

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

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

Page 2 of 18  
Received by OCD: 11/18/2022 12:32:59 PM  
Released to Imaging: 11/18/2022 12:34:24 PM

FAE II Operating, LLC

11757 Katy Fwy. Ste. 1000, Houston, TX 77079

Operator	Address		
Shell A State Com	6	4-02-21S-36E	Lea
Lease	Well No.	Unit Letter-Section-Township-Range	County
329326	326406	30-025-20011	X
OGRID No.	Property Code	API No.	Lease Type: <input type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Eumont		Eunice Monument
Pool Code	76480		23000
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3,528 – 3,648'		3,730 – 3,900
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 7 %                  86 %	Oil                  Gas %                  %	Oil                  Gas 93 %                  14 %

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 ☒ No ☐  
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 MBates 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 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 Eumont and Eunice Monument Pools for the Shell A State Com #6 well located in Sec. 2, T-21S, 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 Shell A State Com #6 well located in Unit Letter D, Section 2, T-21S, R-36E, 990 feet FNL and 910 feet FWL, as shown in the attached C-102's for each zone.

Shell A State Com #6 is currently open to the Yates-Seven Rivers-Queen interval, which translates to the EUMONT; YATES-7 RVRS-QUEEN (GAS) [Pool ID: 76480]. 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 Shell A State Com #6 is the Grayburg-San Andres, which translates to the EUNICE MONUMENT; GRAYBURG-SAN ANDRES [Pool ID: 23000]. To develop a forecast for this zone, thirty-one (31) surrounding wells with production history from the Grayburg-San Andres were used as an offset to prove up hole potential 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 6.9 BOPD and 29.4 MCFPD is the expected total, and of that, 6.4 BOPD and 4.1 MCFPD will come from the Grayburg-San Andres zone. The Yates-Seven Rivers-Queen is projected to yield 0.5 BOPD and 25.3 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.

