

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

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

CASE NO. \_\_\_\_\_

**APPLICATION**

SPC Resources, LLC (“Applicant”) (OGRID No. 372262) through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolcamp formation underlying a standard 321.84-acre, more or less, horizontal well spacing unit comprised of the N/2 of Section 23, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **South Avalon AUA Fed Com 1 #402H well**, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 23, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 23.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the uncommitted interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this proposed unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying the proposed spacing unit;
- B. Approving the initial well in the horizontal well spacing unit;
- C. Designating Applicant as operator of the horizontal spacing unit and the horizontal well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against the working interest portion of any uncommitted interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



By: \_\_\_\_\_

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