

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
**- Engineering Bureau -**  
 1220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[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

Print or Type Name

Signature

Engineering Tech

Title

Marshall@FAEnergyus.com

e-mail Address

6/25/2021

Date

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos 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  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

FAE II Operating, LLC 11757 Katy Fwy. Ste. 1000, Houston, TX 77079

Operator Address  
State A A/C 1 96 3-04-23S-36E Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
329326 96 30-025-09250 X  
OGRID No. Property Code API No. Lease 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)	3,118 – 3,644'		3,656 – 3,751
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 / 1.346 BTU		35.0 API / 1.346 BTU
Producing, Shut-In or New Zone	Producing		New Zone
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 (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % 84 %	Oil Gas % %	Oil Gas 100 % 16 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐  
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐  
Will commingling decrease the value of production? Yes ☐ No ☒  
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 ☒ No ☐  
NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

- Attachments:
- 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 Marshall Bates TITLE Engineering Tech DATE 6/24/2021  
TYPE OR PRINT NAME Marshall Bates TELEPHONE NO. (832) 706 - 0041  
E-MAIL ADDRESS Marshall@FAEnergyus.com

# faeIIoperating

June 22, 2021

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

**Re: State A A/C 1 #096: API 30-025-09250**  
**Jalmat Pool: 79240**  
**Langlie Mattix Pool: 37240**

Dear Mr. McClure:


FAE II Operating 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](mailto:steven@faenergyus.com).

Thank you for your attention to this matter.

Sincerely,

FAE II Operating, LLC

A handwritten signature in blue ink, appearing to read 'S Lehrbass', with a long horizontal flourish extending to the right.

Steven Lehrbass  
Land

# faeIIoperating

June 23, 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 State A A/C 1 #96 well located in Sec. 4, T-23S, R-36E, 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 State A A/C 1 #96 well located in Unit Letter C, Section 4, T-23S, R-36E, 660 feet FNL and 2,310 feet FWL, as shown in the attached C-102's for each zone.

State A A/C 1 #96 is currently open to the Yates-Seven Rivers interval, which translates to the JALMAT; TAN-YATES-7 RVRS (GAS) [Pool ID: 79240]. 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 State A A/C 1 #96 is the Seven Rivers-Queen, which translates to the LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG [Pool ID: 37240]. To develop a forecast for this zone, thirty-nine (39) surrounding wells with production history from the Seven Rivers-Queen were used as an offset to prove up hole potential in the State A A/C 1 #96 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 1.3 BOPD and 23.9 MCFPD is the expected total, and of that, 1.3 BOPD and 3.8 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 0.0 BOPD and 20.1 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](mailto:marshall@faenergyus.com) or by telephone at (832) 241-8080.

