

# NSL Initial Application

Received: 08/26/20

P.O. No. R73RG-200826-NSL000

Revised March 23, 2017

RECEIVED: 08/26/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2024026205
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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 Federal 212H	<b>API:</b> 30-015-46824
<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

**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

08/26/2020

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 #212H 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 #212H Well** (API No. 30-015-46824) 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 646 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 1650 feet from the west line (Unit N) of Section 34.

The first take point will be located 100 feet from the north line and 1650 feet from the west line (Unit C) of Section 34 and the last take point will be 100 feet from the north line and 1650 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 #212H 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 Federal #212H Well** encroaches on the spacing units to the north and south.

**Exhibit B** is a land plat that shows the proposed **Cypress 34 Federal #212H Well** in relation to the adjoining spacing units to the north in Section 27, and to the south in Section 3.

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**

<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 <b>CYPRESS 34 FEDERAL</b>	<sup>6</sup> Well Number <b>212H</b>
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name <b>TAP ROCK OPERATING, LLC.</b>	<sup>9</sup> Elevation <b>3047'</b>

<sup>10</sup>Surface Location

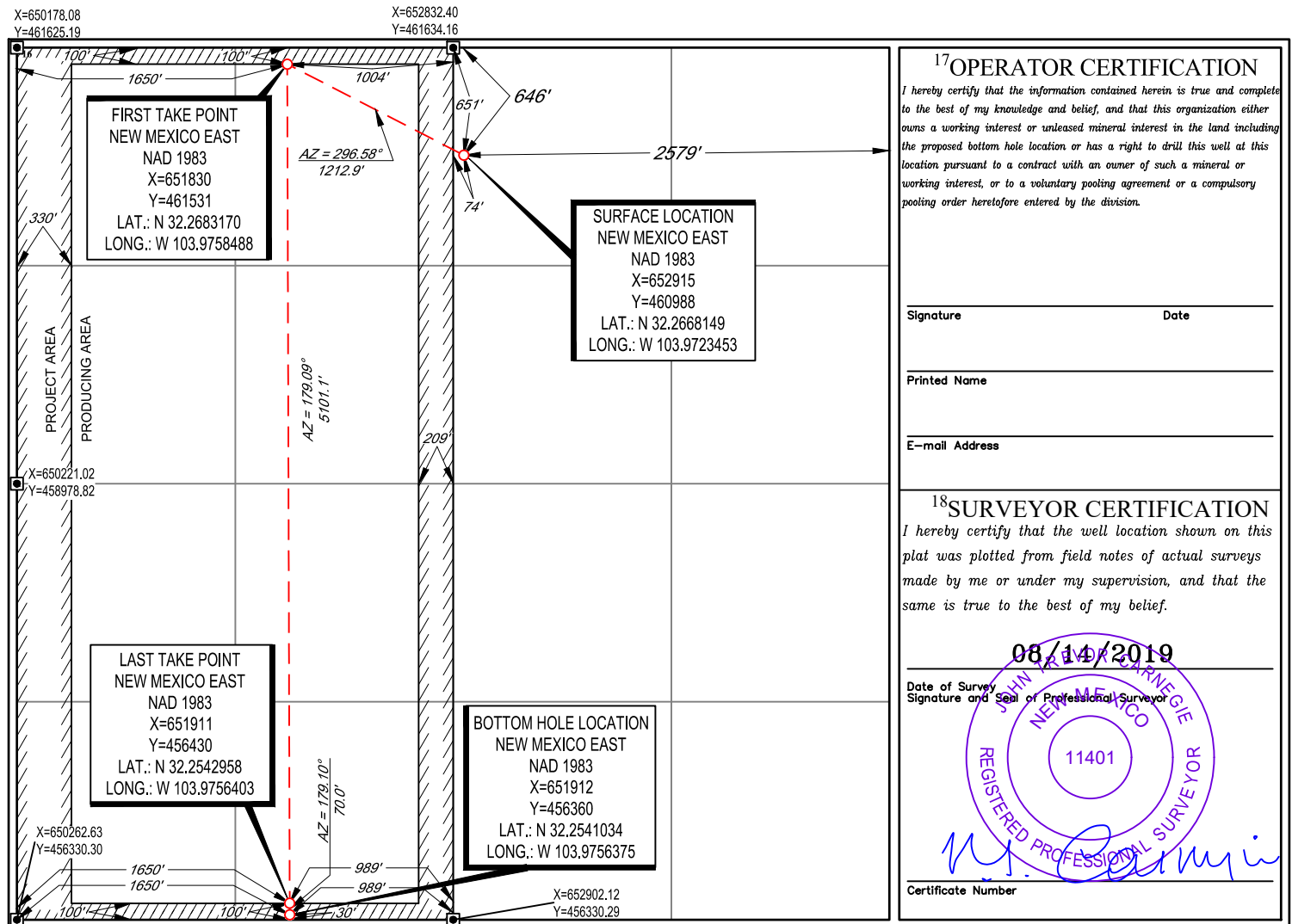
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>34</b>	<b>23-S</b>	<b>29-E</b>	<b>-</b>	<b>646'</b>	<b>NORTH</b>	<b>2579'</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup>Bottom 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
<b>N</b>	<b>34</b>	<b>23-S</b>	<b>29-E</b>	<b>-</b>	<b>30'</b>	<b>SOUTH</b>	<b>1650'</b>	<b>WEST</b>	<b>EDDY</b>

