TAP ROCK OPERATING, LLC

MICHAEL RODRIGUEZ – ATTORNEY MDRODRIGUEZ@TAPRK.COM 523 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401



May 10, 2022

VIA ONLINE FILING

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

Re: Tap Rock Operating, LLC Request for Administrative Approval of Unorthodox Well Location

Cypress 33 Fed Com 205H well W/2 of Section 33, Township 23 South, Range 29 East, Eddy County, New Mexico Purple Sage; Wolfcamp (Gas) pool [98220] API No. 30-015-48295

Dear Ms. Sandoval:

Tap Rock Operating, LLC (OGRID No. 372043), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13(C) - (D) NMAC and applicable rules governing acreage and well location requirements for the Purple Sage; Wolfcamp (Gas) pool [98220], seeks administrative approval of an unorthodox well location for its Cypress 33 Fed Com 205H well (API No. 30-015-48295) ("Well"), in a 320-acre, more or less, horizontal spacing unit underlying the W/2 of Section 33, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

The proposed surface and bottom hole locations and first and last take points are as follows:

Surface location:	245 FNL, 446 FWL (Unit D)	S33-T23S-R29E
First take point:	100 FNL, 990 FWL (Unit D)	S33-T23S-R29E
Last take point:	100 FSL, 990 FWL (Unit M)	S33-T23S-R29E
Bottom hole location:	30 FSL, 990 FWL (Unit M)	S33-T23S-R29E

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because the first and last take points are closer (100 feet instead of 330 feet) than the standard offsets to the northern and southern boundaries of the spacing unit – thus encroaching on (1) the SW/4 of Section 28, Township 23 South, Range 29 East, and (2) the NW/4 of Section 4, Township 24 South, Range 29 East. Approval of the unorthodox, completed interval will increase the well's effective lateral length by 460 feet, thereby increasing ultimate recovery of reserves and preventing waste of natural resources.

Exhibit A is a Form C-102 with attached plats showing the first take point of the proposed Well encroaches on the spacing unit/tracts to the north in the SW/4 of Section 28 and showing the last take point of the well encroaches on the spacing unit/tracts to the south in the NW/4 of Section 4.

Exhibit B is a plat for the W/2 of Section 33, the SW/4 of Section 28, and the NW/4 of Section 4 that shows the proposed Well in relation to adjoining spacing unit/tracts to the north and south. XTO Energy, Inc. is the operator of wells in the affected spacing unit to the north and OXY USA Inc. is the operator of the wells in the affected spacing unit to the south. Additionally, the United States owns the mineral estate or a part thereof in the affected spacing units. Accordingly, the "affected persons" ¹ are XTO Energy, Inc., OXY USA Inc., and the United States Bureau of Land Management. **Exhibit C** contains waivers from XTO Energy, Inc. and OXY USA Inc. Therefore, notice only needs to be provided to the United States Bureau of Land Management.

Exhibit D is a listing of all affected persons and includes tracking information demonstrating that each of the affected persons has either executed a waiver or was sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected parties:

Туре	Affected Party	Location(s)	Notice Required?
Operator/	XTO Energy, Inc.	SW/4 of Section 28	No – executed waiver.
Working Interest			
Operator/	OXY USA Inc.	NW/4 of Section 4	No – executed waiver.
Working Interest			
Federal/State	United States	SW/4,	Yes.
Mineral Interest	Bureau of Land	NW/4 of Section 4	
	Management		

Your attention to this matter is appreciated.

Sincerely,

/s/ Michael Rodriguez

Michael Rodriguez ATTORNEY FOR TAP ROCK OPERATING, LLC

¹ See NMAC §§ 19.15.2.7.A(8) and 19.15.4.12.A(2)(a).

