

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



February 17, 2020

SEP Permian, LLC (OGRID 338479)
c/o Michael H. Feldewert, Agent
mfeldewert@hiollandandhart.com
P.O. Box 2208
Santa Fe, New Mexico 87504

RE: Request for Time Extension to Commence drilling
Case No. 20189, R-20396 approved date February 26, 2019
Deadline to commence drilling February 29, 2020
Applicant/Operator: SEP Permian, LLC
Proposed Well:
Lakewood Federal Com Well No. 15H, API No. 30-015-46064

Dear Sir or Madam:

The following pertains to your request received by the Division on February 6th, 2020 and to the requirements in the captioned hearing order.

You have requested an extension of the deadline to commence drilling given by the Division in the captioned order.

As stated, you are requesting an extension to spud this well due to the operator obtaining successor of interest within the unit and thus changing the drilling plan to allow for "batch" drilling and completion operations. There was no opposition in the captioned case. You are requesting an additional year in which to spud this well. The spud date is now extended to, **February 29, 2021.**

Ordering Paragraph No. (5) of the captioned order is hereby amended, changing "February 29, 2020" to "February 29, 2021". The requested additional year in which to commence drilling is hereby granted.

All other provisions of this order remain in full force and effect.

Sincerely,


ADRIENNE SANDOVAL
Director
AS/jag

CC: Oil Conservation Division – Artesia District Office; Case No. 20189



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February 06, 2020

Hand Delivery

Adrienne Sandoval
Director, Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**Re: Division Pooling Order Nos. R-20396, R-20411, and R-20412
SEP Permian LLC request for extension of time to drill the initial wells
per applications to add additional wells to the approved spacing units.**

Dear Ms. Sandoval:

Order Nos. R-20396, R-20411 and R-20412 were issued by the Division in February of 2019 at the request of Percussion Petroleum and pooled the mineral interests in three standup 160-acre spacing units in Section 34, Township 19 South, Range 25 East in Eddy County (the W/2 W/2, the E/2 W/2, and the W/2 E/2). Each of the pooling orders dedicated a single well to the approved, standup horizontal spacing units.

SEP Permian is the successor in interest to Percussion Petroleum. Since the acquisition, SEP Permian has examined the acreage and determined that prior to the commencement of drilling it is prudent to add additional wells to each of the pooled spacing units to allow sequential or "batch" drilling and completion operations. None of the pooled parties have been asked to make an election under the current pooling orders or paid their share of well costs.

Accordingly, SEP Permian filed applications under Case Nos. 21022, 20123 and 20124 to amend these pooling orders to add additional wells. These cases were consolidated and heard by the Division Examiners today, at the February 6th hearing, and taken under advisement. As reflected by the exhibits entered in Case Nos. 21022, 20123 and 20124, all pooled parties were apprised of this decision and these applications, were notified that they will each be entitled to an election period under the amended pooling orders, and no one has objected to the requested relief.

Since the existing pooling orders are set to expire at the end of this month (2/26 and 2/28) and since it is unclear when the orders amending the pooling orders will be issued, SEP Permian requests that you extend the time frame to commence drilling under Ordering Paragraph (6) of each existing pooling order.



Your attention to this request is appreciated. Please let me know if you have any questions or require additional information.

Sincerely,

A handwritten signature in blue ink, reading "Michael H. Feldewert".

Michael H. Feldewert
ATTORNEY FOR SEP PERMIAN LLC

cc. Eric Ames, Attorney for the NMOCD.