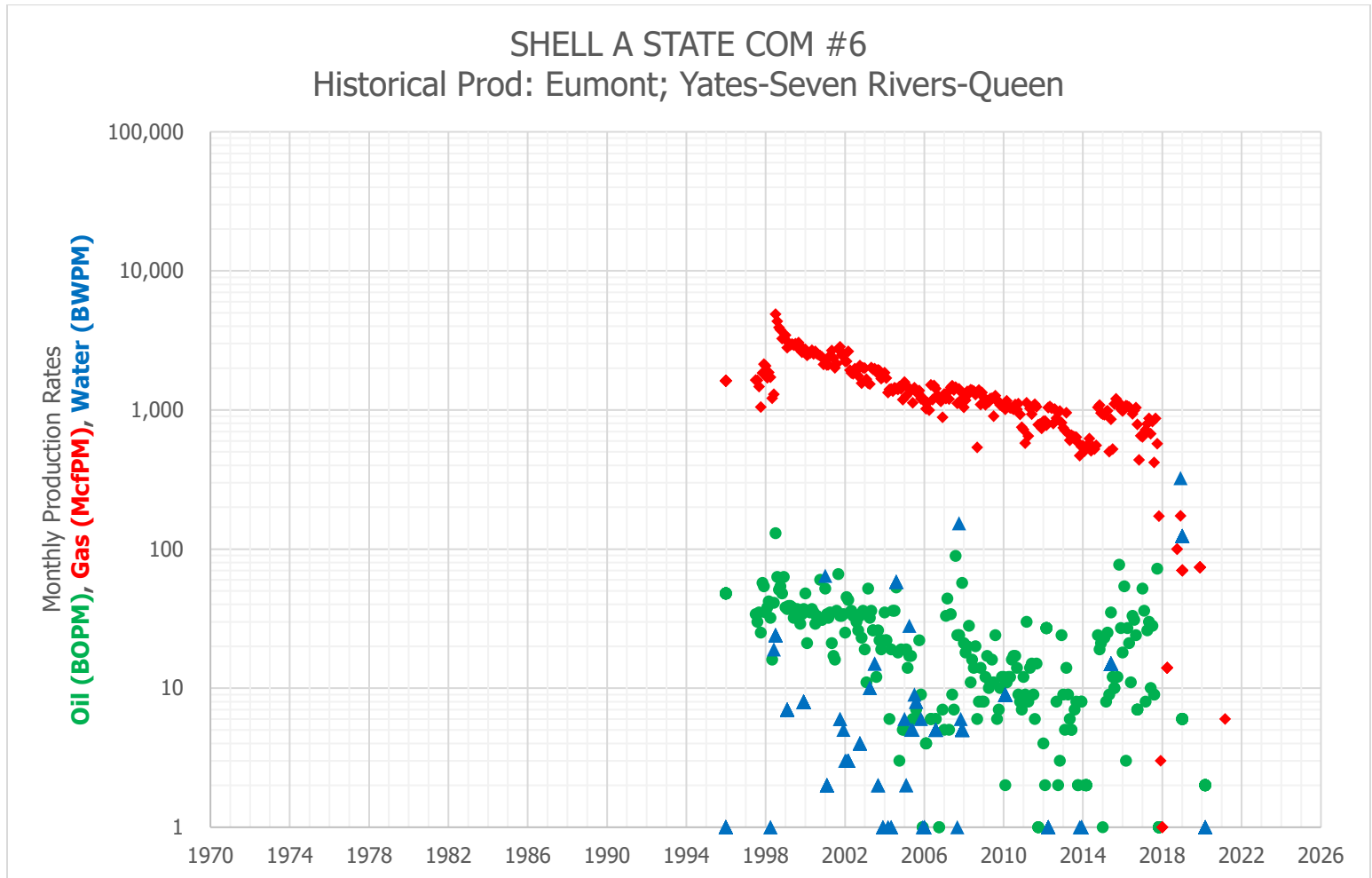
Very truly yours,



**FAE II Operating, LLC**

# faeIIoperating

