

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Silverback Operating II, LLCOGRID Number: 330968Well Name: Piglet 21 State #1API: 30-015-39371Pool: Artesia; Glorieta-Yeso (O)Pool Code: 96830

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☐ CTB☒ PLC☐ PC☐ OLS☒ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete☐ Application
Content
Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

01-08-2024

Date

Cory Walk

Print or Type Name

505-466-8120

Phone Number

Signature

cory@permitswest.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised August 1, 2011

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Silverback Operating II, LLC

OPERATOR ADDRESS: 19707 IH 10 West Suite 201, San Antonio, TX 78257

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC-362

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
ARTESIA; GLORIETA-YESO (O) [96830]	38.1	38.2		48 BOPD 444 MCFD	37.1 BOPD 418 MCFD
EMPIRE; GLORIETA-YESO (O) [96210]	40.2				10 BOPD 26 MCFD

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☐ Metering ☒ Other (Specify) Well Test

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Cory Walk TITLE: Consultant DATE: 01/08/2024

TYPE OR PRINT NAME Cory Walk TELEPHONE NO.: 505-466-8120

E-MAIL ADDRESS: cory@permitswest.com



January 8, 2024

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

Re: Request for pool and lease commingling

Piglet 21 State #1H
Sec. 21, T17S, R28E
API: 30-015-39371
Artesia; Glorieta-Yeso (O)
Eddy County, NM

Dear Mr. McClure:

Silverback Operating II, LLC, is filing for an amendment to surface commingling Order No. PLC-362 with the New Mexico Oil Conservation Division. The amendment proposes approval for pool and lease commingling of oil, water, and gas at their Piglet 21 State CTB, Roo 22 State #5 Satellite Facility, Piglet 21 State #5 Satellite Facility, and Section 34 (McHam 34 State) Satellite facility, off-lease measurement, and a change in measurement type from metering to a well test method. The amendment includes a total of 40 wells but also seeks approval for the ability to add future wells and leases to these facilities.

Commingling will not reduce the total value of remaining production.

Please contact the undersigned should you have any questions or need any additional information.

Sincerely,

Cory Walk
Agent
Permits West Inc.
(505) 466-8120
cory@permitswest.com



Silverback Operating II, LLC. requests approval of pool and lease commingling, off-lease measurement, storage and sales for oil and gas production from the wells listed in Exhibit A that go to the Piglet 21 State central tank battery (CTB), located in NESE Section 21 T 17S R 28E.

Well Test Allocation Method

The surface commingling project includes one major central tank battery known as the Piglet 21 State CTB and 3 satellite batteries that flow to the central tank battery.

The 3 satellite batteries are located at the following:

- Roo 22 State #5 Satellite: SWNW Section 22 T 17S R 28E
- Piglet 21 State #5 Satellite: SESW Section 21 T 17S R 28E
- Section 34 (Mcham 34 State) Satellite: NWNE Section 34 T 17S R 28E

All satellite batteries have wells flowing full well stream to manifolds located at each facility. Every facility has a test separator and bulk separator. Oil, gas, and water volumes are measured after separation and before being commingled with the production from the other tank batteries.

Oil and gas production will be allocated back to each well based on individually well tests. The oil from the satellite facilities is pumped to the Piglet 21 central tank battery via oil flowlines. The water from the satellite facilities is pumped to the Piglet 21 central tank battery via water flowlines. The gas from the Roo 22 State #5 and Piglet 21 State #5 satellite facilities flows to the P66 (DCP) sales meter located near the Piglet central tank battery in NWSE Section 21 T 17S R 28E. Section 34 (McHam 34 State) satellite facility has its own gas sales point near the Section 34 facility located at NWNE Section 34 T 17S R 28E.

The oil and gas production for each well identified in the well list (Exhibit A) shall be allocated by conducting a minimum of one (1) well test per month.

We will conduct a well test by separating and measuring the oil and gas production from that well for a minimum of twenty-four (24) consecutive hours.

Additional Comments for Application:

This request also includes future wells within the same pools and leases/PAs of wells listed below.

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) Silverback Operating II, LLC. requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves.

Exhibit A -Well List

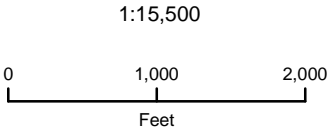
State Lease	Well	API	Location	Operator	Pool Name [Code]	Spacing	Previous/New
B0-1969-0034	Piglet 21 State #1	30-015-39371	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #2	30-015-39498	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0034	Piglet 21 State #3	30-015-40163	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #4	30-015-39499	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #5	30-015-39500	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #6	30-015-39501	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0032	Piglet 21 State #7	30-015-39502	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #14	30-015-40432	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0032	Piglet 21 State #15	30-015-40721	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #16	30-015-40723	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #17	30-015-40722	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #18	30-015-40433	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0034	Piglet 21 State #19	30-015-40434	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #22	30-015-41169	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
B0-1969-0031	Piglet 21 State #23	30-015-41173	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
B0-1969-0034	Piglet 21 State #24	30-015-40861	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #27	30-015-41174	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
B0-1969-0031	Piglet 21 State #28	30-015-41175	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
VC-0955-0001	Roo 22 State #1	30-015-39370	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-0135-0005	Roo 22 State #2	30-015-39651	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	EMPIRE; GLORIETA-YESO (O) [96210]	40	Previous
VC-0954-0001	Roo 22 State #3	30-015-39495	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0954-0001	Roo 22 State #4	30-015-39496	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0953-0000	Roo 22 State #5	30-015-39497	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0953-0000	Roo 22 State #6	30-015-39652	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	EMPIRE; GLORIETA-YESO (O) [96210]	40	Previous
VC-0952-0001	Roo 22 State #7	30-015-39653	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0036	Roo 22 State #8	30-015-39654	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0955-0001	Roo 22 State #9	30-015-40531	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-0135-0005	Roo 22 State #10	30-015-40532	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0954-0001	Roo 22 State #11	30-015-40533	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0953-0000	Roo 22 State #12	30-015-40534	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0036	Roo 22 State #13	30-015-40535	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0952-0001	Roo 22 State #14	30-015-40855	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0953-0000	Roo 22 State #15	30-015-40856	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0954-0001	Roo 22 State #16	30-015-40857	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-7116-0001	McHam 34 State #1	30-015-39384	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-7116-0001	McHam 34 State #2	30-015-40248	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-7116-0001	McHam 34 State #3	30-015-41232	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
EO-7116-0001	McHam 34 State #4	30-015-41233	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
EO-7832-0001	Eeyore 34 State #1	30-015-39383	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-7832-0001	Eeyore 34 State #2	30-015-41231	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New

