

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

**APPLICATION OF WPX ENERGY PERMIAN, LLC TO RESCIND DIVISION
APPROVAL OF APPLICATIONS FOR PERMITS TO DRILL FILED BY TAP ROCK
RESOURCES LLC, EDDY COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

WPX Energy Permian, LLC, (“WPX”) (OGRID No. 246289, pursuant to 19.15.16.15.A NMAC, files this application for an order rescinding the approval of ten applications for permits to drill filed by Tap Rock Resources, LLC (“Tap Rock”) for the Wolfcamp formation underlying the E/2 of Sections 27 and Lots 5, 6, 11 & 12 (NE/4 equivalent) of Section 34, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico (“the subject acreage”). In support of this application, WPX states:

1. Under Case No. 16433 the Division issued Order R-20388 pooling a spacing unit comprised of the subject acreage and dedicating that spacing unit to the following approved initial well:

**Welcome to Golden 26S29E2734 Well No. 244H. API No. 30-015-
Pending**

SHL: 169 feet from the North line and 631 feet from the East line,
(Unit A) of Section 27, Township 26 South, Range 29 East, NMPM.
BHL: 200 feet from the South line and 750 feet from the East line
(Lot 12/Unit H) of Section 34, Township 26 South, Range 29 East,
NMPM.

2. Ordering paragraph (5) of R-20388 required Tap Rock to commence drilling this well “on or before February 29, 2020.” Division records reflect Tap Rock did not commence drilling this well nor seek an extension of R-20388 within this time frame. Accordingly, the pooling order expired on February 29, 2020. See R-20388, ¶ (6)

3. Division record further reflect that in April of 2020, the Division received and approved the following ten applications for permits to drill filed by Tap Rock for the subject acreage:

- a. WTG FC 203H, API No. 30-015-47030
- b. WTG FC 204H, API No. 30-015-47031
- c. WTG FC 206H, API No. 30-015-47032
- d. WTG FC 208H, API No. 30-015-47034
- e. WTG FC 213H, API No. 30-015-47036
- f. WTG FC 214H, API No. 30-015-47037
- g. WTG FC 216H, API No. 30-015-47038
- h. WTG FC 218H, API No. 30-015-47041
- i. WTG FC 234H, API No. 30-015-47042
- j. WTG FC 244H, API No. 30-015-47043

4. Tap Rock's filing of these ten applications with the Division in February of 2020 violates 19.15.16.15.A NMAC which provides:

(1) An operator **shall not file** an application for permit to drill nor commence the drilling of a horizontal oil or gas well until the operator has either:

(a) received the consent of at least one working interest owner or unleased mineral interest owner of each tract (in the target pool or formation) in which any part of the horizontal oil or gas well's completed interval will be located; or

(b) obtained a compulsory pooling order from the division for an appropriate horizontal spacing unit. (emphasis added)

5. WPX owns all the working interest S/2 SE/4 and the SW/4 NE/4 of Section 27 and is therefore directly affected by the filing and approval of these ten drilling permits.

6. Tap Rock has neither entered into a voluntary agreement with WPX for the drilling of these ten wells nor has Tap Rock pooled the necessary spacing unit.

7. The drilling permits for the ten wells identified above were improperly filed by Tap Rock with the Division and the Division's approval of these drilling permits was obtained under false pretenses.

8. In order to protect the integrity of the Division's permitting process, the Division's approval of these ten drilling permits must be rescinded.

WHEREFORE, WPX requests that the Division set this matter for hearing before an Examiner of the Oil Conservation Division on August 6, 2020, and after notice and hearing as required by law, the Division issue an order rescinding the drilling permits for the wells identified herein and grant such further relief as the Division deems just and proper.

Respectfully submitted,

HOLLAND & HART LLP



By: _____
Michael H. Feldewert
Adam G. Rankin
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS FOR WPX ENERGY PERMIAN, LLC