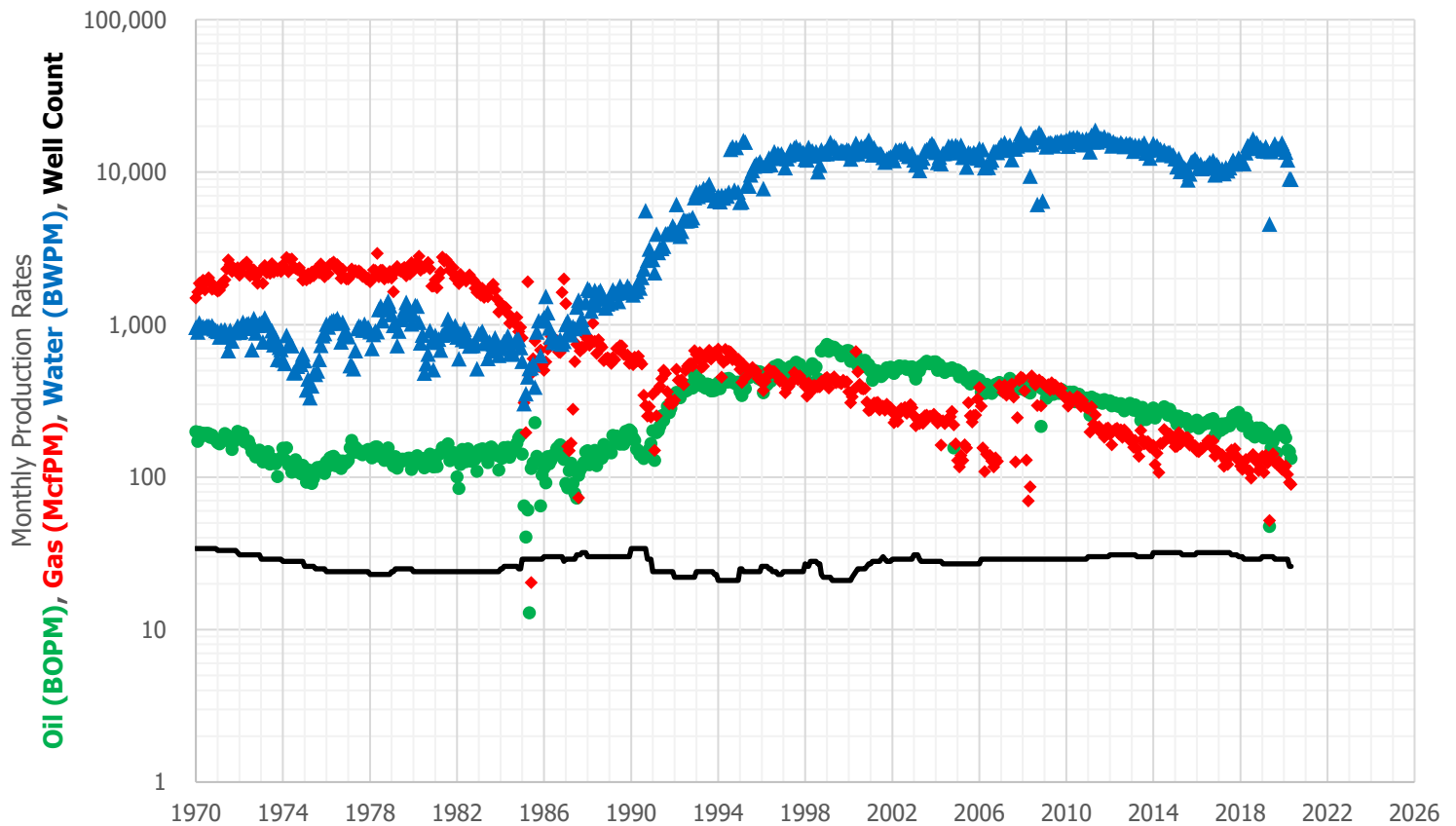
## Exhibit A – Historical and Forecast Production in the Current Zone