Received by OCD: 5/11/2022 3:59:01 PM

NSL - 8357

RECEIVED: 05/11/22	REVIEWER: LRL	TYPE: NSL	PLEL2213652420	0
		ABOVE THIS TABLE FOR OCD DIVISION US OIL CONSERVATIO & Engineering Bur cis Drive, Santa Fe	eau –	
THIS CHECKLIS			FOR EXCEPTIONS TO DIVISION RULES AND	
Applicant: Tap Rock Operation	g, LLC		OGRID Number: 372043	
Well Name: Cypress 33 Fed			API: <u>30-015-48295</u>	
Pool: Purple Sage; Wolfcamp (G	ıs) pool		Pool Code: 98220	
SUBMIT ACCURATE AI		MATION REQUIRED	TO PROCESS THE TYPE OF APPLIC	ATION
 TYPE OF APPLICATION A. Location – Spanner MSL 	DN: Check those whi cing Unit – Simultane NSP(PROJECT	eous Dedication		
	ng – Storage – Meas CTB PLC Disposal – Pressure I	PC OLS ncrease – Enhance	PPR	
B. Royalty, ove C. Application D. Notification E. Notification F. Surface ow	ators or lease holders erriding royalty owned requires published r and/or concurrent and/or concurrent ner e above, proof of no	s ers, revenue owners notice approval by SLO approval by BLM	Application Content Complete	nplete
administrative appr understand that no	oval is accurate and	d complete to the b on this application	ted with this application for lest of my knowledge. I also until the required information a	nd
Note: Stat	ement must be completed I	by an individual with mana	agerial and/or supervisory capacity.	

Michael Rodriguez

Print or Type Name

Michael Rodriguez

Signature

05/09/2022 Date

720-772-5092

Phone Number

mdrodriguez@taprk.com e-mail Address District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District III 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District IIII 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Sante 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

