

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

**APPLICATION OF SEP PERMIAN, LLC TO  
RE-OPEN CASE NO. 20191 TO AMEND THE  
APPROVED WELL DEPTH UNDER ORDER  
NO. R-20642, EDDY COUNTY, NEW  
MEXICO.**

**CASE NO. 20191(Re-Opened)  
ORDER NO. R-20642**

**AMENDED APPLICATION**

SEP Permian, LLC ("Percussion") through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend the approved depth of the initial well subject to Order No. 20642 to a target interval that is closer to the existing depth severance within the Yeso formation than originally approved. In support of its application, SEP states:

1. Division Order No. R-20642, entered on June 24, 2019, created a 200-acre, more or less, horizontal well spacing unit in the San Andres-Yeso formation, Penasco Draw; San Andres-Yeso Pool (Pool Code 50270), comprised of the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

2. The order limited the pooled vertical depths from the top of the pool (at a stratigraphic equivalent of 2,279 feet measured depth) as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926) to a depth of 3,200.

3. The order dedicated the above-described spacing unit to the Nirvana No. 1H Well, which will be horizontally drilled from a surface location approximately 520 feet from the South line and approximately 665 feet from the West line (Unit M) of Section 27 to a standard bottom

hole location approximately 360 feet from the South line and 1,306 feet from the East line (Unit P) of Section 29.

4. At hearing, the applicant submitted exhibits depicting the proposed Nirvana 13H target interval to be approximately 2,765 feet true vertical depth, which is approximately 435 feet above the depth severance at 3,200 feet. The order recognized that a setback of approximately 400 feet above the depth severance will not impair correlative rights of owners in the deeper zone below the depth severance line in this spacing unit.

5. Based on the Division's request at hearing, the applicant testified that it would not seek to drill infill wells closer to the depth severance line than 400 feet without coming to hearing.

6. The applicant has now determined the target interval within the Yeso formation for the Nirvana 1H ranges in depth from between approximately 2,765 vertical feet to approximately 3,050 vertical feet, which is closer than 400 feet to the depth severance line in some portions of the horizontal spacing unit.

7. Accordingly, the applicant seeks an order authorizing it to drill and complete the proposed Nirvana 1H well at true vertical depths of approximately 2,765 vertical feet to approximately 3,050 vertical feet within the existing horizontal well spacing unit. All other aspects of the order will remain unchanged.

WHEREFORE, SEP Permian, LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2019, and, after notice and hearing as required by law, the Division amend the initial well depth for the proposed Nirvana 1H well under the terms of existing Division Order R-20642, permitting the applicant to drill closer than 400 feet to the existing depth severance line as requested herein.

Respectfully submitted,

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**ATTORNEYS FOR SEP PERMIAN, LLC**

**CASE 20191 (re-opened):**

**Application of SEP Permian, LLC to Re-Open Case No. 20191 to Amend the Approved Well Depth Under Order No. R-20642, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to amend the approved depth of the initial well subject to Order No. 20642 to a target interval that is closer to the existing depth severance within the Yeso formation than originally approved. The pooled vertical depths are limited to the top of the pool (at a stratigraphic equivalent depth of 2,279 feet measured depth) as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926) to a depth of 3,200 feet. The Nirvana 1H well target interval was originally proposed to be at a depth of approximately 2,765 true vertical feet, which is approximately 435 feet above the depth severance at 3,200 feet. The applicant has now determined the target interval within the Yeso formation for the Nirvana 1H ranges in depth from between approximately 2,765 vertical feet to approximately 3,050 vertical feet, which is closer than 400 feet to the depth severance line in some portions of the horizontal spacing unit. Accordingly, the applicant seeks an order authorizing it to drill and complete the proposed Nirvana 1H well at true vertical depths of approximately 2,765 feet to approximately 3,050 vertical feet within the existing horizontal well spacing unit. All other aspects of the order will remain unchanged. Said area is located approximately 8.5 miles southeast of Artesia, New Mexico.