

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

Revised March 23, 2017

RECEIVED: 08/19/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1923240581
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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

Applicant: Tap Rock Operating, LLC **OGRID Number:** 372043
Well Name: Cypress 34 23S29E3434 #246H **API:** Pending
Pool: Purple Sage; Wolfcamp **Pool Code:** 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

FOR OCD ONLY

- ☐ Notice Complete
☐ 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 #246H 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 #246H 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 1,146 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 #246H 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 #246H 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 #246H 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 #246H 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,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a light blue circular stamp.

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., Santa 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.
Santa 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

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name CYPRESS 34 FEDERAL	⁶ Well Number 246H
⁷ GRID No.	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3093'

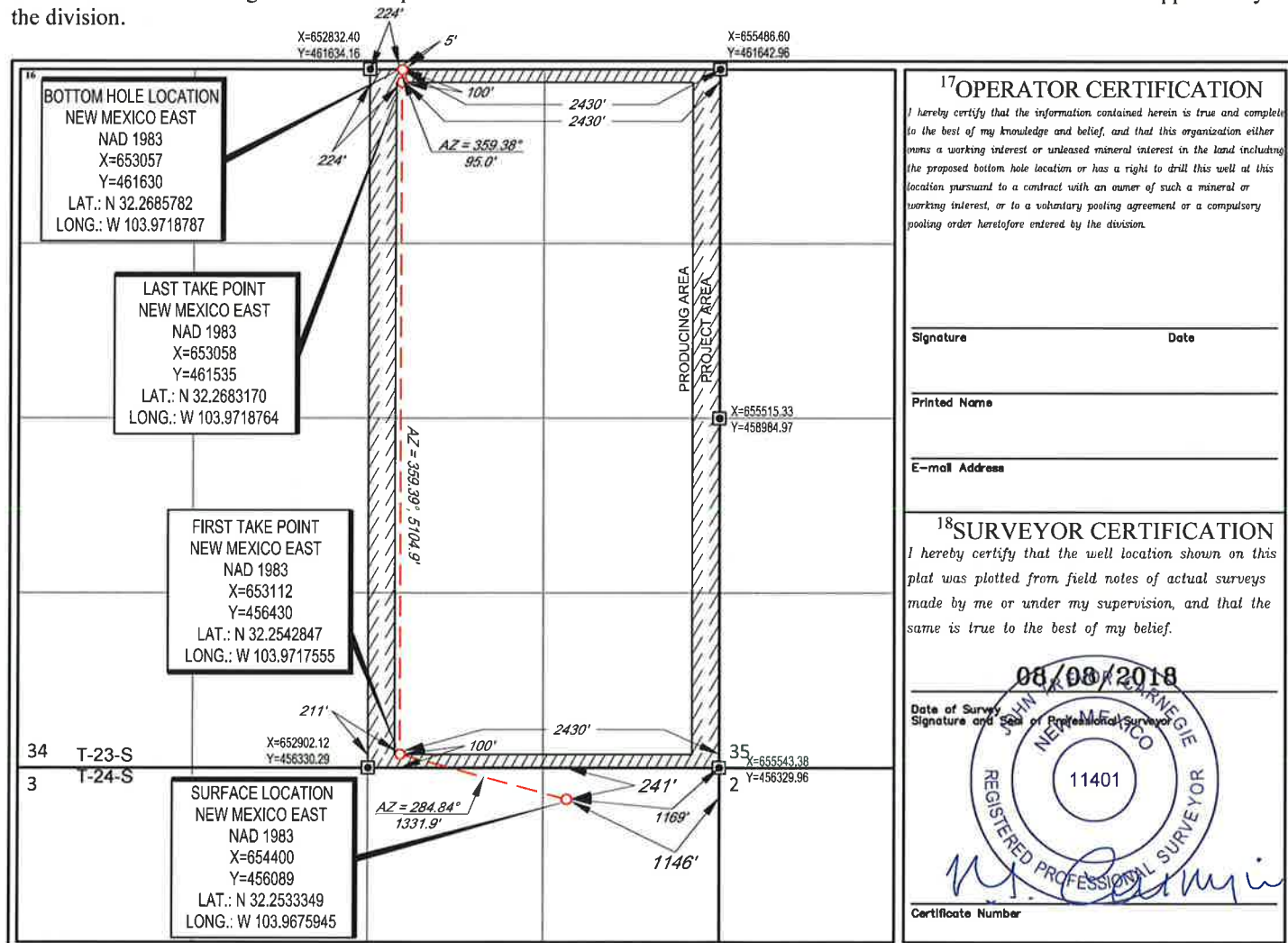