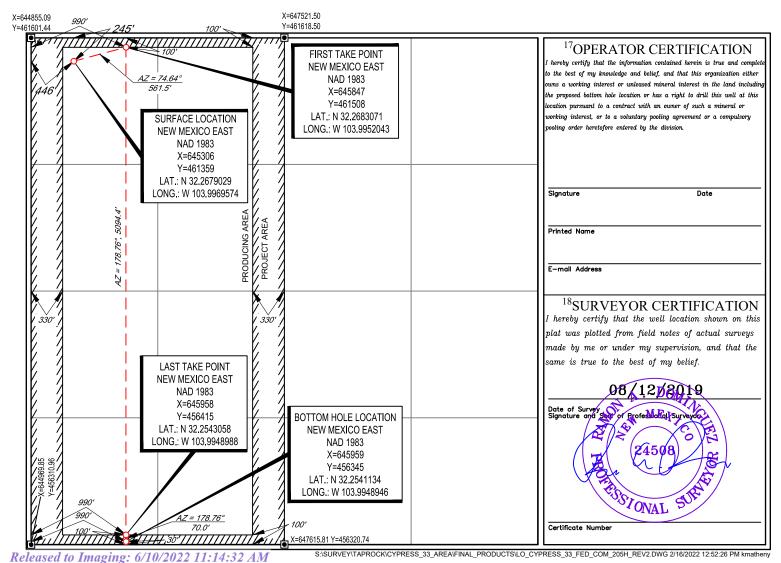
AMENDED REPORT

Page 4 of 23

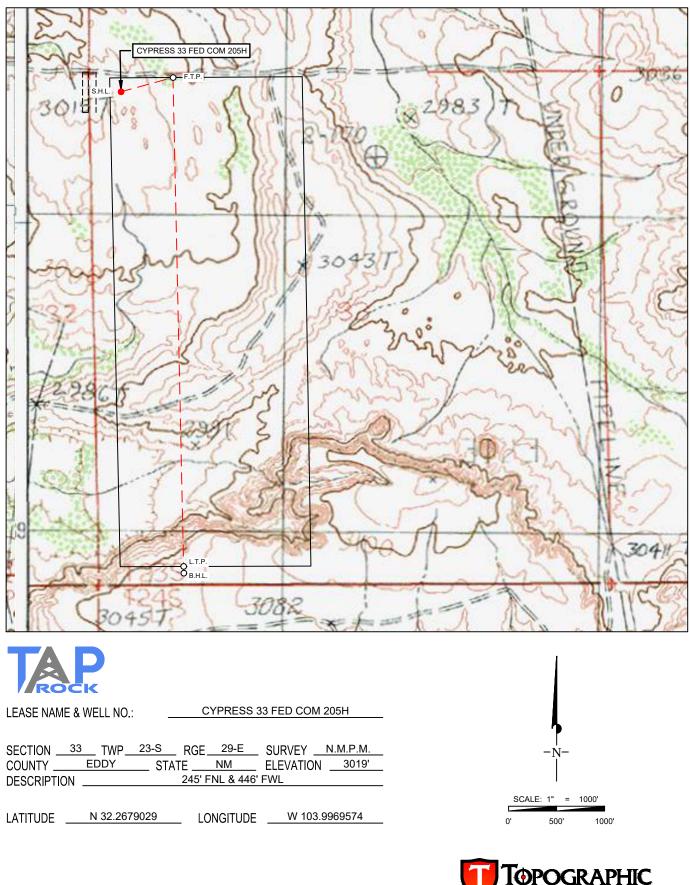
WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number)15-482			² Pool Code 98220 Purple Sage; Wolfcamp (Gas)						
⁴ Property C					⁵ Property N	lame			6V	Vell Number
				CY	PRESS 33	FED COM				205H
⁷ OGRID N	lo.				⁸ Operator N					⁹ Elevation
				TAP	ROCK OPEH	RATING, LLC.				3019'
¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/	/West line	County
D	33	23–S	29-E	-	245'	NORTH	446'	WES	T	EDDY
	¹¹ Bottom 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
M	33	23–S	29-E	-	30'	SOUTH	990'	WES	Т	EDDY
¹² Dedicated Acres 320.00	¹³ Joint or 1	nfill ¹⁴ Cor	solidation Coc	le ¹⁵ Ord	er No.					

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.