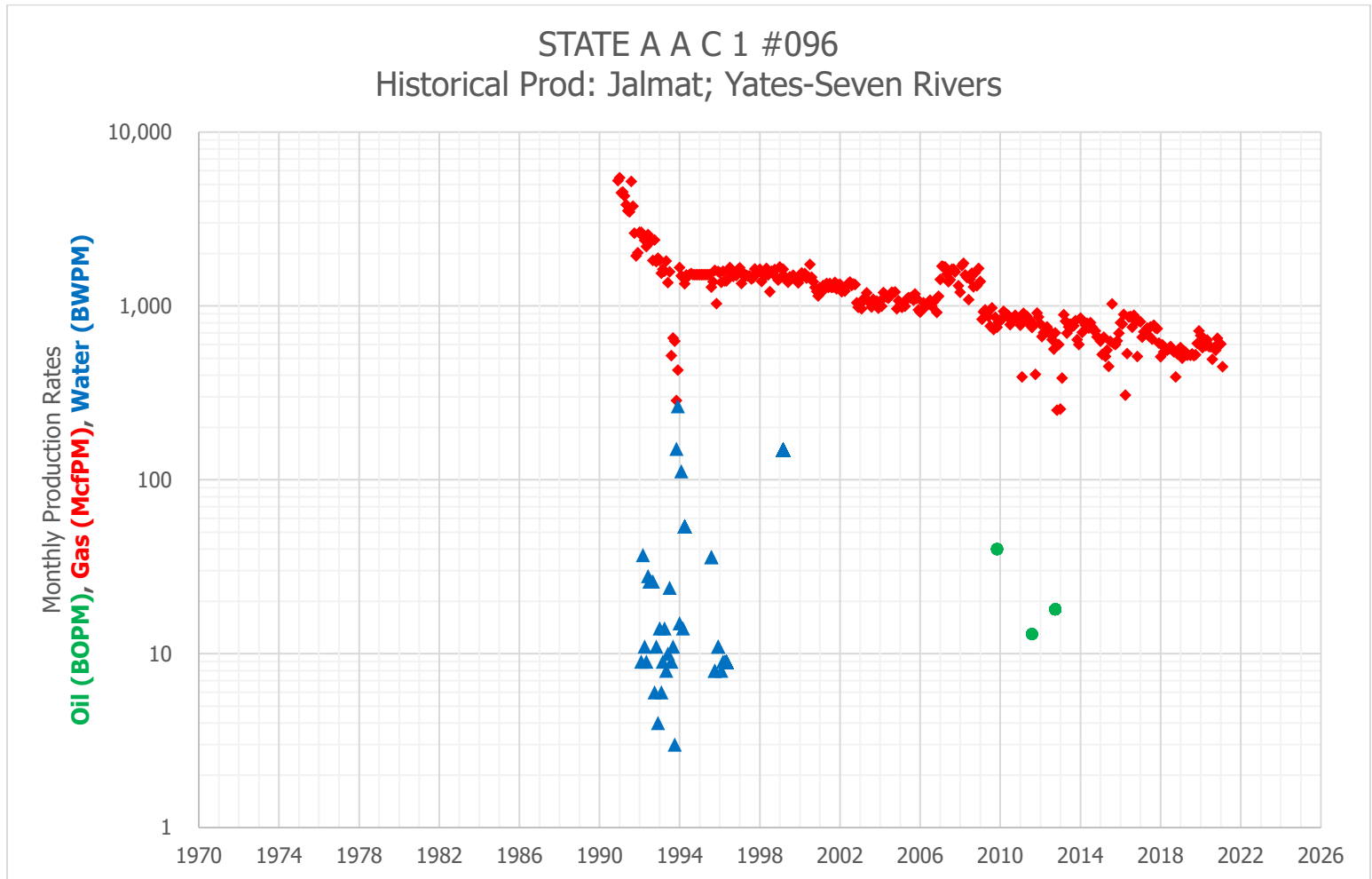
Very truly yours,



**FAE II Operating, LLC**

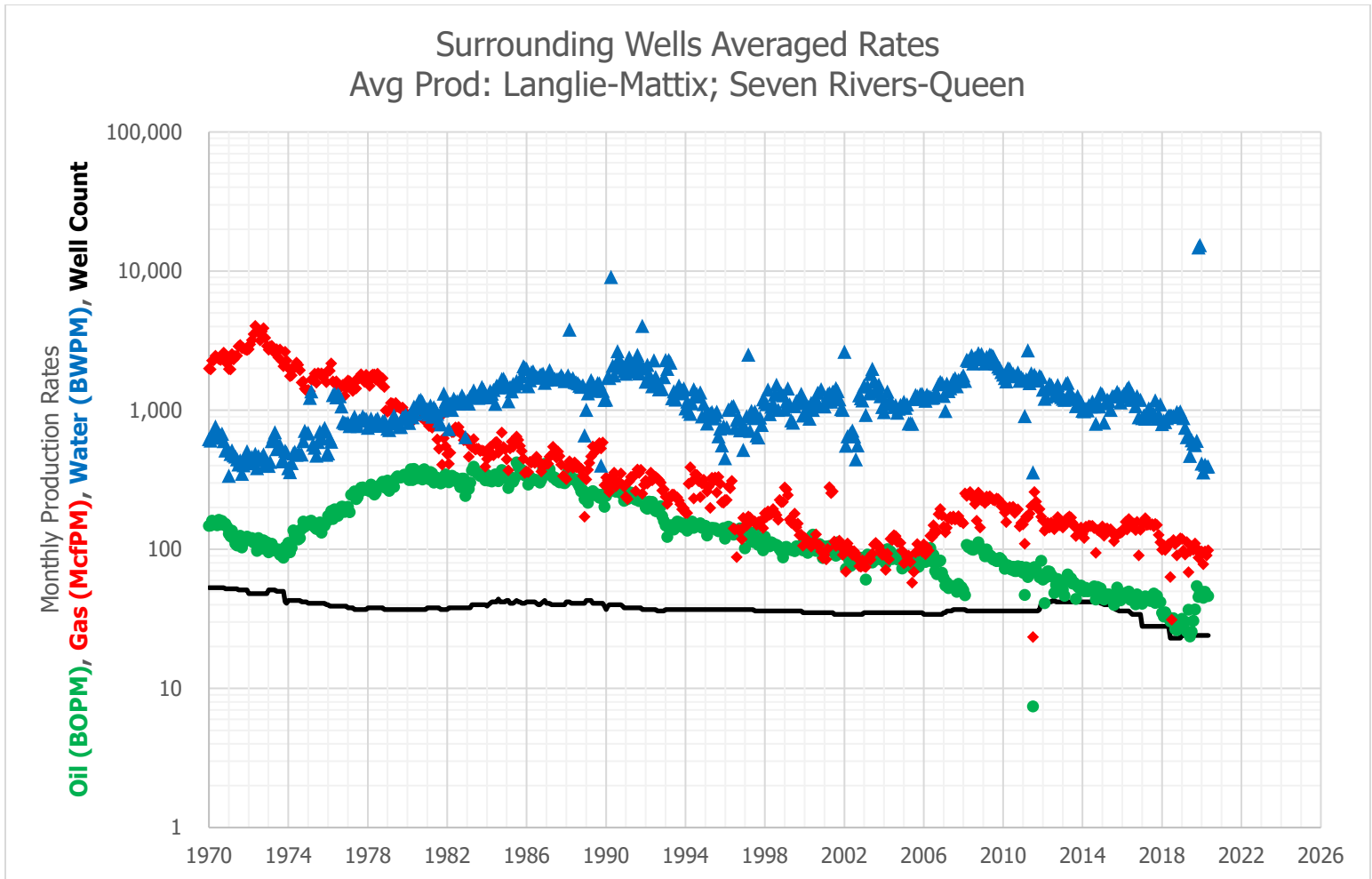
# faeIIoperating

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



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



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## Exhibit C – Historical Production and Decline Curve

