

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

**APPLICATION OF SILVERBACK OPERATING II, LLC,
TO AMEND ORDER NO. R-22671 FOR AN EXTENSION OF
THE WELL COMMENCEMENT DATE, EDDY COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Silverback Operating II, LLC (“Silverback” or “Applicant”), OGRID No. 330968, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking to reopen Case No. 23316 and amend Order No. R-22671 to allow a one-year extension of the well drilling commencement deadline. Order No. R-22671 pooled uncommitted owners in the Yeso formation (Atoka: Glorieta-Yeso [Pool Code 3250]), an oil pool, underlying the standard 160-acre, more or less, spacing unit comprised of the S/2 S/2 of Section 22, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. Paragraph 21 of the Order allows for an extension by amendment for good cause shown. In support of its application to extend the commencement date of the wells in the unit, Silverback states the following:

Silverback is in good standing under state-wide rules and regulations with respect to Order No. R-22671 and in good-faith has made progress toward the development of the unit since the issuance of the Order by pursuing due diligence regarding owners and accounting for newly discovered owners in Case No. 24083 while working to schedule a drilling rig, among other efforts. There is good cause for Silverback’s request for an extension of time: while facing the fast approaching one-year deadline, Silverback has experienced unanticipated delays in securing a rig

for the commencement of drilling. Furthermore, an extension would also allow Silverback to receive an amendment to the Order from Case No. 24083, a case which has been taken under advisement to secure the pooling of subsequent owners recently discovered and pooled.

WHEREFORE, Silverback respectfully requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on April 4, 2024, and after notice and hearing as required by law, that the Division amend Order No. R-22671 in a manner that provides for a one-year extension of the well commencement deadline.

Under the original Order, Silverback would be required to commence drilling of the wells (Krauss 22 D #101H, Krauss 22 D #201H, and Krauss 22 D #202H) by April 29, 2024; and therefore, asks that the deadline for the commencement drilling date be extended one-year, to April 29, 2025, thereby, affording Silverback the opportunity to continue its development of the unit without interruption.

Respectfully submitted,

ABADIE & SCHILL, PC

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Attorneys for Silverback Operating II, LLC

Application of Silverback Operating II, LLC, to Amend Order No. R-22671 for an Extension of the Well Commencement Date, Eddy County, New Mexico. Applicant in the above-styled cause seeks to re-open Case No. 23316 and amend Division Order No. R-22671 in order to obtain, based on good cause shown, a one-year extension of the well commencement deadline, such that the drilling deadline would be extended to April 29, 2025. Order No. R-22671 pooled uncommitted interest owners and granted Applicant operating rights for wells (Krauss 22 D #101H, Krauss 22 D #201H, and Krauss 22 D #202H) to be drilled in a standard 160-acre, more or less, spacing unit comprised of the S/2 S/2 of Section 22, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. The wells and lands are located approximately 7.8 miles south, southeast, of Artesia, New Mexico.