

# NSL Initial Application

Received: 08/19/19

*This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete*

RECEIVED: <b>08/19/19</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>pLEL1923236259</b>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

<b>Applicant:</b> Tap Rock Operating, LLC	<b>OGRID Number:</b> 372043
<b>Well Name:</b> Cypress 34 23S29E3434 #243H	<b>API:</b> Pending
<b>Pool:</b> Purple Sage; Wolfcamp	<b>Pool Code:</b> 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]
- [ I ] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM
- [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<b>FOR OCD ONLY</b>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Kaitlyn A. Luck \_\_\_\_\_

Print or Type Name

Signature

08/19/2019 \_\_\_\_\_  
Date

505-954-7286 \_\_\_\_\_  
Phone Number

kaluck@hollandhart.com \_\_\_\_\_  
e-mail Address



**Kaitlyn A. Luck**  
**Associate**  
Phone (505) 954-7286  
KALuck@hollandhart.com

August 19, 2019

**VIA ONLINE FILING**

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: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Cypress 34 23S29E3434 #243H Well in the E/2 of Section 34, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.**

Dear Ms. Sandoval:

Tap Rock Operating, LLC (“Tap Rock”) (OGRID No. 372043) seeks administrative approval of an unorthodox well location for its **Cypress 34 23S29E3434 #243H Well** (API No. Pending) to be completed within the Purple Sage; Wolfcamp Pool (98220) underlying the E/2 of Section 34, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

This well will be drilled from a *surface location* 241 feet from the north line and 1,196 feet from the east line (Lot 1) of Section 3, Township 24 South, Range 29 East, to a *bottom hole location* 5 feet from the north line and 2,430 feet from the east line (Unit B) of Section 34. The *first take point* will be located 100 feet from the south line and 2,430 feet from the east line (Unit O) of Section 34 and the *last take point* will be 100 feet from the north line and 2,430 feet from the east line (Unit B) of Section 34.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool which provide for wells in the Wolfcamp formation in Eddy County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the **Cypress 34 23S29E3434 #243H Well** will be unorthodox because it is closer than 330 feet to the northern and southern boundaries of the horizontal spacing unit. Approval of the unorthodox completed interval will allow Tap Rock to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

**Exhibit A** is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Cypress 34 23S29E3434 #243H Well** encroaches on the spacing units to the north, west, and south.

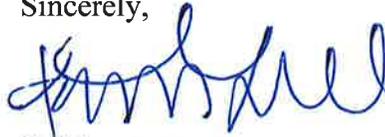
**Exhibit B** is a land plat that shows the proposed **Cypress 34 23S29E3434 #243H Well** in relation to the adjoining spacing units to the north in Section 27, to the west in Section 34, and to the south in Section 3.

Ownership is diverse between the subject spacing unit and the tracts to the north, west, and south. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives the application. **Exhibit C** is a list of the parties affected by the encroachment to the north and south, including the Bureau of Land Management, together with the tracking information reflecting notice has been provided to those parties.

**Exhibit D** is a statement from Tap Rock's petroleum engineer confirming that Tap Rock's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck

**ATTORNEY FOR TAP ROCK OPERATING, LLC**



**Kaitlyn A. Luck**  
**Associate**  
Phone (505) 954-7286  
KALuck@hollandhart.com

August 19, 2019

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO AFFECTED PARTIES:**

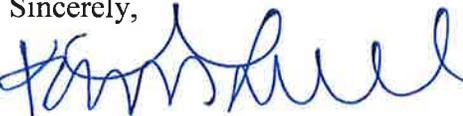
**Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Cypress 34 23S29E3434 #243H Well in the E/2 of Section 34, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application 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, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Matthew C. Phillips  
Tap Rock Resources  
(720) 459-3724  
mphillips@taprk.com

Sincerely,  


Kaitlyn A. Luck  
**ATTORNEY FOR TAP ROCK OPERATING, LLC**



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 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.  
Sante Fe, NM 87505

FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name CYPRESS 34 23S29E3434			<sup>6</sup> Well Number #243H
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 3093'

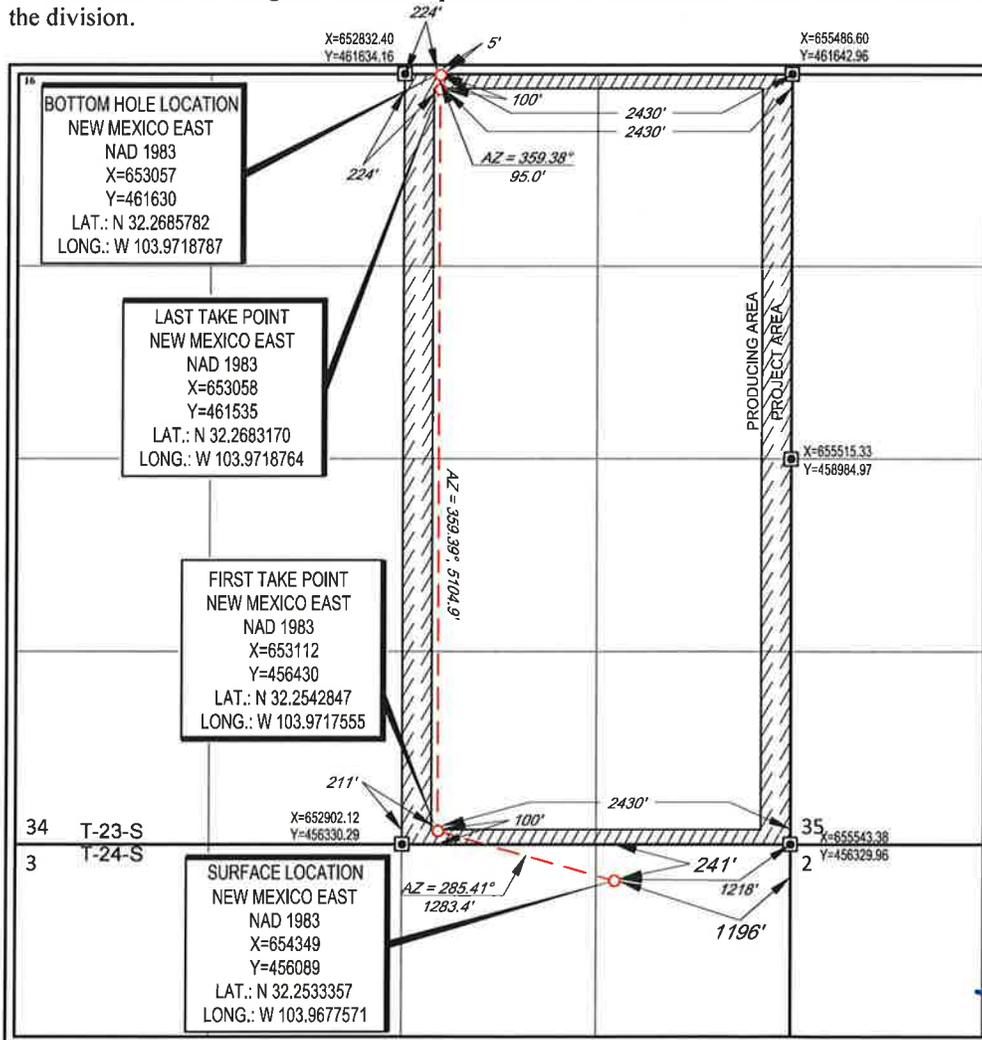
<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	24-S	29-E	-	241'	NORTH	1196'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	34	23-S	29-E	-	5'	NORTH	2430'	EAST	EDDY

