

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

**APPLICATION OF SEP PERMIAN, LLC TO  
RE-OPEN CASE NO. 20263 TO AMEND THE  
APPROVED WELL DEPTH UNDER ORDER  
NO. R-20643, EDDY COUNTY, NEW  
MEXICO.**

**CASE NO. 20263 (re-opened)  
ORDER NO. R-20643**

**APPLICATION**

SEP Permian, LLC ("SEP") 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. 20643 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-20643, 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 a depth of 3,201 feet to the base of the Yeso formation at a stratigraphic equivalent of 4,460 feet measured depth, as defined in the Gamma Ray-Neutron Log for the Len Mayer No. 1 Well (API No. 30-015-05926).
3. The order dedicated the above-described spacing unit to the **Nirvana No. 3H Well**, which will be horizontally drilled from a surface location approximately 690 feet from the South line and approximately 635 feet from the West line (Unit M) of Section 27 to a standard bottom hole location approximately 410 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 3H target interval to be approximately 3,620 feet true vertical depth, which is approximately 420 feet below the depth severance at 3,200 feet. The order recognized that a set back of approximately 400 below the depth severance will not impair correlative rights of owners in the shallower zone above 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 to the depth severance line without coming to hearing.

6. The applicant has now determined the target interval within the Yeso formation for the Nirvana 3H ranges in depth from between approximately 3,600 vertical feet to approximately 3,400 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 3H well at true vertical depths of approximately 3,600 feet to approximately 3,400 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 3H well under the terms of existing Division Order R-20608, 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 20263 (re-opened) :** **Application of SEP Permian, LLC to Re-Open Case No. 20263 to Amend the Approved Well Depth Under Order No. R-20643, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to amend the approved depth of the initial well subject to Order No. 20643 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 from a depth of 3,201 feet to the base of the Yeso formation at a stratigraphic equivalent of 4,460 feet measured depth, as defined in the Gamma Ray-Neutron Log for the Len Mayer No. 1 Well (API No. 30-015-05926). The **Nirvana 3H** well target interval was originally proposed to be at a depth of approximately 3,620 true vertical feet, which is approximately 420 feet below the depth severance at 3,200 feet. The applicant has now determined the target interval within the Yeso formation for the Nirvana 3H ranges in depth from between approximately 3,600 vertical feet to approximately 3,400 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 3H well at true vertical depths of approximately 3,600 feet to approximately 3,400 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.