

NSL Initial Application

Received: 08/26/20

RECEIVED: 08/26/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2023962510
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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 Federal 207H	API: 30-015-46823
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
<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

08/26/2020
Date

505-954-7286
Phone Number

kaluck@hollandhart.com
e-mail Address



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

August 26, 2020

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 Federal #207H Well in the W/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 Federal #207H Well** (API No. 30-015-46823) to be completed within the Purple Sage; Wolfcamp Pool (98220) underlying the W/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 621 feet from the north line and 2579 feet from the east line (Unit B) of Section 34, to a bottom hole location 30 feet from the south line and 2310 feet from the west line (Unit N) of Section 34.

The first take point will be located 100 feet from the north line and 2310 feet from the west line (Unit C) of Section 34 and the last take point will be 100 feet from the north line and 2310 feet from the west line (Unit N) 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 Federal #207H Well** will be unorthodox because it is closer than 330 feet to the eastern, 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 Federal #207H Well** encroaches on the spacing units to the east, north, and south.

Exhibit B is a land plat that shows the proposed **Cypress 34 Federal #207H Well** in relation to the adjoining spacing units to the east in Section 34, to the north in Section 27, and to the south in Section 3.

Ownership is identical between the subject spacing unit and the tracts to the east in Section 34, however, ownership is diverse between the subject spacing unit and the tracts to the north 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

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

EXHIBIT A

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 207H
⁷ OGRID No.		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3046'

¹⁰Surface Location

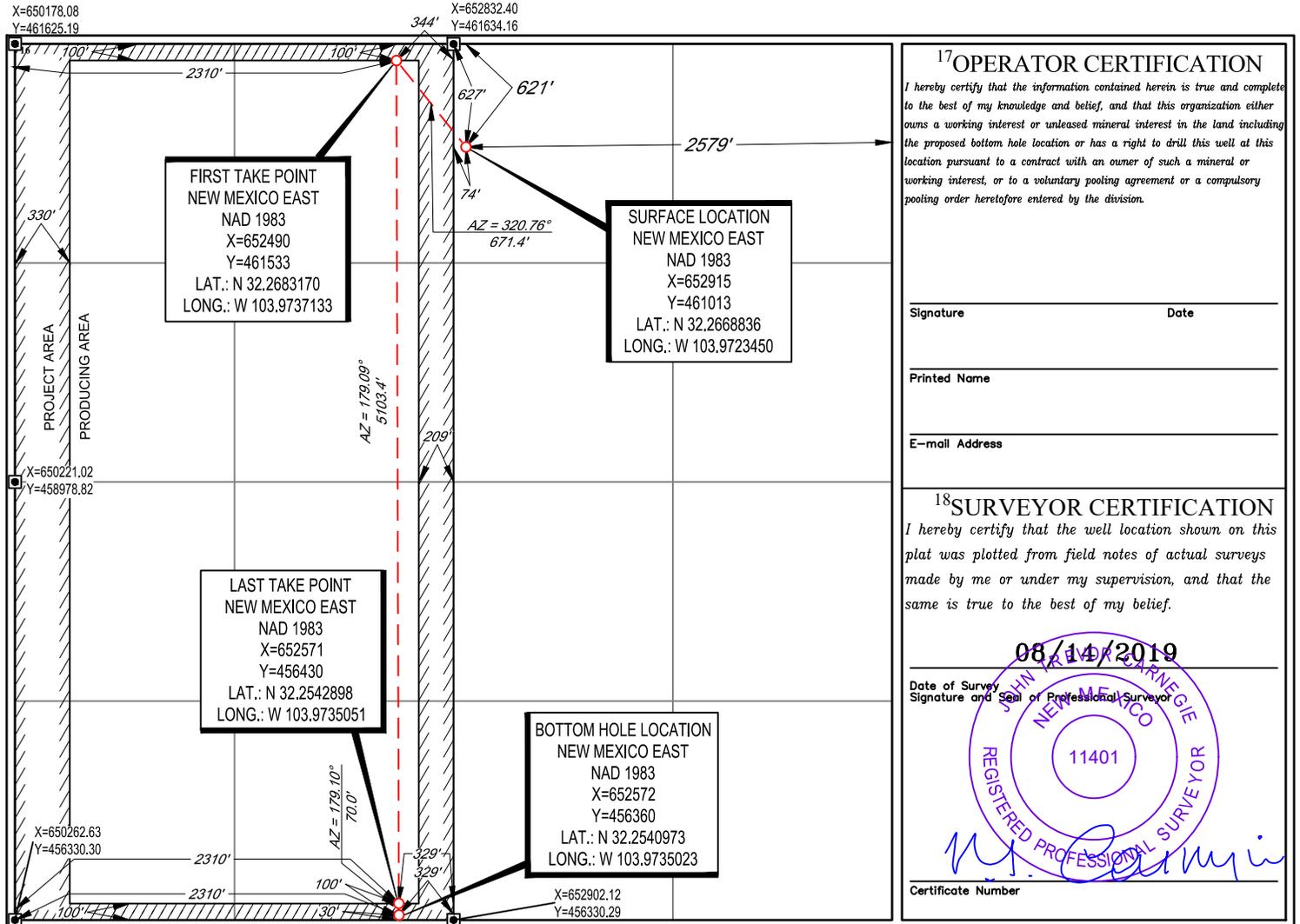
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	34	23-S	29-E	-	621'	NORTH	2579'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

