<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210

811 S. First St., Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

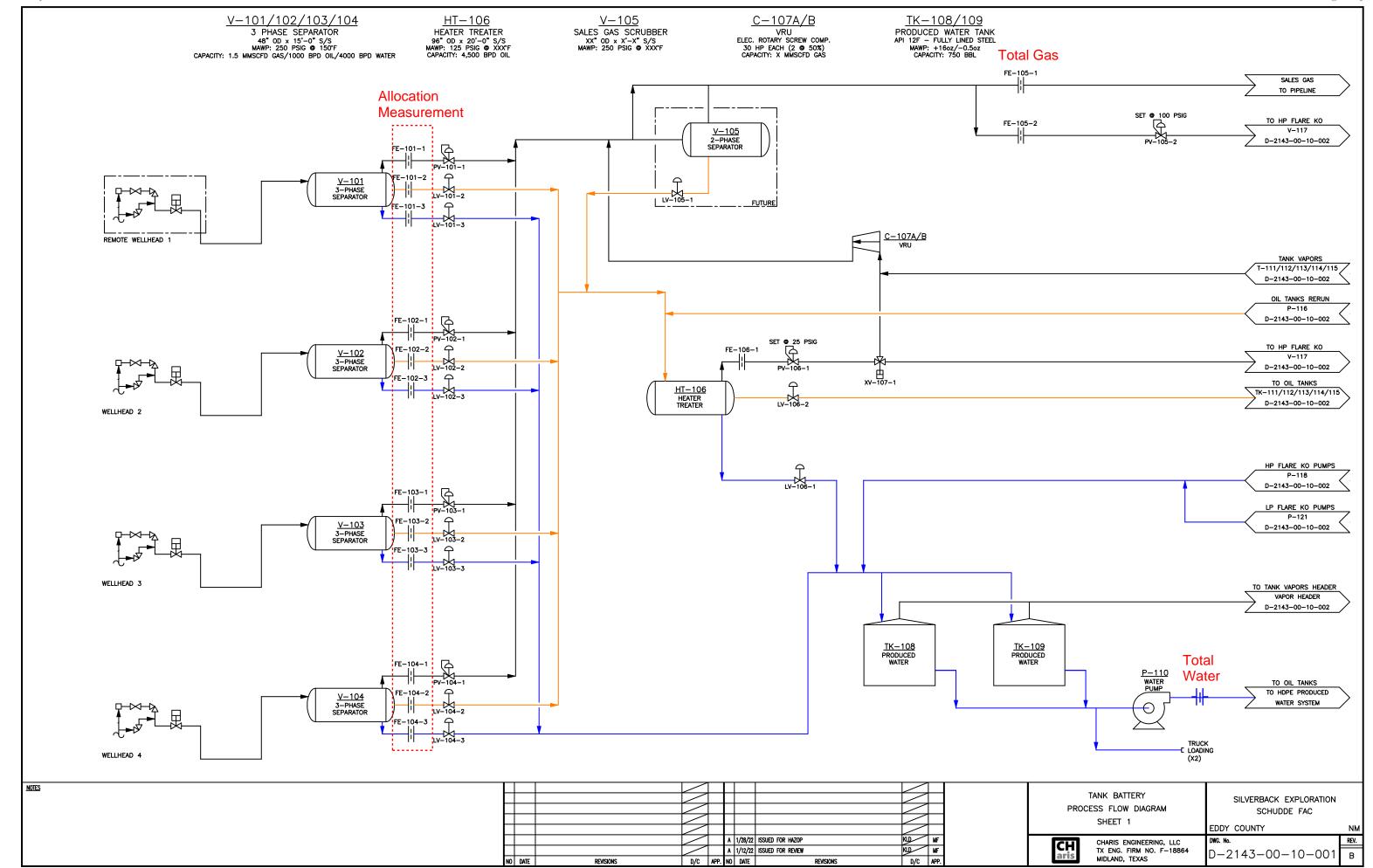
APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)					
OPERATOR NAME: Silverback Operating II, LLC					
OPERATOR ADDRESS: IH10 APPLICATION TYPE:	West, Suite 201, Sa	n Antonio, TX 7825	57		
	gling Pool and Lease Co	mmingling \(\overline{\mathbb{X}}\)Off-Lease	Storage and Measu	rement (Only if not Surface	e Commingled)
LEASE TYPE: X Fee	☐ State ☐ Fede			, , , , , , , , , , , , , , , , , , , ,	<i>g</i> ,
Is this an Amendment to existing Or Have the Bureau of Land Managemed ☐ Yes ☒ No	der? Yes No If	"Yes", please include t			ingling
		OL COMMINGLIN ts with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
				<u> </u>	
		_		-	
				-	
		-		-	
(2) Are any wells producing at top allowables? ☐ Yes ☐ No (3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No. (4) Measurement type: ☐ Metering ☐ Other (Specify) (5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved					
	, ,	SE COMMINGLINGS with the following in			
(1) Pool Name and Code. (2) Is all production from same source of supply?					
(C) POOL and LEASE COMMINGLING Please attach sheets with the following information					
(1) Complete Sections A and E.					
	(D) OFF-LEASE ST	ORAGE and MEA ets with the following			
(1) Is all production from same source			mormation		
(2) Include proof of notice to all interes	st owners.				
(E) ADDITIONAL INFORMATION (for all application types) Please attach sheets with the following information					
(1) A schematic diagram of facility, in		is with the following in	noi mauon		
(2) A plat with lease boundaries showi(3) Lease Names, Lease and Well Num	ng all well and facility locat	ions. Include lease numbe	ers if Federal or St	ate lands are involved.	
I hereby certify that the information above					
SIGNATURE: Cory Walk	T	ITLE: Agent		DATE: <u>8/9</u>	/2022
TYPE OR PRINT NAME Cory Wa	SIGNATURE: Cory Walk TITLE: Agent DATE: 8/9/2022 TYPE OR PRINT NAME Cory Walk TELEPHONE NO.: 505-466-8120				
F-MAIL ADDRESS: corv@perm	tswest com				

