

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 8, 2025**

Case No. 25316

High Life Fed Com #151H

Eddy County, New Mexico



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

**APPLICATION OF TAP ROCK OPERATING, LLC
FOR APPROVAL OF STANDARD HORIZONTAL
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25316


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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 25316	APPLICANT'S RESPONSE
Date: 5/1/2025	
Applicant	Tap Rock Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	372043
Applicant's Counsel:	Miguel Suazo, Beatty & Wozniak, P.C.
Case Title:	Application of Tap Rock Operating, LLC for approval of standard horizontal spacing unit and compulsory pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	COG Operating LLC and Concho Oil & Gas LLC
Well Family	High Life Fed Com 151H
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	The top of the Bone Spring formation to the base of the Bone Spring Formation
Pool Name and Pool Code:	Cottonwood Draw; Bone Spring Pool (97494)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres, more or less
Building Blocks:	40-acre tracts (Quarter-Quarter Section)
Orientation:	West-East
Description: TRS/County	N/2 N/2 of Sections 11 and 12, Township 25 South, Range 25 East, N.M.P.M., Eddy County, NM; and N/2 N/2 of Section 7, Township 25 South, Range 26 East, N.M.P.M., Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	Yes, High Life Federal Com #151H (API No. 30-015-54522)
Applicant's Ownership in Each Tract	Exhibit C-3 and C-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	High Life Fed Com 151H (API No. 30-015-54522) SHL: SE/4 NE/4 (Unit H) of Section 10, Township 25 South, Range 25 East, N.M.P.M. 1807' FNL, 250' FEL BHL: NE/4 NE/4 (Unit A) of Section 7, Township 25 South, Range 26 East, N.M.P.M. 392' FNL, 5' FEL Completion Target: Bone Spring Well Orientation: West-East Completion: Standard

Horizontal Well First and Last Take Points	Exhibit C-2 KOP: Lot D, Section 11, Township 25 South, Range 25 East, N.M.P.M. 392' FNL, 50' FWL FTP: Lot D, Section 11, Township 25 South, Range 25 East, N.M.P.M. 390' FNL, 100' FWL LTP: Lot A, Section 12, Township 25 South, Range 25 East, N.M.P.M. 391' FNL, 100' FEL
Completion Target (Formation, TVD and MD)	Exhibit C-5 Formation: 3rd Bone Spring TVD: 7300 MD: 22750
AFE Capex and Operating Costs	
	Exhibit C
Drilling Supervision/Month \$	\$10,000/Month
	Exhibit C
Production Supervision/Month \$	\$1,000/Month
Justification for Supervision Costs	Exhibit C & Exhibit C-5
	Exhibit B
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B and E-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E-2 & E-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3 & C-4
Tract List (including lease numbers and owners)	Exhibit C-3 & C-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4, & C-5
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-4
Well Orientation (with rationale)	Exhibit D-2
Target Formation	Exhibit D-1 through D-5
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
	Case No. 25316 Tap Rock Operating, LLC - Exhibit A
6-102	Exhibit C-2

Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-1 & D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Miguel Suazo
Signed Name (Attorney or Party Representative):	
Date:	5/1/2025

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

**APPLICATION OF TAP ROCK
OPERATING, LLC FOR APPROVAL OF
STANDARD HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Tap Rock Operating, LLC, OGRID No. 372043 ("Tap Rock" or "Applicant"), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a 480-acre, more or less, standard horizontal spacing unit ("HSU") composed of the N/2 N/2 of Sections 11 and 12, Township 25 South, Range 25 East, N.M.P.M., and the N/2 N/2 of Section 7, Township 25 South, Range 26 East, N.M.P.M. (the "Application Lands"), and (2) pooling all uncommitted mineral interests in the Cottonwood Draw; Bone Spring Pool (97494), designated as an oil pool, underlying said HSU.

In support of its Application, Tap Rock states the following:

1. Tap Rock and/or its affiliates are working interest owners in the Application Lands and have the right to drill the well thereon as the designated Operator of the Application Lands.
2. Tap Rock seeks to dedicate all of the Application Lands to form a 480-acre, more or less, HSU.
3. Tap Rock seeks to dedicate the above-referenced HSU to the following proposed well:
 - A. **High Life Fed Com 151H** (API No. 30-15-54522), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section

10, Township 25 South, Range 25 East, to a bottom hole location in the Cottonwood Draw; Bone Spring Pool in the NE/4 NE/4 (Unit A) of Section 7, Township 25 South, Range 26 East.

4. The well is orthodox in its location as defined by 19.15.16.15.(C) NMAC, and the take points and lateral comply with Statewide Rules for setbacks under 19.15.16.15.(C) NMAC.

5. Tap Rock has made good faith efforts to obtain voluntary agreement from all interest owners in the Cottonwood Draw; Bone Spring Oil Pool underlying the proposed spacing unit, but has been unable to secure agreement from all parties to participate in the drilling of the well or otherwise commit their interests.

6. The pooling of all interests in the Cottonwood Draw; Bone Spring Oil Pool within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. To provide for its just and fair share of oil and gas underlying the Application Lands, Tap Rock requests that all uncommitted interests in this HSU be pooled and that Tap Rock be designated as the operator of the proposed horizontal well and HSU.

WHEREFORE, Tap Rock requests this Application be set for hearing on May 8, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the horizontal well spacing unit and pooling all uncommitted interests in Cottonwood Draw; Bone Spring Oil Pool underlying the HSU within the Application Lands;
- B. Approving the **High Life Fed Com 151H** as the initial well for the HSU;

- C. Designating Tap Rock as operator of the HSU and the horizontal well to be drilled thereon;
- D. Authorizing Tap Rock to recover its costs of drilling, completing, and equipping the well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Tap Rock in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

Miguel A. Suazo

James P. Parrot

Jacob L. Everhart

Ryan McKee

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Santa Fe, NM 87505

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Attorneys for Tap Rock Operating LLC

Application of Tap Rock Operating, LLC for Approving a Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 480-acre, more or less, standard horizontal spacing and proration unit composed of the N/2 N/2 of Sections 11 and 12, Township 25 South, Range 25 East, N.M.P.M., and the N/2 N/2 of Section 7, Township 25 South, Range 26 East, N.M.P.M, and (2) pooling all uncommitted mineral interests in the Cottonwood Draw; Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the: **High Life Fed Com 151H** (API No. 30-015-54522), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 10, Township 25 South, Range 25 East, to a bottom hole location in the Cottonwood Draw; Bone Spring Oil Pool in the NE/4 NE/4 (Unit A) of Section 7, Township 25 South, Range 26 East. The well is orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The well and lands are located approximately 2 miles south of Whites City, New Mexico.

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

**APPLICATION OF TAP ROCK OPERATING,
LLC FOR APPROVAL OF STANDARD
HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO**

CASE NO. 25316

SELF-AFFIRMED STATEMENT OF MATT PHILLIPS

Matt Phillips, being first duly sworn upon oath, deposes and states as follows:

1. My name is Matt Phillips, and I am employed by Tap Rock Operating, LLC ("Tap Rock") as Land Manager.
2. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my qualifications as an expert in petroleum land matters were accepted and made a matter of record. I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of this matter.
3. I am familiar with the application filed by Tap Rock in the above-referenced case and the status of the subject lands.
4. I am submitting this statement in support of Tap Rock's application in the above-referenced case, as required by the Pre-Hearing Order issued by the Division. I intend to present this case by affidavit pursuant to 19.15.4.12.(A)(1) NMAC.
5. Tap Rock seeks an order (1) approving a standard 480-acre, more or less, horizontal spacing unit ("HSU") underlying the lands incorporated herein by reference via the initial application filed under Case No. 25316, and (2) pooling all uncommitted mineral interests in the Cottonwood Draw; Bone Spring Pool (97494), designated as an oil pool, underlying said HSU,

and (3) dedicating the HSU to the subject well incorporated herein by reference via the initial application filed under Case No. 25316.

6. **Tap Rock Exhibit C-1** is a general location map showing the proposed HSU.

7. **Tap Rock Exhibit C-2** contains the Form C-102 reflecting the proposed Cottonwood Draw; Bone Spring Pool Well to be drilled and completed in the HSU. The location of each well is orthodox and meets the Division's offset requirements.

8. A review of the Cottonwood Draw; Bone Spring Pool underlying the subject lands indicated that there are no overlapping spacing units in this pool.

9. **Tap Rock Exhibit C-3** contains a plat identifying ownership by tract in the HSU and applicable federal lease numbers. The acreage subject to the applications are federal lands.

10. **Tap Rock Exhibit C-4** sets forth the ownership of the parties being pooled in the Cottonwood Draw; Bone Spring Pool and the nature of their interests. This exhibit identifies the tract number and working interest percentages for each owner.

11. **Tap Rock Exhibit C-5** contains a sample well proposal letter sent in February of 2025 to each working interest owner, which included an AFE for the proposed well. The estimated costs of the well set forth in the AFE are fair, reasonable, and comparable with the costs of other wells of similar depths and lateral lengths drilled in this area of New Mexico.

12. Tap Rock requests overhead and administrative rates of \$10,000/month for drilling each well and \$1,000/month for producing each well. These rates are fair and comparable to the rates charged by other operators for similar wells in this area of New Mexico. Tap Rock respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these cases.