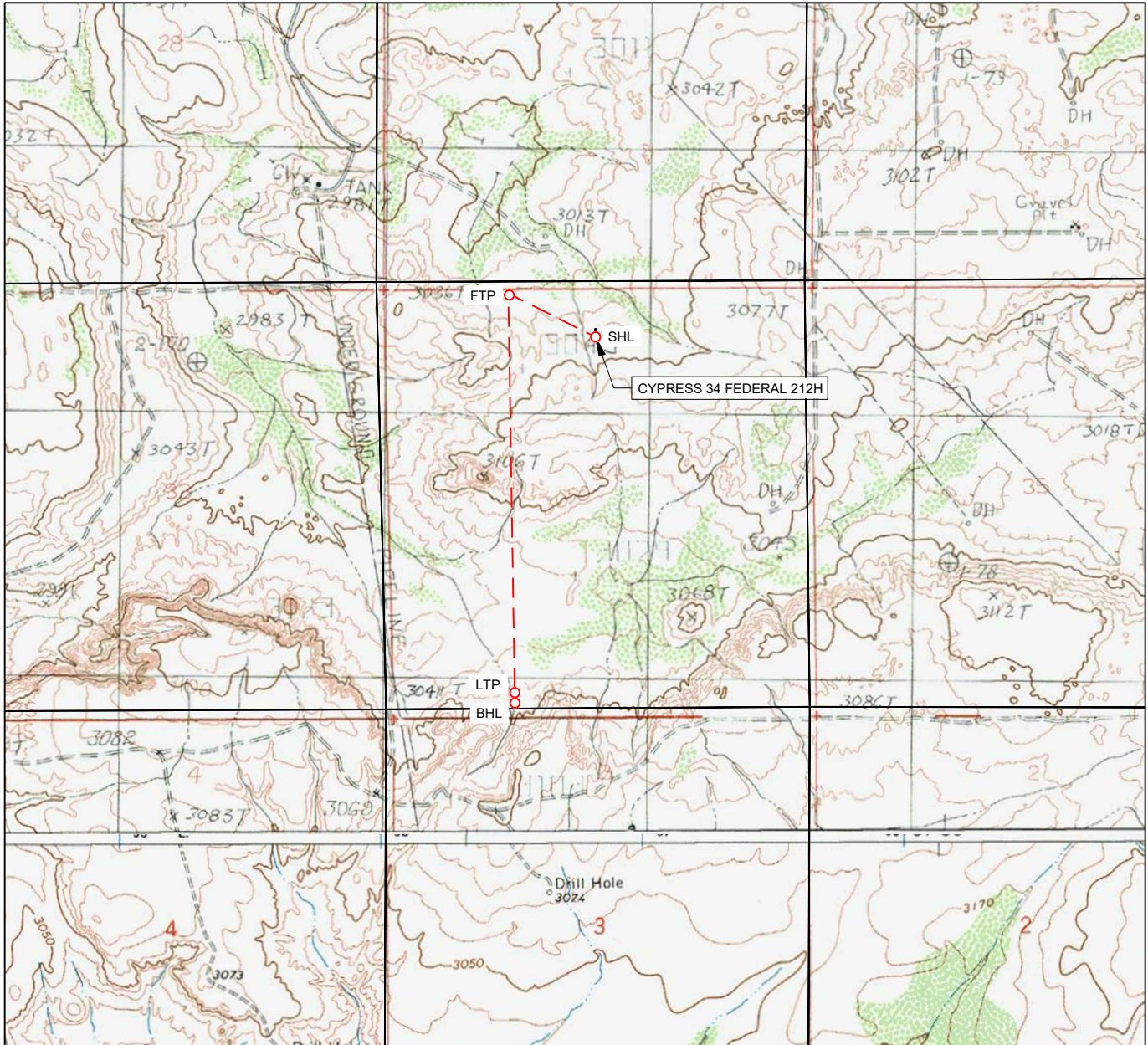
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.





