

NSL

Initial

Application

RECEIVED: 04/20/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2112535678
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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 #205H well **API:** 30-015-47267
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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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

04/20/2021

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address

April 20, 2021

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 #205H 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 #205H Well** (API No. 30-015-47267) 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 298 feet from the north line and 201 feet from the west line (Unit D) of Section 34, to a bottom hole location 30 feet from the south line and 990 feet from the west line (Unit M) of Section 34.

The first take point will be located 100 feet from the north line and 990 feet from the west line (Unit D) of Section 34 and the last take point will be 100 feet from the south line and 990 feet from the west line (Unit M) 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 #205H 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 #205H Well** encroaches on the spacing units to the north and the south.

Exhibit B is a land plat that shows the proposed **Cypress 34 Federal #205H 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

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name CYPRESS 34 FEDERAL			⁶ Well Number 205H
⁷ OGRID No.		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3048'

¹⁰Surface Location

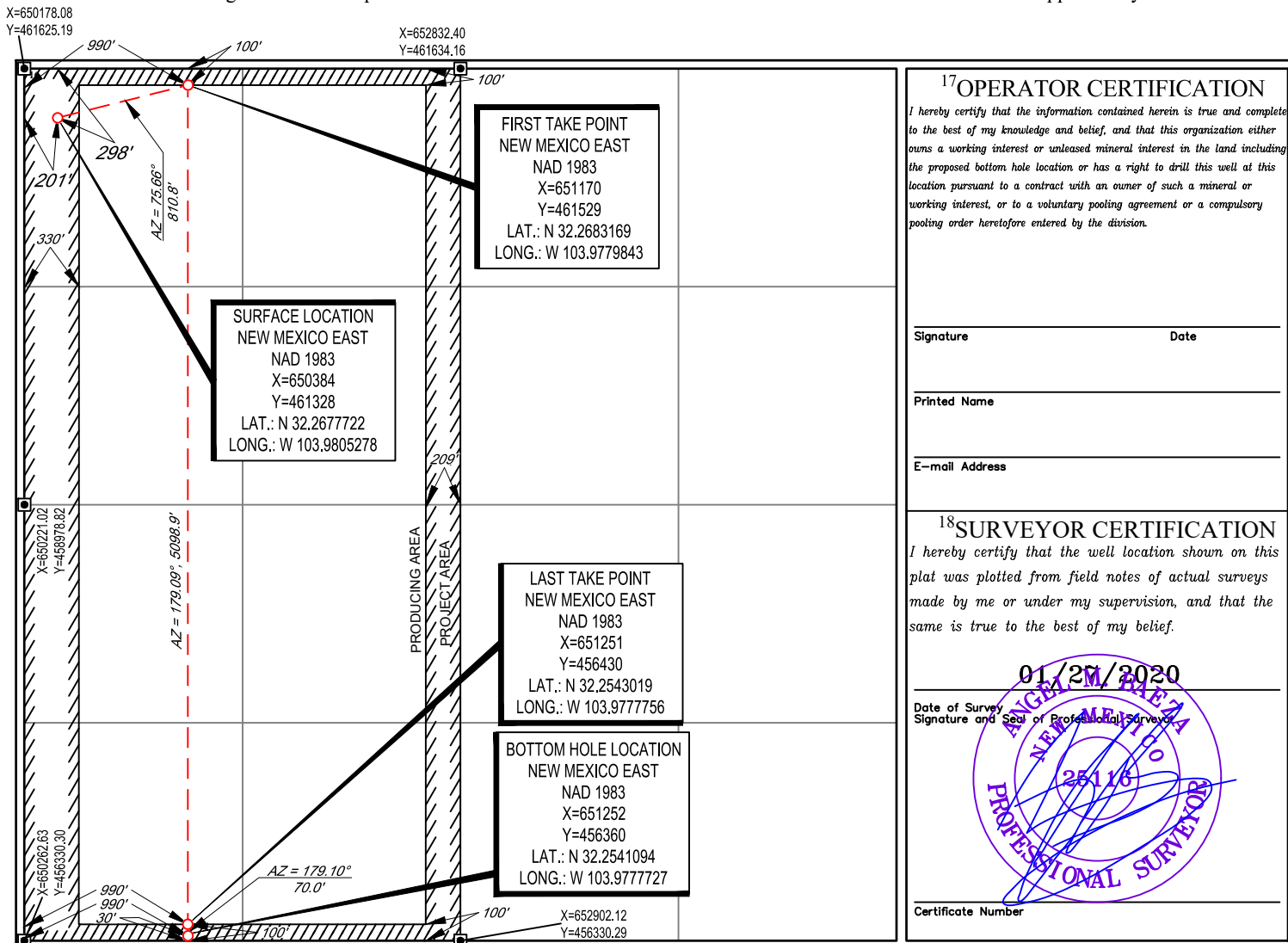
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	34	23-S	29-E	-	298'	NORTH	201'	WEST	EDDY

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
M	34	23-S	29-E	-	30'	SOUTH	990'	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.