13. Tap Rock requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

14. **Tap Rock Exhibit C-6** sets forth a chronology of contact with each of the owners Tap Rock seeks to pool. Tap Rock has made a good faith effort to obtain voluntary joinder of the interest owners in the proposed well.

In compiling the working interest parties' addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the well is located and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed, and there are no unleased mineral interest owners. Tap Rock caused notice to be published in the Carlsbad-Current Argus, a newspaper of general circulation in Eddy County, New Mexico. I provided the law firm Beatty & Wozniak, P.C., with the names and addresses for these working interest owners and instructed that each owner be provided notice of the hearing in these matters.

15. Tap Rock requests that it be designated operator of the HSU and well.

16. **Exhibit C-1** through **Exhibit C-6** were either prepared by me or compiled from Tap Rock's company business records under my direction and supervision.


17. The granting of this application for compulsory pooling and approval of a standard spacing unit is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

18. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

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FURTHER AFFIANT SAYETH NOT.

Dated this 30th day of April, 2025.



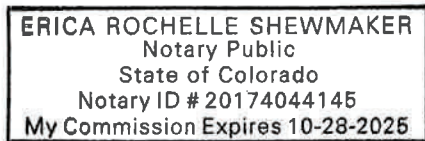
Matt Phillips
Tap Rock Operating, LLC

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

The foregoing instrument was subscribed and sworn to before me this 30th day of April, 2025, by Matt Phillips, Land Manager for Tap Rock Operating, LLC.

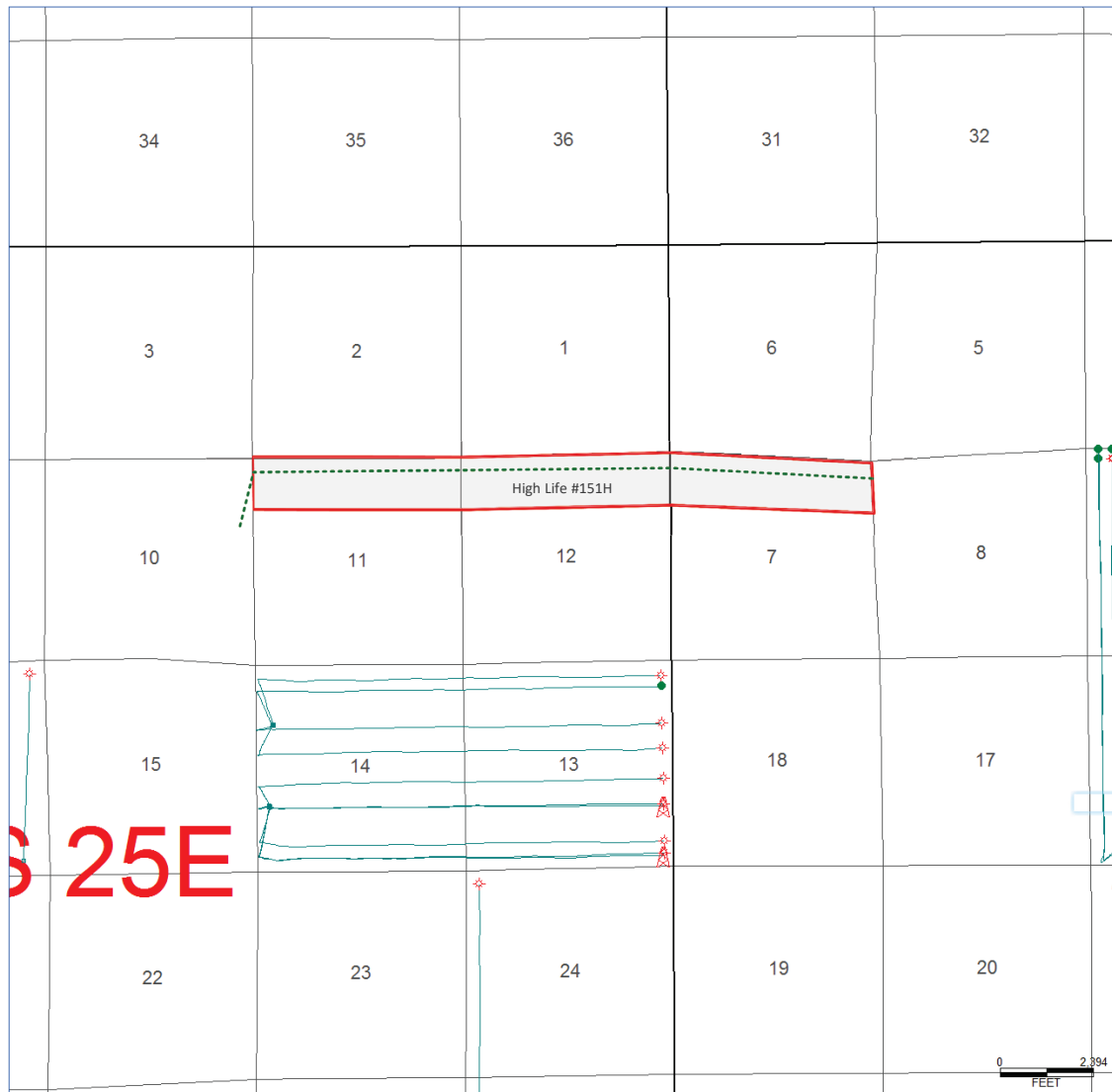
Witness my hand and official seal.

My commission expires: 10-28-2025





Location Map



Case No. 25316
Tap Rock Operating, LLC- Exhibit C-1

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input checked="" type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-54522	Pool Code 97494	Pool Name COTTONWOOD DRAW; BONE SPRING (O)
Property Code 335064	Property Name HIGH LIFE FED COM	Well Number 151H
OGRID No. 372043	Operator Name TAP ROCK OPERATING, LLC.	Ground Level Elevation 3512'
Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL or lot no. H	Section 10	Township 25-S	Range 25-E	Lot Idn -	Feet from the N/S 1807' N	Feet from the E/W 250' E	Latitude N 32.1466402	Longitude W 104.3760439	County EDDY
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Bottom Hole Location

UL or lot no. A	Section 7	Township 25-S	Range 26-E	Lot Idn -	Feet from the N/S 331' N	Feet from the E/W 5' E	Latitude N 32.1502724	Longitude W 104.3242817	County EDDY
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Dedicated Acres 479.93	Infill or Defining Well Defining	Defining Well API 30-015-54522	Overlapping Spacing Unit (Y/N) N	Consolidated Code C
Order Numbers			Well Setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL or lot no. D	Section 11	Township 25-S	Range 25-E	Lot Idn -	Feet from the N/S 392' N	Feet from the E/W 50' W	Latitude N 32.1505270	Longitude W 104.3751221	County EDDY
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First Take Point (FTP)

UL or lot no. D	Section 11	Township 25-S	Range 25-E	Lot Idn -	Feet from the N/S 390' N	Feet from the E/W 100' W	Latitude N 32.1505284	Longitude W 104.3749606	County EDDY
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Last Take Point (LTP)

UL or lot no. A	Section 7	Township 25-S	Range 26-E	Lot Idn -	Feet from the N/S 330' N	Feet from the E/W 100' E	Latitude N 32.1502859	Longitude W 104.3245897	County EDDY
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Unitized Area or Area of Uniform Interest ----	Spacing Unity Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation '
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OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief; and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>  5/2/2025		SURVEYORS CERTIFICATION <i>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 and correct to the best of my belief.</i>  5/2/2025 5:10:13 PM	
Signature Bill Ramsey		Signature and Seal of Professional Surveyor	
Print Name bramsey@taprk.com		Certificate Number	Date of Survey 04/17/2025
E-mail Address			

C-102

Submit Electronically
Via OCD PermittingState of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

Revised July 9, 2024

Submittal
Type:

- ☐ Initial Submittal
- ☐ Amended Report
- ☐ As Drilled

Property Name and Well Number

HIGH LIFE FED COM 151H

SURFACE LOCATION (SHL)

NEW MEXICO EAST
NAD 1983
X=528119 Y=417086
LAT.: N 32.1466402
LONG.: W 104.3760439
NAD 1927
X=486937 Y=417029
LAT.: N 32.1465226
LONG.: W 104.3755396
1807' FNL 250' FEL

