

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

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

CASE NO. 24340

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

CASE NO. 24343

SPC’S CONSOLIDATED PRE-HEARING STATEMENT

SPC Resources, LLC, applicant in the above-referenced cases, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

SPC Resources, LLC (“SPC Resources”)

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APPLICANT’S STATEMENT OF CASES

Under **Case No. 24340**, SPC Resources (“SPC”) seeks to designate Permian Resources Operating, LLC (OGRID 372165) (“Permian”) as the operator of the horizontal well spacing unit in the Wolfcamp formation (Purple Sage; Wolfcamp Pool [98220]) initially approved under Order R-21096. Permian closed on the acquisition of SPC in December 2023, with an effective date in September 2023, and therefore SPC seeks to

designate Permian as the operator of the pooled horizontal well spacing unit. SPC also seeks to add the following proposed wells as initial wells under the terms of the pooling order:

- **Caveman 221H** with a first take point in the NE/4 NE/4 (Unit A) of Section 7, Township 22 South, Range 27 East, and a last take point in the NW/4 NW/4 (Unit D) of Section 12, Township 22 South, Range 26 East;
- **Caveman 224H** with a first take point in the SE/4 SE/4 (Unit P) of Section 7, Township 22 South, Range 27 East, and a last take point in the SW/4 SW/4 (Unit M) of Section 12, Township 22 South, Range 26 East;
- **Caveman 421H** with a first take point in the SE/4 NE/4 (Unit H) of Section 7, Township 22 South, Range 27 East, and a last take point in the SW/4 NW/4 (Unit E) of Section 12, Township 22 South, Range 26 East;
- **Caveman 423H** with a first take point in the NE/4 SE/4 (Unit I) of Section 7, Township 22 South, Range 27 East, and a last take point in the NW/4 SW/4 (Unit L) of Section 12, Township 22 South, Range 26 East; and
- **Caveman 424H** with a first take point in the SE/4 SE/4 (Unit P) of Section 7, Township 22 South, Range 27 East, and a last take point in the SW/4 SW/4 (Unit M) of Section 12, Township 22 South, Range 26 East.

Finally, SPC seeks to rename the Caveman #402H well (API No. 30-015-53285) to the **Caveman 222H**, and the Caveman #442H well (API 30-015-53280) to the **Caveman 223H**.

Under **Case No. 24343**, SPC Resources seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 633.53-acre, more or less, horizontal well spacing unit comprised of the N/2 of Section 7, Township 22 South, Range 27 East, and the N/2 of Section 12, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico.

Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Hanna 131H well**, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 8, Township 22 South, Range 27 East, with a first take point in the SE/4 NE/4 (Unit H) of said Section 7 and a last take point in SW/4 NW/4 (Unit E) of said Section 12. The completed interval of the proposed **Hanna 131H well** is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them within this proposed spacing unit under 19.15.16.15.B(1)(b) NMAC.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Chris Astwood, Senior Landman	Self-Affirmed Statement	Approx. 4
Tyler Chesworth, Petroleum Geology	Self-Affirmed Statement	Approx. 3

PROCEDURAL MATTERS

SPC intends to present these cases by self-affirmed statement if uncontested at time of hearing.

Since the Division recently issued Order No. R-21096-D, SPC no longer requires an extension of the drilling deadline sought under Cases 24340.

Respectfully submitted,

HOLLAND & HART LLP



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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 332711

QUESTIONS

Operator: SPC RESOURCES, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372262
	Action Number: 332711
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>