# faeIIoperating

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

Surrounding Wells Averaged Rates  
Avg Prod: Eunice Monument; Grayburg-San Andres



# faeIIoperating

## Exhibit C – Historical Production and Decline Curve

Surrounding Wells Averaged Rates					SHELL A STATE COM #6				Synthetic Decline Curve			
Avg Prod: Eunice Monument; Grayburg-San Andres					Historical Prod: Eumont; 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	242	181	10,421	31	9/1/2011	15	1,053		1	208.3	895	11,842
8/1/2015	224	182	8,913	31	10/1/2011	1	783		2	207.3	893	11,803
9/1/2015	214	162	9,754	31	11/1/2011		790		3	206.3	890	11,764
10/1/2015	229	168	11,649	31	12/1/2011		737		4	205.3	888	11,726
11/1/2015	224	160	11,845	31	1/1/2012	4	828	-	5	204.3	886	11,687
12/1/2015	231	161	12,228	31	2/1/2012	2	834	-	6	203.3	884	11,649
1/1/2016	236	148	11,774	32	3/1/2012	27	774	-	7	202.4	881	11,611
2/1/2016	210	147	10,643	32	4/1/2012	-	1,036	1	8	201.4	879	11,572
3/1/2016	223	155	11,264	32	5/1/2012	-	1,059		9	200.4	877	11,534
4/1/2016	219	154	10,569	32	6/1/2012	-	1,027		10	199.5	875	11,496
5/1/2016	224	159	10,655	32	7/1/2012	-	799		11	198.5	873	11,459
6/1/2016	229	164	10,746	32	8/1/2012	-	1,014		12	197.6	870	11,421
7/1/2016	226	174	11,121	32	9/1/2012	8	871		13	196.6	868	11,384
8/1/2016	238	173	11,607	32	10/1/2012	2	957		14	195.7	866	11,346
9/1/2016	235	158	11,320	32	11/1/2012	3	983		15	194.7	864	11,309
10/1/2016	242	172	11,928	32	12/1/2012	24	809		16	193.8	862	11,272
11/1/2016	187	138	9,620	32	1/1/2013	9	745	-	17	192.9	860	11,235
12/1/2016	206	148	11,211	32	2/1/2013	5	714	-	18	192.0	858	11,198
1/1/2017	217	145	10,729	32	3/1/2013	14	952	-	19	191.0	855	11,161
2/1/2017	202	141	9,842	32	4/1/2013	9	678	-	20	190.1	853	11,124
3/1/2017	223	140	10,494	32	5/1/2013	6	604	-	21	189.2	851	11,088
4/1/2017	209	118	9,796	32	6/1/2013	5	657	-	22	188.3	849	11,051
5/1/2017	225	128	10,707	32	7/1/2013	-	647	-	23	187.4	847	11,015
6/1/2017	222	121	10,219	32	8/1/2013	7	641	-	24	186.5	845	10,979
7/1/2017	217	139	10,701	32	9/1/2013	8	637	-	25	185.6	843	10,943
8/1/2017	235	151	11,381	31	10/1/2013	2	581	-	26	184.7	841	10,907
9/1/2017	253	144	11,983	31	11/1/2013	-	469	1	27	183.9	838	10,871
10/1/2017	258	154	11,338	31	12/1/2013	8	544	1	28	183.0	836	10,835
11/1/2017	251	132	11,379	31	1/1/2014	-	554		29	182.1	834	10,800
12/1/2017	266	132	12,402	30	2/1/2014	2	506		30	181.2	832	10,764
1/1/2018	230	118	11,765	30	3/1/2014	2	549		31	180.4	830	10,729
2/1/2018	217	113	11,630	30	4/1/2014	-	553		32	179.5	828	10,693
3/1/2018	221	126	11,368	29	5/1/2014	-	621		33	178.6	826	10,658
4/1/2018	245	131	13,399	29	6/1/2014	-	509		34	177.8	824	10,623
5/1/2018	222	111	14,925	29	7/1/2014	-	544		35	176.9	822	10,588
6/1/2018	194	110	14,351	29	8/1/2014	-	523		36	176.1	820	10,554
7/1/2018	202	99	15,397	29	9/1/2014	-	556		37	175.3	818	10,519
8/1/2018	188	141	16,530	29	10/1/2014	24	1,043		38	174.4	816	10,484
9/1/2018	183	131	15,437	29	11/1/2014	19	1,083		39	173.6	814	10,450
10/1/2018	210	126	15,506	29	12/1/2014	21	951		40	172.8	812	10,415
11/1/2018	194	110	-	29	1/1/2015	1	931	-	41	171.9	810	10,381
12/1/2018	210	115	14,565	29	2/1/2015	23	924	-	42	171.1	808	10,347
1/1/2019	207	137	13,950	30	3/1/2015	8	973	-	43	170.3	806	10,313
2/1/2019	181	107	13,824	30	4/1/2015	25	988	-	44	169.5	804	10,279
3/1/2019	194	139	14,658	30	5/1/2015	9	502	-	45	168.7	802	10,245
4/1/2019	193	124	13,717	30	6/1/2015	35	858	15	46	167.9	800	10,212
5/1/2019	47	52	4,566	30	7/1/2015	12	522		47	167.1	798	10,178
6/1/2019	156	131	13,676	30	8/1/2015	10	1,106		48	166.3	796	10,145
7/1/2019	170	142	14,397	30	9/1/2015	-	1,199		49	165.5	794	10,111
8/1/2019	144	125	15,301	29	10/1/2015	12	1,130		50	164.7	792	10,078
9/1/2019	145	122	14,391	29	11/1/2015	77	1,127		51	163.9	790	10,045
10/1/2019	189	126	14,290	29	12/1/2015	27	1,013		52	163.1	788	10,012
11/1/2019	195	122	14,162	29	1/1/2016	18	980		53	162.3	786	9,979
12/1/2019	202	112	15,528	29	2/1/2016	54	1,016		54	161.5	784	9,946
1/1/2020	195	115	14,509	29	3/1/2016	3	1,072		55	160.8	782	9,914
2/1/2020	180	118	13,550	29	4/1/2016	27	1,063		56	160.0	780	9,881
3/1/2020	150	104	12,041	29	5/1/2016	21	1,048		57	159.2	778	9,849
4/1/2020	147	92	9,029	26	6/1/2016	11	1,017		58	158.5	776	9,816
5/1/2020	132	90	8,985	26	7/1/2016	33	938		59	157.7	774	9,784
6/1/2020	145	105	11,184	26	8/1/2016	31	992		60	157.0	772	9,752
7/1/2020	162	111	12,022	26	9/1/2016	24	1,040					
8/1/2020	143	106	11,759	26	10/1/2016	7	788					
9/1/2020	174	120	11,869	26	11/1/2016		436					
10/1/2020	180	120	12,278	26	12/1/2016		652					
11/1/2020	192	121	13,467	26	1/1/2017	52	639					
12/1/2020	193	120	13,945	26	2/1/2017	36	676					