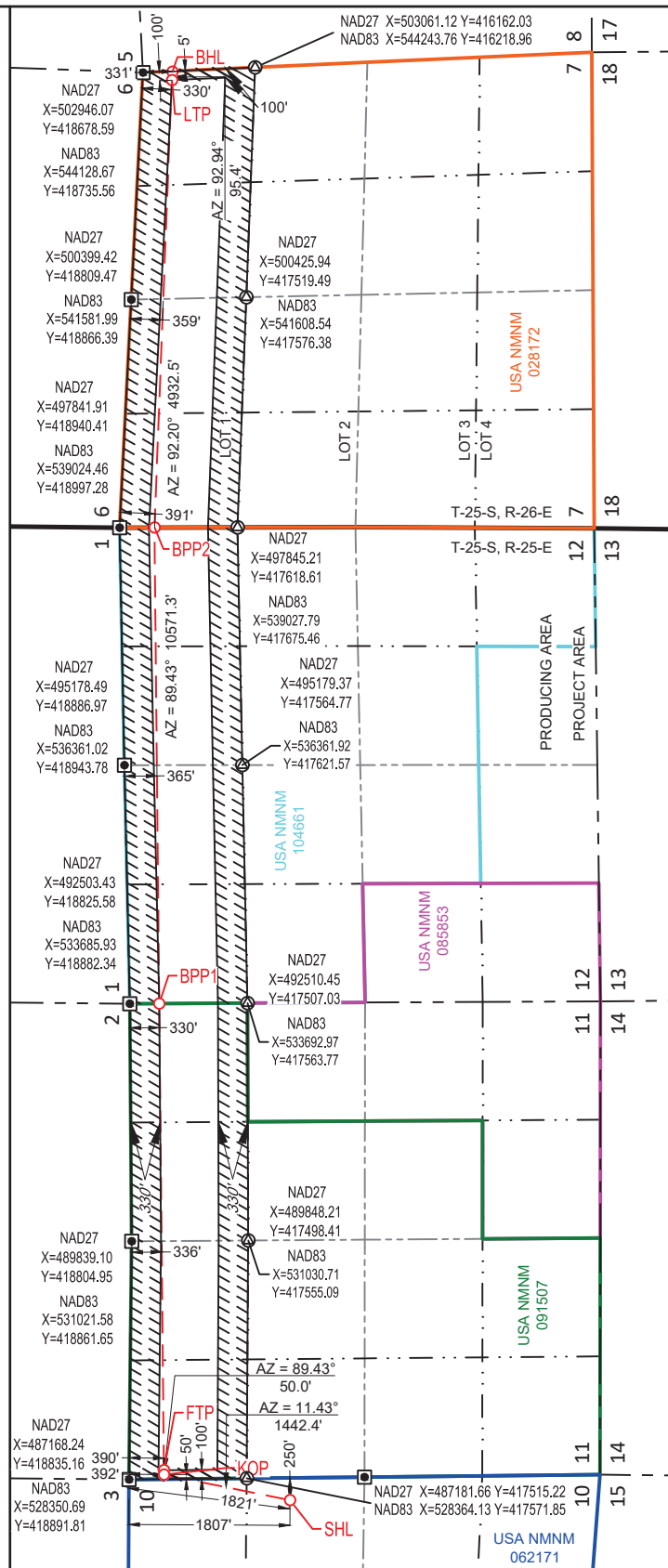
KICK OFF POINT (KOP)

NEW MEXICO EAST
NAD 1983
X=528405 Y=418500
LAT.: N 32.1505270
LONG.: W 104.3751221
NAD 1927
X=487223 Y=418443
LAT.: N 32.1504094
LONG.: W 104.3746180
392' FNL 50' FWL

FIRST TAKE POINT (FTP)

NEW MEXICO EAST
NAD 1983
X=528455 Y=418500
LAT.: N 32.1505284
LONG.: W 104.3749606
NAD 1927
X=487273 Y=418443
LAT.: N 32.1504108
LONG.: W 104.3744565
390' FNL 100' FWL

T-25-S, R-26-E
SECTION 7
LOT 1 - 39.93 ACRES
LOT 2 - 39.97 ACRES
LOT 3 - 40.01 ACRES
LOT 4 - 40.05 ACRES



BLM PERF. POINT (BPP1)

NEW MEXICO EAST
NAD 1983
X=533688 Y=418552
LAT.: N 32.1506764
LONG.: W 104.3580516
NAD 1927
X=492506 Y=418495
LAT.: N 32.1505584
LONG.: W 104.3575481
330' FNL 0' FWL

BLM PERF. POINT (BPP2)

NEW MEXICO EAST
NAD 1983
X=539025 Y=418606
LAT.: N 32.1508251
LONG.: W 104.3408041
NAD 1927
X=497844 Y=418549
LAT.: N 32.1507067
LONG.: W 104.3403012
391' FNL 0' FWL

LAST TAKE POINT (LTP)

NEW MEXICO EAST
NAD 1983
X=544043 Y=418410
LAT.: N 32.1502859
LONG.: W 104.3245897
NAD 1927
X=502862 Y=418352
LAT.: N 32.1501672
LONG.: W 104.3240874
330' FNL 100' FEL

BOTTOM HOLE LOCATION (BHL)

NEW MEXICO EAST
NAD 1983
X=544139 Y=418405
LAT.: N 32.1502724
LONG.: W 104.3242817
NAD 1927
X=502957 Y=418347
LAT.: N 32.1501537
LONG.: W 104.3237794
331' FNL 5' FEL

SURVEYORS 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 and correct to the best of my belief.
04/17/2025

Date of Survey

Signature and Seal of Professional Surveyor:



5/2/2025 5:40:14 PM Case No. 25316

Plat of Tracts, Tract Ownership, Applicable Lease Numbers



Township 25S, Range 25E Eddy County New Mexico		Township 25S, Range 26E Eddy County New Mexico	
Tract 1	Tract 2	Tract 3	Tract 4
Section 11	Section 12	Section 07	

Tract 1 – Sec 11 N2N2	WI %
BEXP II Alpha, LLC	5.436383
BEXP II Omega, LLC	7.313617
COG Operating, LLC	41.723525
Concho Oil & Gas LLC	2.195975
EOG Resources, Inc.	12.463550
OXY Y-1 Company	5.669500
Powderhorn Nominee Corp.	8.000000
Sydhon, LP	2.000000
Tap Rock Resources III, LLC	15.197450
Total	100.000000

Tract 2 – Sec 12 N2N2	WI %
EOG Resources, Inc.	37.400000
Oxy Y-1 Company	32.000000
Tap Rock Resources III, LLC	30.600000
Total	100.000000

Tract 3 – Sec 7 N2NW	WI %
OXY USA WTP LP	100
Total	100.000000

Tract 4 – Sec 7 N2NE	WI %
Breitbart Energy Partners PL, a subsidiary of Maverick Natural Resources	100
Total	100.000000

Tract No.	Lease Type	Lease No.
1	FED	BLM Lease 091507
2	FED	BLM Lease 104661
3 & 4	FED	BLM Lease 28172



High Life Fed Com #151H Unit

Case No. 25316
Tap Rock Operating, LLC- Exhibit C-3



Working Interest in Unit

Township 25S, Range 25E Eddy County New Mexico				Township 25S, Range 26E Eddy County New Mexico	
Tract 1		Tract 2		Tract 3	Tract 4
Section 11		Section 12		Section 07	
WI Owner	WI %	Net Acres	Tract No	Status	Type of Interest
Tap Rock Resources III, LLC	15.268043	73.28	1 & 2	Operator	Working Interest
BEXP II Omega, LLC	2.438228	11.70	1	Voluntary Joinder	Working Interest
BEXP II Alpha, LLC	1.812392	8.70	1	Voluntary Joinder	Working Interest
Breitbart Energy Partners PL, a subsidiary of Maverick Natural Resources	16.669098	80.00	4	Compulsory Pool	Working Interest
OXY USA WTP LP	16.654512	79.93	3	Compulsory Pool	Working Interest
EOG Resources, Inc.	16.623608	79.78	1 & 2	Compulsory Pool	Working Interest
COG Operating, LLC	13.909870	66.76	1	Compulsory Pool	Working Interest
Oxy Y-1 Company	12.558331	60.27	1 & 2	Compulsory Pool	Working Interest
Powderhorn Nominee Corp.	2.667056	12.80	1	Compulsory Pool	Working Interest
Concho Oil & Gas, LLC	0.732098	3.51	1	Compulsory Pool	Working Interest
Sydhon, LP	0.666764	3.20	1	Compulsory Pool	Working Interest
Total	100.000000	479.93			

Parties Being Pooled



High Life Fed Com #151H Unit

Case No. 25316
Tap Rock Operating, LLC- Exhibit C-4

TAP ROCK OPERATING, LLC

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



February 17, 2025

Via Certified Mail

BEXP II ALPHA LLC
5914 W COURTYARD DRIVE
SUITE 340
AUSTIN, TX 78730

Re: Well Proposal**- HIGH LIFE FEDERAL COM #151H**

**Township 25 South, Range 25 East Section 11: N/2N/2; Township 25 South, Range 25 East
Section 12: N/2N/2; Township 25 South, Range 26 East Section 7: N/2N/2
Eddy County, New Mexico**

To Whom It May Concern:

Tap Rock Operating, LLC ("Tap Rock"), as Operator, hereby proposes to drill and complete the following well (the "Well") at the following approximate location:

Well Name	Surface Hole Location (SHL)	Bottom Hole Location (BHL)	Formation	True Vertical Depth	Measured Depth
HIGH LIFE FEDERAL COM #151H	SE/4NE/4 of Section 10	330' FNL of Section 7	3rd Bone Spring	7,300'	22,750'

The proposed location and drilling plan described above are subject to change depending on surface or subsurface issues that may be encountered.

An itemized schedule of the total estimated cost to drill and complete the Well is provided in the enclosed AFE. Tap Rock also estimates an additional \$1,283,000.00 per well for a central tank battery. Your election to participate in the drilling and completion of the Well will also be considered an election to participate in the construction of the production facility. Tap Rock is proposing to drill the Well under the modified terms of the enclosed AAPL Form 610-1989 Operating Agreement.