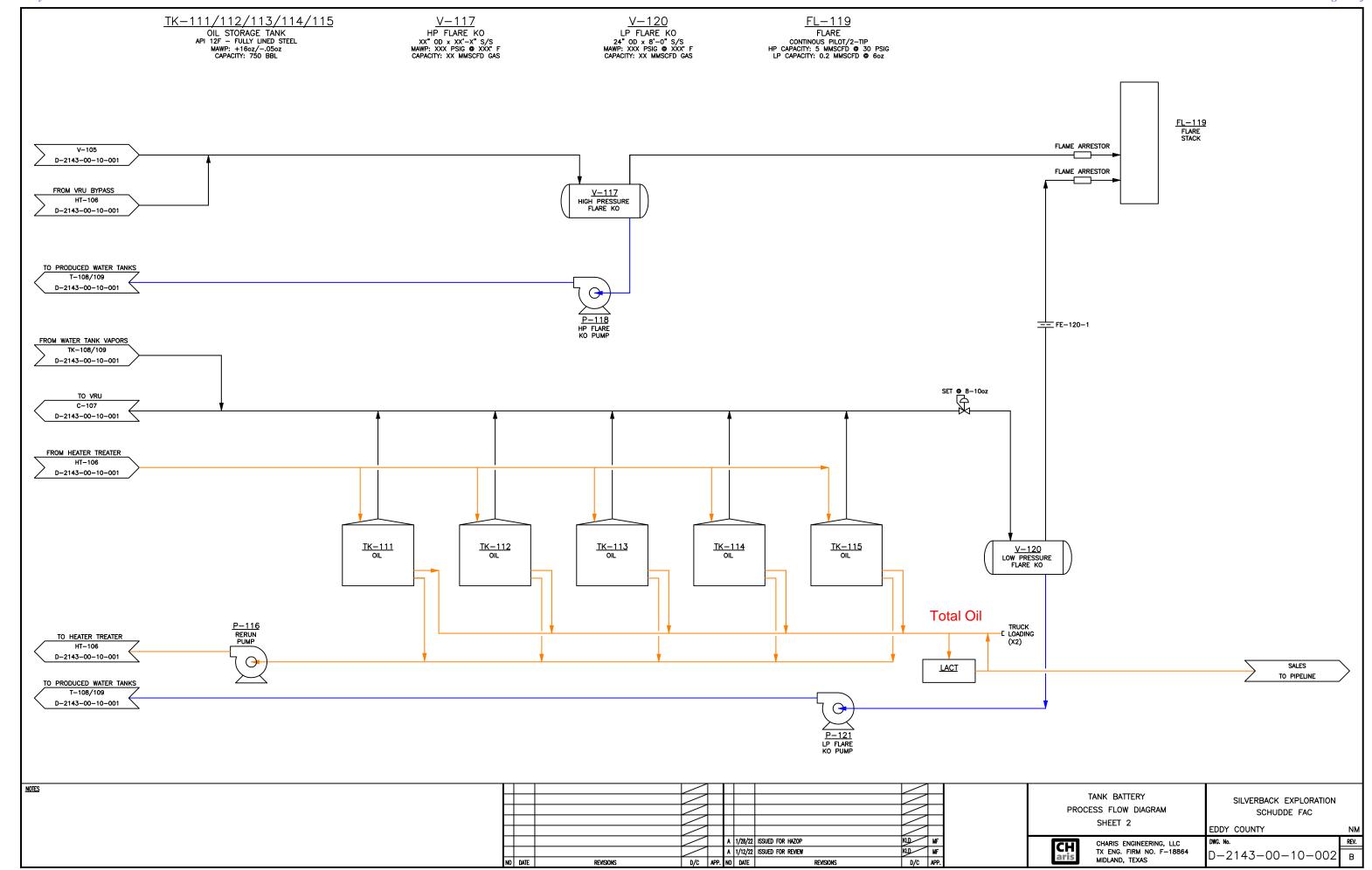
Proposed wells for off-lease storage/measurement at the Shudde 27 Facility (NWNW 26-18S-26E).