Silverback Operating II, LLC

Piglet Central Tank Battery Commingle Overview Map

Sec. 21, 22 & 34, Township 17S, Range 28E
Eddy County, New Mexico

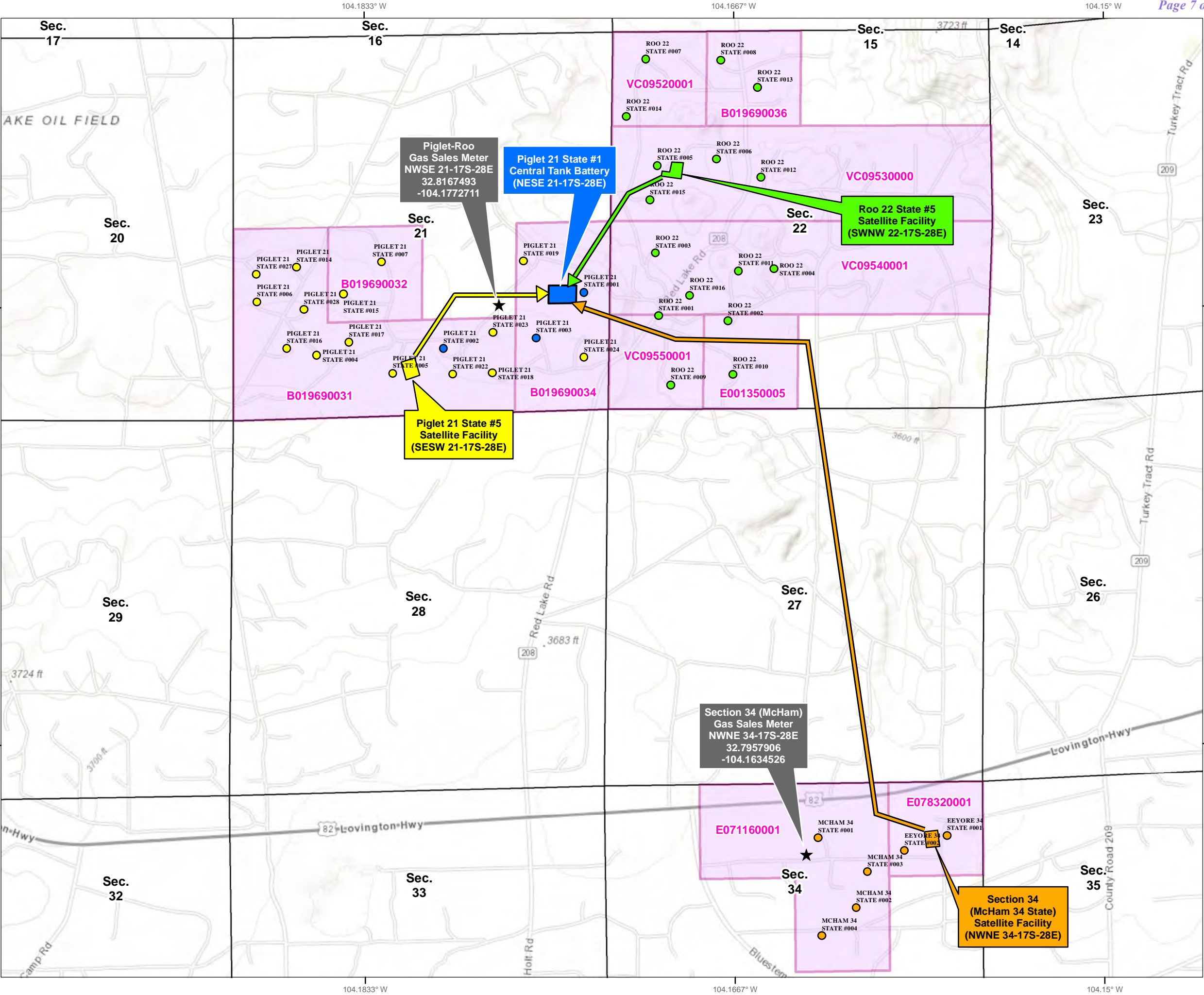
State O&G Lease



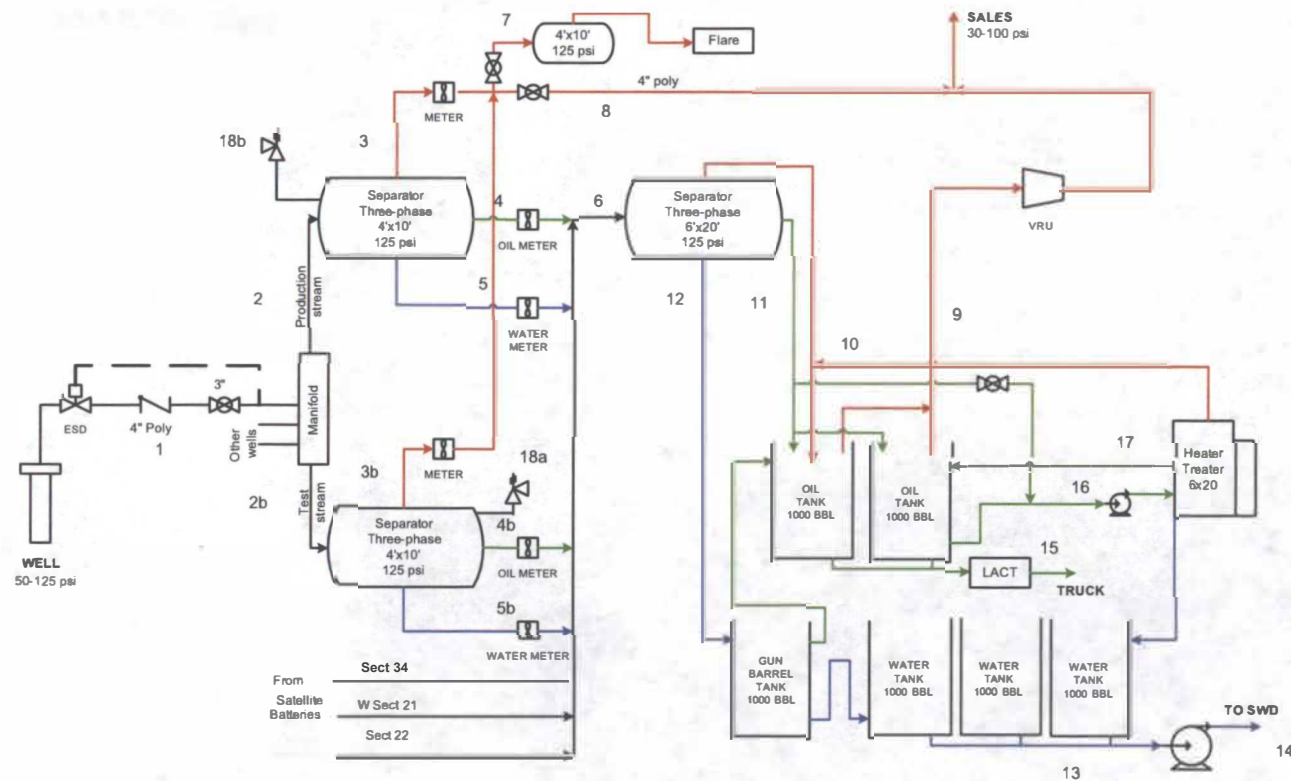
NAD 1983 New Mexico State Plane East
FIPS 3001 Feet