Please indicate your election to participate by signing a copy of this letter and the AFE and return to me via Email or mail within thirty (30) days. If you do not wish to participate in the operation, Tap Rock would like to offer the following terms, subject to approval of Tap Rock's board and verification of title:

- For leased working interest parties, a three-year Term Assignment, \$500 per net acre bonus consideration.
- For unleased mineral owners, a three-year primary term lease with a royalty equal to the difference between existing burdens and 20%, \$500 per net acre bonus consideration.

Additionally, Tap Rock is open to discuss possible trades or other deal structures related to your interest in the proposed Well. If an agreement cannot be reached within thirty (30) days of your receipt of this letter, Tap Rock will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed Well to allow Tap Rock to move forward with planning and drilling the Well.

TAP ROCK OPERATING, LLC

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



Thank you for your time and consideration. If you have any questions regarding the above, please feel free to contact me at the undersigned.

Sincerely,

TAP ROCK OPERATING, LLC

A handwritten signature in blue ink, appearing to read "Matthew C. Phillips".

Matthew C. Phillips

Land Manager

720-459-3724

mphilips@taprk.com

BEXP II ALPHA LLC hereby elects to:

_____ participate in the drilling, completion and equipping of the HIGH LIFE FEDERAL COM #151H

_____ non-consent the HIGH LIFE FEDERAL COM #151H

By: _____

Name: _____

Title: _____

Date: _____

TAP ROCK OPERATING, LLC
523 Park Point Dr, Golden, Colorado 80401
Authorization For Expenditure

Name:	High Life Fed Com #151H	Date:	February 17, 2025
APE #:	0	MD/TVD:	22750 / 7300
County:	Eddy	Lateral Length:	15000
State:	NM	Geologic Target:	3rd Bone Spring

Well Description: Drill, complete, and produce a horizontal 3rd Bone Spring well with a 15000 foot lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	40,000	2 1	Land - Legal		3 1	Land - Legal	
1 2	Land - Regulatory	14,000	2 2	Land - Regulatory		3 2	Land - Regulatory	
1 3	Land - Surface Damages	50,000	2 3	Land - Surface Damages		3 3	Land - Surface Damages	
1 4	Land - Survey	10,000	2 4	Land - Survey		3 4	Land - Survey	
1 5	Location/Pit Construction	59,000	2 5	Location/Pit Construction		3 5	Location/Pit Construction	5,000
1 6	Remedial Dirtwork	0	2 6	Remedial Dirtwork		3 6	Remedial Dirtwork	
1 7	Reserve/Frac Pit Closing	0	2 7	Reserve/Frac Pit Closing		3 7	Reserve/Frac Pit Closing	
1 8	Drilling - Contractor	707,019	2 8	Drilling - Contractor		3 8	Drilling - Contractor	
1 9	Mob/Rig Up - Contractor/Trucking	50,000	2 9	Mob/Rig Up - Contractor/Trucking		3 9	Mob/Rig Up - Contractor/Trucking	
1 10	Cementing Services	141,000	2 10	Cementing Services		3 10	Cementing Services	
1 11	Cementing Equipment	30,000	2 11	Cementing Equipment		3 11	Cementing Equipment	
1 12	Bits/Drill Out Assemblies	63,500	2 12	Bits/Drill Out Assemblies	105,099	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	76,863	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	178,107	2 14	Fluids/Chemicals	90,416	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	91,000	2 15	WBM Cuttings/Wastewater Disposal		3 15	WBM Cuttings/Wastewater Disposal	
1 16	OBM Cuttings/Chemical Disposal	0	2 16	OBM Cuttings/Chemical Disposal		3 16	OBM Cuttings/Chemical Disposal	
1 17	Fuel/Power	77,143	2 17	Fuel/Power	734,580	3 17	Fuel/Power	
1 18	Water	37,143	2 18	Water	925,380	3 18	Water	
1 19	Directional Drilling	257,143	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	34,050	2 20	Mud Logging		3 20	Mud Logging	
1 21	Open/Cased/Production Hole Logs	0	2 21	Open/Cased/Production Hole Logs	8,692	3 21	Open/Cased/Production Hole Logs	
1 22	Coring	0	2 22	Coring		3 22	Coring	
1 23	Geologic Supervision	0	2 23	Geologic Supervision		3 23	Geologic Supervision	
1 24	Engineering Supervision	0	2 24	Engineering Supervision		3 24	Engineering Supervision	
1 25	Consultant Supervision	126,343	2 25	Consultant Supervision	114,480	3 25	Consultant Supervision	23,500
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	10,000
1 27	Labor	98,500	2 27	Labor	2,532	3 27	Labor	12,917
1 28	Supplies - Surface	2,500	2 28	Supplies - Surface	2,000	3 28	Supplies - Surface	
1 29	Supplies - Living Quarters	1,000	2 29	Supplies - Living Quarters	2,000	3 29	Supplies - Living Quarters	
1 30	Rentals - Surface	70,509	2 30	Rentals - Surface	19,886	3 30	Rentals - Surface	23,667
1 31	Rentals - Living Quarters	43,700	2 31	Rentals - Living Quarters	21,150	3 31	Rentals - Living Quarters	
1 32	Rentals - Downhole	2,000	2 32	Rentals - Downhole	0	3 32	Rentals - Downhole	
1 33	Rentals - Pipe & Handling Tools	79,714	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	100,774	3 34	Rentals - Frac Stack	0
1 35	Rentals - Frac Tanks	7,714	2 35	Rentals - Frac Tanks	30,834	3 35	Rentals - Frac Tanks	900
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	230,529	3 36	Coil Tubing Unit/Workover Rig	26,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	401,528	3 37	Wireline/Slickline/Perforating	12,000
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	73,538	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	76,850	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	2,770,676	3 40	Stimulation	
1 41	Rentals - Pressure Control		2 41	Rentals - Pressure Control		3 41	Rentals - Pressure Control	
1 42	Flowback Services		2 42	Flowback Services	71,227	3 42	Flowback Services	67,167
1 43	Water Transfer Services		2 43	Water Transfer Services	79,500	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	13,056	3 44	Flowback Water Trucking & Disposal	65,000
1 45	Permanent Equipment Installation		2 45	Permanent Equipment Installation		3 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services		2 46	Pipeline Tapping Services		3 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0	2 47	Plugging & Abandonment		3 47	Plugging & Abandonment	
1 53	Overhead	0	2 53	Overhead	18,990	3 53	Overhead	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	475,390	2 55	Contingency	676,557	3 55	Contingency	46,930
TOTAL INTANGIBLE DRILLING COSTS:		\$2,852,338	TOTAL INTANGIBLE COMPLETION COSTS:		\$6,572,274	TOTAL INTANGIBLE PRODUCTION COSTS:		\$293,580

TANGIBLE DRILLING COSTS			TANGIBLE COMPLETION COSTS			TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	30,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	15,652	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	46,620	5 62	1st Intermediate Casing		6 62	1st Intermediate Casing	
4 63	2nd Intermediate Casing	0	5 63	2nd Intermediate Casing		6 63	2nd Intermediate Casing	
4 64	Production Casing	553,963	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	51,783
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	29,610
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	0
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	311,225
4 70	Compressors		5 70	Compressors		6 70	Compressors	
4 71	Surface Flowlines		5 71	Surface Flowlines		6 71	Surface Flowlines	337,600
4 72	Gathering Lines		5 72	Gathering Lines		6 72	Gathering Lines	0
4 73	Valves & Controllers		5 73	Valves & Controllers		6 73	Valves & Controllers	0
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	79,000
4 75	Instrumentation & Measurement		5 75	Instrumentation & Measurement		6 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment		5 76	Electrical Grounding/Safety Equipment		6 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation		5 77	Permanent Equipment Installation		6 77	Permanent Equipment Installation	6,250
4 80	Other - Surface		5 80	Other - Surface		6 80	Other - Surface	
4 81	Other - Downhole	15,000	5 81	Other - Downhole		6 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:		\$739,235	TOTAL TANGIBLE COMPLETION COSTS:		\$0	TOTAL TANGIBLE PRODUCTION COSTS:		\$815,468
TOTAL DRILLING COSTS:		\$3,591,572	TOTAL COMPLETION COSTS:		\$6,572,274	TOTAL PRODUCTION COSTS:		\$1,109,048
						TOTAL WELL COST:		\$11,272,894

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS _____

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

APE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.