- Shudde 27 #101H API: 30-015-49492
 - o Fee Lease (N2N2 Section 27, T. 18S, R. 26E)
- Shudde 27 #102H API: 30-015-49493
 - o Fee Lease (N2N2 Section 27, T. 18S, R. 26E)
- Shudde 27 #201H API: 30-015-49494
 - o Fee Lease (N2N2 Section 27, T. 18S, R. 26E)



Released to Imaging: 2/7/2023 10:13:02 AM 104.3667° W







August 10, 2022

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for off-lease measurement/storage

Shudde 27 #101H Sec. 26, T18S, R26E API: 30-015-49492 Atoka; Glorieta-Yeso Eddy County, NM

Dear Interest Owner:

This letter is to advise you that Silverback Operating II, LLC, is filing an application with the New Mexico Oil Conservation Division seeking approval for off-lease measurement/storage of oil and gas at their Shudde 27 Facility.

A copy of our submitted application is attached.

This packet is simply a notice and no action is required. However, any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (505) 466-8120 should you have any questions or need any additional information.

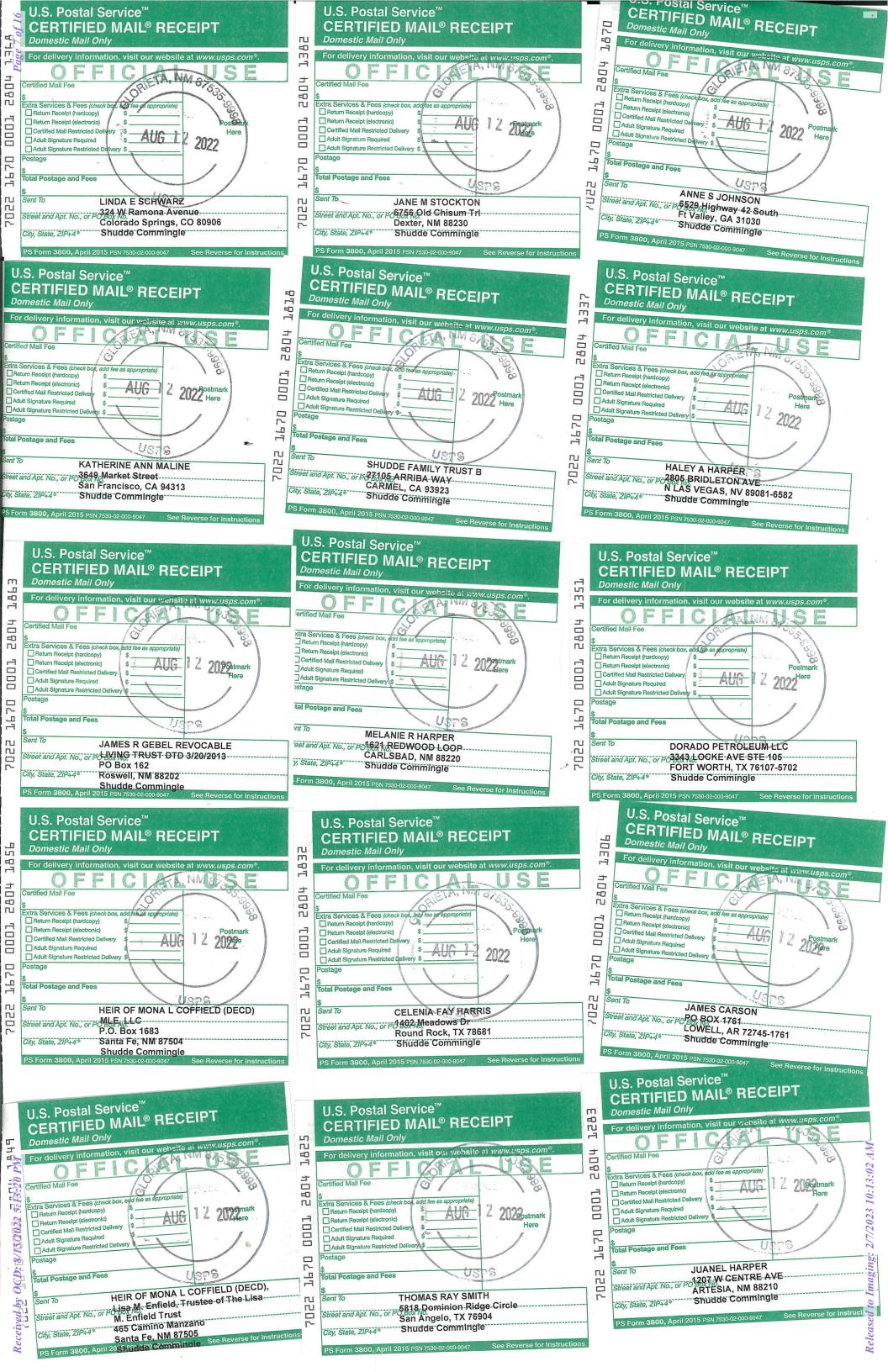
Sincerely,

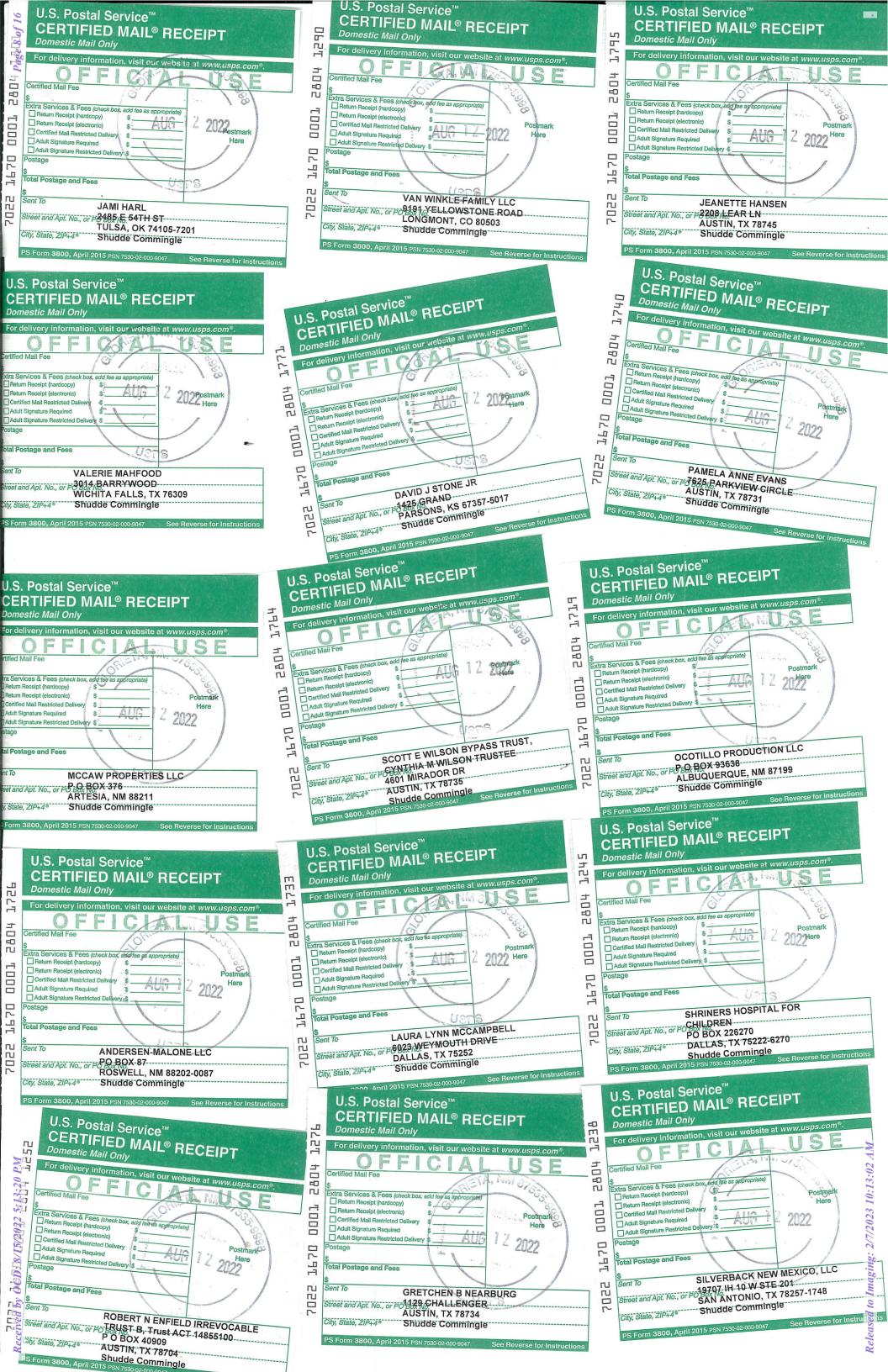
Cory Walk

Agent

Permits West Inc.

Coy Walk





Domestic Mail Only	
For delivery information, visit our website at www.usps.com®.	
OFFICIALUSE	
Certified Mail Fee	
\$ (0)	
