

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

**APPLICATION OF SILVERBACK, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 24121

SILVERBACK'S PRE-HEARING STATEMENT

Silverback Operating II, LLC ("Silverback"), a party in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Spur Energy Partners, LLC

ATTORNEY

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RESPONDENT

Silverback Operating II, LLC

ATTORNEY

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SILVERBACK'S STATEMENT OF THE CASE

In **Case No. 24121**, Spur Energy Partners, LLC ("Spur") seeks orders pooling all uncommitted interests in the Yeso Formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the SW/4 of Section 27 and the SE/4 of Section 28, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Spur seeks to initially dedicate this horizontal

spacing unit to the proposed **Live Oak 27-28 State Com 20H, 21H, 30H, 50H and 70H wells** (“Wells”), as set forth in their Application. The Wells will be horizontally drilled from surface hole locations in the SW/4 Section 27 to a bottom hole location in the SE/4 Section 28, Township 19 South, Range 25 East.

Silverback objects to the granting of a compulsory pooling order in this case that includes acreage within the SW/4 Section 27, on the basis that a) Spur’s proposed development plan will constitute waste in that the same would effectively strand working interests in adjacent tracts owned by Silverback and others parties to a joint operating agreement that includes the SW/4 Section 27, and b) granting of the order will harm correlative rights in that Silverback is currently pursuing competing development plans for the SW/4 Section 27 pursuant to the existing JOA. Should the SW/4 Section 27 be included in the compulsory pooling order, then various working interests subject to the existing JOA, including Silverback’s, will be negatively impacted.

APPLICANTS PROPOSED EVIDENCE

<u>WITNESS Name and Expertise</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Christopher Yonker, Landman	Affidavit / As Needed	Approximately 8
Nate Gilbertson, Geologist	Affidavit / As Needed	Approximately 5

PROCEDURAL MATTERS

Pursuant to its objection, Silverback respectfully requests that Case No. 24121 be set for a Status Conference on the March 7th docket.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC

/s/ Benjamin B. Holliday

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CERTIFICATE OF SERVICE

I hereby certify that on February 29, 2024, I served a copy of the foregoing document to the following counsel of record via electronic mail to:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 319227

QUESTIONS

Operator: Silverback Operating II, LLC 19707 IH10 West, Suite 201 San Antonio, TX 78256	OGRID: 330968
	Action Number: 319227
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<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>