

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

**APPLICATION OF SEP PERMIAN LLC
TO AMEND ORDER R-20543 TO ADD
ADDITIONAL WELLS TO THE APPROVED
HORIZONTAL WELL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21097
ORDER NO. R-20543-B**

FIRST AMENDMENT TO ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”) issues this order to amend Finding of Fact No. 1.

1. Finding of Fact No. 1 is amended to reflect the correct date of “May 17, 2019.”
2. The remaining paragraphs of the Order remain in force and effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 4/30/2020

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case No. 21097	APPLICANT'S RESPONSE
Date: March 5, 2020	
Applicant	SEP PERMIAN, LLC
Designated Operator & OGRID (affiliation if applicable)	SEP PERMIAN, LLC (OGRID 338479)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF SEP PERMIAN, LLC TO AMEND ORDER NO. R-20543 TO ADD AN ADDITIONAL WELL TO THE APPROVED HORIZONTAL WELL SPACING UNIT, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/intervenors:	None
Well Family	Shelby wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Yates Seven Rivers formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Yates Seven Rivers formation
Pool Name and Pool Code:	N. Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565)
Well Location Setback Rules:	Statewide oil
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	40-acre
Orientation:	Standup
Description: TRS/County	E/2 of Section 23, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	None
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Yes
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

BEFORE THE OIL CONSERVATION
 Santa Fe, New Mexico
Exhibit No. A
 Submitted by: **SEP Permian**
 Hearing Date: March 05,

Well #1	<p>Shelby 23 Well No. 216, API No. 30-015-46624 SHL:1265 feet from the North line and 1262 feet from the East line, (Unit B) of Section 26, Township 19 South, Range 25 East, NMPM. BHL:50 feet from the North line and 2250 feet from the East line, (Unit B) of Section 23, Township 19 South, Range 25 East, NMPM.</p> <p>Completion Target: Yates Seven Rivers at approx 2680 feet TVD. Well Orientation: South to North Completion Location expected to be standard</p>
Well #2	<p>Shelby 23 Well No. 316, API No. 30-015-46625 SHL:1235 feet from the North line and 1594 feet from the East line, (Unit B) of Section 26, Township 19 South, Range 25 East, NMPM. BHL:50 feet from the North line and 1875 feet from the East line, (Unit B) of Section 23, Township 19 South, Range 25 East, NMPM.</p> <p>Completion Target: Yates Seven Rivers at approx 2385 feet TVD. Well Orientation: South to North Completion Location expected to be standard</p>
Well #3	<p>Shelby 23 Well No. 416, API No. 30-015-46626 SHL:858 feet from the North line and 738 feet from the East line, (Unit A) of Section 26, Township 19 South, Range 25 East, NMPM. BHL:50 feet from the North line and 1125 feet from the East line, (Unit A) of Section 23, Township 19 South, Range 25 East, NMPM.</p> <p>Completion Target: Yates Seven Rivers at approx 2875 feet TVD. Well Orientation: South to North Completion Location expected to be standard</p>
Well #4	<p>Shelby 23 Well No. 516, API No. 30-015-46627 SHL:847 feet from the North line and 702 feet from the East line, (Unit A) of Section 26, Township 19 South, Range 25 East, NMPM. BHL:50 feet from the North line and 750 feet from the East line, (Unit A) of Section 23, Township 19 South, Range 25 East, NMPM.</p> <p>Completion Target: Yates Seven Rivers at approx 3200 feet TVD. Well Orientation: South to North Completion Location expected to be standard</p>
Well #5	<p>Shelby 23 Well No. 616, API No. 30-015-46628 SHL:856 feet from the North line and 685 feet from the East line, (Unit A) of Section 26, Township 19 South, Range 25 East, NMPM. BHL:50 feet from the North line and 375 feet from the East line, (Unit A) of Section 23, Township 19 South, Range 25 East, NMPM.</p> <p>Completion Target: Yates Seven Rivers at approx 2725 feet TVD. Well Orientation: South to North Completion Location expected to be standard</p>
Horizontal Well First and Last Take Points	See Exhibit C-2 for the available well information.
Completion Target (Formation, TVD and MD)	See Exhibit C-4 for the well proposals of the wells. This data is also listed above with each well.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	See Order No. R-20543
Production Supervision/Month \$	See Order No. R-20543
Justification for Supervision Costs	See Order No. R-20543
Requested Risk Charge	See Order No. R-20543
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit D-1
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit D-2
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
Pooled Parties (including ownership type)	Exhibit C-3, D-1
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	

Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, D-1
Chronology of Contact with Non-Joined Working Interests	N/A (spacing unit already pooled under Order No. R-20543)
Overhead Rates in Proposal Letter	See Order No. R-20543
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	N/A (acreage already pooled under Order No. R-20543)
Spacing Unit Schematic	N/A (acreage already pooled under Order No. R-20543)
Gunbarrel/Lateral Trajectory Schematic	N/A (acreage already pooled under Order No. R-20543)
Well Orientation (with rationale)	N/A (acreage already pooled under Order No. R-20543)
Target Formation	N/A (acreage already pooled under Order No. R-20543)
HSU Cross Section	N/A (acreage already pooled under Order No. R-20543)
Depth Severance Discussion	N/A (acreage already pooled under Order No. R-20543)
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	N/A (acreage already pooled under Order No. R-20543)
Well Bore Location Map	N/A (acreage already pooled under Order No. R-20543)
Structure Contour Map - Subsea Depth	N/A (acreage already pooled under Order No. R-20543)
Cross Section Location Map (including wells)	N/A (acreage already pooled under Order No. R-20543)
Cross Section (including Landing Zone)	N/A (acreage already pooled under Order No. R-20543)
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	4-Mar-20