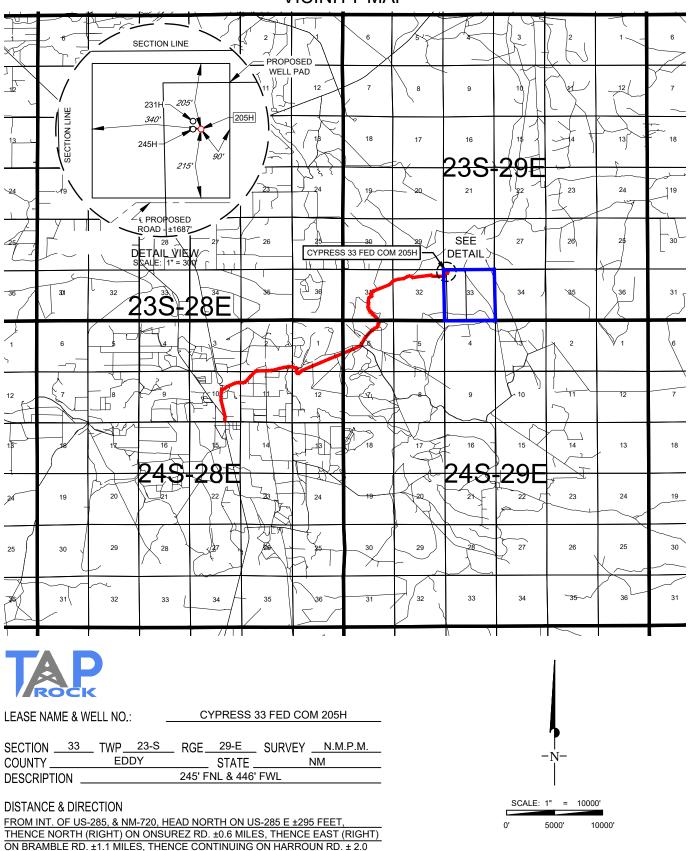
LOCATION & ELEVATION VERIFICATION MAP



THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

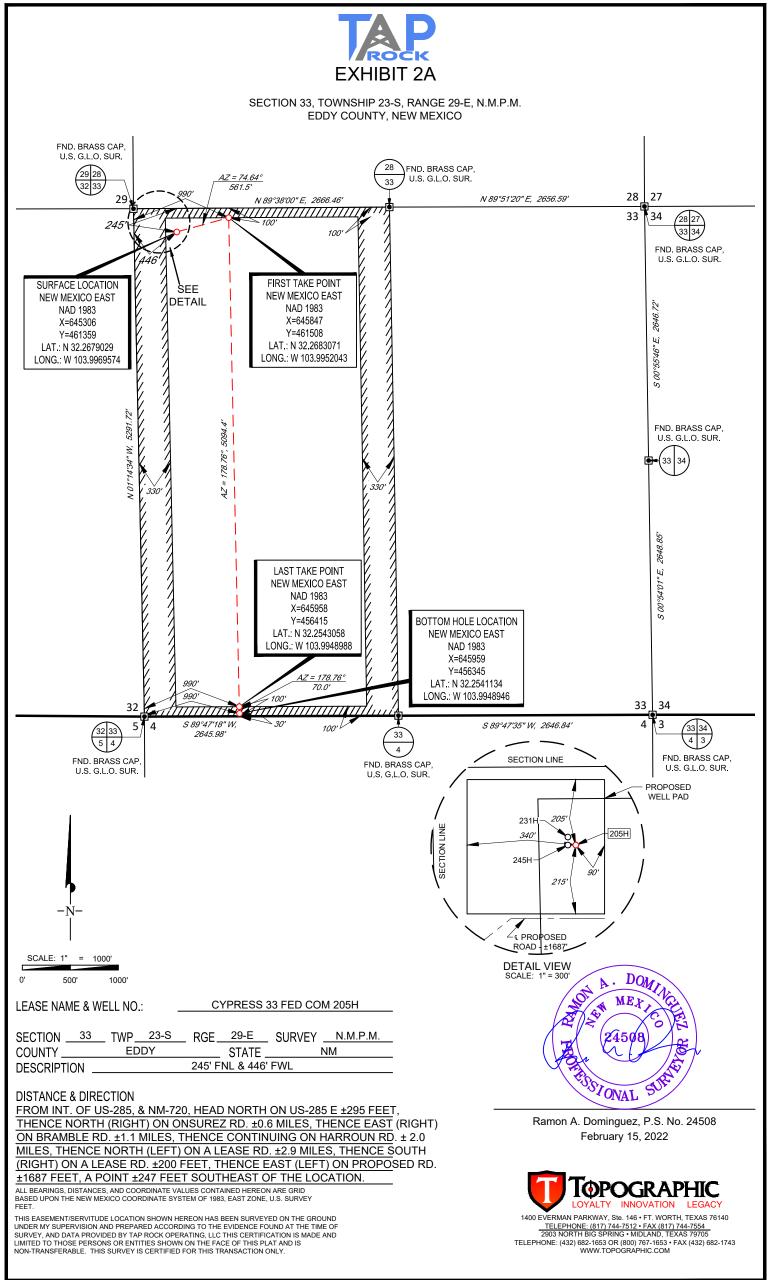
ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.

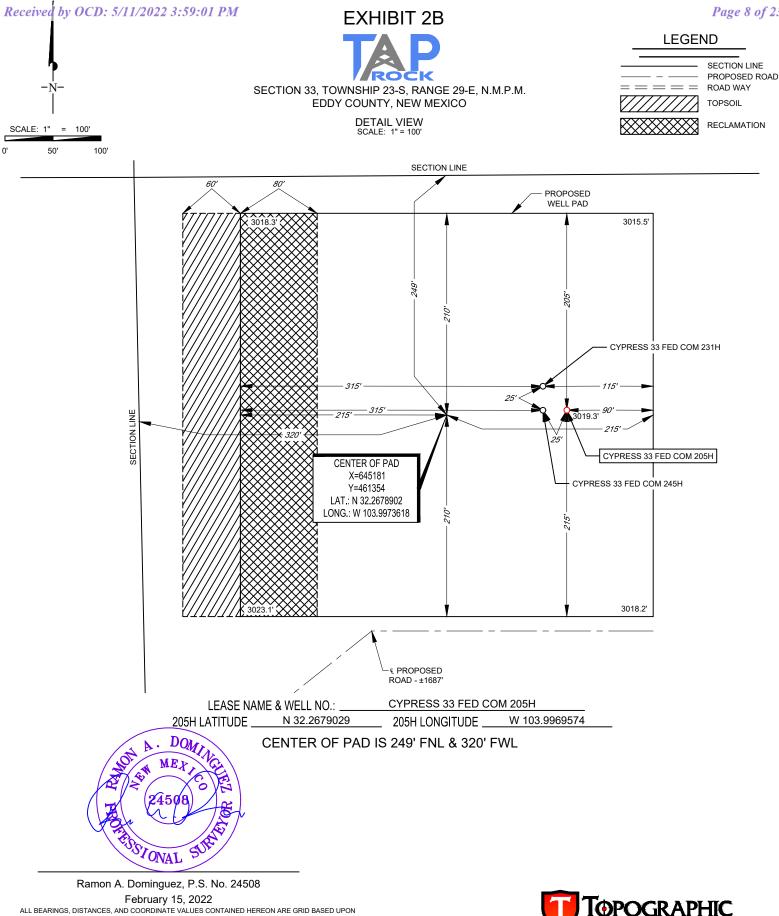
1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140 <u>TELEPHONE: (817) 744-7512 • FAX (817) 744-7554</u> 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM



