

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Dylan M. Fuge, Division Director (Acting)
Oil Conservation Division



Ms. Fatma Abdallah
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Administrative Order NSP – 2202

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Silverback Operating II, LLC [OGRID 330968]

Arrow ARW Federal Com Well No. 101H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 102H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 103H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 104H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 105H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 106H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 201H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 202H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 203H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 204H [API No. 30-015-PENDING]
Arrow ARW Federal Com Well No. 205H [API No. 30-015-PENDING]
S/2 N/2 & S/2 Section 11, T19S R25E, Eddy County

Reference is made to your application received on April 17th, 2024.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Increased Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
S/2 N/2 & S/2 Section 11	480	N. Seven Rivers; Glorieta-Yeso	97565

NSP - 2202
Silverback Operating II, LLC
Page 2 of 2

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter - quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(1) NMAC.

We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Eddy County, New Mexico.

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are to be being included.

It is understood that a non-standard horizontal spacing unit is needed in order to maximize recovery of oil and gas reserves from the Glorieta - Yeso formation. Thereby, preventing waste underlying S/2 N/2 & S/2 Section 11.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Once submitted, email the Action ID number to the following e-mail address: ocd.engineer@emnrd.nm.gov of notice for additional wells.

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 5/30/24

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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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CONDITIONS

Action 350523

CONDITIONS

Operator: Silverback Operating II, LLC 19707 IH10 West, Suite 201 San Antonio, TX 78256	OGRID: 330968
	Action Number: 350523
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	None	6/3/2024