

NSL Initial Application

RECEIVED: 09/16/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2126537413
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Tap Rock Operating, LLC **OGRID Number:** 372043
Well Name: Nailed It Fed Com #231H Well **API:** 30-015-46891
Pool: Purple Sage; Wolfcamp **Pool Code:** 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kaitlyn A. Luck

Print or Type Name

Signature

9/9/21

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



Kaitlyn A. Luck
Phone (505) 954-7286
KALuck@hollandhart.com

September 9, 2021

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Nailed It Fed Com #231H Well in the SW/4 of Section 25 and W/2 of Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval of an unorthodox well location for its **Nailed It Fed Com #231H Well** (API No. 30-015-46891) to be completed within the Purple Sage; Wolfcamp Pool (98220) underlying the SW/4 of Sections 25 and W/2 of Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The unorthodox location in this application encroaches on the state line of New Mexico and Texas.

This well is to be drilled at the following location:

- Surface location: 330 feet from the south line and 409 feet from the west line (Lot 4) of Section 36;
- Bottom hole location: 2,464 feet from the south line and 750 feet from the west line (Unit L) of Section 25;
- First take point: 100 feet from the south line and 750 feet from the west line (Lot 4) of Section 36;
- Last take point: 2,334 feet from the south line and 750 feet from the west line (Unit L) of Section 25.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool, which provide for wells in the Wolfcamp formation in Eddy

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the **Nailed It Fed Com #231H Well** will be unorthodox because it is closer than 330 feet to the southern boundary of the horizontal spacing unit. Approval of the unorthodox completed interval will allow Tap Rock to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Nailed It Fed Com #231H Well** encroaches on the tracts to the south, in Texas.

Exhibit B is a land plat for Sections 25 and 36 that shows the proposed **Nailed It Fed Com #231H Well** in relation to the adjoining tracts to the south in Sections 2 and 3, Block 56, Township 1 North, Loving County, Texas.

Ownership is diverse between the subject spacing unit and the tracts to the south in Texas. **Exhibit C** is a list of the parties affected by the encroachment to the south together with the tracking information reflecting notice has been provided. Since this application involves an encroachment only on the state line of Texas, Tap Rock understands the Division does not require a 20-day waiting period for approval of the unorthodox location. However, a copy of this application with all attachments has been sent by certified mail to each of the following affected parties, as defined in the Division's Rules:

Type	Affected Party	Location	Date Sent
Operator	WPX Energy Permian, LLC 3500 One Williams Center Tulsa, OK 74172	N/2 Section 2, Blk. 56, Township 1 North (Loving County, Texas)	9/3/21
Operator	Anadarko E&P Onshore, LLC 5 Greenway Plaza, Suite 110 Houston, TX 77046	N/2 Section 3, Blk. 56, Township 1 North (Loving County, Texas)	9/3/21
Operator	SWEPI, LP P.O. Box 576 Houston, TX 77001	N/2 Section 3, Blk. 56, Township 1 North (Loving County, Texas)	9/3/21

Exhibit D is a statement from Tap Rock's petroleum engineer confirming that Tap Rock's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name NAILED IT FED COM	⁶ Well Number 231H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3008'

