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

APPLICATION OF SEP PERMIAN, LLC TO AMEND ORDER NO. R-20411 TO ADD AN ADDITIONAL WELL TO THE APPROVED HORIZONAL WELL SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO. 21023 ORDER NO. R-20411

SEP PERMIAN, LLC'S PRE-HEARING STATEMENT

SEP Permian, LLC ("SEP Permian") (OGRID No. 338479), the applicant in the above-referenced case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

SEP Permian, LLC

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APPLICANT'S STATEMENT OF CASE

SEP Permian seeks an order to amend Order R-20411 to add an additional well to the approved horizontal spacing unit. Division Order No. R-20411, entered February 28, 2019, in Case

No. 20187, created a 160-acre, more or less, standard horizontal oil spacing unit in the N. Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565), comprised of the W/2 E/2 of Section 34, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. The Order dedicated the above-described spacing unit to the proposed initial **Lakewood Fed Com #4H Well** (API No. 30-015-45669), to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 27, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34. Since entry of Order No. R-20411, Spur, as successor operator to Percussion Petroleum, LLC, has determined that prior to the commencement of drilling it is prudent to add the following additional well to the approved spacing unit: The **Lakewood Fed Com #8H Well** (API No. 30-015-45676) to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 27, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 27, to a

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Stan Mitchell, Landman	Affidavit	Approx. 6

PROCEDURAL MATTERS

If uncontested at the time of hearing, SEP intends to present this case by affidavit.

Respectfully submitted,

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