Chronology of Contact

Party	Address	Proposal, AFE, and JOA Certified Mail Tracking No.	Proposal, AFE, and JOA Certified Mail Sent Date	Proposal, AFE, and JOA Certified Mail Received Date	Correspondence
COG OPERATING LLC	600 WEST ILLINOIS AVE MIDLAND, TX 79701	9402611898765456016686	2/17/2025	2/24/2025	2/17 - Mailed well proposals, AFEs, and proposed Operating Agreement
CONCHO OIL & GAS LLC	600 WEST ILLINOIS AVE MIDLAND, TX 79701	9402611898765456016631	2/17/2025	2/24/2025	2/17 - Mailed well proposals, AFEs, and proposed Operating Agreement
EOG RESOURCES INC	PO BOX 2267 MIDLAND, TX 79702	9402611898765456016679	2/17/2025	2/24/2025	2/17 - Mailed well proposals, AFEs, and proposed Operating Agreement
OXY USA WTP LP	5 GREENWAY PLAZA, STE 110 HOUSTON, TX 77046	9402611898765456016112	2/17/2025	2/22/2025	2/17 - Mailed well proposals, AFEs, and proposed Operating Agreement
OXY Y 1 COMPANY	5 GREENWAY PLAZA, STE 110 HOUSTON, TX 77046	9402611898765456016167	2/17/2025	2/21/2025	2/17 - Mailed well proposals, AFEs, and proposed Operating Agreement
POWDERHORN NOMINEE CORP	600 N MARIENFELD, STE 1000 MIDLAND, TX 79701	9402611898765456016129	2/17/2025	2/21/2025	2/17 - Mailed well proposals, AFEs, and proposed Operating Agreement 4/24 - Emailed to re-send JOA and ask if they'd prefer to participate under OA. Advised of pooling.
BREITBURN ENERGY PARTNERS LP, SUBSIDIARY OF MAVERICK NATURAL RESOURCES	1000 MAIN ST, SUITE 2900 HOUSTON, TX 77002	9402611898765456016105 9402611898765445614466	2/17/2025 4/2/2025	2/21/2025 4/4/2025	2/17 - Mailed well proposals, AFEs, and proposed Operating Agreement 4/2 - Remailled well proposals, AFEs, and proposed Operating Agreement to QRE Operating LLC, C/O Maverick Natural Resources to the Main St. address which was received on 4/4
SYDHAN LP	PO BOX 92349 AUSTIN, TX 78709	9402611898765456016143	2/17/2025	2/24/2025	2/17 - Mailed well proposals, AFEs, and proposed Operating Agreement

Case No. 25316
Tap Rock Operating, LLC- Exhibit C-6

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

**APPLICATION OF TAP ROCK OPERATING,
LLC FOR APPROVAL OF STANDARD
HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO**

CASE NO. 25316

AFFIDAVIT OF ELI DENBESTEN

Eli DenBesten, being first duly sworn upon oath, deposes and states as follows:

1. My name is Eli DenBesten, and I am employed by Tap Rock Operating, LLC ("Tap Rock") as a Senior Geologist.
2. I have testified before the New Mexico Oil Conservation Division ("Division"), and my qualifications as an expert in petroleum geology were accepted and made a matter of record. I have several years of experience in petroleum geological matters, and I have worked directly or in a supervisory role with the properties that are the subject of this matter.
3. I am familiar with the applications filed by Tap Rock in this case and the geology involved.
4. I am submitting this affidavit in support of Tap Rock's application in the above-referenced case, as required by the Pre-Hearing Order issued by the Division. I intend to present this case by affidavit pursuant to 19.15.4.12.(A)(1) NMAC. The Application Lands and subject Wells included in the initial application filed under Case No. 25316 are incorporated herein by reference.
5. **Tap Rock Exhibit D-1** includes a base map of the lands showing the proposed Bone Spring formation spacing unit and the proposed well development plan.

6. **Tap Rock Exhibit D-2** is a subsea structure map showing the top of the Bone Spring formation, a marker that defines the top of the target interval for the proposed wells. The contour interval used in this exhibit is 25'. The unit being pooled is outlined in red, and the proposed wells are identified as green dashed lines. The structure map shows regional down-dip to the east. I do not observe any faulting, pinchouts, or other geologic impediments to developing this target interval.

7. **Tap Rock Exhibit D-2** also provides a cross-section locator map that identifies wells penetrating the targeted interval used to construct a structural cross-section from A to A'. These wells penetrate the targeted interval, are of good quality, and are representative of the geology in the area.

8. **Tap Rock Exhibit D-3** includes stratigraphic cross-section flattened on the top of the 3rd Bone Spring sand top. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-sections demonstrate continuity and consistent thickness across the target zone, and the well logs on the cross-section give a representative sample of the targeted interval. The landing zone is highlighted on the exhibit.

9. **Tap Rock Exhibit D-4** shows the Gunbarrel Diagram within the Bone Spring formation in the vicinity of the proposed unit.

10. **Tap Rock Exhibit D-5** includes the gross isopach map. The Bone Spring wells are indicated by green dashed lines. The proposed horizontal spacing unit is outlined in red. The contour interval used in this exhibit is 25'.

11. Based on the attached exhibits, I hereby conclude as follows:

a. The target formation is present and continuous throughout the lands subject to the applications.

b. The standard horizontal spacing and proration unit is justified from a geologic standpoint.

c. There are no structural impediments or faulting that will interfere with horizontal development.

d. Each quarter-quarter section in the unit will contribute more or less equally to production, and I can confirm each quarter section along the lateral will also contribute more or less equally to production.

e. The preferred well orientation in this area is East-West so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress. The standup orientation will efficiently and effectively develop the subject acreage.

12. **Exhibit D-1** through **Exhibit D-5** were prepared by me or compiled from Tap Rock's company business records under my direct supervision.

13. The granting of these applications is in the best interest of conservation, the prevention of waste, the protection of correlative rights, and will avoid the drilling of unnecessary wells.

14. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of page left intentionally blank]

FURTHER AFFIANT SAYETH NOT.

Dated this 29 day of April, 2025.



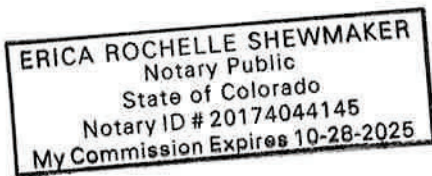
Eli Denbesten
Tap Rock Operating, LLC

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

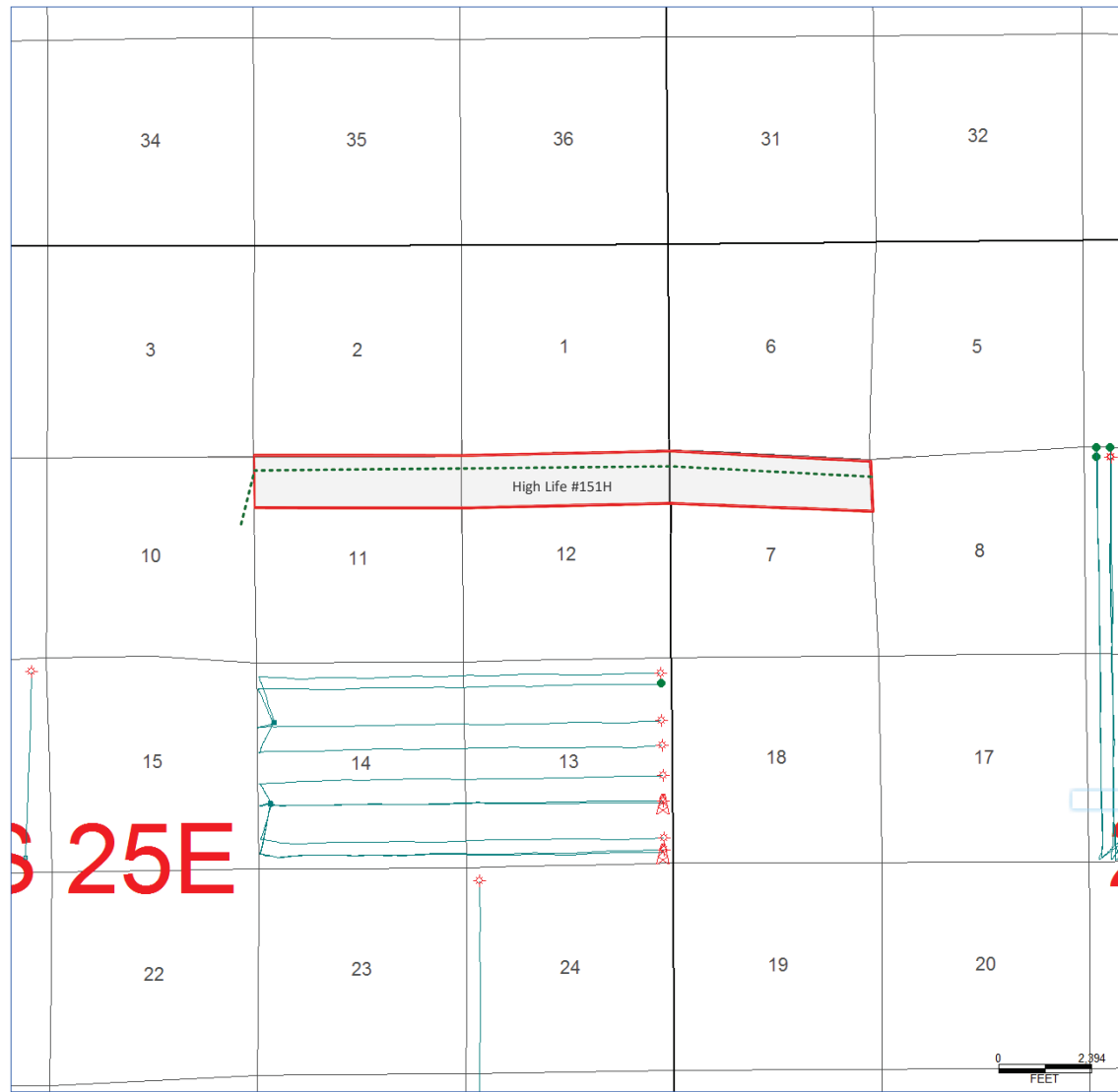
The foregoing instrument was subscribed and sworn to before me this 29th day of April, 2025, by Eli DenBesten, Senior Geologist for Tap Rock Operating, LLC.

Witness my hand and official seal.