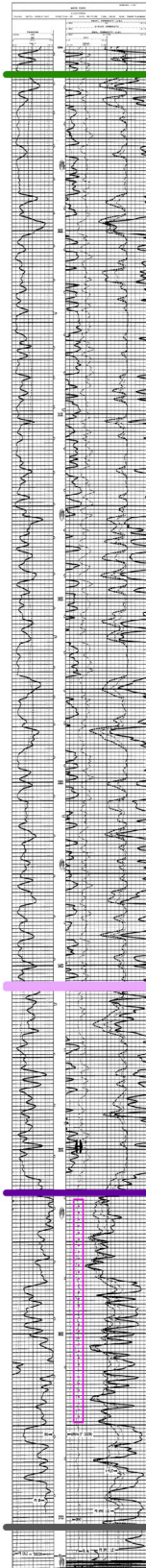
# faeIIoperating

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

Zone (1)	Zone (2)	Oil IP (BOPD)	Gas IP (MCFD)	Water IP (BWPD)
Eumont	Yates-Seven Rivers-Queen	0.5	25.3	0.0
Eunice Monument	Grayburg-San Andres	6.4	4.1	389.5
	<b>Total</b>	<b>6.9</b>	<b>29.4</b>	<b>389.5</b>
Eumont	Yates-Seven Rivers-Queen	7%	86%	0%
Eunice Monument	Grayburg-San Andres	93%	14%	100%
	<b>Total (%)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

30025320300000  
FAE  
SHELL A STATE COM 6  
SPUD DATE : 8/12/1993  
T21S R36E S2

Log  
Depth(ft)  
2900 -  
2950 -  
3000 -  
3050 -  
3100 -  
3150 -  
3200 -  
3250 -  
3300 -  
3350 -  
3400 -  
3450 -  
3500 -  
3550 -  
3600 -  
3650 -  
3700 -  
3750 -  
3800 -  
3850 -



SEVEN\_RIVERS

API	Source	Type	Top Perf	Btm Perf
30025320300000	CJH	PROPOSED - OH	3730	3900

QUEEN

PENROSE\_SD

GRAYBURG

SHELL A STATE COM 6  
ELEV\_KB : 3,540  
TD : 3,730

Open hole completion,  
--Deepen well to 3900'



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 30-025-32030	<sup>2</sup> Pool Code 23000	<sup>3</sup> Pool Name EUNICE MONUMENT; GRAYBURG-SAN ANDRES
<sup>4</sup> Property Code 326406	<sup>5</sup> Property Name SHELL A STATE COM	<sup>6</sup> Well Number #006
<sup>7</sup> OGRID No. 329326	<sup>8</sup> Operator Name FAE II OPERATING, LLC	<sup>9</sup> Elevation 3530'

<sup>10</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	2	21S	36E		990	N	910	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
D	2	21S	36E		990	N	910	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> 	NW/4 NW/4 Sec 2 (40 acres)			<b><sup>17</sup> 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 Date 6/22/2021 Marshall Bates Printed Name Marshall@FAEnergyus.com E-mail Address
				<b><sup>18</sup> 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 30-025-32030		<sup>2</sup> Pool Code 76480	<sup>3</sup> Pool Name EUMONT; YATES-7 RVRS-QUEEN (GAS)
<sup>4</sup> Property Code 326406	<sup>5</sup> Property Name SHELL A STATE COM		<sup>6</sup> Well Number #006
<sup>7</sup> OGRID No. 329326	<sup>8</sup> Operator Name FAE II OPERATING, LLC		<sup>9</sup> Elevation 3530'

<sup>10</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	2	21S	36E		990	N	910	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
D	2	21S	36E		990	N	910	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> 	NW/4 NW/4 Sec 2 (40 acres)			<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 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

**From:** [Vanessa Neal](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** [EXTERNAL] downhole commingling application DHC-5149  
**Date:** Tuesday, December 28, 2021 5:05:09 PM  
**Attachments:** [image001.png](#)  
[WBD Shell A State COM #006 CURRENT-PROPOSED 2021-12.pdf](#)

---

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 Shell A State COM #006 (30-025-32030).

This DHC is for the Eumont and Eunice Monement pools. Although these pools are not commonly commingled in this area, they are the same formations that make up the Jalmat and Langlie Mattix pools in adjacent areas. Would gas and water analysis of these zones be required in this instance?

The DHC package was previously submitted (mailed) to the SLO via USPS, we were provided a tracking number [7020 0640 0000 9346 3985] that shows delivery on 10/8/2021.

