

**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.

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.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
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**DYLAN M. FUGE**  
**DIRECTOR (ACTING)**

**DATE:** 2/6/2023

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

**District IV**  
 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**

COMMENTS

Action 183570

**COMMENTS**

|  |  |
|--|--|
| Operator:<br>Silverback Operating II, LLC<br>IH10 West, Suite 201<br>San Antonio, TX 78257 | OGRID:<br>330968   |
|  | Action Number:<br>183570                                       |
|  | Action Type:<br>[IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

**COMMENTS**

| Created By | Comment                          | Comment Date |
|------------|----------------------------------|--------------|
| dmcclosure | Approved under Action ID: 134145 | 2/7/2023     |

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CONDITIONS

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**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       |