

**From:** [McClure, Dean, EMNRD](#)  
**To:** ["Vanessa Neal"](#)  
**Cc:** [Wrinkle, Justin, EMNRD](#)  
**Subject:** RE: [EXTERNAL] downhole commingling application DHC-5150  
**Date:** Thursday, November 10, 2022 1:13:00 PM  
**Attachments:** [image001.png](#)

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DHC-5150 has now been withdrawn at the Applicant's request.

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:** Thursday, November 10, 2022 12:57 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Cc:** Wrinkle, Justin, EMNRD <[Justin.Wrinkle@emnrd.nm.gov](mailto:Justin.Wrinkle@emnrd.nm.gov)>  
**Subject:** RE: [EXTERNAL] downhole commingling application DHC-5150

Mr. McClure,

Forty Acres would like to formerly withdraw this C-107a application.

Thank you,  
Vanessa Neal | Sr Reservoir Engineer

**forty acres energy**

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

 [979.255.3476](tel:979.255.3476)

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Sent:** Thursday, November 10, 2022 10:33 AM  
**To:** Vanessa Neal <[vanessa@faenergyus.com](mailto:vanessa@faenergyus.com)>  
**Cc:** Wrinkle, Justin, EMNRD <[Justin.Wrinkle@emnrd.nm.gov](mailto:Justin.Wrinkle@emnrd.nm.gov)>  
**Subject:** FW: [EXTERNAL] downhole commingling application DHC-5150

Ms. Neal,

Do you have a status update regarding the topic below?

Please note that failure to take steps to address each of the topics addressed in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once the topics have been fully addressed.

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:** Friday, July 1, 2022 10:29 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** RE: [EXTERNAL] downhole commingling application DHC-5150

Hi Dean!

Our operations group has re-pulled the samples needed, but the lab is slow on processing. We have actually switched labs because of how long the first one was taking to process samples. I'll see if they are able to expedite the process.

As soon as I get them, I will send them your way.

Thank you,  
Vanessa Neal | Sr Reservoir Engineer

**forty acres energy**

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

C [979.255.3476](tel:979.255.3476)

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**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Friday, July 1, 2022 10:32 AM  
**To:** Vanessa Neal <[vanessa@faenergyus.com](mailto:vanessa@faenergyus.com)>  
**Subject:** RE: [EXTERNAL] downhole commingling application DHC-5150

Vanessa,

Do you have a status update regarding the request below? If you had responded via another email chain, please resend that email.

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, April 12, 2022 7:30 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** RE: [EXTERNAL] downhole commingling application DHC-5150

Nice catch Dean!

We are having the lab double check their analysis and will have the sample from the E C Hill A #007 checked by another lab as well.

I talked with the operations team about the compatibility statement; I'll get you both the statement and lab reports as soon as they come back.

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)

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

**Sent:** Monday, April 11, 2022 5:21 PM

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

**Subject:** RE: [EXTERNAL] downhole commingling application DHC-5150

Ms. Neal,

Is the water sample for the E C Hill A #7 correct? It looks exceptionally fresh for what I would expect from the Devonian. Most samples seem to be near 10 ppg although usually we receive samples from wells within the basin and greater than 12k feet rather than wells this shallow up on the shelf.

Regardless please submit a signed statement from a qualified person speaking towards the following:

- a statement regarding compatibility between the fluids and between the fluids and formations which may include a scalability test and consideration for damage to any of the formations due to swelling of clays, precipitation, and any other potential damaging factors.

Considering the freshness of the water from the Devonian; then the introduction of this water to the Simpson could potentially cause swelling of any clays present and cause damage to the formation. Does FAE believe this to be a concern here and if not, why? Please include this consideration in your statement referenced above.

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:** Monday, April 11, 2022 1:25 PM

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

**Subject:** [EXTERNAL] downhole commingling application DHC-5150

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 E C Hill A #007 (30-025-35012).

These pools are not commonly DHC; I've attached gas and water samples for compatibility analysis. The E C Hill A #007 samples are of the currently producing DEVONIAN formation. The C E Lamunyon #071Y (#714) samples are of the proposed SIMPSON/McKEE formation we would like to DHC.

Thank you,

Vanessa Neal | Sr Reservoir Engineer

**forty acres energy**

11757 Katy Freeway, Suite 725 | Houston, TX 77079

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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**

COMMENTS  
  
Action 157782

COMMENTS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 157782
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	Rejected under Action ID: 41067	11/10/2022

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
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CONDITIONS

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Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 157782
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmccclure	None	11/10/2022