

**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. 23316

NOTICE OF FILING: REMAINING NOTICE EXHIBITS

Silverback Operating II, LLC, (“Silverback”) through its undersigned attorneys, hereby submits for filing the attached Exhibits 1 and 2 in order to address and cure remaining notice issues in the above-referenced Case. After a hearing of the Case before the Oil Conservation Division (“Division”) on February 16, 2023, the Division provided Silverback opportunity to review and cure remaining issues regarding notice. Silverback accomplished these remaining requirements as follows:

1. Identifying that the Nix 2002 Trust needed to be sent notice by letter and timely sending a notice letter to Robin Kay Nix Trustee of the Nix 2002 Trust, copies of the mailing report and sample letter are included in Exhibit 1, attached hereto.
2. Identifying Nancy A. Miller as trustee of the McCollough Trust and sending her a notice letter in a timely manner, copies of the mailing report and sample letter are included in Exhibit 1, attached hereto.
3. Identifying Charles D. Nelms as the representative of both the Jonell R. Gilmore Estate and the Stanley Jones Estate, and sending him notice letters in a timely manner, copies of the mailing report and sample letter are included in Exhibit 1, attached hereto.

4. Clarifying and updating the ownership list for publication notice and timely publishing the updated notice in the Carlsbad Current Argus, a copy of the published notice is included in Exhibit 2, attached hereto.

5. Providing an "Affidavit of Additional Notice" that confirms the additional notice letters were sent and notice published, as described herein. The "Affidavit of Additional Notice" is attached hereto as Exhibit 3.

By sending the additional notice letters and republishing notice in the Carlsbad Current Argus newspaper, as described herein, Silverback respectfully submits that it has satisfied the remaining requirements that would allow the Division to accept the exhibits into the record and take Case No. 23316 under advisement.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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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 March 13, 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

Darin C. Savage



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

February 23, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Silverback Operating II, LLC, for a horizontal spacing unit and compulsory pooling, Eddy County, New Mexico
 Krauss 22 #101H Well (Case No. 23316)
 Krauss 22 #201H Well (Case No. 23316)
 Krauss 22 #202H Well (Case No. 23316)

Case Nos. 23316:

Dear Interest Owners:

This letter is to advise you that Silverback Operating II, LLC (“Silverback”), has filed the enclosed application, in Case No. 23316, with the New Mexico Oil Conservation Division (“Division”) for a compulsory pooling in the Yeso formation.

In Case No. 23316, Silverback seeks to pool uncommitted interests in the Yeso formation, underlying the S/2 S/2 of Section 22, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, a standard unit encompassing 160 acres, more or less, dedicated to the above-referenced 101H, 201H, and 202H Wells.

A hearing had been held before a Division Examiner on February 16, 2023; however, this case has been further continued to the Division’s March 16, 2023 docket, in order to allow for additional notice, and is scheduled to be heard on the new March 16 date. The status of the hearing can be monitored through the Division’s website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division’s Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division’s website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

EXHIBIT
1

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Brennan West at (918) 671-3635 or at bwest@silverbackexp.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

Attorney for Silverback Operating II, LLC

Mail Activity Report - CertifiedPro.net
Mailed from 2/6/2023 to 3/8/2023
User Name: abadieschill
Generated: 3/8/2023 4:18:10 PM

USPS Article Number	Reference Number	Date Mailed	Name 1	Name 2	Address 1	Address 2	City	State	Zip	Mailing Status	Service Options
9314869904300104850093	4220.1	02/23/2023	Nancy H. Miller	Trustee of the McCullough Trust	31557 Eagle Rock Way		Laguna Beach	CA	92651	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300104850109	4220.1	02/23/2023	Robin Kay Nix	Trustee of the Nix 2002 Trust	3322 W Ohio Ave.		Midland	TX	79703	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300104850116	4220.1	02/23/2023	Charlie Nelms	PR of the Stanley L. Jones Estate	1404 S. 16th St.		Lovington	NM	88260	Forwarded	Return Receipt - Electronic, Certified Mail
9314869904300104850123	4220.1	02/23/2023	Charlie Nelms	PR of the Jonell R. Gilmore Estate	1404 S. 16th St.		Lovington	NM	88260	Forwarded	Return Receipt - Electronic, Certified Mail



