

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

**APPLICATION OF SEP PERMIAN, LLC TO
AMEND ORDER NO. R-20543 TO ADD AN
ADDITIONAL WELL TO THE APPROVED
HORIZONTAL WELL SPACING UNIT, EDDY
COUNTY, NEW MEXICO.**

**CASE NO. 20231 (Re-Open)
ORDER NO. R-20543**

APPLICATION

SEP Permian, LLC (“Spur”) (OGRID No. 338479), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-20543 to add an additional well to the approved horizontal spacing unit. In support of its application, Spur states:

1. Division Order No. R-20543, entered May 17, 2019, in Case No. 20231, created a 320-acre, more or less, standard horizontal oil spacing unit in the N. Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565), comprised of the E/2 of Section 23, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

2. The Order dedicated the above-described spacing unit, including the adjacent proximity tracts, to four initial proposed wells:

- The **Shelby 23 No. 2H Well** and the **Shelby 23 No. 3H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 14 to a standard bottom-hole location in the SW/4 SE/4 (Unit O) of Section 23; and

- The **Shelby 23 No. 4H Well** and the **Shelby 23 No. 5H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 14 to a standard bottom-hole location in the SE/4 SE/4 (Unit P) of Section 23.

3. Since entry of Order No. R-20543, Spur, as successor operator to Percussion Petroleum, LLC, has determined that prior to the commencement of drilling it is prudent to add the following additional well to the approved spacing unit:

- The **Shelby 23 No. 6H Well**, which will be drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 26 to a standard bottom-hole location in the NE/4 NE/4 (Unit A) of Section 23.

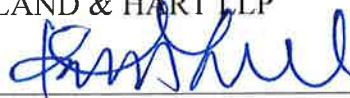
4. Spur has submitted a revised well proposal letter to the mineral owners pooled under Division Order No. R-20543 and will further notify them of this hearing.

WHEREFORE, Spur requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and, after notice and hearing as required by law, the Division amend Division Order No. R-20543 to add the well identified herein to the approved horizontal well spacing unit.

Respectfully submitted,

HOLLAND & HART LLP

By:



Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

ATTORNEYS FOR SEP PERMIAN, LLC