Prepared by Permits West, Inc., December 15, 2023
for Silverback Operating II, LLC



PIGLET 21 STATE CENTRAL TANK BATTERY



Line Description

- 1 - Produced gas, oil and water coming from section 22 state wells into the header
- 2 - Produced gas, oil, and water coming off the automatic well testing header from the wells not on test and headed to the production separator.
- 2b - Produced gas, oil, and water coming off the automatic well test header from the well on test and headed to the test separator.
- 3 - Produced gas leaving the production separator headed to the gas meter.
- 3b - Produced gas leaving the test separator headed to the gas meter.
- 4 - Produced oil leaving the production separator headed to the oil meter.
- 4b - Produced oil leaving the test separator headed to the oil meter.
- 5 - Produced water leaving the production separator headed to the water meter.
- 5b - Produced water leaving the test separator headed to the water meter.
- 6 - Produced oil, water from W sect 21 Sect 22 to 6x20 production separator.
- 7 - Produced gas to flare system.
- 8 - Produced gas to sales pipeline and meter.
- 9 - Tank vapors to vapor recovery unit.
- 10 - Produced gas to oil tanks

Line Description

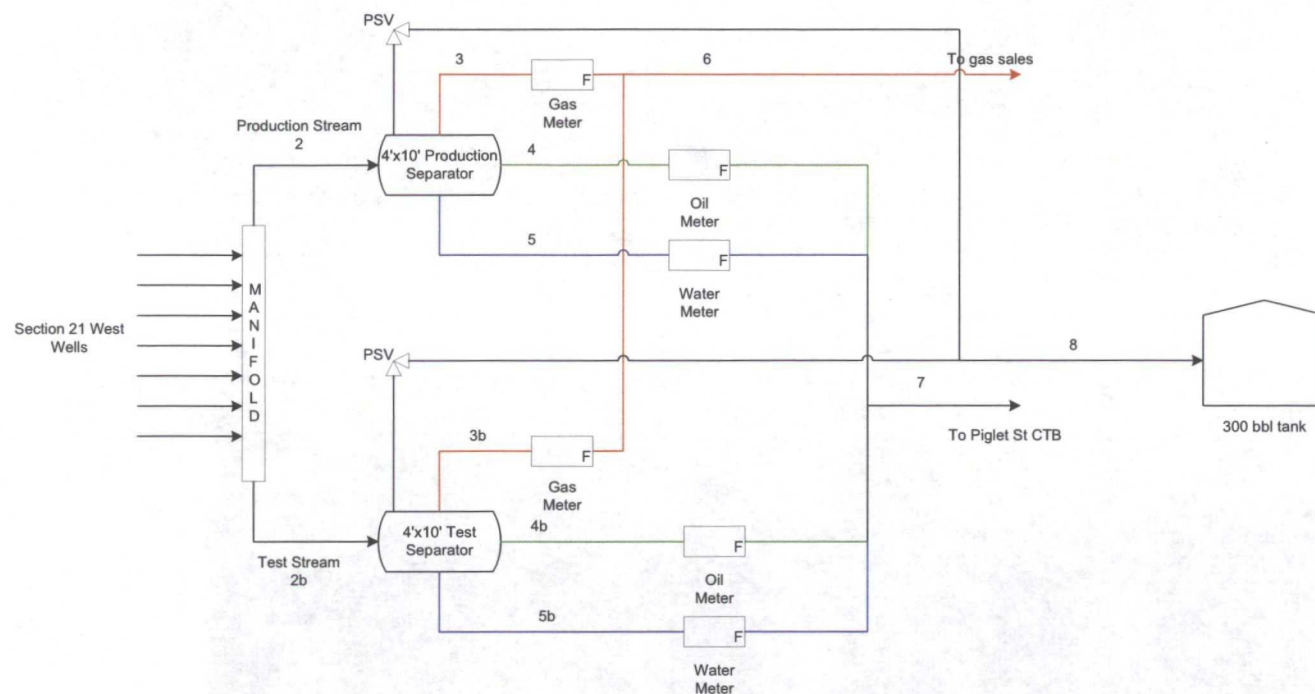
- 11 - Produced oil from 6'x20' production separator to 2-1000 bbl oil tanks.
- 12 - Produced water from 6'x20' production separator to 1000 bbl Gunbarrel and Produced water tanks.
- 13 - Produced water from tanks to low pressure transfer pump.
- 14 - Produced water from pump to Piglet State SWD #1.
- 15 - Produced oil from two 1000 bbl oil tanks to truck LACT units to sales.
- 16 - Produced oil from two 1000 bbl oil tanks to recirculating pumps to bad oil heater treater.
- 17 - Produced oil from heater treater to two 1000 bbl tanks.
- 18a/b - PSV fluids to produced water tanks.