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)

**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

---

**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)

Well Name: **SHELL A STATE COM #006** Lease No: **B-1167** Lease Type: **State**  
 Township: **21-S** Range: **36-E** Sec: **02-D-Lot: 4** Location: **990 FNL & 910 FWL**  
 County: **Lea** State: **NM** API: **30-025-32030** Formation: **[76480] EUMONT; YATES-7 RVRS-QUEEN**

Surface Csg

Size: **8-5/8"**  
 Wt.&Thrd: **28#**  
 Grade: **K-55**  
 Set @: **430'**  
 Sxs cmt: **300 sxs**  
 Circ: **Circ**  
 TOC: **Surface**  
 Hole Size: **12-1/4"**

KB: **3540'**  
 DF: **3539'**  
 GL: **3530'**  
 Spud Date: **8/12/1993**  
 Compl. Date: **9/8/1993**

History - Highlights

**Proposed:** Deepen ~220 ft to base of Grayburg (3950'). Acidize open hole w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt, & flush w 1000 bbls 2% KCL water. Run RBP to isolate open hole. Acidize 3527-3648' perms w/ 1500 gals 15% NEFE HCL acid, 500# rock salt, & flush w 25 bbls 2% KCL water. Retrieve RBP. DHC Eumont and Eunice Monument pools.

YATES (Top @ 2672')SEVEN RIVERS (Top @ 2934')

SN **3683'**  
 EOT **3720'**

Production Csg

Size: **4-1/2"**  
 Wt.&Thrd: **11.6#**  
 Grade: **K-55**  
 Set @: **3730'**  
 Sxs Cmt: **1050 sxs**  
 Circ:   
 TOC:   
 Hole Size: **7-7/8"**

QUEEN (Top @ 3410')

3527-3648' (1 JSPF) - Sep 1993  
 Acidized w/ 1500 gals 7.5% NEFE HCL acid; Foam Frac w/ 42,588 gals 50Q CO2 & 129,500# 12/20 Brady sand  
 Acidize w/ 1500 gals 15% NEFE HCL acid, 500# rock salt, & flush w 25 bbls 2% KCL water

GRAYBURG (Top @ 3705')

3730-3950' Open Hole - Proposed  
 Acidize w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt, & flush w 1000 bbls 2% KCL water

Open Hole

Size: **3-3/4"**  
 Down to: **3730-3950'**

**PBTD 3950'**  
**TD 3950'**

Tubulars - Capacities and Performance

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

Well Name: **SHELL A STATE COM #006** Lease No: **B-1167** Lease Type: **State**  
 Township: **21-S** Range: **36-E** Sec: **02-D-Lot: 4** Location: **990 FNL & 910 FWL**  
 County: **Lea** State: **NM** API: **30-025-32030** Formation: **[76480] EUMONT; YATES-7 RVRS-QUEEN**

**Surface Csg**

Size: **8-5/8"**  
 Wt.&Thrd: **28#**  
 Grade: **K-55**  
 Set @: **430'**  
 Sxs cmt: **300 sxs**  
 Circ: **Circ**  
 TOC: **Surface**  
 Hole Size: **12-1/4"**

KB: **3540'**  
 DF: **3539'**  
 GL: **3530'**  
 Spud Date: **8/12/1993**  
 Compl. Date: **9/8/1993**

**History - Highlights**

All info from OCD well files ONLY

**CURRENT****YATES (Top @ 2672')****SEVEN RIVERS (Top @ 2934')**

EOT 3498'

**Production Csg**

Size: **4-1/2"**  
 Wt.&Thrd: **11.6#**  
 Grade: **K-55**  
 Set @: **3730'**  
 Sxs Cmt: **1050 sxs**  
 Circ:   
 TOC:   
 Hole Size: **7-7/8"**

**QUEEN (Top @ 3410')**

3527-3648' (1 JSPF) - Sep 1993  
 Acidized w/ 1500 gals 7.5% NEFE HCL acid; Foam Frac w/ 42,588 gals 50Q CO2  
 & 129,500# 12/20 Brady sand

**GRAYBURG (Top @ 3705')**

PBTD 3660'  
 TD 3730'

**Tubulars - Capacities and Performance**

2-3/8" Tubing



**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**

COMMENTS  
  
Action 160081

COMMENTS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 160081
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	Rejected under Action ID: 33768	11/18/2022

**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 160081

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 160081
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	11/18/2022