

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

**APPLICATION OF SEP PERMIAN, LLC TO
AMEND ORDER NO. R-20642 TO ADD
ADDITIONAL WELLS TO THE APPROVED
HORIZONTAL WELL SPACING UNIT, EDDY
COUNTY, NEW MEXICO.**

**CASE NO. 20263 (Re-Open)
ORDER NO. R-20642**

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-20642 to add an additional well to the approved horizontal spacing unit. In support of its application, Spur states:

1. Division Order No. R-20642, entered February 7, 2019, in Case No. 20263, created a 200-acre, more or less, standard horizontal oil spacing unit in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. The Order limited the pooled vertical depths from a depth of 3,201 feet to the base of the Yeso formation at a stratigraphic equivalent of a measured depth of 4,460 feet as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926).

2. The Order dedicated the above-described spacing unit, subject to the pooled vertical limits, to the following initial proposed well: **Nirvana No. 3H Well**, which will be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a standard bottom-hole location in

the SE/4 SE/4 (Unit P) of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

3. Since entry of Order No. R-20642, 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 wells to the approved spacing unit: The **Nirvana No. 1H Well** and the **Nirvana 2H Well**, both of which will be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a standard bottom-hole location in the SE/4 SE/4 (Unit P) of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

4. Spur has submitted a revised well proposal letter to the mineral owners pooled under Division Order No. R-20642 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-20642 to add the wells identified herein to the approved horizontal well spacing unit.

Respectfully submitted,

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