit or CA Number:
US Well Number: 3002537924	Well Status: Oil Well Shut In	Operator: FAE II OPERATING

## **Notice of Intent**

Sundry ID: 2642646

Type of Submission: Notice of Intent

Date Sundry Submitted: 11/03/2021

Date proposed operation will begin: 11/30/2021

Type of Action: Commingling (Subsurface) Time Sundry Submitted: 10:24

Procedure Description: Add Perfs in Jalmat & Langlie Mattix pools from 2523-3679'. Acidize 2523-3121' w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt & flush w/ 1000 bbls 2% KCL water w/ biocide. Acidize 3434-3679' w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt & flush w/ 1000 bbls 2% KCL water w/ biocide. DHC Jalmat & Langlie Mattix Pools.

**NOI Attachments** 

## **Procedure Description**

FAE\_II\_Operating\_DHC\_Application\_C\_E\_Lamunyon\_90\_2021\_11\_01\_20211103102223.pdf

WBD\_C\_E\_Lamunyon\_90\_CURRENT\_PROPOSED\_2021\_11\_03\_20211103102022.pdf

Received by OCD: 11/2/2021 7:50:36 AM Well Name: CE LA MUNYON FED	Well Location: T23S / R37E / SEC 27 / NWNW / 32.28001 / -103.157172	County or Parish/State: LEA / 8 of 2 NM
Well Number: 90	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMLC030187	Unit or CA Name:	Unit or CA Number:
<b>US Well Number:</b> 3002537924	Well Status: Oil Well Shut In	<b>Operator:</b> FAE II OPERATING LLC

# **Operator Certification**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

**Operator Electronic Signature: VANESSA NEAL** 

Signed on: NOV 03, 2021 10:22 AM

Name: FAE II OPERATING LLC Title: Reservoir Engineer Street Address: 11757 KATY FREEWAY, SUITE 1000

City: HOUSTON

Phone: (832) 219-0990

Email address: VANESSA@FAENERGYUS.COM

State: TX

## Field Representative

Representative Name: Street Address: City: State: Phone: Email address:

Zip:

From:	Engineer, OCD, EMNRD
То:	<u>Marshall Bates; Vanessa Neal</u>
Cc:	McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Hawkins, James , EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; Paradis, Kyle O; Walls, Christopher
Subject:	Approved Administrative Order DHC-5162
Date:	Monday, December 20, 2021 4:23:53 PM
Attachments:	DHC5162 Order.pdf

NMOCD has issued Administrative Order DHC-5162 which authorizes FAE II Operating, LLC (329326) to downhole commingle production from 2 pools in their C E Lamunyon 90 well (30-025-37924).

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

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

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

# APPLICATION FOR DOWNHOLE COMMINGLINGSUBMITTED BY FAE II OPERATING, LLCORDER NO. DHC-5162

## <u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

## FINDINGS OF FACT

- 1. FAE II Operating, LLC ("Applicant") submitted a complete application ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
- 2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
- 3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
- 4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
- 5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
- 6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
- 7. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

## **CONCLUSIONS OF LAW**

- 8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
- 9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
- 10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

Order No. DHC-5162

proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
- 12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

## <u>ORDER</u>

- 1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
- 2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
- 3. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
- 4. Prior to commingling production from the Pools within the Well's well bore, Applicant shall confirm the depth of the top of the Queen Formation with OCD's Engineering Bureau. If the depth confirmed by OCD's Engineering Bureau is different than the depth submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after commingling production, Applicant shall submit Form C-103 to the OCD Engineering Bureau correcting the depth of the top of the Queen Formation.
- 5. If the Well is deepened, then Applicant shall conduct and, no later than forty-five (45) days after the Well is deepened, provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
- 6. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant

Order No. DHC-5162

shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

- 8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

**DATE:** 12/20/21

ADRIENNE SANDOVAL DIRECTOR

	Exhibit A		
	Order: DHC-5162		
	Operator: FAE II Operating, I	.LC (329326)	
	Well Name: C E Lamunyon #90	1	
	Well API: 30-025-37924		
	Pool Name: JALMAT;TAN-YAT	ES-7 RVRS (GAS)	
Unner Zene	Pool ID: 79240	Current:	New: X
Upper Zone	Allocation: Fixed Percent	Oil: 0%	Gas: 75%
	Interval: Perforations	Top: 2,523	Bottom: 3,122
	Pool Name:		
Intermediate Zone	Pool ID:	Current:	New:
	Allocation:	Oil:	Gas:
	Interval:	Тор:	Bottom:
Bottom of Inter-	val within 150% of Upper Zone's To	p of Interval:	
	Pool Name: LANGLIE MATTIX;	7 RVRS-Q-GRAYBURG	
Lower Zone	Pool ID: 37240	Current: X	New:
Lower Zone	Allocation: Fixed Percent	Oil: 100%	Gas: 25%
	Interval: Perforations	Top: 3,262	Bottom: 3,680
Bottom of Interv	val within 150% of Upper Zone's To	p of Interval: YES	
Top of Ou	een Formation: 3,240		

## State of New Mexico Energy, Minerals and Natural Resources Department

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

Operator:	OGRID:
FAE II Operating LLC	329326
11757 Katy Freeway, Suite 1000	Action Number:
Houston, TX 77079	59160
	Action Type:
	[C-107] Down Hole Commingle (C-107A)

CONDITIONS						
	Created By	Condition	Condition Date			
	dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/20/2021			

CONDITIONS

Action 59160

Page 24 of 24