MILES, THENCE NORTH (LEFT) ON A LEASE RD. ±2.9 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±200 FEET, THENCE EAST (LEFT) ON PROPOSED RD. **IOPOGRAPHIC** ±1687 FEET, A POINT ±247 FEET SOUTHEAST OF THE LOCATION. THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR 1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140 <u>TELEPHONE:</u> (817) 744-7512 • FAX (817) 744-7554 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705 TRANSLESS HOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY. TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET





ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER THIS PROPOSED PAD SITE LOCATION SHOWN REPEOD THAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT THIS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140

TELEPHONE: (817) 744-7512 • FAX (817) 744-7554 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM



Exhibit C

73	0	600
Page	90	DT 23
	~ ~	J

From:	Salinas, C R
To:	Matt Phillips
Subject:	[EXTERNAL] RE: Tap Rock Cypress 33 W/2 Wells - NSL Waiver
Date:	Monday, March 7, 2022 3:10:49 PM
Attachments:	image001.png

[EXTERNAL] This email originated from outside your organization. Do not trust links or attachments.

Matt,

XTO is agreeable to your request. Send over any documents pertaining to such (if needed) and we will execute.

Thanks and let me know if you have any questions.

C.R. Salinas Sr. Landman – Delaware Basin (Poker Lake) Land Dept. Loc. 115 22777 Springwoods Village Parkway Spring, TX 77389 O: 832-625-4370 C: 720-879-4706 carlos.salinas@exxonmobil.com

From: Matt Phillips [mailto:mphillips@taprk.com]
Sent: Monday, March 7, 2022 4:03 PM
To: Salinas, C R <carlos.salinas@exxonmobil.com>
Subject: Tap Rock Cypress 33 W/2 Wells - NSL Waiver

External Email - Think Before You Click

CR,

Pursuant to our prior telephone conversation, please allow this email to serve as notice that Tap Rock Operating, LLC intends to the drill the following Wolfcamp wells at non-standard locations (100' setbacks for the FTP) encroaching on the SW/4 Section 28, Township 23 South, Range 29 East, Eddy County, New Mexico:

• Cypress 33 Fed Com #205H, #207H, #231H, #235H, #242H, #245H

We plan to spud the wells on March 31, 2022. If XTO is amenable to granting Tap Rock waivers for the above, we are willing to grant a reciprocal waiver for heel/toe encroachments of similar nature in the future.

Thank you,

Matthew C. Phillips Land Manager Direct: (720) 459-3724

Direct: (720) 459-3724 Cell: (432) 553-3272 mphillips@taprk.com



From:	Van Liew, Peter R
То:	Matt Phillips
Subject:	[EXTERNAL] RE: Tap Rock Cypress 33 Wells - NSL Waiver
Date:	Friday, October 29, 2021 12:05:55 PM
Attachments:	image001.png

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Matt,

Oxy is amenable to granting to waive any right to protest these NSLs so long as we receive a reciprocal waiver for our Heads development in Section 4. Feel free to confirm via email and let me know if you need anything else related to this request.