¹⁰Surface Location

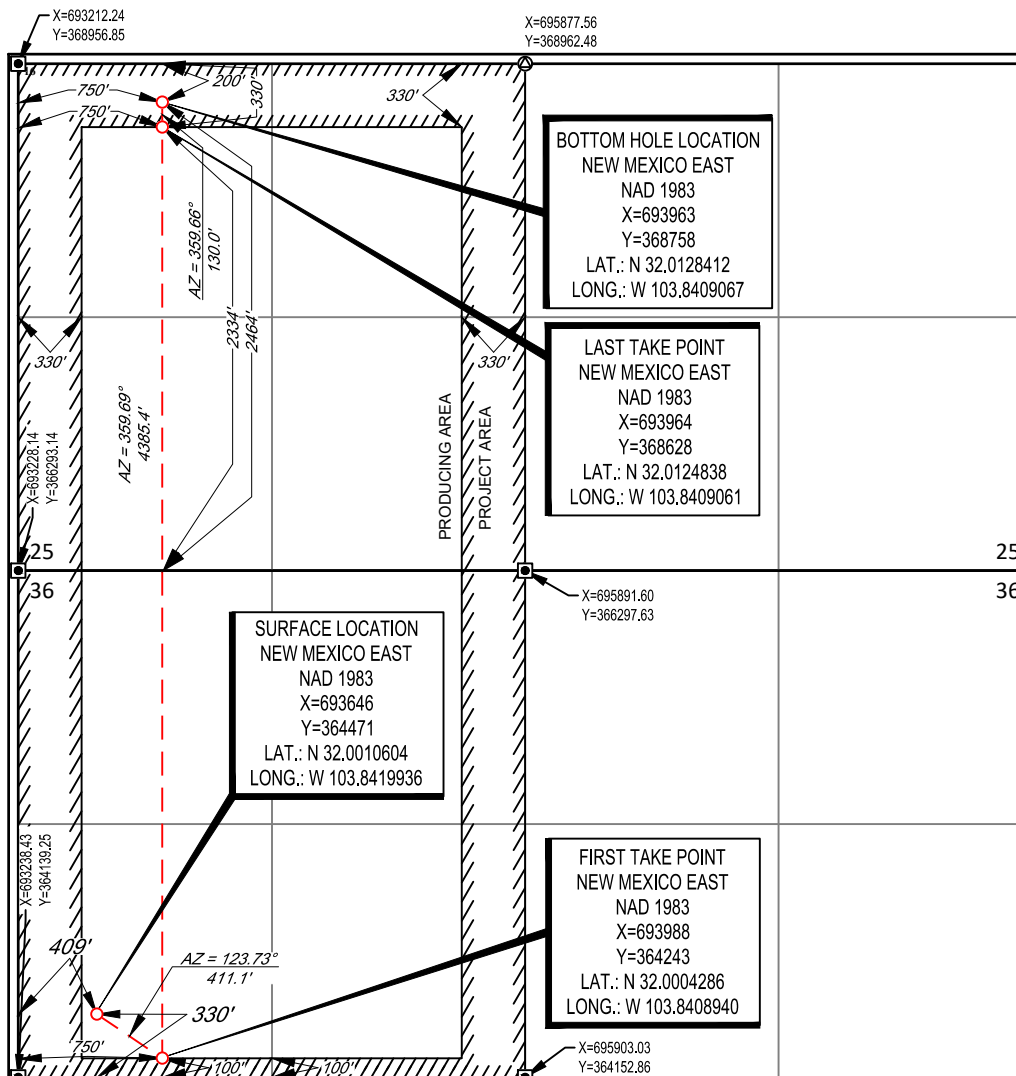
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	36	26-S	30-E	-	330'	SOUTH	409'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	25	26-S	30-E	-	2464'	SOUTH	750'	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

¹⁷OPERATOR 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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR 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 to the best of my belief.

02/06/2021
Date of Survey
Signature and Seal of Professional Surveyor

ANGELA BAER
25116
PROFESSIONAL SURVEYOR
Certificate Number

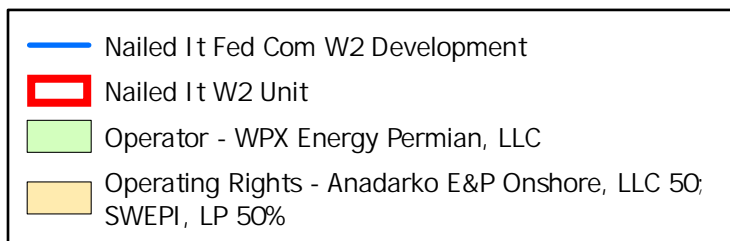
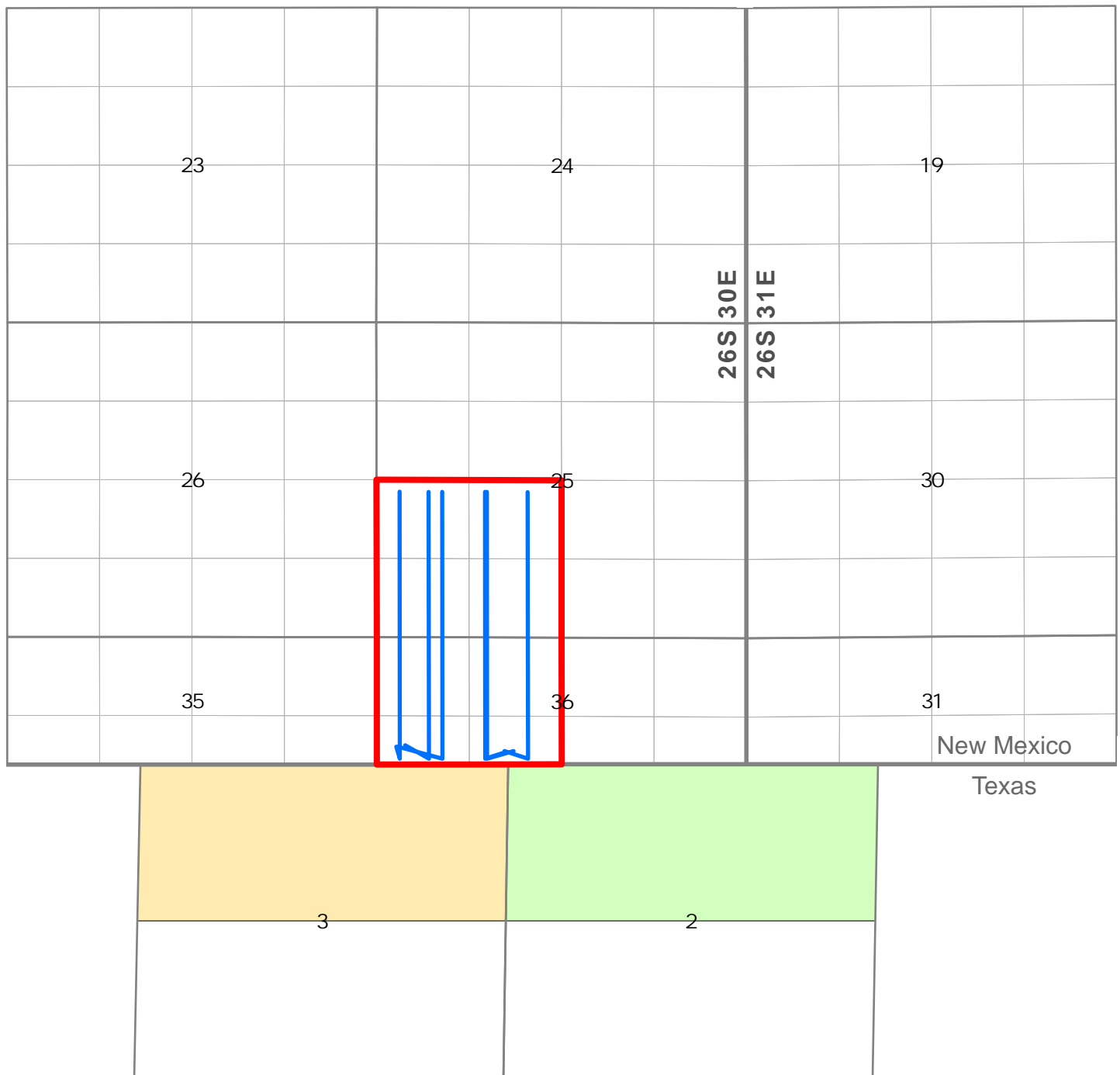