Surrounding Wells Averaged Rates					STATE A A C 1 #096				Synthetic Decline Curve			
Avg Prod: Langlie-Mattix; Seven Rivers-Queen					Historical Prod: Jalmat; Yates-Seven Rivers							
Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Month	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
7/1/2015	45	131	1,259	39	9/1/2011		783		1	39.3	727	1,299
8/1/2015	40	114	1,255	38	10/1/2011		404		2	39.1	725	1,295
9/1/2015	47	123	1,253	37	11/1/2011		913		3	38.9	723	1,291
10/1/2015	53	128	1,351	37	12/1/2011		865		4	38.7	721	1,286
11/1/2015	44	130	1,309	36	1/1/2012	-	790		5	38.6	719	1,282
12/1/2015	43	131	1,134	36	2/1/2012	-	668		6	38.4	717	1,278
1/1/2016	46	133	1,257	36	3/1/2012	-	704		7	38.2	716	1,274
2/1/2016	46	141	1,307	36	4/1/2012	-	718		8	38.0	714	1,270
3/1/2016	48	157	1,334	36	5/1/2012	-	759		9	37.8	712	1,265
4/1/2016	46	139	1,415	36	6/1/2012	-	727		10	37.7	710	1,261
5/1/2016	50	165	1,459	36	7/1/2012	-	684		11	37.5	709	1,257
6/1/2016	43	155	1,187	35	8/1/2012	-	639		12	37.3	707	1,253
7/1/2016	45	145	1,303	34	9/1/2012	-	565		13	37.1	705	1,249
8/1/2016	43	153	1,214	34	10/1/2012	18	700		14	36.9	703	1,245
9/1/2016	40	137	1,069	34	11/1/2012		252		15	36.8	702	1,241
10/1/2016	47	157	1,258	34	12/1/2012		600		16	36.6	700	1,237
11/1/2016	44	90	889	34	1/1/2013		256		17	36.4	698	1,233
12/1/2016	45	138	1,185	34	2/1/2013		385		18	36.2	696	1,229
1/1/2017	41	155	878	28	3/1/2013		891		19	36.1	695	1,224
2/1/2017	45	155	917	28	4/1/2013		817		20	35.9	693	1,220
3/1/2017	46	167	867	28	5/1/2013		699		21	35.7	691	1,216
4/1/2017	43	149	900	28	6/1/2013		758		22	35.5	689	1,212
5/1/2017	45	151	1,031	28	7/1/2013		786		23	35.4	688	1,208
6/1/2017	43	150	1,016	28	8/1/2013		762		24	35.2	686	1,205
7/1/2017	44	152	910	28	9/1/2013		770		25	35.0	684	1,201
8/1/2017	48	146	935	28	10/1/2013		824		26	34.9	683	1,197
9/1/2017	41	153	1,175	28	11/1/2013		639		27	34.7	681	1,193
10/1/2017	46	149	870	28	12/1/2013		601		28	34.5	679	1,189
11/1/2017	42	126	927	28	1/1/2014		853		29	34.4	677	1,185
12/1/2017	42	112	1,097	28	2/1/2014		706		30	34.2	676	1,181
1/1/2018	35	99	795	28	3/1/2014		807		31	34.0	674	1,177
2/1/2018	33	107	840	28	4/1/2014		779		32	33.9	672	1,173
3/1/2018	35	99	823	28	5/1/2014		795		33	33.7	671	1,169
4/1/2018	33	103	877	28	6/1/2014		746		34	33.6	669	1,165
5/1/2018	32	109	909	28	7/1/2014		803		35	33.4	667	1,162
6/1/2018	30	63	917	23	8/1/2014		754		36	33.2	666	1,158
7/1/2018	32	31	906	23	9/1/2014		723		37	33.1	664	1,154
8/1/2018	32	117	906	23	10/1/2014		720		38	32.9	662	1,150
9/1/2018	27	109	894	23	11/1/2014		665		39	32.8	661	1,146
10/1/2018	26	90	966	23	12/1/2014		654		40	32.6	659	1,143
11/1/2018	28	115	942	23	1/1/2015		627		41	32.5	657	1,139
12/1/2018	31	120	979	23	2/1/2015		526		42	32.3	656	1,135
1/1/2019	32	119	901	24	3/1/2015		663		43	32.1	654	1,131
2/1/2019	28	98	877	24	4/1/2015		513		44	32.0	652	1,128
3/1/2019	30	92	748	24	5/1/2015		556		45	31.8	651	1,124
4/1/2019	26	113	641	24	6/1/2015		450		46	31.7	649	1,120
5/1/2019	37	68	654	24	7/1/2015		625		47	31.5	648	1,117
6/1/2019	24	97	469	24	8/1/2015		1,027		48	31.4	646	1,113
7/1/2019	26	105	609	24	9/1/2015		607		49	31.2	644	1,109
8/1/2019	31	99	576	24	10/1/2015		600		50	31.1	643	1,106
9/1/2019	37	110	560	24	11/1/2015		630		51	30.9	641	1,102
10/1/2019	54	102	603	24	12/1/2015		699		52	30.8	640	1,098
11/1/2019	45	87	14,805	24	1/1/2016		802		53	30.6	638	1,095
12/1/2019	49	93	15,311	24	2/1/2016		786		54	30.5	636	1,091
1/1/2020	50	97	413	24	3/1/2016		893		55	30.3	635	1,088
2/1/2020	45	78	356	24	4/1/2016		307		56	30.2	633	1,084
3/1/2020	50	96	405	24	5/1/2016		533		57	30.1	632	1,081
4/1/2020	47	90	391	24	6/1/2016		866		58	29.9	630	1,077
5/1/2020	46	98	393	24	7/1/2016		872		59	29.8	628	1,073
6/1/2020	36	80	313	24	8/1/2016		756		60	29.6	627	1,070
7/1/2020	41	83	324	24	9/1/2016		885					
8/1/2020	41	86	457	24	10/1/2016		813					
9/1/2020	34	86	309	24	11/1/2016		513					
10/1/2020	38	79	278	24	12/1/2016		821					
11/1/2020	39	92	270	24	1/1/2017		812					
12/1/2020	39	75	278	24	2/1/2017		661					

