

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

**APPLICATION OF SPC RESOURCES, LLC  
TO AMEND ORDER NO. R-21100-B,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23469**

**APPLICATION OF SPC RESOURCES, LLC  
TO AMEND ORDER NO. R-21104-C,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23470**

**SPC'S CONSOLIDATED PRE-HEARING STATEMENT**

SPC Resources, LLC, applicant in the above-referenced cases, submits this consolidated Pre-Hearing Statement, pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

SPC Resources, LLC ("SPC Resources")

**ATTORNEY**

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Paula M. Vance  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile

**OTHER PARTIES**

**ATTORNEY**

**APPLICANT'S STATEMENT OF CASE**

In these consolidated cases, SPC Resources seeks to amend each of the subject pooling orders for an extension of time to drill the initial wells designated under each order. Good cause exists for SPC Resource's request.

In July 2021, the Division issued an emergency order suspending approval of SPC's initial well in a nearby spacing unit over concerns involving the Carlsbad Brine Well Remediation Area. The Division subsequently determined that drilling and completing wells near the Brine Well Remediation Area "poses a clear and immediate risk of harm to the stability of the [Carlsbad Brine Well] Cavity and the successful completion of the ongoing Carlsbad Brine Well remediation project[,]" and "to surface development and the groundwater aquifer overlying the Cavity." *See* Order R-21888, ¶¶ 57-58; *see also* Division Application in Case No. 22472. As a result, the Division ordered the cessation of drilling and completion activities wells within the vicinity of the Brine Well Remediation Area. *See generally* Order R-21888 and Case No. 22472.

On January 4, 2022, SPC applied in Case Nos. 22534 and 22535 to Amend Order Nos. R-21100-A and R-21104-B to extend the drilling deadlines until February 12, 2023 and February 17, 2023, respectively, due to the Division's suspension of drilling and completion activities. After hearing on February 3, 2022, the Division issued Order Nos. R-21100-B and R-21104-C on March 9, 2022, amending Order Nos. R-21100-A and R-21104-B to extend the deadlines to commence drilling until one year from the date SPC receives notice that the Division has determined remediation of the Carlsbad Brine Well is complete and that drilling and completion activities may resume. SPC received notice from the Division that remediation of the Carlsbad Brine Well was complete and that drilling and completion activities may resume on July 7, 2022. *See* Notice of Resumption, dated July 7, 2022. Accordingly, pursuant to Order Nos. R-21100-B and R-21104-C, the deadlines to commence drilling an initial well under the Orders in each case is July 7, 2023.

Due to the disruption to SPC's initial drilling schedule, the suspension of its drilling and completion operations, and uncertainty over when the suspension would be lifted, SPC requires

additional time to plan, coordinate, and retain a drilling crew to drill its planned initial well in each case.

Accordingly, in **Case Nos. 23469 and 23470**, SPC requests the deadlines to commence drilling an initial well under Order Nos. R-21100 and R-21104, as amended, be extended for one year until July 7, 2024, respectively.

### **APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Nicole Singer, VP Land & General Counsel	Self-Affirmed Statement	Approx. 4

### **PROCEDURAL MATTERS**

SPC intends to present these consolidated cases by self-affirmed statement, if uncontested at time of hearing.

Respectfully submitted,

HOLLAND & HART LLP




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Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Paula M. Vance  
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  
pmvance@hollandart.com

**ATTORNEYS FOR SPC RESOURCES, LLC**

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS  
  
Action 211067

QUESTIONS

Operator:  SPC RESOURCES, LLC P.O. Box 1020 Artesia, NM 88211	OGRID:  372262
	Action Number:  211067
	Action Type:  [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.