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

APPLICATION OF SPC RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 20858

SPC'S 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

ATTORNEY

SPC RESOURCES, LLC

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APPLICANT'S STATEMENT OF CASE

In Case No. 20858, SPC seeks an order: (1) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220)) underlying a standard 473.59-acre, more or less, horizontal well spacing unit comprised of the SW/4 of irregular Section 5, and Lots 6-7, the E/2 SW/4, and the SE/4 of irregular Section 6, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) dedicating the above-referenced horizontal spacing unit to the following proposed initial wells: the Barney 5-6 WCXY #4H well, and the Barney 5-6 WCD #4H well, both are to be horizontally drilled from a common surface location in the SE/4 SW/4 (Unit N) of Section 5 to bottom-hole locations in the SW/4 SW/4 (Lot

7) of Section 6. The completed intervals of the proposed wells will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Nicole Singer, Landman	Affidavit	Approx. 5
John Weihe, Geologist	Affidavit	Approx. 3

PROCEDURAL MATTERS

SPC intends to present this case by affidavits if uncontested at time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

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CERTIFICATE OF SERVICE

I hereby certify that on November 7, 2019 I served a copy of the foregoing document to all counsel of record via Electronic Mail to:

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