## LOCATION &amp; ELEVATION VERIFICATION MAP



LEASE NAME &amp; WELL NO.: CYPRESS 34 FEDERAL 212H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM ELEVATION 3047'  
 DESCRIPTION 646' FNL & 2579' FEL

LATITUDE N 32.2668149 LONGITUDE W 103.9723453



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

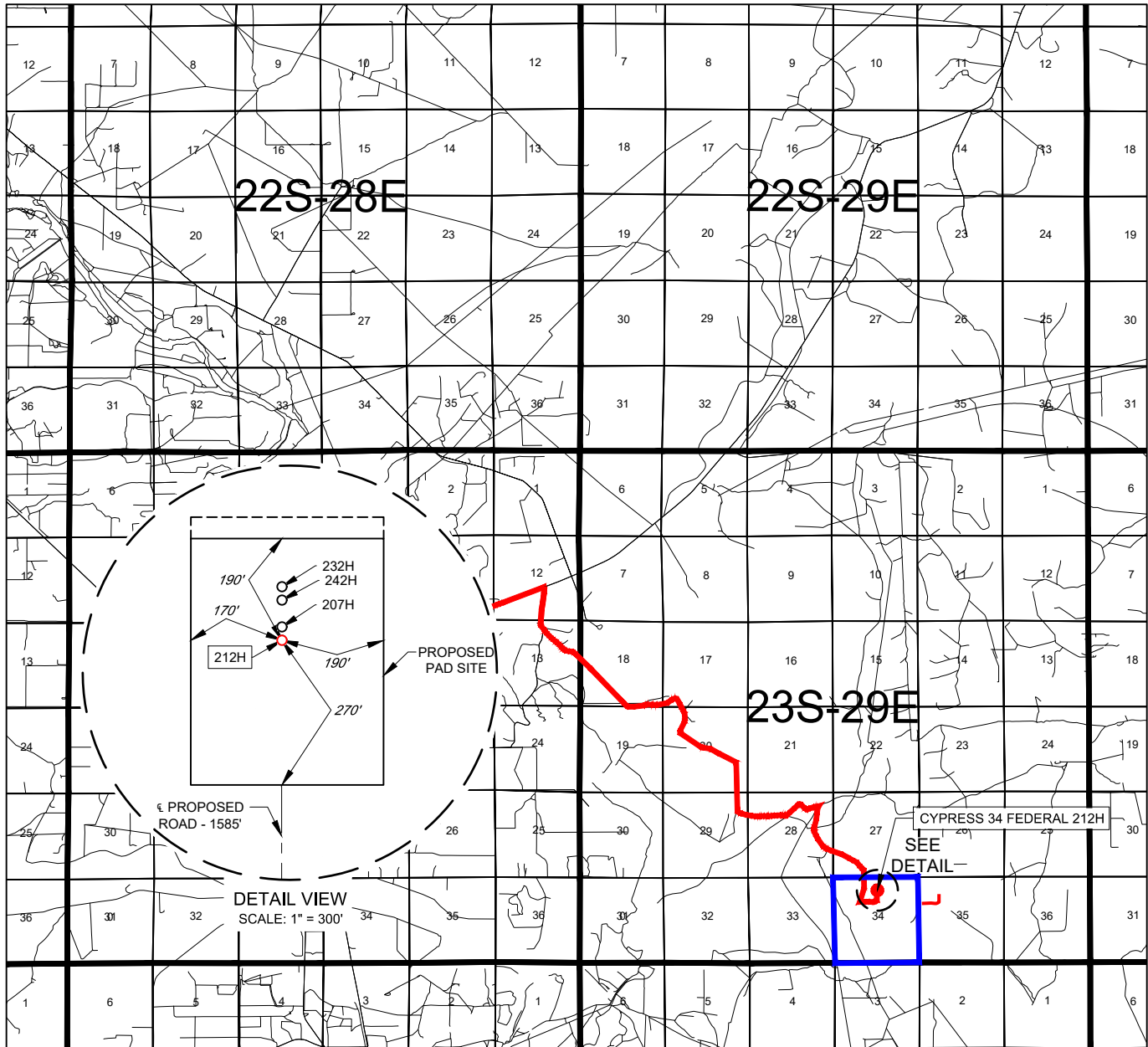
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF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