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

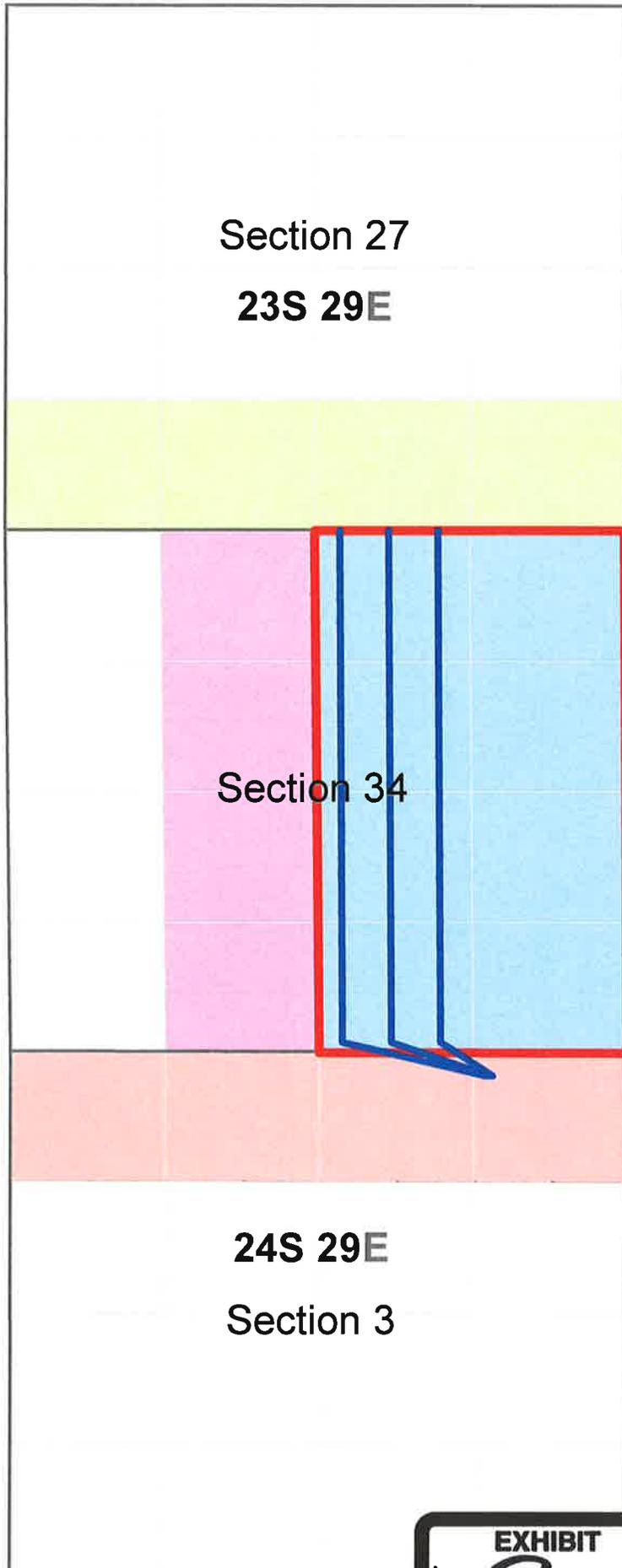


<sup>17</sup>OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_  
E-mail Address \_\_\_\_\_

<sup>18</sup>SURVEYOR 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 to the best of my belief.

08/08/2018  
Date of Survey  
Signature and Seal of Professional Surveyor  
  
Shawn W. Lloyd  
Certificate Number



Section 27  
23S 29E

Section 34

24S 29E  
Section 3

**Legend**

-  Cypress 34 E2 Wells
-  Cypress 34 E2 Unit

**Operator**

-  Tap Rock Resources
-  Tap Rock Resources  
OXY USA Inc.
-  The Allar Company  
Chevron Midcontinent, LP.  
Devon Energy Production Company  
Highland Energy Company
-  EOG Y Resources, Inc.  
EOG A Resources, Inc.  
EOG M Resources, Inc.  
OXY Y1 Company