Current Revision Number	Date
Rev 1	Rev 1 - 5/14/12

Title: Section 21 State Piglet CTB – Process Summary
Location: New Mexico Section 21 State
Origination Date: 5/14/2012
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PIGLET 21 STATE #5 SATELLITE BATTERY



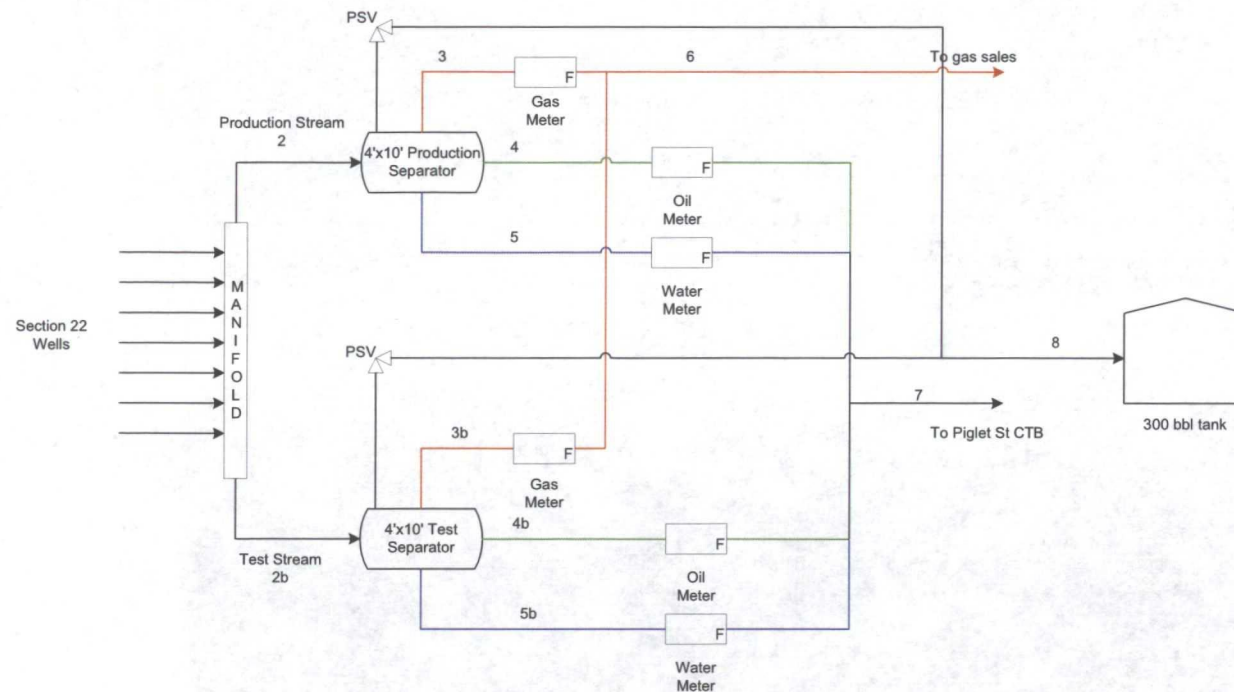
Line Description

- 1 - Produced gas, oil and water coming from section 21 west state wells into the header
- 2 - Produced gas, oil, and water coming off the automatic well testing header from the wells not on test and headed to the production separator.
- 2b - Produced gas, oil, and water coming off the automatic well test header from the well on test and headed to the test separator.
- 3 - Produced gas leaving the production separator headed to the gas meter.
- 3b - Produced gas leaving the test separator headed to the gas meter.
- 4 - Produced oil leaving the production separator headed to the oil meter.
- 4b - Produced oil leaving the test separator headed to the oil meter.
- 5 - Produced water leaving the production separator headed to the water meter.
- 5b - Produced water leaving the test separator headed to the water meter.
- 6 - Total satellite produced gas from production/test separator to gas sales pipeline.
- 7 - Total satellite produced water and oil from production/test separator to liquid pipeline headed to Piglet State central tank battery.
- 8 - Emergency relief to 300 bbl tank.



Current Revision Number	Date
Rev 1	Rev 1 - 5/14/12

Title: Section 21 State East Satellite – Process Summary
Location: New Mexico Section 21 State East
Origination Date: 5/14/2012
Revision: 1
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Line Description

- 1 - Produced gas, oil and water coming from section 22 state wells into the header
- 2 - Produced gas, oil, and water coming off the automatic well testing header from the wells not on test and headed to the production separator.
- 2b - Produced gas, oil, and water coming off the automatic well test header from the well on test and headed to the test separator.
- 3 - Produced gas leaving the production separator headed to the gas meter.
- 3b - Produced gas leaving the test separator headed to the gas meter.
- 4 - Produced oil leaving the production separator headed to the oil meter.
- 4b - Produced oil leaving the test separator headed to the oil meter.
- 5 - Produced water leaving the production separator headed to the water meter.
- 5b - Produced water leaving the test separator headed to the water meter.
- 6 - Total satellite produced gas from production/test separator to gas sales pipeline.
- 7 - Total satellite produced water and oil from production/test separator to liquid pipeline headed to Piglet State central tank battery.
- 8 - Emergency relief to 300 bbl tank.



