

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

**APPLICATION OF FAE II OPERATING, LLC TO EXTEND
THE VERTICAL LIMITS OF THE LANGLIE-MATTIX;
SEVEN RIVERS-QUEEN-GRAYBURG POOL
WITHIN THE NORTH JAL UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25422

PRE-HEARING STATEMENT

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

APPLICANT

FAE II Operating, LLC

ATTORNEYS

Dana S. Hardy
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Daniel B. Goldberg
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INTERESTED PARTY

None.

ATTORNEYS

STATEMENT OF THE CASE

Applicant seeks an order extending the vertical limits of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) to include the Yates and Upper Seven Rivers Formations only within the boundaries of the North Jal Unit. Order No. R-23638 approved the North Jal (Yates-Seven Rivers-Queen) Unit (“Unit”) for enhanced oil recovery operations in the Yates, Seven Rivers, and Queen formations and designated Applicant as operator of the Unit. The Unit

encompasses approximately 3,154.37 acres of the following federal, state, and fee lands located in Lea County, New Mexico:

Township 24 South, Range 36 East

Section 25: S/2

Section 26: E/2 SE/4

Section 35: E/2 NE/4

Section 36: All

Township 24 South, Range 37 East

Section 19: E/2

Section 20: SW/4, SW/4 NW/4

Section 29: W/2

Section 30: NE/4, S/2

Section 31: N/2 NW/4

Township 25 South, Range 36 East

Section 1: All

The Unitized Interval includes the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820) and Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240) and the Yates, Seven Rivers, and Queen formations. In order to allow for the most efficient well development pattern, effectively drain the reserves in the unitized formation underlying the Unit Area, and maximize administrative reporting and efficiency, Applicant proposes to expand the vertical limit of the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool to include the Yates and Seven Rivers formations within the boundaries of the Unit Area.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Joseph Kent	Landman	Affidavit	Approx. 3
Charles Hooper	Geologist	Affidavit	Approx. 2

PROCEDURAL MATTERS

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

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

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Oil Conservation Division
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QUESTIONS

Action 480956

QUESTIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 480956
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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