

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

**APPLICATION OF SILVERBACK OPERATING II, LLC,  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

**Case No. 23315**

**PREHEARING STATEMENT**

Silverback Operating II, LLC, (“Silverback”), OGRID No. 330968, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”).

**APPEARANCES**

**APPLICANT**

Silverback Operating II, LLC

**ATTORNEY**

Darin C. Savage  
William E. Zimsky  
Andrew D. Schill  
214 McKenzie Street  
Santa Fe, New Mexico 87501  
Telephone: 970.385.4401  
Facsimile: 970.385.4901  
darin@abadieschill.com  
bill@abadieschill.com  
andrew@abadieschill.com

**INTERESTED PARTIES**

COG Operating LLC and  
Concho Oil & Gas LLC

**ATTORNEY**

Ocean Munds-Dry  
Elizabeth Ryan  
Jobediah Rittenhouse  
1048 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone: 505-780-8006  
ocean.munds-dry@conocophillips.com  
beth.ryan@conocophillips.com  
joby.rittenhouse@conocophillips.com

**APPLICANT'S STATEMENT OF THE CASE**

In Case No. 23315, Silverback seeks an order (1) establishing a standard 160-acre, more or less, spacing and proration unit comprised of the N/2 S/2 of Section 22, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Yeso formation underlying said unit. Silverback proposes and dedicates to the unit the **Krauss 22 #103H Well, Krauss 22 #203H Well, Krauss 22 #102H Well, and Krauss 22 #204H Well**. The proposed 103H Well, 203H Well and 204H Well will be orthodox in location. The proposed 102H Well is unorthodox in its location. Silverback will apply to the Division for administrative approval of the unorthodox location.

Silverback proposes the **Krauss 22 #103H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 22 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 22. Silverback proposes the **Krauss 22 #203H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 22 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 22. Silverback proposes the **Krauss 22 #102H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 22 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 22. Silverback proposes the **Krauss 22 #204H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 22 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 22.

Silverback has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for development within the proposed unit. The pooling of all interests in the

Wolfcamp formation within the proposed unit, and establishing the spacing unit, will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**APPLICANT’S PROPOSED EVIDENCE**

| WITNESS                         | ESTIMATED TIME | EXHIBITS  |
|---------------------------------|----------------|-----------|
| Landman: Brennan West           | Approx. 10 min | Approx. 6 |
| Geologist: Nathaniel Gilbertson | Approx. 10 min | Approx. 5 |

**PROCEDURAL MATTERS**

Since the unit in this Case No. 23315 is within the same section and adjacent to the unit proposed by Silverback in Case No. 23316, Silverback requests that the two cases be consolidated. No protests or objections have been filed and Silverback does not anticipate any at this time; consequently, Silverback plans to conduct the hearing by self-affirmed statements.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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Darin C. Savage

William E. Zimsky  
Andrew D. Schill  
214 McKenzie Street  
Santa Fe, New Mexico 87501  
Telephone: 970.385.4401  
Facsimile: 970.385.4901  
darin@abadieschill.com  
bill@abadieschill.com  
andrew@abadieschill.com

**Attorneys for Silverback Operating II, LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on January 26, 2023:

Ocean Munds-Dry – ocean.munds-dry@conocophillips.com  
Elizabeth Ryan – beth.ryan@conocophillips.com  
Jobediah Rittenhouse – joby.rittenhouse@conocophillips.com

***Attorneys for COG Operating LLC  
and Concho Oil & Gas LLC***

/s/ Darin C. Savage

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Darin C. Savage

**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**

QUESTIONS

Action 179967

**QUESTIONS**

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| Operator:<br>Silverback Operating II, LLC<br>IH10 West, Suite 201<br>San Antonio, TX 78257 | OGRID:<br>330968   |
|  | Action Number:<br>179967                                 |
|  | Action Type:<br>[HEAR] Prehearing Statement (PREHEARING) |

**QUESTIONS**

|  |                      |
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| <b>Testimony</b>   |                      |
| <i>Please assist us by provide the following information about your testimony.</i> |                      |
| Number of witnesses  | <i>Not answered.</i> |
| Testimony time (in minutes)  | <i>Not answered.</i> |