EXHIBIT B

Nailed It Fed Com #202H, #211H, #212H, #215H, #222H, #231H NSL Notice List

N/2 Section 2, Blk. 56, Township 1 North (Loving County, Texas)

WPX Energy Permian, LLC
3500 One Williams Center
Tulsa, OK 74172

N/2 Section 3, Blk. 56, Township 1 North (Loving County, Texas)

Anadarko E&P Onshore, LLC
5 Greenway Plaza, Suite 110
Houston, TX 77046

SWEPI, LP
P.O. Box 576
Houston, TX 77001

EXHIBIT C



Kaitlyn A. Luck
Phone (505) 954-7286
KALuck@hollandhart.com

September 9, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Nailed It Fed Com #231H Well in the SW/4 of Section 25 and W/2 of Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, and this application may be approved administratively by the Division if no objection is received.

If you have any questions about this application, please contact the following:

Matt Phillips
Tap Rock Resources
(720) 459-3724
mphillips@taprk.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", is written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Parent ID	Mail Date	Company	DeliveryAddress	City	ST	Zip	MailClass	TrackingNo	Well
31309	09/09/2021	WPX Energy Permian, LLC	3500 One Williams Ctr	Tulsa	OK	74172-0135	Certified with Return Receipt (Signature)	9414811898765806250073	70995 - Tap Rock_NailedIt 202H 211H 212H 215H 222H 231H - notice list - 1
31309	09/09/2021	Anadarko E&P Onshore, LLC	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Certified with Return Receipt (Signature)	9414811898765806250417	70995 - Tap Rock_NailedIt 202H 211H 212H 215H 222H 231H - notice list - 2
31309	09/09/2021	SWEPI, LP	PO Box 576	Houston	TX	77001-0576	Certified with Return Receipt (Signature)	9414811898765806250455	70995 - Tap Rock_NailedIt 202H 211H 212H 215H 222H 231H - notice list - 3

TAP ROCK OPERATING

523 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401

CONNER WOOD

VICE PRESIDENT - ASSETS

CWOOD@TAPRK.COM



August 25, 2021

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Non-Standard Location Request
Nailed It Fed Com #202H, #211H, #212H, #215H, #222H, #231H (the "Wells")

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") hereby requests administrative approval of a non-standard location for the Wells referenced above by decreasing the first take point from 330 feet to 100 feet from the horizontal plane outer boundary. The Wells are located in the Purple Sage – Wolfcamp Gas Pool (Pool Code 98220). It is Tap Rock's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. Decreasing the first take point will increase the Wells effective lateral length by 230 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

TAP ROCK OPERATING, LLC

A handwritten signature in blue ink, appearing to read "Conner Wood", written over a faint blue circular stamp.

Conner Wood
Vice President - Assets

EXHIBIT D

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 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) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 49437

CONDITIONS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 49437
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	9/22/2021