

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

**APPLICATION OF SPC RESOURCES, LLC
TO AMEND ORDER NO. R-21096,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. _____
(ORDER NO. R-21096)**

APPLICATION

SPC Resources, LLC (“Applicant” or “SPC Resources”) (OGRID No. 372262), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, to pool additional interests under the terms of Order No. R-21096. In support of its application, Applicant states:

1. Division Order No. R-21096, entered on February 12, 2020 in Case No. 20762, created a 1,267.1-acre, more or less, standard horizontal spacing unit consisting of the W/2 and E/2 of Section 12, Township 22 South, Range 26 East, and the W/2 and E/2 of Section 7, 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-21096 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 following Proposed Wells: (1) the **Caveman #402H well** (API No. 30-015-47629), and (2) the **Caveman #442H well** (formerly the Caveman 7 12 WCD #003H, sundry pending) (API No. 30-015-47689).
3. In Case No. 21577 presented at the January 21, 2021 Division hearing and pending before the Division, SPC Resources sought to amend Order No. R-21096: (1) to pool additional interest owners under the terms of Order No. R-21096; (2) to allow for an extension of time for drilling a well under Order No. R-21096; (3) to update the names and locations (if

necessary) of the Proposed Wells, and (4) to conform Order No. R-21096 to the amended order template (“Amended Order”) described in the Division Director’s April 9, 2020 *Letter to Counsel Regarding Amended CP Order Template*.

4. Since the entry of the Order, and the January 21 hearing, SPC Resources has determined there are additional interest owners in the Unit who were not provided notice of the hearings in Case Nos. 21096 and 21577, and as result, whose interests were not pooled by the terms of the Order.

5. SPC Resources has sought and been unable to obtain a voluntary agreement for the development of these lands from the subject interest owners in the Unit, and SPC Resources seeks to pool additional interest owners in the Unit under the terms of Order No. R-21096.

6. The pooling of the additional interest owners under the terms of the Order will prevent waste, will protect correlative rights, and will promote administrative efficiency.

7. 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-21096 and the pending Order from Case No. 21577.

8. To provide proper notice to these additional interest owners and to bring their interests under the terms of Order R-21096 and the pending Order from Case No. 21577, SPC Resources requests that this case be called for hearing at the next available Examiner docket.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 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-21096 and the pending Order from Case No. 21577.

Respectfully submitted,

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