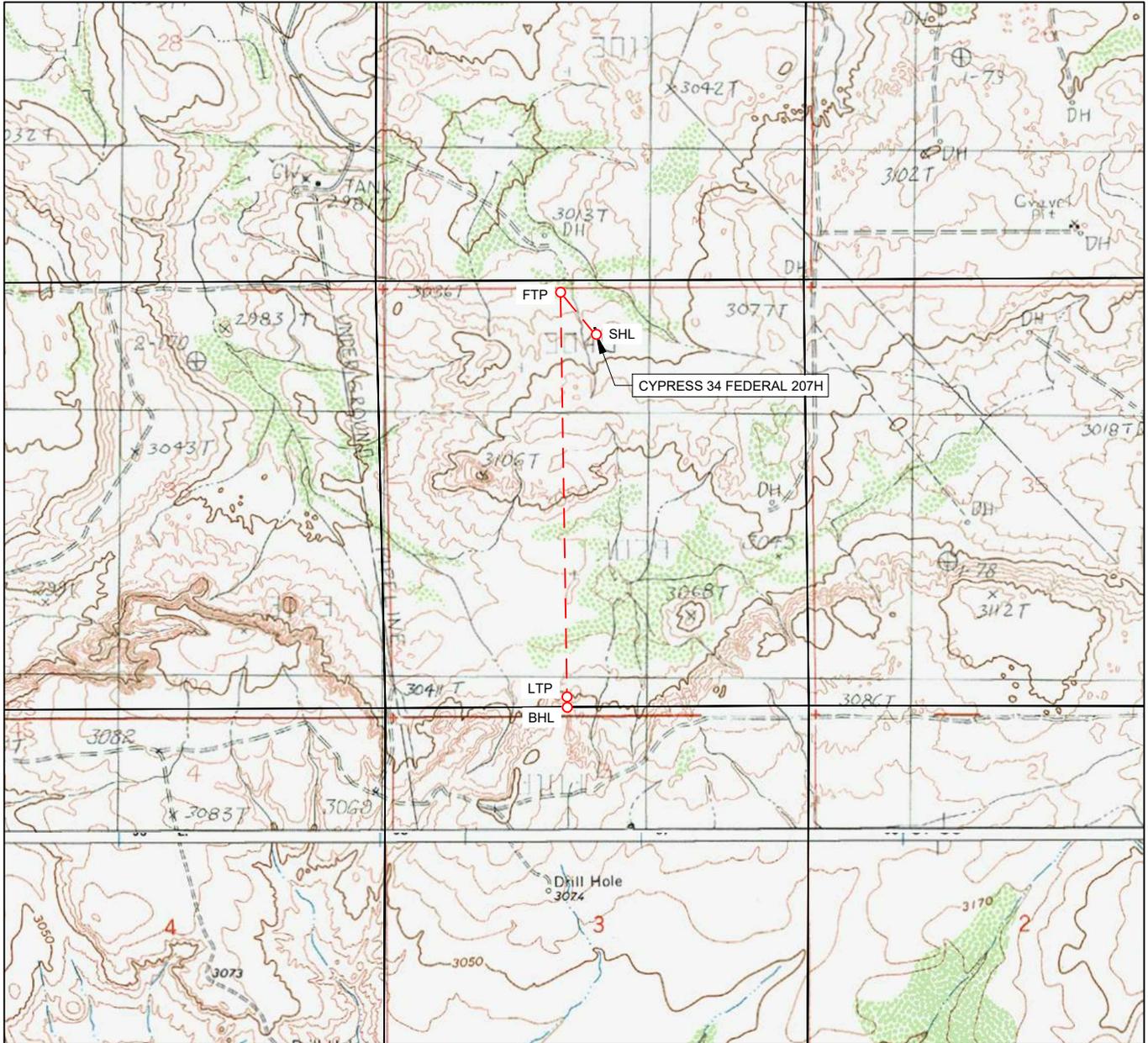
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	34	23-S	29-E	-	30'	SOUTH	2310'	WEST	EDDY

