

**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 RHODES;
YATES-SEVEN RIVERS POOL WITHIN THE
SOUTH JAL UNIT, LEA COUNTY, NEW MEXICO.**

CASE NO. 25426

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

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Jaclyn M. McLean
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INTERESTED PARTY

None.

ATTORNEYS

STATEMENT OF THE CASE

Applicant seeks an order extending the vertical limits of the Rhodes; Yates-Seven Rivers Pool (Pool Code 52250) to include the Queen formation only within the boundaries of the South Jal Unit. Order No. R-23736 approved the South 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 19,359.77 acres of the following federal, state, and fee lands located in Lea County, New Mexico:

Township 25 South, Range 36 East

Section 13: SE/4
Section 24: E/2
Section 25: All
Section 26: E/2 E/2
Section 36: N/2, SE/4

Township 25 South, Range 37 East

Section 15: W/2 W/2
Section 16: All
Section 18: Lot 4
Section 19: All
Section 21: Lot 1 through Lot 4 (inclusive), E/2 SW/4
Section 22: W/2 NW/4, S/2
Section 23: SW/4
Section 26: W/2, SW/4 SE/4
Section 27: All
Section 28: All
Section 30: Lot 1 through Lot 4 (inclusive), E/2 W/2, W/2 E/2
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: NW/4, W/2 NE/4, S/2

Township 26 South, Range 37 East

Section 3: All
Section 4: All
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: All
Section 10: All
Section 15: All
Section 16: All
Section 17: All
Section 18: Lot 1, NE/4 NW/4, E/2
Section 19: NE/4
Section 20: All
Section 21: W/2, NE/4, W/2 SE/4
Section 22: N/2
Section 23: SW/4 NW/4
Section 29: All
Section 32: N/2 N/2, Lots 1 through 4 (inclusive)

Township 25 South, Range 37 East

Section 32: All

The Unitized Interval includes the Jalmat; Tan-Yates-Seven Rivers (Oil) Pool (Pool Code 33820), the Langlie-Mattix; Seven Rivers-Queen-Grayburg Pool (Pool Code 37240), and the Yates, Seven Rivers, and Queen formations. The Rhodes; Yates-Seven Rivers Pool (Pool Code 52250) is also within the Unitized Interval. In order to allow for the most efficient well development pattern, to effectively drain the reserves in the unitized formation underlying the Unit Area, and to maximize administrative reporting and efficiency, Applicant proposes to expand the vertical limit of the Rhodes; Yates-Seven Rivers Pool (Pool Code 52250) to include the Queen formation 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 480959

QUESTIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 480959
	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.