

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

**APPLICATION OF SPC RESOURCES, LLC
TO AMEND ORDER NOS. R-21104, R-21104-A,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. _____
ORDER NOS. R-21104, R-21104-A**

APPLICATION

SPC Resources, LLC (“Applicant”) (OGRID No. 372262), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, to amend Order Nos. R-21104 & 21104-A (“Orders”): (1) to allow for an extension of time for drilling a well under the Orders, (2) update the names and locations (if necessary) of the Proposed Wells, and (3) to conform the Orders 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-21104, entered on February 13, 2020 in Case No. 20860, and Order No. R-21104-A, entered on May 19, 2020 in Case No. 21257, created a 473.59-acre, more or less, standard horizontal spacing unit underlying the SW/4 of irregular Section 5, and Lots 6-7, the E/2 SW/4, and the SE/4 (S/2 equivalent) of irregular Section 6, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the “Unit”), and designated Applicant as operator of the Unit.
2. Order Nos. R-21104 & 21104-A further pooled the uncommitted interests in the Bone Spring formation (Esperanza; Bone Spring Pool (Pool Code 97755)) in the Unit and dedicated the Unit to the following Proposed Wells: (1) the **Barney 5-6 B3 #3H well** (API No. 30-015-pending), and the **Barney 5-6 B3 #4H well** (API No. 30-015-pending).
3. Since the entry of the Orders, Applicant desires to make certain name changes and may update the locations of the Proposed Wells which will be presented at the hearing in this case.

4. Applicant requests that Order Nos. R-21104 & 21104-A be re-opened and amended to allow Applicant additional time to commence drilling a well under the Orders. 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 Orders. Under the Orders, Applicant would be required to commence drilling a well by February 13, 2021, and therefore, asks for the deadline to commence drilling a well be extended for a year, to February 13, 2022.

5. Finally, Applicant requests that the Orders 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 amend Order Nos. R-21104 & 21104-A to extend the time for SPC Resources LLC to commence drilling a well under the Order for a year, through February 13, 2022; update the names and locations (if necessary) of the Proposed Wells; and amend the Orders to conform to the terms of the Amended Order.

Respectfully submitted,
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