March 3, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0104 8501 09.**

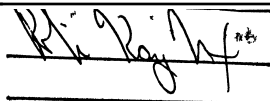
Item Details

Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	March 2, 2023, 02:43 p.m.
Location:	MIDLAND, TX 79705
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Robin Kay Nix Trustee of the Nix 2002 Trust

Shipment Details

Weight: 2.0oz

Recipient Signature

Signature of Recipient:	 <hr/> <hr/>
Address of Recipient:	<hr/> <hr/>

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4220.1

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005611795

This is not an invoice

ABADIE SCHILL P.C.
555 RIVERGATE # B 4-180

DURANGO, CO 81301-7485

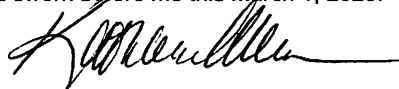
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

03/01/2023

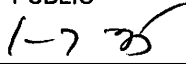


Legal Clerk

Subscribed and sworn before me this March 1, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005611795
PO #: 5611795
of Affidavits 1

This is not an invoice

EXHIBIT
2

CASE No. 23316: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include COG OPERATING LLC; CONCHO OIL & GAS LLC; OXY Y-1 COMPANY; ROBIN KAY NIX, TRUSTEE OF THE NIX 2002 TRUST; SHARBRO HOLDINGS LLC, SLASH EXPLORATION LIMITED PARTNERSHIP, TEX ZIA PROPERTIES LTD.; VERNON D. DYER; VIOLET SHIPP YOUNG; YATES BROTHERS; CHARLIE D. NELMS, PERSONAL REPRESENTATIVE OF THE STANLEY JONES ESTATE; CHARLIE D. NELMS, PERSONAL REPRESENTATIVE OF THE JONNELL R GILMORE ESTATE; JOAN T. GARLAND; NANCY MILLER, TRUSTEE OF MCCULLOUGH TRUST of Silverback Operating II, LLC's application for approval of a spacing unit and compulsory pooling, Eddy County, New Mexico.

The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on March 16, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. The date of this hearing is a continuance from a prior hearing of this case held on February 16, 2023. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/oecd/hearing-info/> or call (505) 476-3441. Silverback Operating II, LLC ("Silverback") at 19707 West IH 10, Suite 201, San Antonio, TX, 78257 (Main Office), seeks an order from the Division: (1) establishing a standard 160-acre, more or less, spacing and proration unit comprised of the S/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 (Atoka; Glorieta-Yeso [Pool Code 3250]), designated as an oil pool, underlying the unit. Said horizontal spacing unit is to be dedicated to the Krauss 22 #101H 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 SW/4 SW/4 (Unit M) of Section 22; the Krauss 22 #201H 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 SW/4 SW/4 (Unit M) of Section 22; and the Krauss 22 #202H 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 SW/4 SW/4 (Unit M) of Section 22. The 101H and 201H Wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the statewide Rules. The proposed 202H Well is unorthodox in its location under applicable statewide rules. Consequently, Silverback will be applying to the Division for administrative approval of the nonstandard location. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 7.8 miles south, southeast, of Artesia, New Mexico.
#5611795, Current Argus,
March 1, 2023

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

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

Case No. 23316

AFFIDAVIT OF ADDITIONAL NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Darin C. Savage, attorney and authorized representative of Silverback Operating II, LLC, ("Silverback"), the Applicant herein, being first duly sworn, upon oath, states the following:

1. Additional notice of the hearing for the above-reference case was timely sent by certified mail, return receipt requested, through the United States Postal Service on February 23, 2023, to three additional uncommitted interest owners, as described herein in the "Notice of Filing: Remaining Notice Exhibits" and its Exhibit 1.

2. An updated notice by publication was sent to the Carlsbad Current Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on March 1, 2023, as shown herein in the "Notice of Filing: Remaining Notice Exhibits" and its Exhibit 3.

_____ Darin C. Savage

EXHIBIT
3

SUBSCRIBED AND SWORN to before me this 13th day of March 2023, by Darin C. Savage.



Notary Public

My Commission Expires:

6/27/25

STATE OF NEW MEXICO
NOTARY PUBLIC
ANNETTE P. MARTINEZ
COMMISSION # 1068691
COMMISSION EXPIRES 06/27/2025