**TOPOGRAPHIC**  
 LOYALTY INNOVATION LEGACY

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 &amp; WELL NO.: CYPRESS 34 FEDERAL 212H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM  
 DESCRIPTION 646' FNL & 2579' FEL

## DISTANCE &amp; DIRECTION

FROM INT. OF NM-31, & STATE HWY 387, GO EAST ON NM-31  $\pm 1.7$  MILES, THENCE SOUTH (RIGHT) ON FISHERMANS LN.  $\pm 0.5$  MILES, THENCE CONTINUE STRAIGHT ON A LEASE RD.  $\pm 4.8$  MILES, THENCE SOUTH (RIGHT) ON A LEASE RD.  $\pm 0.6$  MILES, THENCE EAST (LEFT) ON A LEASE RD.  $\pm 0.3$  MILES, THENCE SOUTH (RIGHT) ON A LEASE RD.  $\pm 0.6$  MILES, THENCE EAST (LEFT) ON A PROPOSED RD.  $\pm 1585$  FEET TO A POINT  $\pm 270$  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'



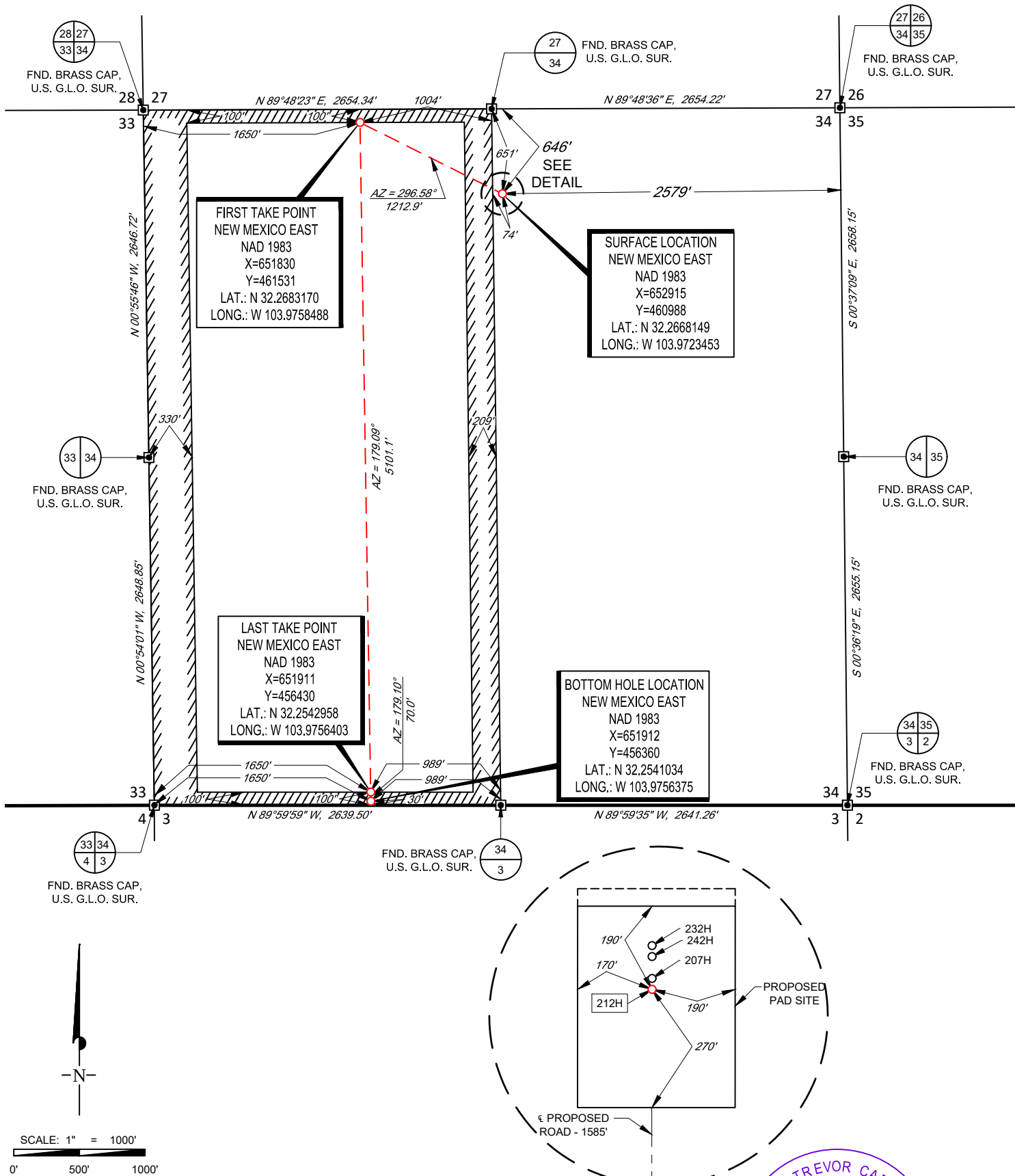
**TOPOGRAPHIC**  
 LOYALTY INNOVATION LEGACY

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



TAP  
ROCK  
EXHIBIT 2A

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



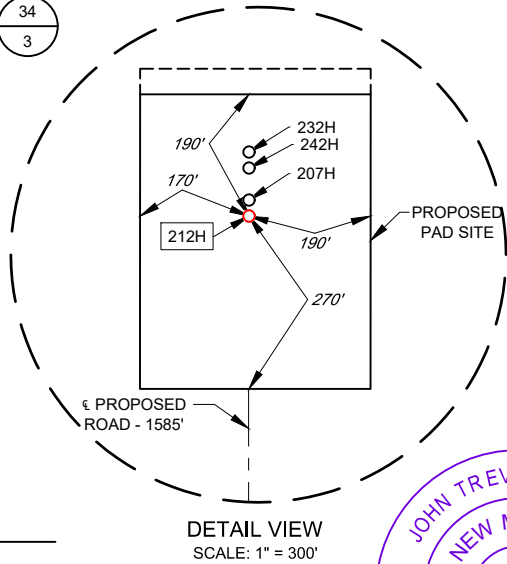
LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 212H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.  
COUNTY EDDY STATE NM  
DESCRIPTION 646' 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 ±270 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.