Extra Services & Fees (check box, add fee as appropriate)	
Return Receipt (hardcopy) \$	
Return Receipt (electronic) \$	
Certified Mail Restricted Delivery \$	
Adult Signature Required \$	
Adult Signature Restricted Delivery \$	
Postage	
\$	
Total Postage and Fees	
8	
Sent To CHARLES E MALONE ID	
CHARLES F MALONE JR	
Street and Apt. No., or PO 270 10 CHRYSLER-DR	
ROSWELL, NM 88201-5207	
City, State, ZIP+4® Shudde Commingle	l

PS Form 3800, April 2015 PSN 7530-02-000-9047



	CERTIFIED MAIL® RECEIPT
1269	Domestic Mail Only
므	
цī	For delivery information, visit our website at www.usps.com®.
	OFFICIAL USE
	Certified Mail Fee
780 H	\$
	Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy)
0007	Return Receipt (electronic)
	Certified Mail Restricted Delivery \$ Here
	□ Adult Signature Required \$ □ Adult Signature Restricted Delivery \$ □ ADUT □ 2022
	CO W GOOD
1670	Postage
1-	\$
二	Total Postage and Fees
	\$
П	Sent To REBA ROBERTSON ESTATE
П	Street and Apt. No., or POROMO AIMED PROPERTY DIVISION
702	SANTA FE, NM 87504-5123
1	
	City, State, ZIP+4® Shudde Commingle 25123
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service™

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		al & Engineering	ATION DIVISION g Bureau –	TO NEW SERVICES
THIS	CHECKLIST IS MANDATORY FOR ALL			
	ack Operating II, LLC			D Number: 330968 0-015-49492
