

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

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

**CASE NO. 24156
ORDER NO. R-22567**

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

Silverback Operating II, LLC

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

In **Case No. 24156**, Silverback Operating II, LLC ("Applicant") (OGRID No. 330968), through its undersigned attorney, hereby files this Application with the Oil Conservation Division of the State of New Mexico ("Division") requesting a one-year time extension to commence drilling the Well(s) authorized by Order No. R-22567 ("Order"). In support of its application, Applicant states the following:

1. The Division entered the Order in Case No. 23194 on March 30, 2023.
2. The Order pooled all uncommitted interests in the Atoka Glorieta Yeso Formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 Section 16, Township 18 South, Range 26 East, NMPM Eddy County, New Mexico ("Unit"), for the

purpose of drilling the Netherlin State Com #102H well (“102H Well”), and the Netherlin State Com #103H well (“103H Well”). The 102H Well and 103H Well are referred to collectively herein as the “Wells.”

3. The Order designated Applicant as operator of the Unit and Wells. Paragraphs 19 and 20 of the Order require applicant to commence drilling the Wells within one (1) year of the date of the Order unless Applicant obtains a time extension from the Division Director for good cause shown.

4. Applicant’s ability to commence drilling the wells has been delayed by offset develop, midstream infrastructure delays, and Applicant’s resulting need and desire to avoid operational scenarios that require flaring natural gas to produce the Wells.

Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Wells until March 30, 2025.

APPLICANTS PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Austin Frye, Landman	Affidavit / As Needed	Approximately 8
Nate Gilbertson, Geologist	Affidavit / As Needed	Approximately 5

PROCEDURAL MATTERS

Silverback intends to present this case by affidavit if there is no opposition at the time of the hearing.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC

/s/ Benjamin B. Holliday

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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 319237

QUESTIONS

Operator: Silverback Operating II, LLC 19707 IH10 West, Suite 201 San Antonio, TX 78256	OGRID: 330968
	Action Number: 319237
	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>