¹² Dedicated Acres	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.



LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 207H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM ELEVATION 3046'
 DESCRIPTION 621' FNL & 2579' FEL

LATITUDE N 32.2668836 LONGITUDE W 103.9723450



SCALE: 1" = 2000'
 0' 1000' 2000'

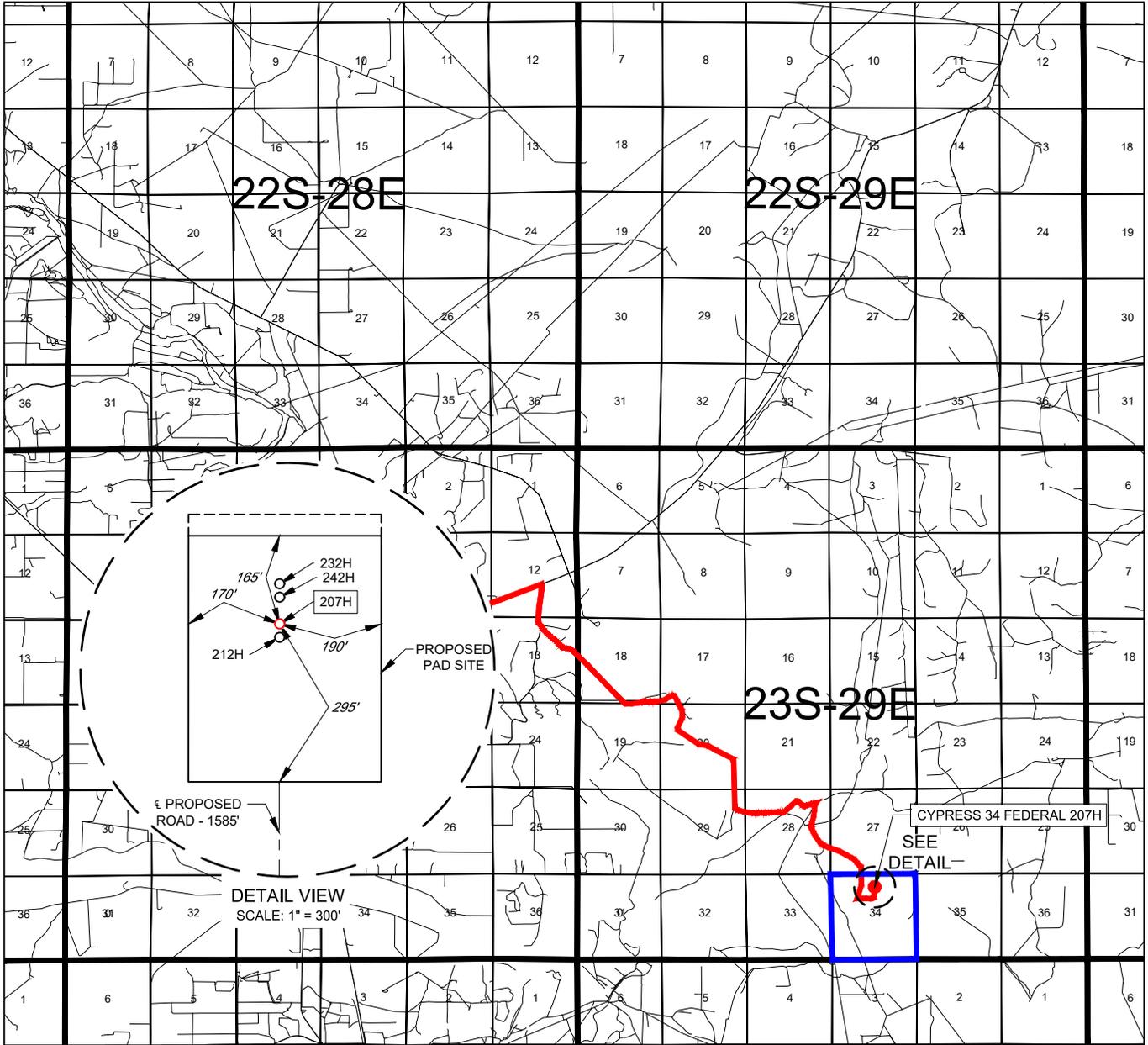
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
 WWW.TOPOGRAPHIC.COM