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## 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	20.1	0.0
Langlie Mattix	Seven Rivers-Queen	1.3	3.8	42.7
	<b>Total</b>	<b>1.3</b>	<b>23.9</b>	<b>42.7</b>
Jalmat	Yates-Seven Rivers	0%	84%	0%
Langlie Mattix	Seven Rivers-Queen	100%	16%	100%
	<b>Total (%)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

30025092500000

BLACKBEARD

STATE `A` A/C-1 96  
SPUD DATE : 10/31/1960  
T23S R36E S4

Log  
Depth(ft)

3100 -

3150 -

3200 -

3250 -

3300 -

3350 -

3400 -

3450 -

3500 -

3550 -

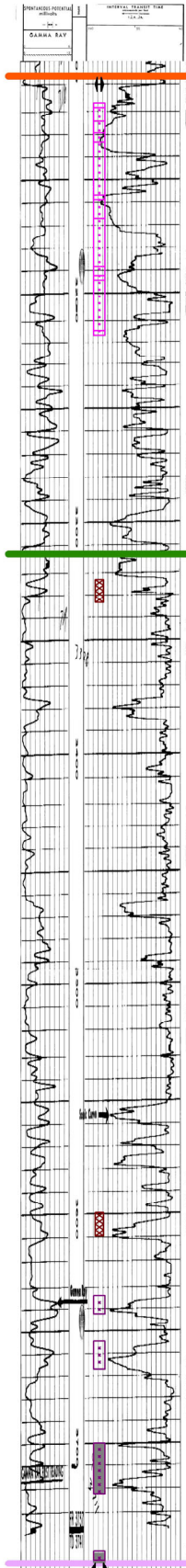
3600 -

3650 -

3700 -

3750 -

3800 -



YATES

SEVEN\_RIVERS

QUEEN

API	Source	Type	Top Perf	Btm Perf
30025092500000	WBD	ACTIVE	3118	3219
30025092500000	WBD	INACTIVE	3636	3644
30025092500000	WBD	INACTIVE	3656	3668
30025092500000	WBD	INACTIVE	3700	3722
30025092500000	WBD	INACTIVE	3747	3751

STATE `A` A/C-1 96

ELEV\_KB : 3,480

TD : 3,757

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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-09250	<sup>2</sup> Pool Code 79240	<sup>3</sup> Pool Name JALMAT; TAN-YATES-7 RVRS (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name STATE A A/C 1	<sup>6</sup> Well Number #096
<sup>7</sup> OGRID No. 329326	<sup>8</sup> Operator Name FAE II OPERATING, LLC	<sup>9</sup> Elevation 3470'

<sup>10</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	4	23S	36E		660	N	2310	W	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	4	23S	36E		660	N	2310	W	LEA

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

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.

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
	Signature: <i>M Bates</i> Date: 6/22/2021 Marshall Bates Printed Name Marshall@FAEnergyus.com E-mail Address	
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
	Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-09250	<sup>2</sup> Pool Code 37240	<sup>3</sup> Pool Name LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG
<sup>4</sup> Property Code	<sup>5</sup> Property Name STATE A A/C 1	<sup>6</sup> Well Number #096
<sup>7</sup> OGRID No. 329326	<sup>8</sup> Operator Name FAE II OPERATING, LLC	<sup>9</sup> Elevation 3470'

<sup>10</sup> Surface Location


UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

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.