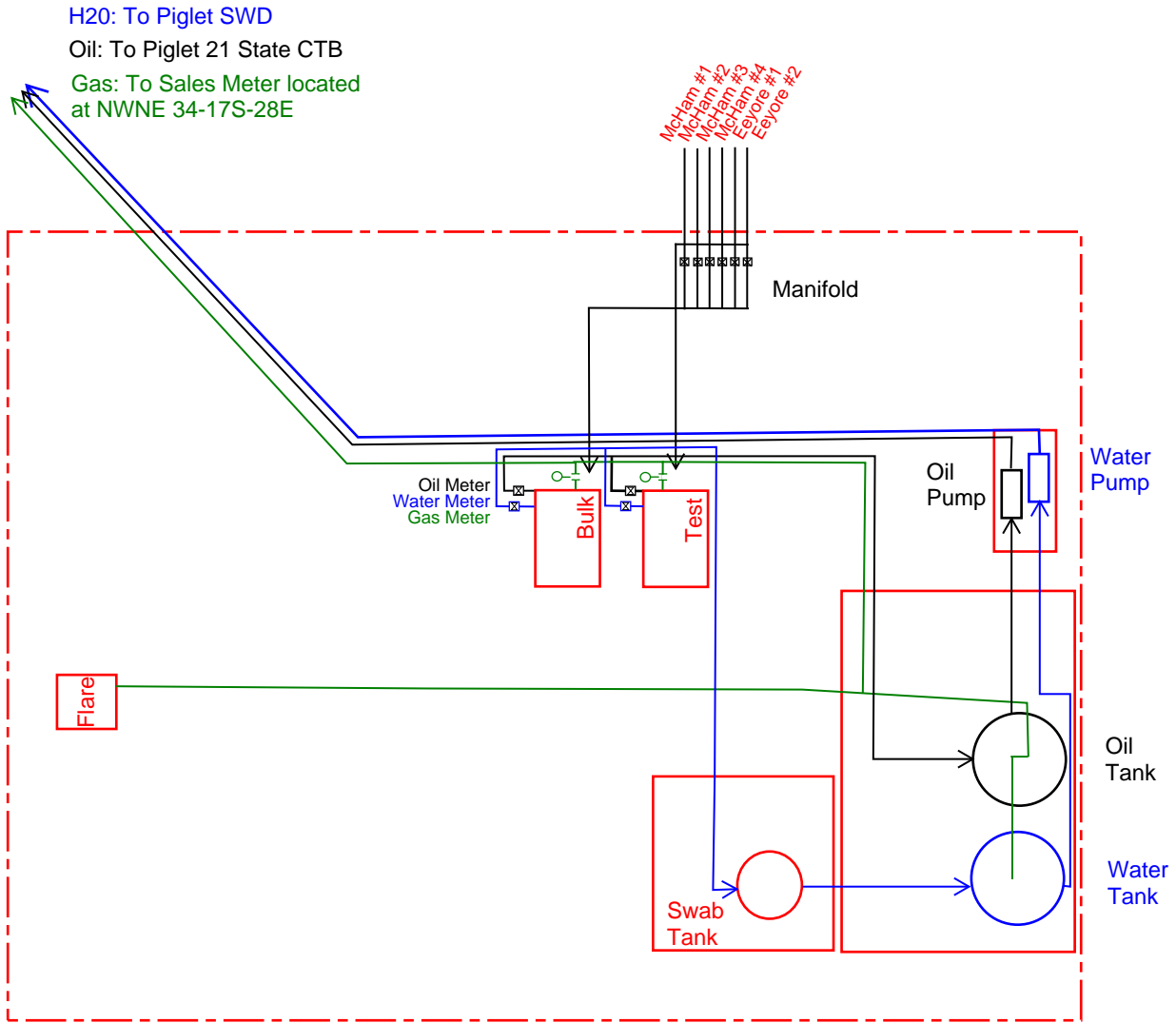
Current Revision Number	Date
Rev 1	Rev 1 - 5/14/12

Title: Section 22 State Satellite – Process Summary
Location: New Mexico Section 22 State
Origination Date: 5/14/2012
Revision: 1
Page: 1



SILVERBACK
EXPLORATION

Section34-McHam Facility Diagram



OWNER NAME	Owner Name 2	Owner Address	Owner City	Owner State	Zip	Certified Mail Tracking Number
Abuelo LLC	Jackie C Jones, Manager	PO Box 772	Artesia	NM	88211-0772	7021-1970-0001-8901-4880
APACHE CORPORATION		P O BOX 840133	Dallas	TX	75284-0133	9589-0710-5270-0750-2754-34
B R Land and Cattle, LLC		PO Box 2243	Longview	TX	75606-2243	9589-0710-5270-0750-2754-41
BERRENDO ASSETS LLC		PO Box 12454	Dallas	TX	75225-0454	9589-0710-5270-0750-2754-58
Chisos Ltd.		1331 Lamar St, Suite 1077	Houston	TX	77010-3135	9589-0710-5270-0750-2754-65
ConocoPhillips		600 W. Illinois Ave.	Midland	TX	79701	9589-0710-5270-0750-2754-72
CONOCOPHILLIPS		P O BOX 22295 Network Place	Chicago	IL	60673-1222	9589-0710-5270-0750-2754-89
EOG RESOURCES INC		P O BOX 840321	Dallas	TX	75284-0321	9589-0710-5270-0750-2754-96
ERGODIC RESOURCES LLC		5901 Wyoming Blvd NE # J-295	Albuquerque	NM	87109	7022-1670-0001-2804-0170
GRETCHEN B NEARBURG		1129 Challenger	Lakeway	TX	78734-3825	7022-1670-0001-2804-0187
John & Theresa Hillman Family Properties		PO Box 50187	Midland	TX	79710-0187	9589-0710-5270-0750-2755-26
LOCO HILLS PRODUCTION COMPANY LLC		PO Box 779	Artesia	NM	88211-0779	9589-0710-5270-0750-2755-33
Longfellow LH LLC		8115 Preston Rd Suite 800	Dallas	TX	75225-6335	9589-0710-5270-0750-2755-40
LUCINDA LOVELESS Revocable Trust		PO Box 8	Hondo	NM	88336-0008	9589-0710-5270-0750-2755-57
Manix Royalty Ltd.		PO Box 2818	Midland	TX	79702-2818	9589-0710-5270-0750-2755-64
MARATHON OIL PERMIAN LLC		PO Box 2069	Houston	TX	77252-9755	9589-0710-5270-0750-2755-71
MARK E BOLING Revocable Trust	Thomas A crow, Trustee	8210 Louisiana Blvd NE Suite B	Albuquerque	NM	87113-1761	9589-0710-5270-0750-2755-88
MARK WILSON FAMILY PARTNERSHIP LP		PO Box 2415	Midland	TX	79702-2415	7021-1970-0001-8901-4897
Nestegg Energy Corporation		2308 Sierra Vista Rd	Artesia	NM	88210-9409	7022-1670-0001-2804-0279
Penasco Petroleum LLC		PO Box 2292	Roswell	NM	88202-2292	7022-1670-0001-2804-0286
PENASCO PETROLEUM LLC		PO Box 4168	Roswell	NM	88202	7022-1670-0001-2804-0293
PENROC OIL CORPORATION		P O BOX 2769	Hobbs	NM	88241-2769	7022-1670-0001-2804-0309
RICHARDSON MINERAL ROYALTY LLC		PO Box 2423	Roswell	NM	88202-2423	7021-1970-0001-8901-4941
ROLLA R HINKLE III		PO Box 2292	Roswell	NM	88202-2292	7021-1970-0001-8901-4958
SEP Permian LLC		PO Box 79840	Houston	TX	77279-9840	7021-1970-0001-8901-4965
SHARBRO ENERGY LLC	POA Elizabeth Baker	PO Box 840	Artesia	NM	88211-0840	7021-1970-0001-8901-4972
SILVERBACK O-1 LLC		19707 1H 10 W Suite 201	San Antonio	TX	78257	7021-1970-0001-8901-4989
SILVERHAIR LLC		1301 Lewis Rd	Artesia	NM	88210-9686	7022-1670-0001-2804-0361
STACY MOORE BOLING		PO Box 60253	San Angelo	TX	76906-0253	7021-1970-0001-8901-5009
State of New Mexico		310 Old Santa Fe Trail	Santa Fe	NM	87501	7021-1970-0001-8901-4798
VLADIN LLC		PO Box 100	Artesia	NM	88211-0100	7021-1970-0001-8901-4804
WALTER E GRANBERRY & DARLA JO GRANBERRY		4811 14TH St	Lubbock	TX	79416-4601	9589-0710-5270-0750-2726-48
WILSON OIL COMPANY LTD		PO Box 1297	Santa Fe	NM	87504-1297	9589-0710-5270-0750-2726-55
WILSON OIL COMPANY LTD		204 N Guadalupe St #C	Santa Fe	NM	87501	9589-0710-5270-0750-2726-62
WPX ENERGY PERMIAN LLC		PO Box 842892	Dallas	TX	75284-2892	9589-0710-5270-0750-2726-79
YATES INDUSTRIES LLC		P O BOX 1091	Artesia	NM	88211-1091	9589-0710-5270-0750-2726-86
ZPZ Delaware I LLC		2000 Post Oak Blvd.	Houston	TX	77056-4499	9589-0710-5270-0750-2726-93
ZPZ DELAWARE I LLC		P O BOX 840133	Dallas	TX	75284-0133	9589-0710-5270-0750-2727-09