EXHIBIT 2
VICINITY MAP



LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 207H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM
 DESCRIPTION 621' FNL & 2579' FEL

DISTANCE & DIRECTION

FROM INT. OF NM-31, & STATE HWY 387, GO EAST ON NM-31 ±1.7 MILES, THENCE SOUTH (RIGHT) ON FISHERMANS LN. ±0.5 MILES, THENCE CONTINUE STRAIGHT ON A LEASE RD. ±4.8 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.6 MILES, THENCE EAST (LEFT) ON A LEASE RD. ±0.3 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.6 MILES, THENCE EAST (LEFT) ON A PROPOSED RD. ±1585 FEET TO A POINT ±295 FEET SOUTH OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

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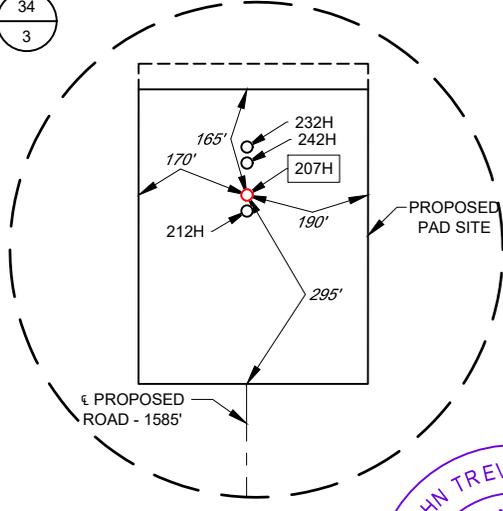
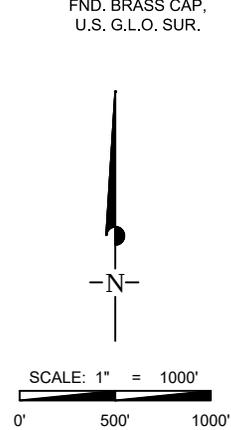
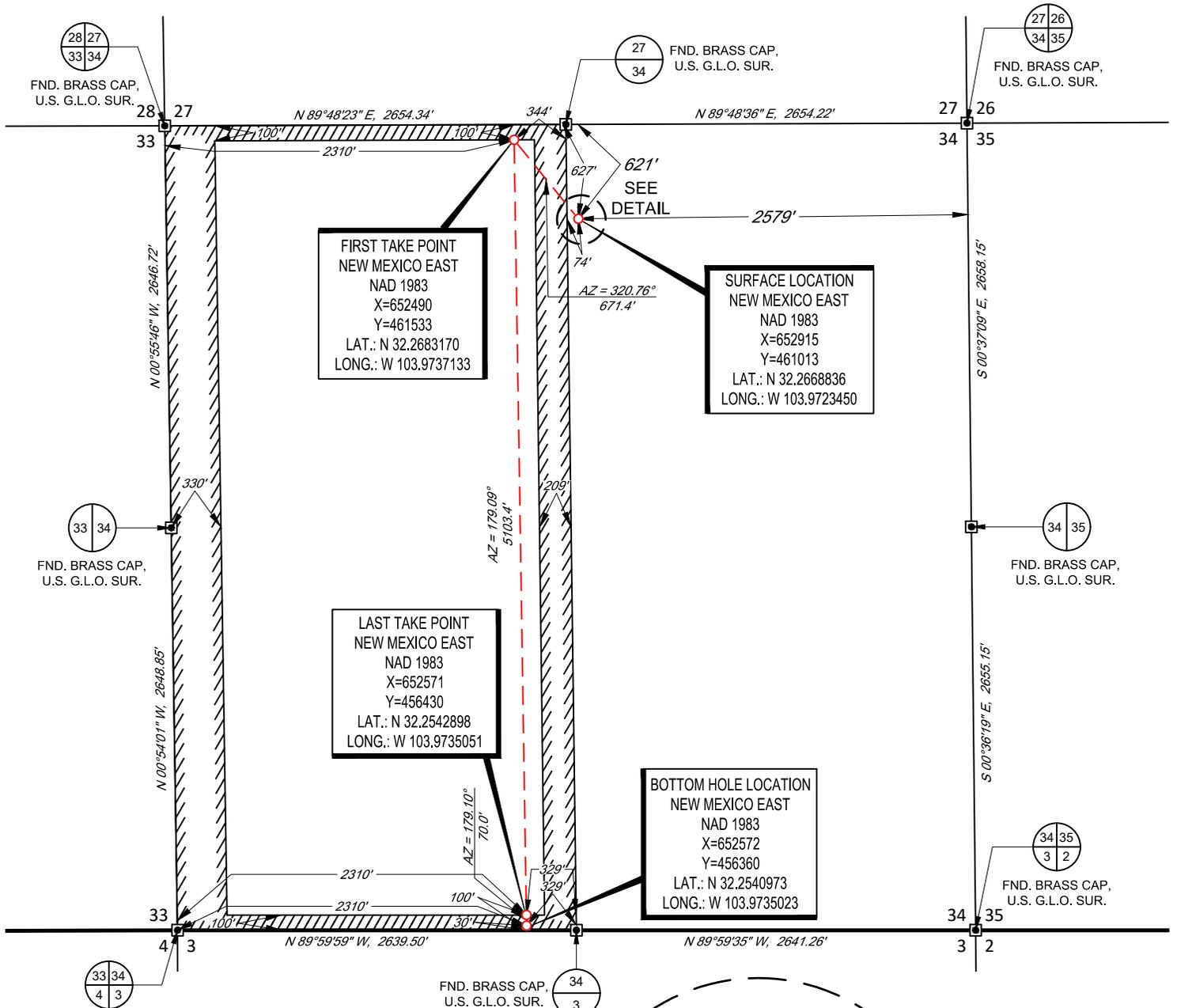
SCALE: 1" = 10000'
 0' 5000' 10000'



