

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

**APPLICATION OF FAE II OPERATING, LLC
FOR DISMISSAL OF ORDER NO. R-21423,
LEA COUNTY, NEW MEXICO.**

Case No. 25410

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by and through its undersigned counsel, Ernest L. Padilla, PADILLA LAW FIRM, P.A., on behalf of FAE II Operating, LLC, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

FAE II OPERATING, LLC

ATTORNEY

Ernest L. Padilla
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OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

1. FAE is the designated operator of the Arnott Ramsey Waterflood Project, approved under Order No. R-21423, in Case No. 21118, on August 12, 2020, which consists of 640 acres, more or less, of State trust land, all situated in Lea County, New Mexico, as follows:

Township 25 South, Range 37 East, NMPM

Section 32: All

2. FAE seeks to dissolve the Arnott Ramsey Waterflood Project (“Arnott Ramsey Waterflood Project”), approved by Order R-21423, and for a Division order dismissing the Waterflood Project located in Lea County, New Mexico.

3. FAE is also the designated operator under Division Order No. R-23736, in Case No. 23712, approved on March 12, 2025. Pursuant to that Order, FAE received an order approving statutory unitization, pursuant to NMSA 1978 Sections 70-7-1 through 70-7-21, as amended (the “Statutory Unitization Act”), of the South Jal Unit, comprising 19,369.77 acres, more or less, of federal, state and fee lands (“South Jal Unit”).

4. Paragraph No. 3 of Order No. R-23736 provides that the inclusion of the Arnott Ramsey Waterflood Project, as approved under Order No. R-21423, into the South Jal Unit Area is conditional upon continued injection.

5. FAE does not seek inclusion of the Arnott Ramsey Waterflood Project as part of the South Jal Statutory Unit.

6. As such, pursuant to Order No. R-23736, FAE seeks complete dismissal of Order No. R-21423, and rescission of the Waterflood Project, effective simultaneous with the effective date of the South Jal Unit (the Unit order is pending currently with the Division for approval).

OPPOSITION OR OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

Witness	Est. Time	Exhibits
Joseph Kent	15 minutes	2

OPPOSITION

PROCEDURAL MATTERS

None.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

/s/ Ernest L. Padilla

Ernest L. Padilla

Attorney for FAE II Operating, LLC

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 481616

QUESTIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 481616
	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.