

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

**APPLICATION OF FAE II OPERATING,  
LLC TO CONVERT PRODUCING WELLS TO  
INJECTION WELLS FOR WATERFLOOD  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22593**

**PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**  
FAE II Operating, LLC

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

**ATTORNEYS**

**STATEMENT OF THE CASE**

FAE II Operating, LLC (“FAE”) seeks an order: (1) authorizing FAE to convert its C. E. LaMunyon Well Nos. 71Y, 73, 74, 75, 76, 77, 80, and 81 (“Wells”) from producers to injectors within its C. E. LaMunyon Lease Waterflood Project (“Project”) in the McKee zone of the Simpson formation located in Sections 22, 27 and 28, Township 23 South, Range 37 East, Lea County, New Mexico; and (2) authorizing FAE to convert additional wells within the Project from producers to injectors administratively. The approved Project Area consists of 320-acres of the following lands located in Township 23 South, Range 37 East in Lea County: NW/4SW/4 and

S/2SW/4 of Section 22; NW/4 of Section 27; and NE/4NE/4 of Section 28. FAE proposes to convert the following wells located within the Project Area from producers to injectors within the McKee zone of the Simpson formation:

<b>Well Name (API: 30-025-)</b>	<b>Location within T23S-R36E</b>	<b>Injection interval</b>
C. E. LaMunyon Well No. 71Y (API 30-025-35106)	2305 FNL and 1280 FWL (Unit E) S27-T23S-R37E	9236'-9441'
C. E. LaMunyon Well No. 73 (API 30-025-35059)	1510 FSL and 330 FWL (Unit L) S22-T23S-R37E	9302'-9502'
C. E. LaMunyon Well No. 74 (API 30-025-35060)	1310 FNL and 1515 FWL (Unit C) S27-T23S-R37E	9239'-9440'
C. E. LaMunyon Well No. 75 (API 30-025-35061)	10 FSL and 1505 FWL (Unit N) S22-T23S-R37E	9255'-9460'
C. E. LaMunyon Well No. 76 (API 30-025-35074)	2310 FNL and 2310 FWL (Unit F) S27-T23S-R37E	9185'-9382'
C. E. LaMunyon Well No. 77 (API 30-025-35057)	1330 FSL and 1650 FWL (Unit K) S22-T23S-R37E	9,282'-9,486'
C. E. LaMunyon Well No. 80 (API 30-025-35624)	1500 FNL and 150 FWL (Unit E) S27-T23S-R37E	9321'-9524'
C. E. LaMunyon Well No. 81 (API 30-025-35932)	230 FNL and 150 FWL (Unit D) S27-T23S-R37E	9283'-9484'

FAE proposes to convert the Wells from producers to injectors for waterflood operations and plans to inject water through a closed system of perforations at depths of 9,185' to 9,524' within the McKee zone of the Simpson formation in the Teague-Simson Pool (Code 58900). The proposed average injection pressure through the Wells is expected to be approximately 1400 psi. The expected maximum injection pressure will be calculated relative to the depth of the highest perforation, using a factor of 0.25 psi/ft. The proposed Wells will have perforation depths between approximately 9,185' and 9,524' (or 2,296 psi and 2,381 psi maximum injection pressure, respectively). Pending results of a step rate test, the maximum injection pressure could potentially be increased to a factor of 0.6 psi/ft (or 5,511 psi at 9,185' and 5,714 psi at 9,524'). The proposed average injection rate is expected to be approximately 600 barrels of water per day. The maximum

daily injection rate will be 1,500 barrels of water per day or as permitted by the Division. The Unit acreage is located approximately 20 miles south of Eunice, New Mexico.

**PROPOSED EVIDENCE**

<b><u>Witness</u></b>	<b><u>Occupation</u></b>	<b><u>Estimated Time</u></b>	<b><u>Exhibits</u></b>
Stephen Lehrbass	Director of Land	Affidavit	Approx. 7
Charles Hooper	Geologist	Affidavit	Approx. 5
Vanessa Neal	Reservoir Engineer	Affidavit	Approx. 2

**PROCEDURAL MATTERS**

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

Respectfully submitted,

HINKLE SHANOR, LLP

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

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

QUESTIONS

Action 84046

**QUESTIONS**

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 84046
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

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