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 WWW.TOPOGRAPHIC.COM

TAP ROCK EXHIBIT 2A

SECTION 34, TOWNSHIP 23-S, RANGE 29-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 207H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM
 DESCRIPTION 621' FNL & 2579' FEL

DISTANCE & DIRECTION
 FROM INT. OF NM-31, & STATE HWY 387, GO EAST ON NM-31 ±1.7 MILES, THENCE SOUTH (RIGHT) ON FISHERMANS LN. ±0.5 MILES, THENCE CONTINUE STRAIGHT ON A LEASE RD. ±4.8 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.6 MILES, THENCE EAST (LEFT) ON A LEASE RD. ±0.3 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.6 MILES, THENCE EAST (LEFT) ON A PROPOSED RD. ±1585 FEET TO A POINT ±295 FEET SOUTH OF THE LOCATION.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



John Trevor Carnegie
 John Trevor Carnegie, P.S. No. 11401
 AUGUST 15, 2019

TOPOGRAPHIC
 LOYALTY INNOVATION LEGACY

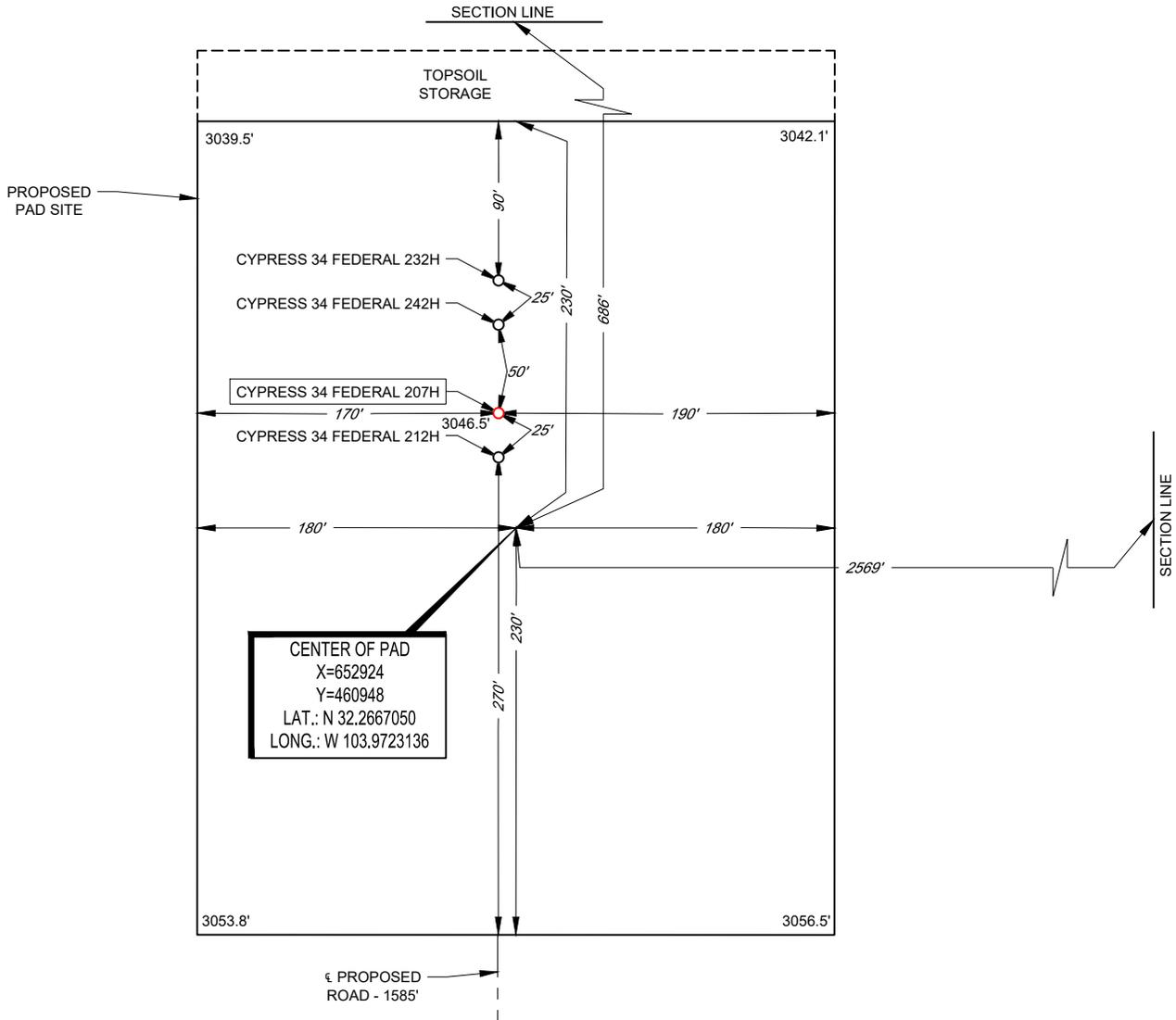
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 WWW.TOPOGRAPHIC.COM

EXHIBIT 2B



SECTION 34, TOWNSHIP 23-S, RANGE 29-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 207H
 207H LATITUDE N 32.2668836 207H LONGITUDE W 103.9723450
 CENTER OF PAD IS 686' FNL & 2569' FEL

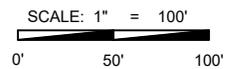


John Trevor Carnegie, P.S. No. 11401

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"