Well Name: Shud Pool: Atoka; Gloriet				Code: 3250
1) TYPE OF APPL	ATE AND COMPLETE INFO	INDICATED BELO hich apply for [A)	THE TYPE OF APPLICATION
B. Check of [1] Com	NSL NSP (PRO. Pine only for [1] or [1] Immingling – Storage – Me DHC CTB PLO ction – Disposal – Pressura WFX PMX SW	asurement C PC C e Increase – Enha	P(PRORATION UNIT) S OLS OLM anced Oil Recove	ry
A. Offse B. Roya C. Appli D. Notifi E. Notifi F. Surfa G. For a H. No no	N REQUIRED TO: Check the operators or lease hold lty, overriding royalty ow cation requires published cation and/or concurrence owner ll of the above, proof of otice required N: I hereby certify that the operators of the cation certify that the concurrence of the concurrence owner ll of the above of the concurrence owner la of the above of the concurrence of the	ers ners, revenue ov d notice nt approval by SL nt approval by BL notification or pu ne information su	vners .O .M ublication is attack	application for
understand th	e approval is accurate a nat no action will be take are submitted to the Divis	en on this applica	•	•
N	ote: Statement must be complete	ed by an individual with	n managerial and/or sup	ervisory capacity.
Cory Walk			08/09/2022 Date	
Print or Type Name			(505) 466-8120 Phone Number	
Cory Walk Signature			cory@permitsw e-mail Address	est.com

