

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

**APPLICATION OF SPC RESOURCES, LLC  
TO POOL ADDITIONAL INTEREST  
OWNERS UNDER THE TERMS OF  
ORDER NO. R-21104, EDDY COUNTY,  
NEW MEXICO.**

**APPLICATION OF SPC RESOURCES, LLC  
TO POOL ADDITIONAL INTEREST  
OWNERS UNDER THE TERMS OF  
ORDER NO. R-21123, EDDY COUNTY,  
NEW MEXICO.**

**CASE NOS. 21257 & 21258  
(ORDER NOS. R-21104 & 21123)**

**SPC'S 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**

SPC RESOURCES, LLC

**ATTORNEY**

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**APPLICANT'S STATEMENT OF CASE**

In **Case No. 21257**, SPC seeks to pool additional interest owners under the terms of Order No. R-21104. Division Order No. R-21104, entered on February 13, 2020, in Case No. 20860, created a 473.59-acre, more or less, horizontal well spacing unit consisting of 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 the operator of the Unit. Order No. R-21104 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 initial wells: (1) the **Barney 5-6 B3 #3H well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 5 to a bottom-hole location in the NW/4 SW/4 (Lot 6) of Section 6; and (2) the **Barney 5-6 B3 #4H well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 5 to bottom-hole location in the SW/4 SW/4 (Lot 7) of Section 6. Since the entry of Order No. R-21104, SPC has determined that there are additional mineral interest owners in the Unit who were not provided notice of the November 14, 2019, compulsory pooling hearing in Case No. 20860, and as a result, whose interests were not pooled by the terms of Order No. R-21104.

In **Case No. 21258**, SPC seeks to pool additional interest owners under the terms of Order No. R-21123. Division Order No. R-21123, entered on February 17, 2020, in Case No. 20858, created a 473.59-acre, more or less, horizontal well spacing unit consisting of 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 the operator of the Unit. Order No. R-21123 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 initial wells: (1) the **Barney 5-6 WCXY #4H well**, and (2) the **Barney 5-6 WCD #4H well**, both are to be horizontally drilled from a common surface location in the SE/4 SW/4 (Unit N) of Section 5 to bottom-hole locations in the SW/4 SW/4 (Lot 7) of Section 6. Since the entry of Order No. R-21123, SPC has determined that

there are additional interest owners in the Unit who were not provided notice of the November 14, 2019, compulsory pooling hearing in Case No. 20858, and as a result, whose interests were not pooled by the terms of Order No. R-21123.

**APPLICANT'S PROPOSED EVIDENCE**

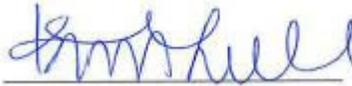
<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Colleen Bradley, Land Representative	Affidavit	Approx. 5

**PROCEDURAL MATTERS**

SPC intends to present these consolidated cases by affidavit, if uncontested at time of hearing.

Respectfully submitted,

HOLLAND & HART LLP



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