

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

**APPLICATION OF SPC RESOURCES, LLC
TO POOL ADDITIONAL INTEREST
OWNERS UNDER THE TERMS OF
ORDER NO. R-21104, EDDY COUNTY,
NEW MEXICO.**

**CASE NO. _____
ORDER NO. R-21104**

APPLICATION

SPC Resources, LLC (“Applicant”) (OGRID No. 372262), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to pool additional interest owners under the terms of Order No. R-21104. In support of its application, Applicant states:

1. Division Order No. R-21104, entered on February 13, 2020, in Case No. 20860, created a 473.59-acre, more or less, horizontal well spacing unit consisting of the SW/4 of irregular Section 5, and Lots 6-7, the E/2 SW/4, and the SE/4 (S/2 equivalent) of irregular Section 6, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the “Unit”), and designated Applicant as the operator of the Unit. Order No. R-21104 further pooled the uncommitted interests in the Bone Spring formation (Esperanza; Bone Spring Pool (Pool Code 97755)) in the Unit and dedicated the Unit to the following initial wells: (1) the **Barney 5-6 B3 #3H well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 5 to a bottom-hole location in the NW/4 SW/4 (Lot 6) of Section 6; and (2) the **Barney 5-6 B3 #4H well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 5 to bottom-hole location in the SW/4 SW/4 (Lot 7) of Section 6.

2. Since the entry of Order No. R-21104, Applicant has determined that there are additional mineral interest owners in the Unit who were not provided notice of the November 14, 2019, compulsory pooling hearing in Case No. 20860, and as a result, whose interests were not pooled by the terms of Order No. R-21104.

4. The pooling of the additional mineral interest owners under the terms of Order No. R-21104 will prevent waste, will protect correlative rights, and will promote administrative efficiency.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interest owners should be pooled in the Unit pursuant to the terms of Order No. R-21104.

6. In order to provide proper notice to these additional interest owners and to bring their interests under the terms of Order No. R-21104, Applicant requests that this case called for hearing at the next available examiner docket.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 14, 2020, and after notice and hearing as required by law, the Division pool the additional interest owners pursuant to the terms of Order No. R-21104.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____
Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS FOR SPC RESOURCES, LLC