

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

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

**CASE NO. _____
ORDER NO. R-21100**

APPLICATION

SPC Resources, LLC (“Applicant”) (OGRID No. 372262), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-21100 (“Order”): (1) to pool additional interest owners under the terms of Order No. R-21000, (2) to allow for an extension of time for drilling the well under the Order, (3) update the names and locations (if necessary) of the Proposed Well, and (4) to conform Order R-21100 to the amended order template (“Amended Order”) described in the Division Director’s April 9, 2020 *Letter to Counsel Regarding Amended CP Order Template*. In support, Applicant states:

1. Division Order No. R-21100, entered on February 12, 2020 in Case No. 20859, created a 635.06-acre, more or less, standard horizontal spacing unit underlying the Lots 1-4 and the S/2 N/2 (N/2 equivalent) of irregular Section 5, and Lots 1-5, the SE/4 NW/4, and the S/2 NE/4 (N/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.
2. Order No. R-21100 further pooled the uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Pool (Pool Code 98220)) in the Unit and dedicated the Unit to the **Betty 5-6 WCXY #2H well** (API No. 30-015-pending).
3. Since the entry of the Order, Applicant desires to change the name of the Proposed Well from the **Betty 5-6 WCXY #2H well** (API No. 30-015-pending) to the **Betty 402H well** (API No. 30-015-pending).

4. Further, Applicant seeks to pool additional interest owners in the Unit under the terms of Order No. R-21000. The pooling of the additional interest owners under the terms of Order No. R-21100 will prevent waste, will protect correlative rights, and will promote administrative efficiency. 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-21100.

5. Applicant requests that Order No. R-21100 be re-opened and amended to allow Applicant additional time to commence drilling the well under the Order. There is good cause for Applicant's request for an extension of time due to the unfavorable economic environment, the global pandemic caused by COVID and reduction in rig count, and Applicant has delayed its intended plans to develop the acreage subject to the Order. Under the Order, Applicant would be required to commence drilling the well by February 12, 2021, and therefore, asks for the deadline to commence drilling the well be extended for a year, to February 12, 2022.

6. Finally, Applicant requests that Order No. R-21100 be re-issued to conform to the terms of the Amended Order.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division pool the additional interest owners pursuant to the terms of Order No. R-21100; amend Order No. R-21100 to extend the time for SPC Resources LLC to commence drilling the well under the Order for a year, through February 12, 2022; update the names and locations (if necessary) of the Proposed Well; and amend Order No. R-21100 to conform to the terms of the Amended Order.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert", is written over a horizontal line.

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