7021 1970 0001 8901 4880

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Manager

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COMPANY LLC

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Thomas A Crow, Trustee
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Albuquerque, NM 87113-1761
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San Angelo, TX 76906-0253
Piglet 21 State DOIs

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Affidavit of Publication

No. 26743

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn, says that he is the

Publisher

of the Artesia Daily Press, a daily newspaper of General
circulation, published in English at Artesia, said county
and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said
Artesia Daily Press, a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
1 Consecutive weeks/day on the same

day as follows:

First Publication January 18, 2024

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Subscribed and sworn before me this

18th day of January 2024

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires
05-12-2027

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:**Legal Notice**

Silverback Operating II, LLC located at IH10 West, Suite 201, San Antonio TX 78257 is applying to the NMOCD for an amendment of Order No. PLC-362 for pool and lease surface commingling and off-lease measurement and storage of production at their Piglet 21 State CTB, Roo 22 State #5 Satellite Facility, Piglet 21 State #5 Satellite Facility, Section 34 (McHam 34 State) Satellite Facility located in Eddy County, Sections 21, 22, & 34, T17S-R28E. Wells are located in Eddy County, Sections 21, 22, & 34, T17S-R28E. Production will be from the ARTESIA; GLORIETA-YE-SO (O) [96830] and EMPIRE; GLORIETA-YESO (O) [96210] pools. Silverback is also seeking an amendment to the measurement type from metering to a well test method and the ability to add future wells and leases to the proposed commingle application.

Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, within 20 days after publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Cory Walk at 505-466-8120.

Published in the Artesia Daily Press, Artesia, N.M.,
Jan. 18, 2024 Legal No. 26743.

From: [Cory Walk](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Lowe, Leonard, EMNRD](#); [Fatma Abdallah](#)
Subject: [EXTERNAL] Re: Action ID: 307454; PLC-948
Date: Friday, December 27, 2024 2:44:17 PM
Attachments: [Piglet Proposed Allocation v2.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Mr. McClure,

I apologize for the confusion. It looks like there was a typo as well as a sentence that was a little bit confusing. Please see the attached revised write-up. The original map was accurate. The McHam 34 State Satellite Facility is located in the NENE of Section 34, T.17S, R.28E. The gas sales meter for production associated with that satellite facility is located in the NWNE of the same section, township and range.

Let me know if you have any additional questions.

Thank you,

On Tue, Dec 24, 2024 at 12:05 PM McClure, Dean, EMNRD
<Dean.McClure@emnrd.nm.gov> wrote:

To whom it may concern (c/o Cory Walk for Silverback Operating II, LLC),

The Division is reviewing the following application:

Action ID	307454
Admin No.	PLC-948
Applicant	Silverback Operating II, LLC (330968)
Title	Piglet, Roo McHam facilities
Sub. Date	1/24/2024

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- Please confirm the location of the McHam 34 State Satellite Facility. The writeup in the application seems to indicate that it is located in the NW/4 NE/4 of Section 34 in Township 17 South, Range 28 East. However, the lease map seems to indicate that it is within the NE/4 NE/4 of that same section, township, and range.