From: McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD

To: Cory Walk

Cc: McClure, Dean, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD

Subject:Approved Administrative Order OLM-262Date:Monday, February 6, 2023 4:35:05 PM

Attachments: OLM262 Order.pdf

NMOCD has issued Administrative Order OLM-262 which authorizes Silverback Operating II, LLC (330968) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-49492	Shuddle 27 #101H	N/2 N/2	27-18S-26E	3250
30-015-49493	Shuddle 27 #102H	N/2 N/2	27-18S-26E	3250
30-015-49494	Shuddle 27 #201H	N/2 N/2	27-18S-26E	3250

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

Carlsbad Current Argus.

Affidavit of Publication Ad # 0005404978 This is not an invoice

PERMITS WEST INC 37 VERANO LOOP

SANTA FE, NM 87508-8351

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

To Gretchen B Nearburg, Laura Lynn McCampbell, Jami Harl, Melanie R Harper, Thomas Ray Smith, James R Gebel Revocable Living Trust DTD 3/20/2013, Anne S Johnson, or their devisees; Silverback Operating II, LLC located at IH10 West, Suite 201, San Antonio TX 78257 is applying to the NMOCD for off-lease measurement and storage of production at their Shudde 27 Facility located in Eddy County, Section 26, T18S-R26E. Pursuant Statewide 19.15.12.10, interested par-ties must file objections or ties must file objections or requests for hearing in writing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, within 20 days after publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Cory Walk at 505-466-8120. #5404978, Current Argus, September 9, 2022

09/09/2022

Legal Clerk

Subscribed and sworn before me this September 9,

2022:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

Ad # 0005404978 PO#: 0005404978 # of Affidavits 1

This is not an invoice

KATHLEEN ALLEN Notary Public State of Wisconsin

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

APPLICATION FOR OFF-LEASE MEASUREMENT SUBMITTED BY SILVERBACK OPERATING II, LLC

ORDER NO. OLM-262

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Silverback Operating II, LLC ("Applicant") submitted a complete application to off-lease measure the oil and gas production ("Application") from the wells, pool, and lease identified in Exhibit A.
- 2. Applicant provided notice of the Application to all persons owning a working interest in the oil and gas production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
- 3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

- 4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
- 5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
- 6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

- 1. Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
- 2. The oil and gas production from the wells identified in Exhibit A shall be physically separated from the oil and gas production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.
- 3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.

Order No. OLM-262 Page 1 of 2

- 4. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
- 5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
- 6. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

DATE: 2/6/2023

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

DYLANM. FUGE

DIRECTOR (ACTING)

Order No. OLM-262 Page 2 of 2

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-262

Operator: Silverback Operating II, LLC (330968)

Central Tank Battery: Shuddle 27 Facility

Central Tank Battery Location: UL D, Section 26, Township 18 South, Range 26 East Gas Title Transfer Meter Location: UL D, Section 26, Township 18 South, Range 26 East

Pools

Pool Name Pool Code

ATOKA; GLORIETA-YESO 3250

Leases as defined in 19.15.12.7(C) NMAC

 Lease
 UL or Q/Q
 S-T-R

 Fee
 N/2 N/2
 27-18S-26E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-49492	Shuddle 27 #101H	N/2 N/2	27-18S-26E	3250
30-015-49493	Shuddle 27 #102H	N/2 N/2	27-18S-26E	3250
30-015-49494	Shuddle 27 #201H	N/2 N/2	27-18S-26E	3250

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

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 134145

CONDITIONS

Operator:	OGRID:
Silverback Operating II, LLC	330968
IH10 West, Suite 201	Action Number:
San Antonio, TX 78257	134145
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	2/7/2023