My commission expires: 10-28-2025

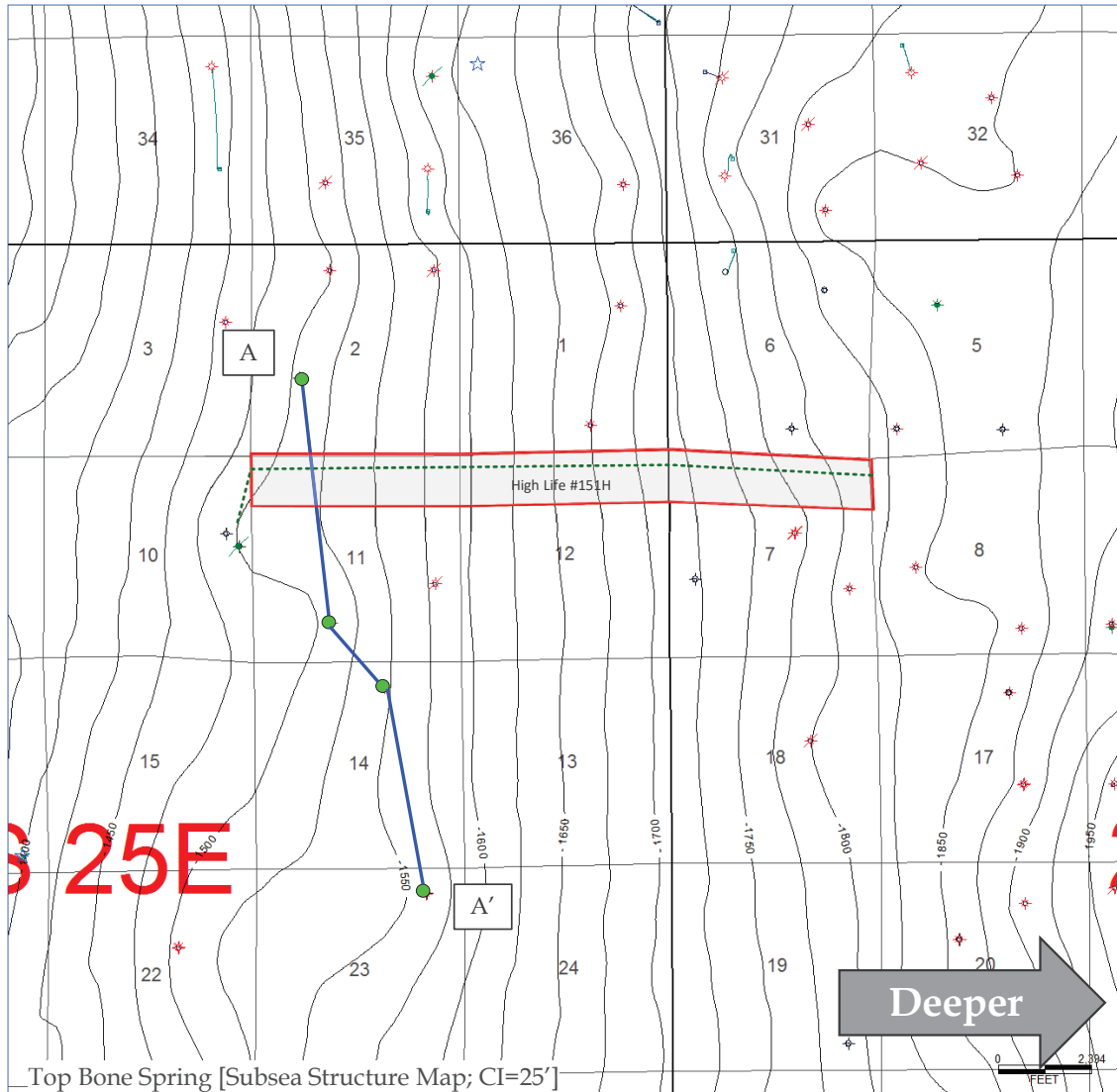


Location Map



Case No. 25316
Tap Rock Operating, LLC- Exhibit D-1

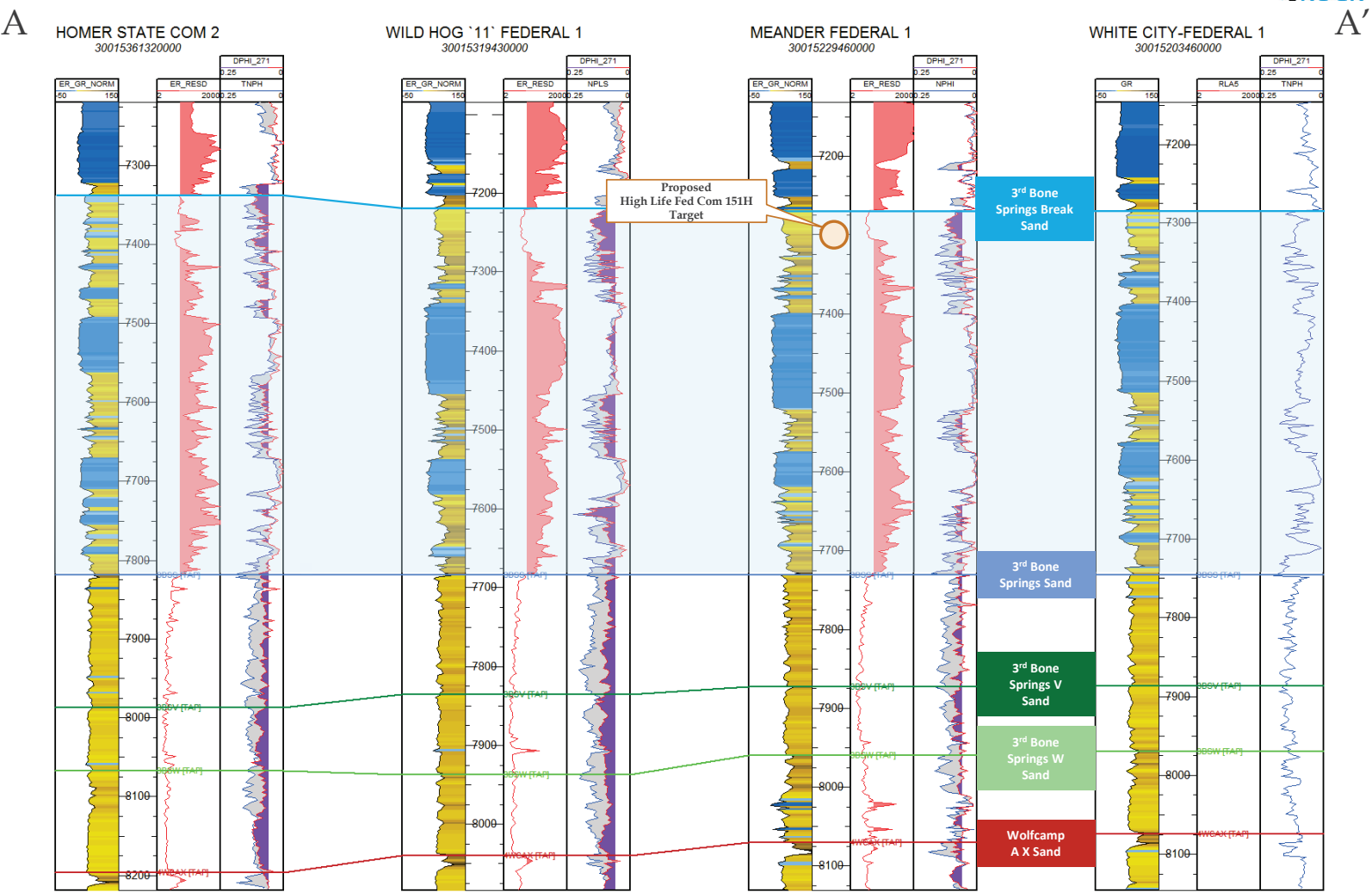
Subsea Structure Map



Top Bone Spring [Subsea Structure Map; CI=25']