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

--

Cory Walk

Natural Resources Specialist/Geologist

Permits West

37 Verano Loop

Santa Fe, NM 87508

Office: 505-466-8120

Mobile: 760-445-4409

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Cory Walk](#)
Cc: [McClure, Dean, EMNRD](#); [Clelland, Sarah, EMNRD](#); [Rikala, Ward, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Lamkin, Baylen L.](#)
Subject: Approved Administrative Order PLC-948
Date: Friday, January 17, 2025 12:23:10 PM
Attachments: [PLC948 Order.pdf](#)

NMOCD has issued Administrative Order PLC-948 which authorizes Silverback Operating II, LLC (330968) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-39371	Piglet 21 State #1	I	21-17S-28E	96830
30-015-39498	Piglet 21 State #2	O	21-17S-28E	96830
30-015-40163	Piglet 21 State #3	P	21-17S-28E	96830
30-015-39499	Piglet 21 State #4	M	21-17S-28E	96830
30-015-39500	Piglet 21 State #5	N	21-17S-28E	96830
30-015-39501	Piglet 21 State #6	L	21-17S-28E	96830
30-015-39502	Piglet 21 State #7	K	21-17S-28E	96830
30-015-40432	Piglet 21 State #14	L	21-17S-28E	96830
30-015-40721	Piglet 21 State #15	K	21-17S-28E	96830
30-015-40723	Piglet 21 State #16	M	21-17S-28E	96830
30-015-40722	Piglet 21 State #17	N	21-17S-28E	96830
30-015-40433	Piglet 21 State #18	O	21-17S-28E	96830
30-015-40434	Piglet 21 State #19	I	21-17S-28E	96830
30-015-41169	Piglet 21 State #22	O	21-17S-28E	96830
30-015-41173	Piglet 21 State #23	O	21-17S-28E	96830
30-015-40861	Piglet 21 State #24	P	21-17S-28E	96830
30-015-41174	Piglet 21 State #27	L	21-17S-28E	96830
30-015-41175	Piglet 21 State #28	L	21-17S-28E	96830
30-015-39370	Roo 22 State #1	M	22-17S-28E	96830
30-015-39651	Roo 22 State #2	N	22-17S-28E	96210
30-015-39495	Roo 22 State #3	L	22-17S-28E	96830
30-015-39496	Roo 22 State #4	K	22-17S-28E	96830
30-015-39497	Roo 22 State #5	E	22-17S-28E	96830
30-015-39652	Roo 22 State #6	F	22-17S-28E	96210
30-015-39653	Roo 22 State #7	D	22-17S-28E	96210
30-015-39654	Roo 22 State #8	C	22-17S-28E	96210
30-015-40531	Roo 22 State #9	M	22-17S-28E	96830
30-015-40532	Roo 22 State #10	N	22-17S-28E	96830
30-015-40533	Roo 22 State #11	K	22-17S-28E	96830
30-015-40534	Roo 22 State #12	F	22-17S-28E	96830
30-015-40535	Roo 22 State #13	C	22-17S-28E	96830
30-015-40855	Roo 22 State #14	D	22-17S-28E	96830
30-015-40856	Roo 22 State #15	E	22-17S-28E	96830
30-015-40857	Roo 22 State #16	L	22-17S-28E	96830
30-015-39384	McHam 34 State #1	B	34-17S-28E	96830
30-015-40248	McHam 34 State #2	G	34-17S-28E	96830
30-015-41232	McHam 34 State #3	B	34-17S-28E	96830
30-015-41233	McHam 34 State #4	G	34-17S-28E	96830
30-015-39383	Eeyore 34 State #1	A	34-17S-28E	96830
30-015-41231	Eeyore 34 State #2	A	34-17S-28E	96830

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211



Silverback Operating II, LLC. requests approval of pool and lease commingling, off-lease measurement, storage and sales for oil and gas production from the wells listed in Exhibit A that go to the Piglet 21 State central tank battery (CTB), located in NESE Section 21 T 17S R 28E.

Well Test Allocation Method

The surface commingling project includes one major central tank battery known as the Piglet 21 State CTB and 3 satellite batteries that flow to the central tank battery.

The 3 satellite batteries are located at the following:

- Roo 22 State #5 Satellite: SWNW Section 22 T 17S R 28E
- Piglet 21 State #5 Satellite: SESW Section 21 T 17S R 28E
- Section 34 (Mcham 34 State) Satellite: NENE Section 34 T 17S R 28E

All satellite batteries have wells flowing full well stream to manifolds located at each facility. Every facility has a test separator and bulk separator. Oil, gas, and water volumes are measured after separation and before being commingled with the production from the other tank batteries.

Oil and gas production will be allocated back to each well based on individually well tests. The oil from the satellite facilities is pumped to the Piglet 21 central tank battery via oil flowlines. The water from the satellite facilities is pumped to the Piglet 21 central tank battery via water flowlines. The gas from the Roo 22 State #5 and Piglet 21 State #5 satellite facilities flows to the P66 (DCP) sales meter located near the Piglet central tank battery in NWSE Section 21 T 17S R 28E. Gas from the Section 34 (McHam 34 State) satellite facility is measured at a gas sales point in NWNE Section 34 T 17S R 28E.

The oil and gas production for each well identified in the well list (Exhibit A) shall be allocated by conducting a minimum of one (1) well test per month.

We will conduct a well test by separating and measuring the oil and gas production from that well for a minimum of twenty-four (24) consecutive hours.

Additional Comments for Application:

This request also includes future wells within the same pools and leases/PAs of wells listed below.

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) Silverback Operating II, LLC. requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves.

Exhibit A -Well List

State Lease	Well	API	Location	Operator	Pool Name [Code]	Spacing	Previous/New
B0-1969-0034	Piglet 21 State #1	30-015-39371	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #2	30-015-39498	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0034	Piglet 21 State #3	30-015-40163	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #4	30-015-39499	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #5	30-015-39500	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #6	30-015-39501	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0032	Piglet 21 State #7	30-015-39502	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #14	30-015-40432	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0032	Piglet 21 State #15	30-015-40721	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #16	30-015-40723	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #17	30-015-40722	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #18	30-015-40433	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0034	Piglet 21 State #19	30-015-40434	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #22	30-015-41169	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
B0-1969-0031	Piglet 21 State #23	30-015-41173	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
B0-1969-0034	Piglet 21 State #24	30-015-40861	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0031	Piglet 21 State #27	30-015-41174	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
B0-1969-0031	Piglet 21 State #28	30-015-41175	Sec. 21, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
VC-0955-0001	Roo 22 State #1	30-015-39370	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-0135-0005	Roo 22 State #2	30-015-39651	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	EMPIRE; GLORIETA-YESO (O) [96210]	40	Previous
VC-0954-0001	Roo 22 State #3	30-015-39495	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0954-0001	Roo 22 State #4	30-015-39496	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0953-0000	Roo 22 State #5	30-015-39497	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0953-0000	Roo 22 State #6	30-015-39652	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	EMPIRE; GLORIETA-YESO (O) [96210]	40	Previous
VC-0952-0001	Roo 22 State #7	30-015-39653	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0036	Roo 22 State #8	30-015-39654	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0955-0001	Roo 22 State #9	30-015-40531	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-0135-0005	Roo 22 State #10	30-015-40532	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0954-0001	Roo 22 State #11	30-015-40533	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0953-0000	Roo 22 State #12	30-015-40534	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
B0-1969-0036	Roo 22 State #13	30-015-40535	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0952-0001	Roo 22 State #14	30-015-40855	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0953-0000	Roo 22 State #15	30-015-40856	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
VC-0954-0001	Roo 22 State #16	30-015-40857	Sec. 22, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-7116-0001	McHam 34 State #1	30-015-39384	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-7116-0001	McHam 34 State #2	30-015-40248	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-7116-0001	McHam 34 State #3	30-015-41232	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
EO-7116-0001	McHam 34 State #4	30-015-41233	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New
EO-7832-0001	Eeyore 34 State #1	30-015-39383	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	Previous
EO-7832-0001	Eeyore 34 State #2	30-015-41231	Sec. 34, T-17-S, R-28-E	Silverback Operating II, LLC	ARTESIA; GLORIETA-YESO (O) [96830]	40	New

