

**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. 22554

NOTICE OF REVISED COMPULSORY POOLING CHECKLIST AND EXHIBIT C-3

SPC Resources, LLC applicant in the above-referenced case, gives notice that it is filing the attached exhibits for acceptance into the record.

Compulsory Pooling Checklist is an updated compulsory pooling checklist that reflects the updated footages for the Water Buffalo 402H (previously, the Water Buffalo 403H) and identifies it is a proximity well.

Revised Exhibit C-3 is a revised C-102 that reflects the updated footages for the Water Buffalo 402H.

Respectfully submitted,

HOLLAND & HART LLP



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ATTORNEYS FOR SPC RESOURCES, LLC

CERTIFICATE OF SERVICE

I hereby certify that on July 21, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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Attorneys for Jalapeno Corporation




Adam G. Rankin

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 22554	APPLICANT'S RESPONSE
Date: April 7, 2022	
Applicant	SPC Resources, LLC
Designated Operator & OGRID (affiliation if applicable)	SPC Resources, LLC (OGRID No. 372262)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF SPC RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Cimarex Energy Co.; Magnum Hunter Production, Inc.; Jalapeno Company
Well Family	Water Buffalo
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp formation
Pool Name and Pool Code:	Purple Safe Wolfcamp Gas Pool (98220)
Well Location Setback Rules:	Special Pool Rules for Purple Sage
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	1,282.24 acres, more or less
Building Blocks:	320 acres
Orientation:	West to East
Description: TRS/County	Sections 1 and 2 all in Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	The completed interval of the Water Buffalo 402H is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(3)(b) NMAC.
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Compulsory Pooling Checklist
Submitted by: SPC Resources, LLC
Hearing Date: April 7, 2022
Case No. 22554

Well #1	Water Buffalo 402H well SHL: 2,249' FNL, 550' FEL (Unit H) Section 3, T22S-R26E BHL: 2,340' FNL, 100' FEL (Unit H) Section 1, T22S-R26E Completion Target: Wolfcamp Well Orientation: West to East Completion Location expected to be: Proximity Well
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C, C-6
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-3, C-6
Unlocatable Parties to be Pooled	Exhibit C-3, C-6
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-6
Chronology of Contact with Non-Joined Working Interests	Exhibit C
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1, D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1, D-2
Well Orientation (with rationale)	Exhibit C-2, D

Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	7/21/2023

DISTRICT I
 1825 N. French Dr., Hobbs, NM 88240
 Phone (575) 393-8161 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) 476-3480 Fax: (505) 476-3482

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised August 4, 2011

Submit one copy to appropriate
 District Office

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		98220	PURPLE SAGE WOLFCAMP GAS POOL
Property Code	Property Name		Well Number
	WATER BUFFALO		402H
OGRID No.	Operator Name		Elevation
372262	SPC RESOURCES, LLC		3226'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	3	22 S	26 E		2249	NORTH	550	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	1	22 S	26 E		2340	NORTH	100	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
1282.24			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LAST TAKE POINT
2340' FNL & 330' FEL
 Lat - N 32.422254°
 Long - W 104.238584°
 NMSPC E 517360.2
 E 570573.5
 (NAD-83)
 Lat - N 32.422136°
 Long - W 104.238079°
 NMSPC E 517300.4
 E 529392.2
 (NAD-27)

BOTTOM HOLE LOCATION
2340' FNL & 100' FEL
 Lat - N 32.422249°
 Long - W 104.237838°
 NMSPC E 517358.6
 E 570803.3
 (NAD-83)
 Lat - N 32.422131°
 Long - W 104.237334°
 NMSPC E 517298.8
 E 529622.2
 (NAD-27)

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unLEASED mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

7-20-2023

Signature: Date

Printed Name: Lelan J Anders

Email Address: LAnders@SantoPetroleum.com

B.H. SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUNE 14, 2023

Date Surveyed

Signature & Seal of Professional Surveyor:

405 S.W. 1st Street
 Andrews, TX 79714
 (432) 523-2181

0' 1500' 3000' 4500' 6000' N
 SCALE: 1" = 3000'
 WO Num.: 35439

SURFACE LOCATION
 Lat - N 32.422479°
 Long - W 104.273860°
 NMSPC E 517434.2
 E 559688.5
 (NAD-83)
 Lat - N 32.422362°
 Long - W 104.273354°
 NMSPC E 517374.5
 E 518507.6
 (NAD-27)

FIRST TAKE POINT
2340' FNL & 330' FWL
 Lat - N 32.422244°
 Long - W 104.271013°
 NMSPC E 517349.2
 E 560567.1
 (NAD-83)
 Lat - N 32.422127°
 Long - W 104.270507°
 NMSPC E 517289.5
 E 519386.1
 (NAD-27)

CONTROL POINT
2340' FNL & 0' FEL
 Lat - N 32.422330°
 Long - W 104.254800°
 NMSPC E 517383.9
 E 565569.8
 (NAD-83)
 Lat - N 32.422221°
 Long - W 104.254294°
 NMSPC E 517324.1
 E 524388.7
 (NAD-27)