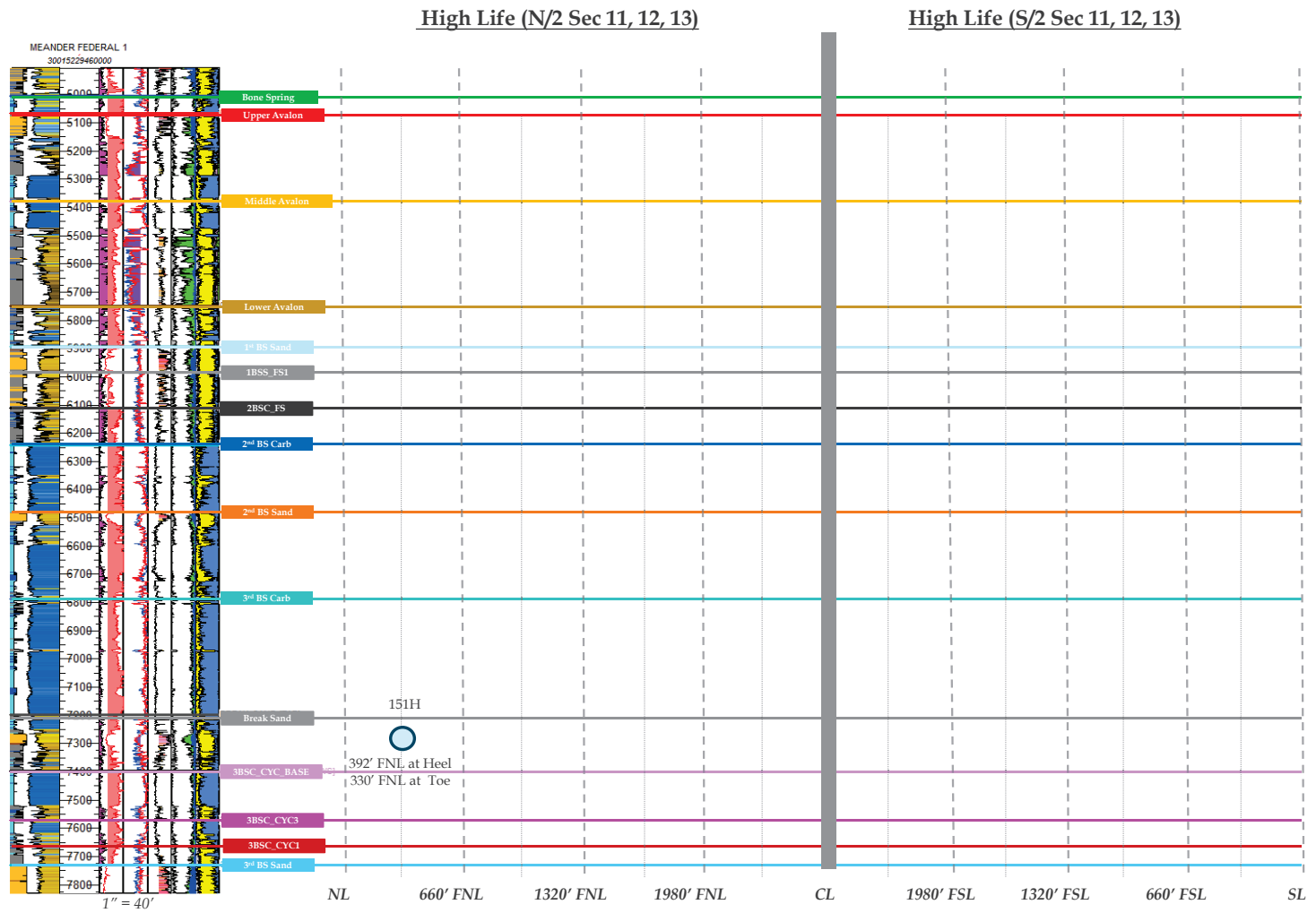
Case No. 25316
Tap Rock Operating, LLC- Exhibit D-2

Stratigraphical Cross-Section

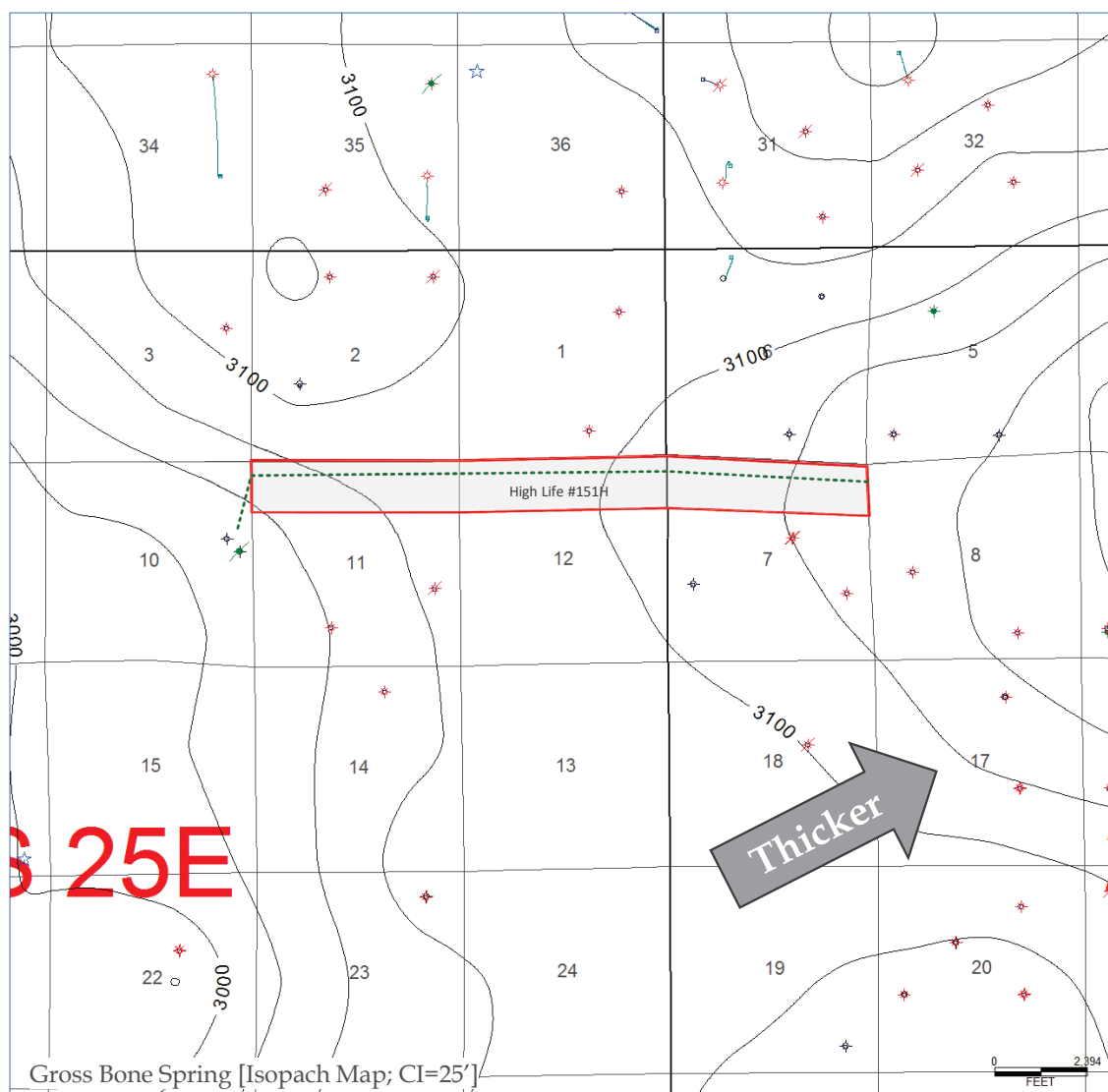


Case No. 25316
Tap Rock Operating, LLC- Exhibit D-3

Gunbarrel Diagram



Gross Isopach Map



Case No. 25316
Tap Rock Operating, LLC- Exhibit D-5

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

**APPLICATION OF TAP ROCK
OPERATING, LLC FOR APPROVAL OF
STANDARD HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**


CASE NO. 25316

AFFIDAVIT

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Rachael Ketchledge, legal assistant and authorized representative of Tap Rock Operating, LLC ("Tap Rock"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under Notice Letters dated April 15, 2025, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was delivered to the interested parties on or about April 20, 2025, as shown on certified mail receipts attached as Exhibit E-3.

Applicant also published notice of the Application in the Carlsbad Current-Argus on April 22, 2025. Proof of receipt is shown on Exhibit E-4.



Rachael Ketchledge

SUBSCRIBED AND SWORN to before me on April 30, 2025, by Rachael Ketchledge.

My commission expires:

**MARY GRACE T. GO-HOVELAND
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20114013519
MY COMMISSION EXPIRES MARCH 4, 2027**



NOTARY PUBLIC

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW
500 DON GASPAR AVENUE
SANTA FE, NEW MEXICO 87505
TELEPHONE 505-983-8545
FACSIMILE 800-886-6566
www.bwenergylaw.com

COLORADO
NEW MEXICO
WYOMING

MIGUEL SUAZO

505-946-2090
MSUAZO@BWENERGYLAW.COM

April 15, 2025

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Application of Tap Rock Operating, LLC for Approval of a Standard Horizontal Spacing Unit and Compulsory Pooling in Eddy County, New Mexico (Case No. 25316).

Dear Interest Owners:

This letter is to advise you that Tap Rock Operating, LLC ("Tap Rock") has filed the enclosed application, Case No. 25316, with the New Mexico Oil Conservation Division for Approval of a Standard Spacing Unit and Compulsory Pooling in Eddy County, New Mexico.

In Case No. 25316, Tap Rock seeks an Order from the Division to: (1) approve a 480-acre, more or less, standard horizontal spacing and proration unit composed of the N/2 N/2 of Sections 11 and 12, Township 25 South, Range 25 East, N.M.P.M., and the N/2 N/2 of Section 7, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico; and (2) to pool all uncommitted mineral interests in the Cottonwood Draw; Bone Spring Pool, designated as an oil pool, underlying said unit.

A hearing has been requested before a Division Examiner on May 8, 2025, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 9:00 a.m. Mountain Standard Time, and will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the Microsoft Teams virtual meeting platform. To view the hearing docket and to determine how to participate in the electronic hearing, visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

Parties appearing in cases who intend to present evidence are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a

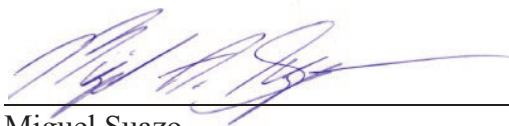
BEATTY & WOZNIAK, P.C.