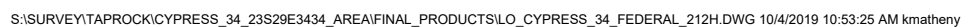
JOHN TREVOR CARNEGIE  
NEW MEXICO  
11401  
REGISTERED PROFESSIONAL SURVEYOR

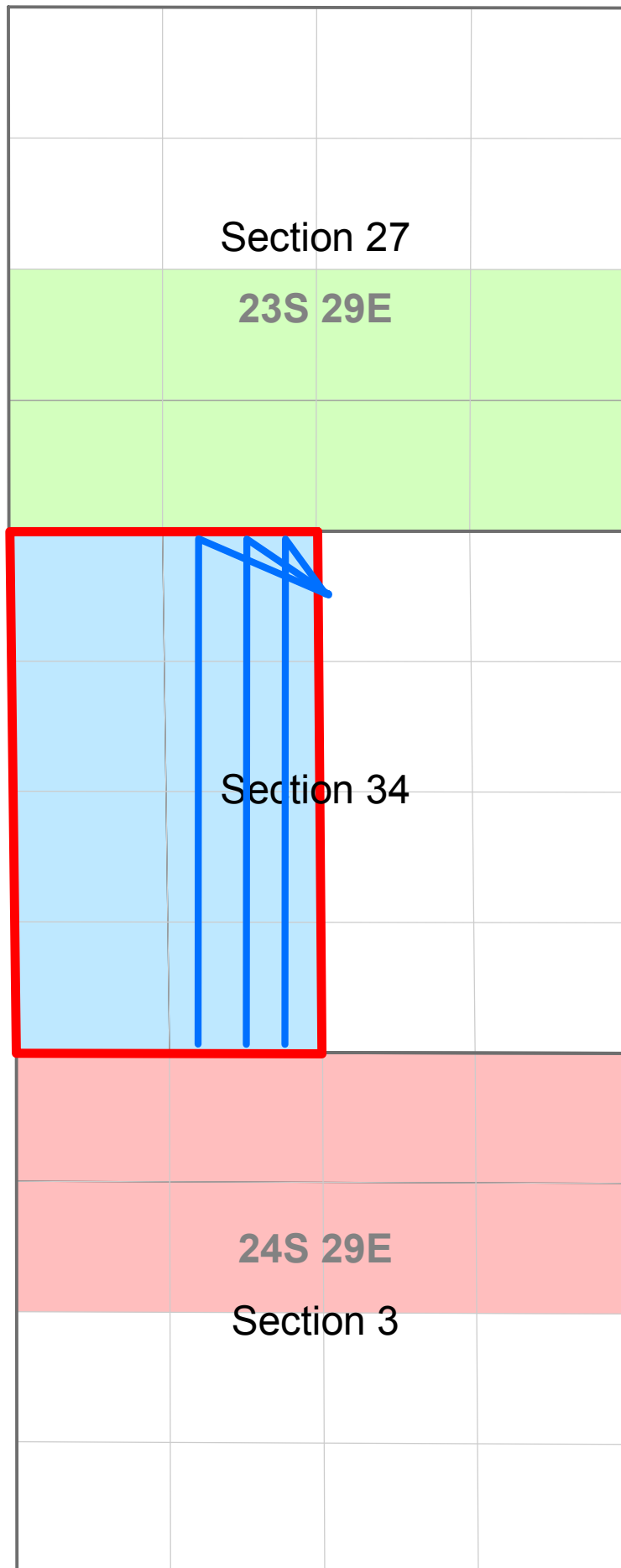



John Trevor Carnegie, P.S. No. 11401  
AUGUST 15, 2019

**TOPOGRAPHIC**  
LOYALTY INNOVATION LEGACY

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 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 #212H 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

15250815\_v1

**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	73102-5010	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	77046-0521	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	77227-7570	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**