Sincerely,

Peter R. Van Liew, RPL

Senior Land Negotiator Occidental Petroleum Corporation 5 Greenway Plaza, Suite 110 Houston, Texas 77046 713.985.6972 (o) 832.627.6880 (c)

CONFIDENTIALITY NOTICE

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From: Matt Phillips <mphillips@taprk.com>
Sent: Friday, October 29, 2021 12:00 PM
To: Van Liew, Peter R <Peter_VanLiew@oxy.com>
Subject: [EXTERNAL] Tap Rock Cypress 33 Wells - NSL Waiver

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Peter,

Pursuant to our conversation this morning, please allow this email to serve as notice that Tap Rock Operating, LLC intends to drill the following wells at non-standard locations (100' setbacks for FTP and LTP) encroaching on the SW/4 & W/2SE/4 Section 28, T23S, R29E and N/2 Section 4, T24S, R29E:

- E/2 Section 33 (Northern and Southern encroachment): Cypress 33 Fed Com #206H, #246H, #233H, #243H, #213H
- E/2 Section 33 (Southern encroachment): Cypress 33 Fed Com #208H, #214H, #234H, #244H
- W/2 Section 33 (Northern and Southern encroachment): Cypress 33 Fed Com #205H, #207H, #211H, #212H, #231H, #232H, #235H, #241H, #245H, #242H

We plan to spud the E/2 wells starting in December of 2021 and the W/2 wells in April of 2022. If OXY is amenable to granting Tap Rock waivers for the above, we are willing to grant same for any upcoming OXY Heads development and will confirm via email upon request.

Thank you,

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Exhibit D

Cypress 33 Fed Com #205H, #207H, #231H, #235H, #242H, #245H Notice List

XTO Holdings, LLC 22777 Springwoods Village Parkway Spring, TX 77389

OXY USA, Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046

OXY Y-1 Company P.O. Box 27570 Houston, TX 77227

United States Bureau of Land Management
620 E Greene Street
Carlsbad, NM 88220Tracking #: 70220410000290643325United States Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508Tracking #: 70220410000290643332

Released to Imaging: 6/10/2022 11:14:32 AM

Michael Rodriguez – Attorney mdrodriguez@taprk.com



Page 14 of 23

May 10, 2022

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Tap Rock Operating, LLC

Request for Administrative Approval of Unorthodox Well Locations for the following wells located in W/2 of Section 33, Township 23 South, Range 29 East, Eddy County, New Mexico, Purple Sage; Wolfcamp (Gas) pool [98220]:

Cypress 33 Fed Com 205H well	API No. 30-015-48295
Cypress 33 Fed Com 207H well	API No. 30-015-48297
Cypress 33 Fed Com 231H well	API No. 30-015-47871
Cypress 33 Fed Com 235H well	API No. 30-015-47864
Cypress 33 Fed Com 242H well	API No. 30-015-47863
Cypress 33 Fed Com 245H well	API No. 30-015-47869

To whom it may concern:

Enclosed is a copy of the above-referenced applications which were filed with the New Mexico Oil Conservation Division on this date. Any objection to any of these applications must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, these applications may be approved administratively by the Division.

If you have any questions about these applications, please contact the following:

Matt Phillips Tap Rock Operating, LLC (720) 459-3724 mphillips@taprk.com

Sincerely,

/s/ Michael Rodriguez

Michael Rodriguez ATTORNEY FOR TAP ROCK OPERATING, LLC

Exhibit C

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Sent: Monday, March 7, 2022 4:03 PM
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Subject: Tap Rock Cypress 33 W/2 Wells - NSL Waiver

External Email - Think Before You Click

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Direct: (720) 459-3724 Cell: (432) 553-3272 mphillips@taprk.com



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Senior Land Negotiator Occidental Petroleum Corporation 5 Greenway Plaza, Suite 110 Houston, Texas 77046 713.985.6972 (o) 832.627.6880 (c)

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From: Matt Phillips <mphillips@taprk.com>
Sent: Friday, October 29, 2021 12:00 PM
To: Van Liew, Peter R <Peter_VanLiew@oxy.com>
Subject: [EXTERNAL] Tap Rock Cypress 33 Wells - NSL Waiver

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- E/2 Section 33 (Northern and Southern encroachment): Cypress 33 Fed Com #206H, #246H, #233H, #243H, #213H
- E/2 Section 33 (Southern encroachment): Cypress 33 Fed Com #208H, #214H, #234H, #244H
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Thank you,