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY SILVERBACK OPERATING II, LLC**

ORDER NO. PLC-948

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Silverback Operating II, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.

10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10 C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. This Order supersedes Orders PLC-362 and PLC-362-A.
3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production

period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.

7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
10. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS
DIRECTOR (ACTING)**

DATE: 1/15/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-948

Operator: Silverback Operating II, LLC (330968)

Central Tank Battery: Piglet 21 State Central Tank Battery

Central Tank Battery Location: UL I, Section 21, Township 17 South, Range 28 East

Central Tank Battery: Roo 22 State 5 Satellite Facility

Central Tank Battery Location: UL E, Section 22, Township 17 South, Range 28 East

Central Tank Battery: Piglet 21 State 5 Satellite Facility

Central Tank Battery Location: UL N, Section 21, Township 17 South, Range 28 East

Central Tank Battery: McHam 34 State Satellite Facility

Central Tank Battery Location: UL A, Section 34, Township 17 South, Range 28 East

Gas Title Transfer Meter Location: UL J, Section 21, Township 17 South, Range 28 East

Gas Title Transfer Meter Location: UL B, Section 34, Township 17 South, Range 28 East

Pools

Pool Name	Pool Code
EMPIRE; GLORIETA-YESO	96210
ARTESIA; GLORIETA-YESO (O)	96830

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
VC 0952 0001	D	22-17S-28E
B0 1969 0036	C	22-17S-28E
VC 0953 0000	S/2 N/2	22-17S-28E
VC 0954 0001	N/2 S/2	22-17S-28E
VC 0955 0001	M	22-17S-28E
E0 0135 0005	N	22-17S-28E
B0 1969 0034	E/2 SE/4	21-17S-28E
B0 1969 0031	L M N O	21-17S-28E
B0 1969 0032	K	21-17S-28E
E0 7116 0002	B C G	34-17S-28E
E0 7832 0002	A	34-17S-28E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-39371	Piglet 21 State #1	I	21-17S-28E	96830
30-015-39498	Piglet 21 State #2	O	21-17S-28E	96830
30-015-40163	Piglet 21 State #3	P	21-17S-28E	96830
30-015-39499	Piglet 21 State #4	M	21-17S-28E	96830
30-015-39500	Piglet 21 State #5	N	21-17S-28E	96830
30-015-39501	Piglet 21 State #6	L	21-17S-28E	96830
30-015-39502	Piglet 21 State #7	K	21-17S-28E	96830
30-015-40432	Piglet 21 State #14	L	21-17S-28E	96830
30-015-40721	Piglet 21 State #15	K	21-17S-28E	96830

30-015-40723	Piglet 21 State #16	M	21-17S-28E	96830
30-015-40722	Piglet 21 State #17	N	21-17S-28E	96830
30-015-40433	Piglet 21 State #18	O	21-17S-28E	96830
30-015-40434	Piglet 21 State #19	I	21-17S-28E	96830
30-015-41169	Piglet 21 State #22	O	21-17S-28E	96830
30-015-41173	Piglet 21 State #23	O	21-17S-28E	96830
30-015-40861	Piglet 21 State #24	P	21-17S-28E	96830
30-015-41174	Piglet 21 State #27	L	21-17S-28E	96830
30-015-41175	Piglet 21 State #28	L	21-17S-28E	96830
30-015-39370	Roo 22 State #1	M	22-17S-28E	96830
30-015-39651	Roo 22 State #2	N	22-17S-28E	96210
30-015-39495	Roo 22 State #3	L	22-17S-28E	96830
30-015-39496	Roo 22 State #4	K	22-17S-28E	96830
30-015-39497	Roo 22 State #5	E	22-17S-28E	96830
30-015-39652	Roo 22 State #6	F	22-17S-28E	96210
30-015-39653	Roo 22 State #7	D	22-17S-28E	96210
30-015-39654	Roo 22 State #8	C	22-17S-28E	96210
30-015-40531	Roo 22 State #9	M	22-17S-28E	96830
30-015-40532	Roo 22 State #10	N	22-17S-28E	96830
30-015-40533	Roo 22 State #11	K	22-17S-28E	96830
30-015-40534	Roo 22 State #12	F	22-17S-28E	96830
30-015-40535	Roo 22 State #13	C	22-17S-28E	96830
30-015-40855	Roo 22 State #14	D	22-17S-28E	96830
30-015-40856	Roo 22 State #15	E	22-17S-28E	96830
30-015-40857	Roo 22 State #16	L	22-17S-28E	96830
30-015-39384	McHam 34 State #1	B	34-17S-28E	96830
30-015-40248	McHam 34 State #2	G	34-17S-28E	96830
30-015-41232	McHam 34 State #3	B	34-17S-28E	96830
30-015-41233	McHam 34 State #4	G	34-17S-28E	96830
30-015-39383	Eeyore 34 State #1	A	34-17S-28E	96830
30-015-41231	Eeyore 34 State #2	A	34-17S-28E	96830

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

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

CONDITIONS

Action 307454

CONDITIONS

Operator: Silverback Operating II, LLC 1001 W. Wilshire Blvd Oklahoma City, OK 73112	OGRID: 330968
	Action Number: 307454
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov .	1/17/2025