**Cypress 34 Federal #246H, #243H, #233H Offset Owner List**

**S/2S/2 Section 27, Township 23 South, Range 29 East (Eddy County, NM)**

The Allar Company  
P.O. Box 1567  
Graham, TX 76450

Chevron Midcontinent, L.P.  
1400 Smith Street  
Houston, TX 77002

Devon Energy Production Company  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

Highland Energy Company  
7557 Rambler Rd., Ste. 918 LB 72  
Dallas, TX 75231

**N/2N/2 Section 3, Township 24 South, Range 29 East (Eddy County, NM)**

EOG Y Resources, Inc.  
104 S. Fourth St.  
Artesia, NM 88210

EOG A Resources, Inc.  
104 S. Fourth St.  
Artesia, NM 88210

EOG M Resources, Inc.  
104 S. Fourth St.  
Artesia, NM 88210

OXY Y-1 Company  
5 Greenway Plaza, Ste. 110  
Houston, TX 77046

**E/2W/2 Section 34, Township 23 South, Range 29 East (Eddy County, NM)**

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





# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Tap Rock - Cypress 34 Fed 246H, 243H, 233H NSL  
CM# 93477.0001

Shipment Date: 08/19/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	9
Total	9

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0016 4456 65



**Firm Mailing Book For Accountable Mail**

<b>Name and Address of Sender</b> Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		<b>Check type of mail or service</b> <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		<b>Affix Stamp Here</b> <i>(If issued as an international certificate of mailing or for additional copies of this receipt).          Postmark with Date of Receipt.</i>											
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
1. 9214 8901 9403 8388 3375 23	The Aler Company PO BOX 1567 Graham TX 76450	0.65	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60				
2. 9214 8901 9403 8388 3375 30	Chevron Midcontinent LP 1400 Smith Street Houston TX 77002	0.65	3.50									1.60			
3. 9214 8901 9403 8388 3375 47	Devon Energy Production Company 333 West Sheridan Ave Oklahoma City OK 73102	0.65	3.50									1.60			
4. 9214 8901 9403 8388 3375 54	Highland Energy Company 7557 Hamblin Rd Ste 918 LG 72 Dallas TX 75231	0.65	3.50						Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling
5. 9214 8901 9403 8388 3375 61	EOG Y Resources Inc 104 S Fourth St Artesia NM 88210	0.65	3.50									1.60			
6. 9214 8901 9403 8388 3375 78	EOG A Resources Inc 104 S Fourth St Artesia NM 88210	0.65	3.50									1.60			
7. 9214 8901 9403 8388 3375 85	EOG M Resources Inc 104 S Fourth St Artesia NM 88210	0.65	3.50									1.60			
8. 9214 8901 9403 8388 3375 92	EXY Y-1 Company 5 Greenway Plaza Ste 110 Houston TX 77046	0.65	3.50									1.60			
Total Number of Pieces Listed by Sender 9	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)													



**Firm Mailing Book For Accountable Mail**

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		<b>Affix Stamp Here</b> <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> <b>Postmark with Date of Receipt.</b>											
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
9. 9214 8901 9403 8388 3376 08	OXY USA Inc 5 Greenway Plaza Ste 110 Houston TX 77046	0.65	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60				
Total Number of Pieces Listed by Sender 9	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)													

TAP ROCK RESOURCES, LLC

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

CONNER WOOD  
ASSET MANAGER  
CWOOD@TAPRK.COM



August 15, 2019

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 34 Federal #233H, #243H and #246H (the "Wells")**

Dear Ms. Sandoval:

Tap Rock Operating hereby requests administrative approval of a non-standard location for each of the Wells referenced above by decreasing the 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 first and 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

A handwritten signature in blue ink, appearing to read "Conner Wood", written over a faint, larger version of the signature.

Conner Wood  
Asset Manager and Reservoir Engineer