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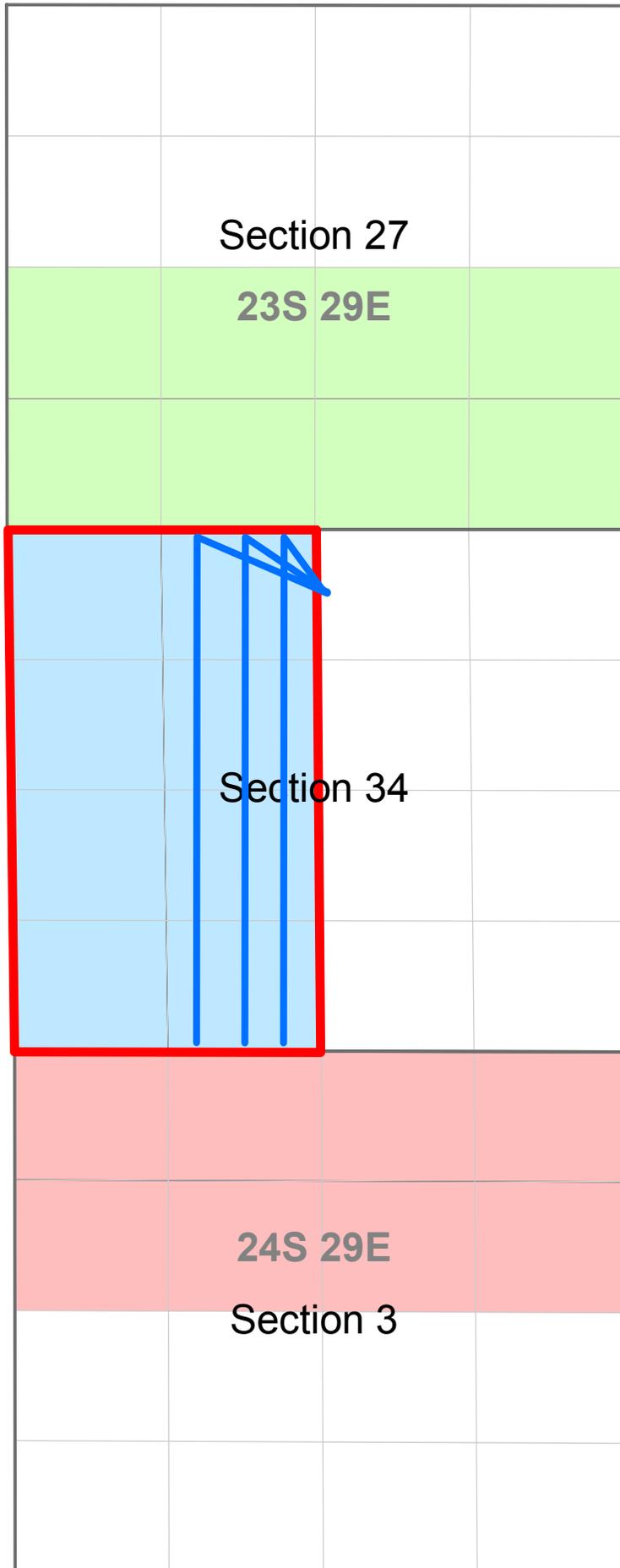


EXHIBIT B

Legend

-  Cypress 34 W2 Wells
-  Cypress 34 W2 Unit

Operator

-  Tap Rock Resources
-  Devon Energy Production Company
-  OXY USA Inc.
OXY Y-1 Company



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

August 26, 2020

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 Federal #207H Well in the W/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 horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC

EXHIBIT C

User ID	Date Mailed	Name	Delivery Address	City	ST	Zip	Mail Service	USPS #	Label Ref.
31557	08/26/2020	Devon Energy Production Company	333 W Sheridan Ave	Oklahoma City	OK	7310	Certified with Return Receipt (Signature)	94148118987658 24334526	69198 - Tap Rock - Cypress 34 Fed 207H, 212H, 242H NSL - Notice List - 1
31557	08/26/2020	OXY USA, Inc.	5 Greenway Plz Ste 110	Houston	TX	7704	Certified with Return Receipt (Signature)	94148118987658 24334502	69198 - Tap Rock - Cypress 34 Fed 207H, 212H, 242H NSL - Notice List - 2
31557	08/26/2020	OXY Y-1 Company	PO Box 27570	Houston	TX	7722	Certified with Return Receipt (Signature)	94148118987658 24334595	69198 - Tap Rock - Cypress 34 Fed 207H, 212H, 242H NSL - Notice List - 3

TAP ROCK OPERATING

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

CONNER WOOD
ASSET MANAGER
CWOOD@TAPRK.COM



August 20, 2020

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 #207H, #212H, #242H (the "Wells")**

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") 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 black ink, appearing to read "Conner Wood".

Conner Wood
Asset Manager and Reservoir Engineer

EXHIBIT D