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

APPLICATION OF TAP ROCK OPERATING, LLC FOR APPROVAL TO COMPULSORY POOL ADDITIONAL INTEREST OWNERS UNDER ORDER R-23945, EDDY COUNTY, NEW MEXICO

CASE NO.	
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## **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") for an order pooling additional uncommitted mineral interest owners under Division Order R-23945. In support of this application, Tap Rock states the following:

- 1. Order No. R-23945 pooled uncommitted mineral interest owners in the Purple-Sage; Wolfcamp formation [Pool Code: 98220] ("Wolfcamp Formation") underlying a standard horizontal spacing unit comprised of all of Sections 3 and 4, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico (the "Unit").
  - 2. The following wells (the "Wells") are dedicated to the Unit:
    - a. Beer 30 Fed Com 202H (API No. 30-015-57254), Beer 30 Fed Com 204H (API No. 30-015-57256), Beer 30 Fed Com 211H (API No. 30-015-57255), and Beer 30 Fed Com 213H (API No. 30-015-57257).
  - 3. Order No. R-23945 designated Tap Rock as the operator of the Unit and the Wells.
- 4. Tap Rock has determined that that are additional uncommitted and unleased mineral interest owners in the Unit who were not pooled by Order No. R-23945. The New Mexico Department of Transportation (NMDOT) owns a small, unleased mineral interest in the Unit.

Therefore, NMDOT, as a non-participant interest owner, is specifically provided notice herein as it relates to its unleased and uncommitted minerals in the Unit.<sup>1</sup>

- 5. Tap Rock has made good-faith efforts to obtain voluntary agreements and joinder from all interest owners in the Wolfcamp formation underlying the proposed spacing Unit, but has been unable to secure agreement from all parties to participate in the drilling of the Wells or otherwise commit their interests. Therefore, Tap Rock seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.
- 1. The pooling of all interests in the Wolfcamp formation within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Tap Rock requests this Application be set for hearing on November 13, 2025, or as soon as practicable thereafter, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit under Order R-23945;
- B. Authorizing Tap Rock to recover its costs of drilling, completing, and equipping the Wells, and allocating the cost thereof among the working interest owners;
- C. 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

<sup>&</sup>lt;sup>1</sup> EMNRD OCD Case No. 13347 (Apr. 7, 2005) (Approving a pooling order application when applicant provided testimony that NMDOT routinely remains unresponsive or takes a non-participative role in compulsory pooling applications where it owns unleased and/or uncommitted mineral interests and when notice was properly provided to NMDOT); see also EMNRD OCD Case No. 13916 (May 10, 2007).

D. Imposing a 200% charge for the risk assumed by Tap Rock in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

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Application of Tap Rock Operating, LLC for approval to compulsory pool additional interest owners under Order R-23945, Eddy County, New Mexico. Tap Rock in the above-styled cause seeks an order from the Division pooling additional mineral interest owners under Order No. R-23945. The order pooled uncommitted mineral interest owners in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of all of Sections 3 and 4 Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. Tap Rock has determined that that are additional uncommitted and unleased mineral interest owners in the Unit who were not pooled by Order No. R-23945, including the New Mexico Department of Transportation. Tap Rock is the designated operator under the pooling order. Order R-23945 dedicated the Unit to the proposed initial wells including: Beer 30 Fed Com 202H (API No. 30-015-57254), Beer 30 Fed Com 204H (API No. 30-015-57256), Beer 30 Fed Com 211H (API No. 30-015-57255), and Beer 30 Fed Com 213H (API No. 30-015-57257). The wells and lands are located approximately 1 mile southeast of Whites City, New Mexico.