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

APPLICATION OF SILVERBACK OPERATING II, LLC. TO AMEND ORDER NO. R-22655, EDDY COUNTY, NEW MEXICO.

Case No. 24281

PREHEARING STATEMENT

Silverback Operating II, LLC, ("Silverback"), OGRID No. 330968, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division"), pursuant to the Division's rules.

APPEARANCES

ATTORNEY

APPLICANT

Silverback Operating II, LLC

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APPLICANT'S STATEMENT OF THE CASE

In Case No. 24281, Silverback seeks to reopen Case No. 23315 and amend Order No. R-22655 in order to allow a one-year extension of the well commencement deadline. In order to show good cause for this request, Silverback states the following: (1) Silverback is in good standing under state-wide rules and regulations with respect to Order No. R-22655; (2) Silverback in good-faith has made substantial progress toward the development of the unit since issuance of the Order

by pursuing due diligence regarding owners and accounting for newly discovered owners in Case No. 24082 while working to schedule a drilling rig, among other efforts; and (3) while facing the approaching one-year deadline, Silverback has experienced unanticipated delays in securing a rig for the commencement of drilling. As a result, Silverback is respectfully requesting that an extension of time for the drilling commencement date be granted to ensure that a rig can be safely moved into place without the unnecessary rush to meet the impending deadline

Under the original Order, Silverback would be required to commence drilling by April 29, 2024; and therefore, Silverback is asking for the deadline to commence drilling to be extended for a year, to April 29, 2025, thereby affording Silverback the opportunity to continue its development of the unit without interruption.

APPLICANT'S PROPOSED EVIDENCE

WITNESS ESTIMATED TIME EXHIBITS

Landman: Jake Bebermeyer Approx. 10 min Approx. 1

PROCEDURAL MATTERS

No protests or objections have been filed and Silverback does not anticipate any at this time; consequently, Silverback plans to conduct the hearing by affidavit or self-affirmed statements.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage
Darin C. Savage

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

QUESTIONS

Action 327955

QUESTIONS

| Operator: | OGRID: |
|------------------------------|--|
| Silverback Operating II, LLC | 330968 |
| 19707 IH10 West, Suite 201 | Action Number: |
| San Antonio, TX 78256 | 327955 |
| | 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. |