<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  6/22/2021 Signature Date Marshall Bates Printed Name Marshall@FAEnergyus.com E-mail Address	
	<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	

Well Name: State A A/C 1 #096 Lease No: A-983 Lease Type: State  
 Township: 23-S Range: 36-E Sec: 04-C-Lot: 3 Location: 660' FNL & 2310' FWL  
 County: Lea State: NM API: 30-025-09250 Formation: [79240] JALMAT; TAN-YATES-7 RVRs (GAS)  
[37240] LANGLEI MATTIX; 7 RVRs-Q-GB

Surface Csg

Size: 8-5/8"  
 Wt.&Thrd: 24#  
 Grade: J-55  
 Set @: 328'  
 Sxs cmt: 300 sxs  
 Circ: Circ  
 TOC: Surface  
 Hole Size: 12-1/4"

KB: 3480'  
 DF: 3479'  
 GL: 3470'  
 Spud Date: 10/31/1960  
 Compl. Date: 11/6/1960

**PROPOSED**History - Highlights1962-06: TA well

**Proposed:** DO CIBP, CO to TD, Add Perfs to 7 RVRs.  
 Acidize new & old perfs in 7 RVRs together. DHC Jalmat & Langlie Mattix pools.

SN 3683'  
 EOT 3720'

Production Csg

Size: 5-1/2"  
 Wt.&Thrd: 14#  
 Grade: J-55  
 Set @: 3756'  
 Sxs Cmt: 250 sxs  
 Circ:   
 TOC: 2230' (temp)  
 Hole Size: 7-7/8"

**PBTD 3752'**  
**TD 3757'**

YATES (Top @ 3110')

3118', 3120', 3126', 3131', 3135', 3158', 3160', 3168', 3189', 3193', 3195', 3217', 3219' (1 JSP)  
 Acidized w/ 1500 gals acid; Frac w/ 75,600 gals & 110,000# 12/20 sand

7-RIVERS (Top @ 3330')

**3553-3559', 3567-3570', 3575-3579', 3604-3611' (2 SPF) - Proposed**  
 Acidize all 7 RVRs w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt & flush w/ 1000 bbls 2% KCL wtr

3636-3644' - Nov 1960  
 Acidize w/ 500 gals MA; Frac w/ 10,000 gals oil & 10,000# sand (not recovered)

3656-3688' - Nov 1960  
 Frac w/ 10,000 gals oil, 10,000# sand, & 250# Adomite (recovered load oil)

3700-3722' - Nov 1960  
 Frac w/ 10,000 gals oil, 10,000# sand, & 200# Adomite (recovered load oil)

3747-3751' - Nov 1960  
 Acidized w/ 500 gals MA

Tubulars - Capacities and Performance

**2-3/8" 4.7# J-55 EUE Tubing (114 jts 2-3/8" tbg, SN, 4' perf sub, MA w/ bull plug)**

Well Name: State A A/C 1 #096 Lease No: A-983 Lease Type: State  
 Township: 23-S Range: 36-E Sec: 04-C-Lot: 3 Location: 660' FNL & 2310' FWL  
 County: Lea State: NM API: 30-025-09250 Formation: [79240] JALMAT; TAN-YATES-7 RVRS (GAS)

**CURRENT**Surface Csg

Size: 8-5/8"  
 Wt.&Thrd: 24#  
 Grade: J-55  
 Set @: 328'  
 Sxs cmt: 300 sxs  
 Circ: Circ  
 TOC: Surface  
 Hole Size: 12-1/4"

KB: 3480'  
 DF: 3479'  
 GL: 3470'  
 Spud Date: 10/31/1960  
 Compl. Date: 11/6/1960

History - Highlights1962-06: TA well

All info from OCD well files ONLY

EOT 3110'

CIBP 3325'

Production Csg

Size: 5-1/2"  
 Wt.&Thrd: 14#  
 Grade: J-55  
 Set @: 3756'  
 Sxs Cmt: 250 sxs  
 Circ:   
 TOC: 2230' (temp)  
 Hole Size: 7-7/8"

PBTD 3325'  
 TD 3757'

YATES (Top @ 3110')

3118', 3120', 3126', 3131', 3135', 3158', 3160', 3168', 3189', 3193', 3195', 3217', 3219' (1 JSP)  
 Acidized w/ 1500 gals acid; Frac w/ 75,600 gals & 110,000# 12/20 sand

7-RIVERS (Top @ 3330') [ISOLATED]

3636-3644' - Nov 1960  
 Acidize w/ 500 gals MA; Frac w/ 10,000 gals oil & 10,000# sand (not recovered)  
 3656-3688' - Nov 1960  
 Frac w/ 10,000 gals oil, 10,000# sand, & 250# Adomite (recovered load oil)  
 3700-3722' - Nov 1960  
 Frac w/ 10,000 gals oil, 10,000# sand, & 200# Adomite (recovered load oil)  
 3747-3751' - Nov 1960  
 Acidized w/ 500 gals MA

