

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

**APPLICATION OF TAP ROCK OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

Case No. 22654

PRE-HEARING STATEMENT

TAP ROCK OPERATING, LLC (“Tap Rock”) provides this pre-hearing statement as required by the rules of the Division.

APPEARANCES

APPLICANT

TAP ROCK RESOURCES, LLC

TAP ROCK’S ATTORNEYS:

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OTHER PARTY

None at this time.

STATEMENT OF THE CASE

In this case, Applicant cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation (WC-025 G-09 S263527D; BONE SPRING [98143]) in a standard 640-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Sections 16 and 21, Township 26 South, Range 35 East in Lea County, New Mexico. The HSU is to be dedicated to the following four (4) two-mile wells: (1) **Talco State Fed Com 111H** well, to be horizontally drilled from an approximate surface hole location 435’ FNL and 1188’

FWL of Section 16, T26S-R35E, to an approximate bottom hole location 5' FSL and 331' FWL of Section 21, T26SR35E; (2) **Talco State Fed Com 112H** well, to be horizontally drilled from an approximate surface hole location 410' FNL and 1214' FWL of Section 16, T26S-R35E, to an approximate bottom hole location 5' FSL and 1650' FWL of Section 21, T26SR35E; (3) **Talco State Fed Com 125H** well, to be horizontally drilled from an approximate surface hole location 410' FNL and 1189' FWL of Section 16, T26S-R35E, to an approximate bottom hole location 5' FSL and 1050' FWL of Section 21, T26SR35E; (4) **Talco State Fed Com 127H** well, to be horizontally drilled from an approximate surface hole location 435' FNL and 1214' FWL of Section 16, T26S-R35E, to an approximate bottom hole location 5' FSL and 2310' FWL of Section 21, T26SR35E.

The Talco State Fed Com 125H well is a proximity well located within the W/2 W/2 of Sections 16 and 21, T26S-R35E. Its completed interval will be less than 330' from the E/2 W/2 of Sections 16 and 21. Tap Rock therefore proposes to include the E/2 W/2 of Sections 16 and 21, T26S-R35E as proximity tracts under 19.15.16.15(B)(1)(b) NMAC.

The first and last take points and completed intervals meet the setback requirements set forth in the statewide rules for horizontal oil wells.

Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The wells and lands are located approximately 12 miles southwest of Jal, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Landman Taylor Ford	By Affidavit	5-6
Geologist Eli DenBesten	By Affidavit	9-10

PROCEDURAL MATTERS

Assuming no opposition by time of hearing, Applicant will present these matters by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

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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 94766

QUESTIONS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 94766
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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