¹⁰Surface Location

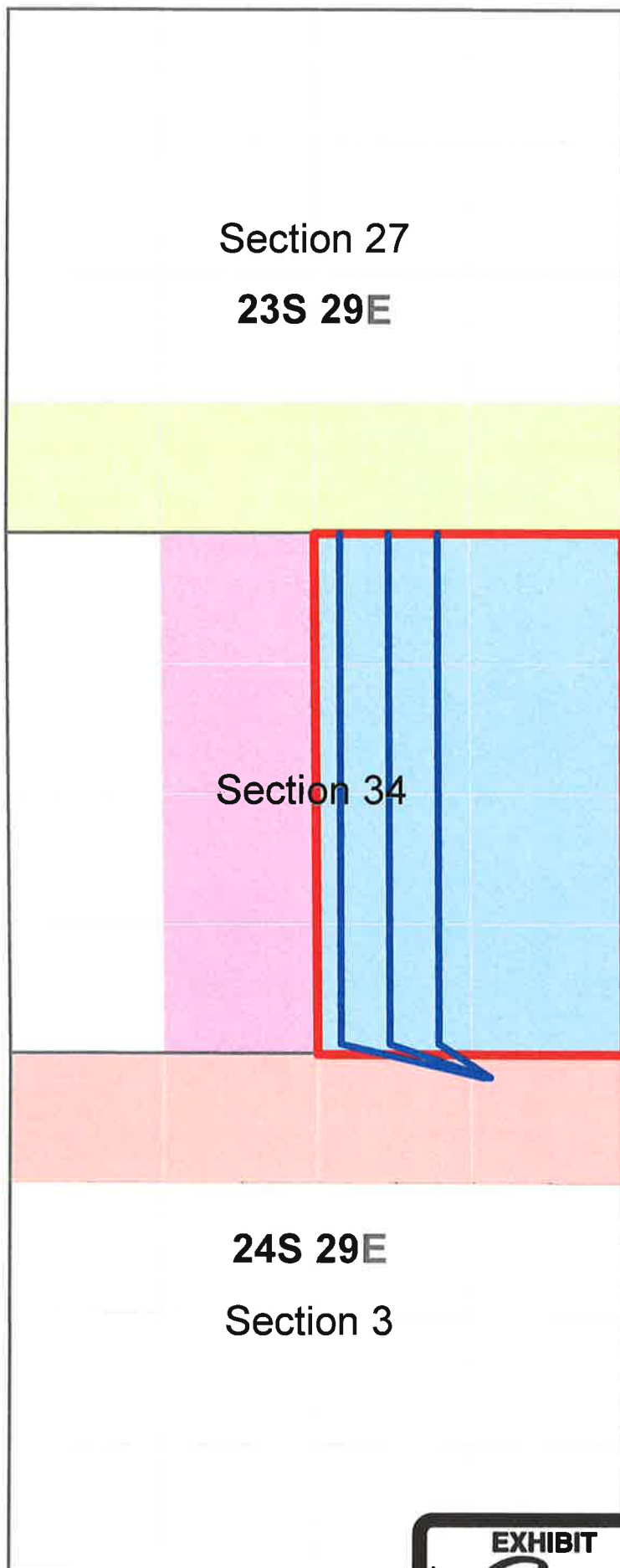
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	24-S	29-E	-	241'	NORTH	1146'	EAST	EDDY

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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.





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

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		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.											
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 Alter Company PO BOX 1567 Graham TX 76450	0.65	3.50	Handling Charge - if Registered and over \$50.00 in value							1.60				
2. 9214 8901 9403 8388 3375 30	Chevron Midcontinent L P 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 Rambler Rd. Ste 918 LB 72 Dallas TX 75231	0.65	3.50								1.60				
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	OXY 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)													



Holland & Hart LLP
110 N Guadalupe St # 1
Santa Fe NM 87501

<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	

Affix Stamp Here
(if issued as an international
certificate of mailing or for
additional copies of this receipt).
Postmark with Date of Receipt.

PS Form 3877, April 2015 (Page 2 of 2) Complete in Ink Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy.
PSN 7530-02-000-9098

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".

Conner Wood
Asset Manager and Reservoir Engineer