Tubulars - Capacities and Performance

2-3/8" Tubing

**From:** [Vanessa Neal](#)  
**To:** [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	API	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 \(ext 165\)](tel:832.219.0990)

C [979.255.3476](tel:979.255.3476)

**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

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**From:** Vanessa Neal <[vanessa@faenergyus.com](mailto:vanessa@faenergyus.com)>

**Sent:** Tuesday, November 2, 2021 5:25 PM

**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>

**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 queue, 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**

11757 Katy Freeway, Suite 725 | Houston, TX 77079

O [832.219.0990 \(ext 165\)](tel:832.219.0990)

C [979.255.3476](tel:979.255.3476)

E [vanessa@faenergyus.com](mailto:vanessa@faenergyus.com)

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Vanessa Neal](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order DHC-5143  
**Date:** Friday, April 15, 2022 12:14:10 PM  
**Attachments:** [DHC5143 Order.pdf](#)

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NMOCD has issued Administrative Order DHC-5143 which authorizes FAE II Operating, LLC (329326) to downhole commingle production within the following well:

**Well Name:** [State A AC 1 #96](#)

**Well API:** [30-025-09250](#)

---

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

**From:** [Vanessa Neal](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** [EXTERNAL] downhole commingling application DHC-5143  
**Date:** Wednesday, December 29, 2021 9:48:23 AM  
**Attachments:** [image001.png](#)  
[WBD State A AC 1 #096 CURRENT-PROPOSED 2021-12.pdf](#)

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

Mr. McClure,

Attached are the current and proposed wellbore diagrams for the State A A/C 1 #96 (30-025-09250).

The DHC package was previously submitted (mailed) to the SLO via USPS, we were provided a tracking number [7020 0640 0000 9346 5293] that shows delivery on 9/20/2021.

Thank you,

Vanessa Neal | Sr Reservoir Engineer

**forty acres energy**

11757 Katy Freeway, Suite 725 | Houston, TX 77079

O [832.219.0990](tel:832.219.0990) (ext 165)

C [979.255.3476](tel:979.255.3476)

E [vanessa@faenergyus.com](mailto:vanessa@faenergyus.com)

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

**APPLICATION FOR DOWNHOLE COMMINGLING  
SUBMITTED BY FAE II OPERATING, LLC**

**ORDER NO. DHC-5143**

**ORDER**

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

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.

### **ORDER**

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

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**



**ADRIENNE E. SANDOVAL  
DIRECTOR**

**DATE:** 4/15/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **DHC-5143**

Operator: **FAE II Operating, LLC (329326)**

Well Name: **State A AC 1 #96**

Well API: **30-025-09250**

Upper Zone	Pool Name: <b>JALMAT;TAN-YATES-7 RVRS (GAS)</b>		
	Pool ID: <b>79240</b>	Current: <b>X</b>	New:
	Allocation: <b>Fixed Percent</b>	Oil: <b>0%</b>	Gas: <b>84%</b>
	Interval: <b>Perforations</b>	Top: <b>3,118</b>	Bottom: <b>3,644</b>
Intermediate Zone	Pool Name:		
	Pool ID:	Current:	New:
	Allocation:	Oil:	Gas:
	Interval:	Top:	Bottom:
Bottom of Interval within 150% of Upper Zone's Top of Interval:			
Lower Zone	Pool Name: <b>LANGLIE MATTIX;7 RVRS-Q-GRAYBURG</b>		
	Pool ID: <b>37240</b>	Current:	New: <b>X</b>
	Allocation: <b>Fixed Percent</b>	Oil: <b>100%</b>	Gas: <b>16%</b>
	Interval: <b>Perforations</b>	Top: <b>3,656</b>	Bottom: <b>3,751</b>
Bottom of Interval within 150% of Upper Zone's Top of Interval: <b>YES</b>			
Top of Queen Formation: <b>3,750</b>			

**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

Action 33755

**CONDITIONS**

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 33755
	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.	4/15/2022