April 15, 2025
Case No. 25316
Page 2

scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/oed/oedpermitting/>) or via e-mail to oed.hearings@emnrd.nm.gov should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing. The statement must also be provided to the attorney for the applicant, Miguel Suazo at msuazo@bwenergylaw.com.

If you have any questions about this matter, please contact Erica Shewmaker at eshewmaker@taprk.com.

Sincerely,



Miguel Suazo

Attorney for Tap Rock Operating, LLC

Case No. 25316 Certified Mailing Status

MAIL DATE	OWNER	ADDRESS	TYPE INT	MAIL CLASS	TRACKING NUMBER
April 15, 2025	BEXP II ALPHA LLC	5914 W COURTYARD DRIVE SUITE 340 AUSTIN, TX 78730	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9742 47
April 15, 2025	BEXP II OMEGA LLC	5914 W COURTYARD DRIVE SUITE 340 AUSTIN, TX 78730	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9742 30
April 15, 2025	COG OPERATING LLC	600 W ILLINOIS AVE MIDLAND, TX 79701	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9742 23
April 15, 2025	CONCHO OIL & GAS LLC	600 W ILLINOIS AVE MIDLAND, TX 79701	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9742 16
April 15, 2025	EOG RESOURCES INC	PO BOX 2267 MIDLAND, TX 79702	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9742 09
April 15, 2025	OXY USA WTP LP	5 GREENWAY PLAZA STE 110 HOUSTON, TX 77046	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9741 93
April 15, 2025	OXY Y 1 COMPANY	5 GREENWAY PLAZA STE 110 HOUSTON, TX 77046	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9741 86
April 15, 2025	POWDERHORN NOMINEE CORP	600 N MARIENFELD STE 1000 MIDLAND, TX 79701	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9741 79
April 15, 2025	QRE OPERATING LLC, A WHOLLY OWNED SUBSIDIARY OF BREITBURN ENERGY PARTNERS LP	1401 MCKINNEY ST SUITE 2400 HOUSTON, TX 77010	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9741 62
April 15, 2025	SYDHAN LP	PO BOX 92349 AUSTIN, TX 78709	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9741 55
April 15, 2025	BUREAU OF LAND MANAGEMENT	620 EAST GREEN STREET CARLSBAD, NM 88220-6292	MINERAL OWNER/ROYALTY	Certified w/ Return Receipt (Signature)	9589 0710 5270 0949 9741 48
April 14, 2025	MAVERICK NATURAL RESOURCES	1000 MAIN ST SUITE 2900 HOUSTON, TX 77002	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 0880 1024 40

Case No. 25316
Tap Rock Operating, LLC- Exhibit E-2

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <u>XRE Operating</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>4-18-25</u> C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> <p>3. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
1. Article Addressed to: 1814.4 QRE OPERATING LLC, A WHOLLY OWNED SUBSIDIARY OF BREITBURN ENERGY PARTNERS LP 1401 MCKINNEY ST SUITE 2400 HOUSTON, TX 77010		1. Article Addressed to: 1814.4 BEXP II ALPHA LLC 5914 W COURTYARD DRIVE SUITE 340 AUSTIN, TX 78730	
9590 9402 8686 3310 9442 53		9590 9402 8686 3310 9448 26	
2. 9589 0710 5270 0949 9741 62 Restricted Delivery		2. 9589 0710 5270 0949 9742 47 Restricted Delivery	
PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt		PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt	
SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <u>X</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>GACOSTA</u> C. Date of Delivery <u>4-21-25</u></p> <p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> <p>3. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
1. Article Addressed to: 1814.4 SYDHAN LP PO BOX 92349 AUSTIN, TX 78709		1. Article Addressed to: 1814.4 OXY USA WTP LP 5 GREENWAY PLAZA STE 110 HOUSTON, TX 77046	
9590 9402 8686 3310 9442 91		9590 9402 8686 3310 9443 38	
2. 9589 0710 5270 0949 9741 55 Restricted Delivery		2. 9589 0710 5270 0949 9741 93 Restricted Delivery	
PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt		PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt	
SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <u>X</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>GACOSTA</u> C. Date of Delivery <u>4-21-25</u></p> <p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> <p>3. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
1. Article Addressed to: 1814.04 and 05 (25316 & 25314) MAVERICK NATURAL RESOURCES, LLC 1000 Main St., Suite 2900 Houston, TX 77002		1. Article Addressed to: 1814.4 OXY Y 1 COMPANY 5 GREENWAY PLAZA STE 110 HOUSTON, TX 77046	
9590 9402 7686 2122 9030 86		9590 9402 8686 3310 9443 14	
2. 9589 0710 5270 0880 1024 40 Restricted Delivery		2. 9589 0710 5270 0949 9741 86 Restricted Delivery	
PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt		PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt	

Case No. 25316
Tap Rock Operating, LLC- Exhibit E-3

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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OFFICIAL USE

Certified Mail Fee
\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail
☐ Adult Signature
☐ Adult Signature
Postage \$
Total Postage \$
1814.4

Sent To
CONCHO OIL & GAS LLC
600 WEST ILLINOIS AVE
MIDLAND, TX 79701

Street and Apt. No., or PO Box No.
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
1814.4
Bureau of Land Management
Carlsbad Field Office
620 East Green Street
Carlsbad, NM 88220-6292

2. Article Identification Number
9590 9402 8686 3310 9442 60

3. Service Type
☐ Adult Signature
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Signature Confirmation
☐ Signature Confirmation Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation Restricted Delivery
☐ Insured Mail Restricted Delivery (over \$500)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
B. Received by (Printed Name)
C. Date of Delivery
4/19/23
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

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Certified Mail Fee
\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail
☐ Adult Signature
☐ Adult Signature
Postage \$
Total Postage \$
1814.4

Sent To
EOG RESOURCES INC
PO BOX 2267
MIDLAND DIVISION - LAND DEPT
MIDLAND, TX 79702

Street and Apt. No., or PO Box No.
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail
☐ Adult Signature
☐ Adult Signature
Postage \$
Total Postage \$
1814.4

Sent To
BEXP II OMEGA LLC
5914 W COURTYARD DRIVE
SUITE 340
AUSTIN, TX 78730

Street and Apt. No., or PO Box No.
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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OFFICIAL USE

Certified Mail Fee
\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail
☐ Adult Signature
☐ Adult Signature
Postage \$
Total Postage \$
1814.4

Sent To
POWDERHORN NOMINEE CORP
600 N MARIENFELD
STE 1000
MIDLAND, TX 79701

Street and Apt. No., or PO Box No.
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail
☐ Adult Signature
☐ Adult Signature
Postage \$
Total Postage \$
1814.4

Sent To
COG OPERATING LLC
600 W ILLINOIS AVE
MIDLAND, TX 79701-4882

Street and Apt. No., or PO Box No.
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

Case No. 25316
Tap Rock Operating, LLC- Exhibit E-3

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 96
Ad Number: 44200
Description: TR Notice for Pub 25316
Ad Cost: \$184.29

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

April 22, 2025

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Sherry Groves

Agent

Subscribed to and sworn to me this 22th day of April 2025.

Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County
Minnesota

Beatty & Wozniak, P.C.
BEATTY & WOZNIAK, P.C.
1675 Broadway # 600
Denver, CO 80202-4692
rketchledge@bwenergyllaw.com



**LEGAL NOTICE
APRIL 22, 2025**

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

The State of New Mexico, Energy, Minerals, and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case.

The hearing will be conducted on Thursday, May 8, 2025, beginning at 9:00 A.M. MST in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the Microsoft Teams meeting platform. To view the hearing docket and to determine how to participate in the electronic hearing, visit the Division's website at: <http://www.emnrd.state.nm.us/OCD/hearing-info/> or contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov. Documents filed in the case may also be viewed at <https://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Sheila Apodaca or the New Mexico Relay Network at 1-800-659-1779, no later than May 1, 2025.

STATE OF NEW MEXICO TO:

All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: All interested parties, including: BEXP II ALPHA LLC; BEXP II OMEGA LLC; COG Operating LLC; Concho Oil & Gas LLC; EOG Resources Inc; OXY USA WTP LP; OXY Y 1 Company; Powderhorn Nominee Corp; QRE Operating LLC, a wholly owned subsidiary of Breitburn Energy Partners LP; Sydhan LP; Bureau Of Land Management

CASE NO. 25316: Application of Tap Rock Operating, LLC for Approving a Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 480-acre, more or less, standard horizontal spacing and proration unit composed of the N/2 N/2 of Sections 11 and 12, Township 25 South, Range 25 East, N.M.P.M., and the N/2 N/2 of Section 7, Township 25 South, Range 26 East, N.M.P.M. and (2) pooling all uncommitted mineral interests in the Cottonwood Draw; Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the: High Life Fed Com 151H (API No. 30-015-54522), which is an oil well that will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 10, Township 25 South, Range 25 East, to a bottom hole location in the Cottonwood Draw; Bone Spring Oil Pool in the NE/4 NE/4 (Unit A) of Section 7, Township 25 South, Range 26 East. The well is orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The well and lands are located approximately 2 miles south of Whites City, New Mexico.

Published in the Carlsbad Current-Argus April 22, 2025.
#44200