Matthew C. Phillips Land Manager Direct: (720) 459-3724 Cell: (432) 553-3272 mphillips@taprk.com



Exhibit D

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OXY USA, Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046

OXY Y-1 Company P.O. Box 27570 Houston, TX 77227

United States Bureau of Land Management
620 E Greene Street
Carlsbad, NM 88220Tracking #: 70220410000290643325United States Bureau of Land Management
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Released to Imaging: 6/10/2022 11:14:32 AM

Michael Rodriguez – Attorney mdrodriguez@taprk.com



Page 20 of 23

May 10, 2022

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Tap Rock Operating, LLC

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Cypress 33 Fed Com 242H well	API No. 30-015-47863
Cypress 33 Fed Com 245H well	API No. 30-015-47869

To whom it may concern:

Enclosed is a copy of the above-referenced applications which were filed with the New Mexico Oil Conservation Division on this date. Any objection to any of these applications must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, these applications may be approved administratively by the Division.

If you have any questions about these applications, please contact the following:

Matt Phillips Tap Rock Operating, LLC (720) 459-3724 mphillips@taprk.com

Sincerely,

/s/ Michael Rodriguez

Michael Rodriguez ATTORNEY FOR TAP ROCK OPERATING, LLC



May 2, 2022

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 Cypress 33 Fed Com # 205H, #207H, #231H, #235H, #242H, #245H (the "Wells")

Dear Ms. Sandoval:

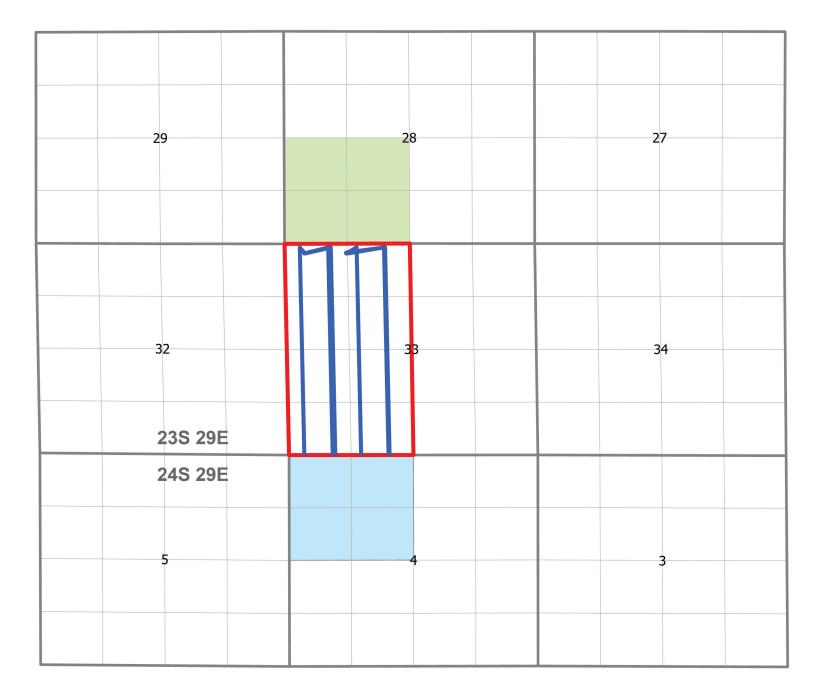
Tap Rock Operating, LLC ("Tap Rock") hereby requests administrative approval of a non-standard location for each of the Wells referenced above by decreasing first and last take points from 330 feet to 100 feet from the horizontal plane outer boundary. The Wells are located in the Purple Sage – Wolfcamp 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 last take points will increase the Wells effective lateral length by 460 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

TAP ROCK OPERATING, LLC

Conner Wood Vice President Assets

Exhibit B



Cypress 33 W2 Unit

Oxy USA, Inc. Operated

XTO Energy, Inc. Operated

Cypress 33 Wellbores

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

Operator:	OGRID:
TAP ROCK OPERATING, LLC	372043
523 Park Point Drive	Action Number:
Golden, CO 80401	106168
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	NSL-8357 is approved. The order can be reviewed at the OCD Imaging web site: https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	5/16/2022

CONDITIONS

Action 106168