¹⁷OPERATOR 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 _____

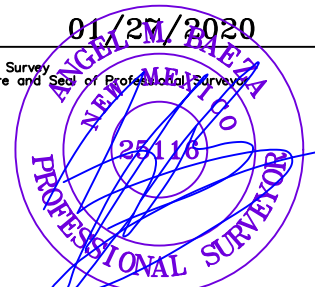
E-mail Address _____

¹⁸SURVEYOR 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.

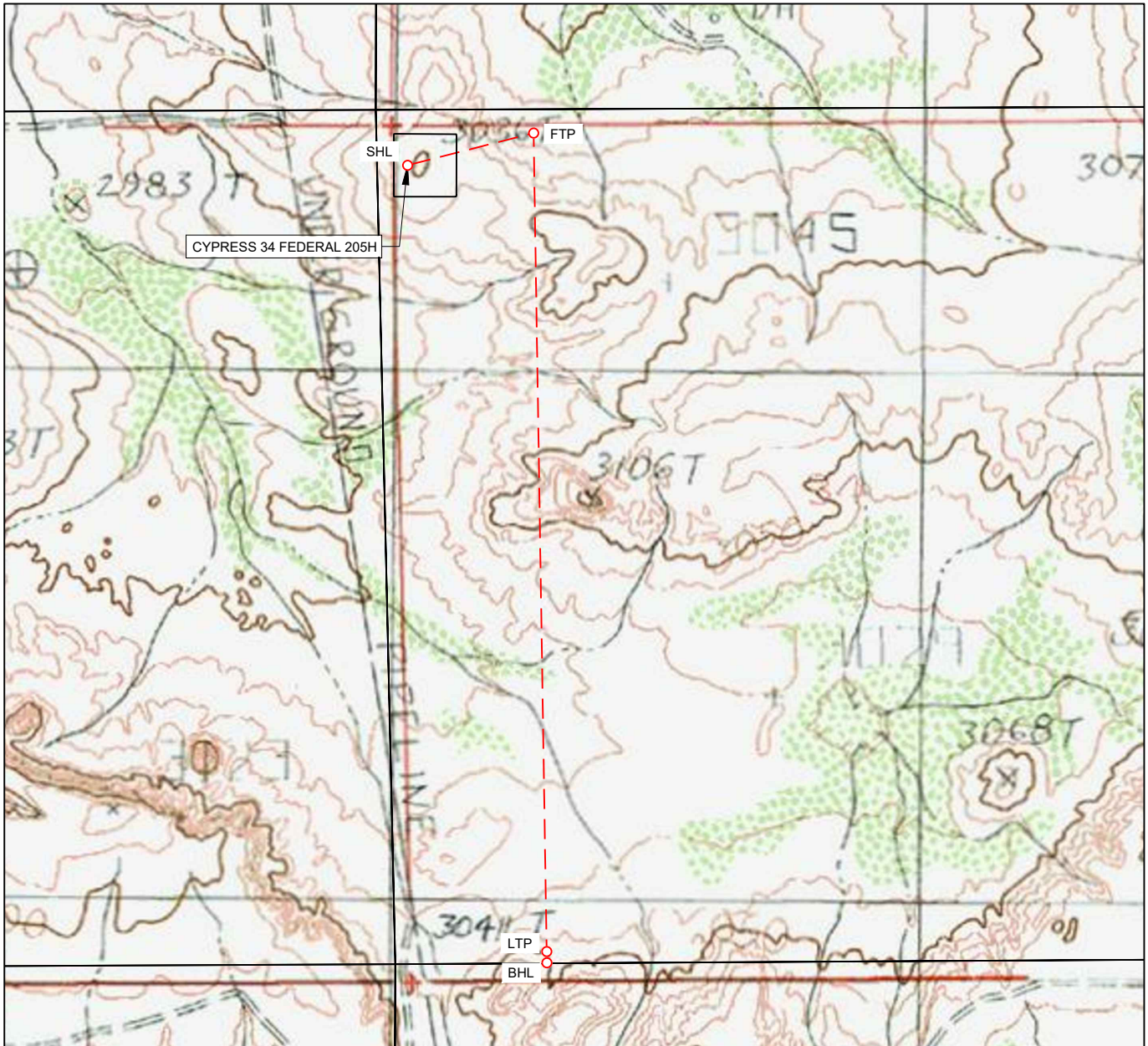
01/27/2020

Date of Survey _____
Signature and Seal of Professional Surveyor _____



Certificate Number _____

LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 205H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM ELEVATION 3048'
 DESCRIPTION 298' FNL & 201' FWL

LATITUDE N 32.2677722 LONGITUDE W 103.9805278



SCALE: 1" = 1000'
 0' 500' 1000'

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.

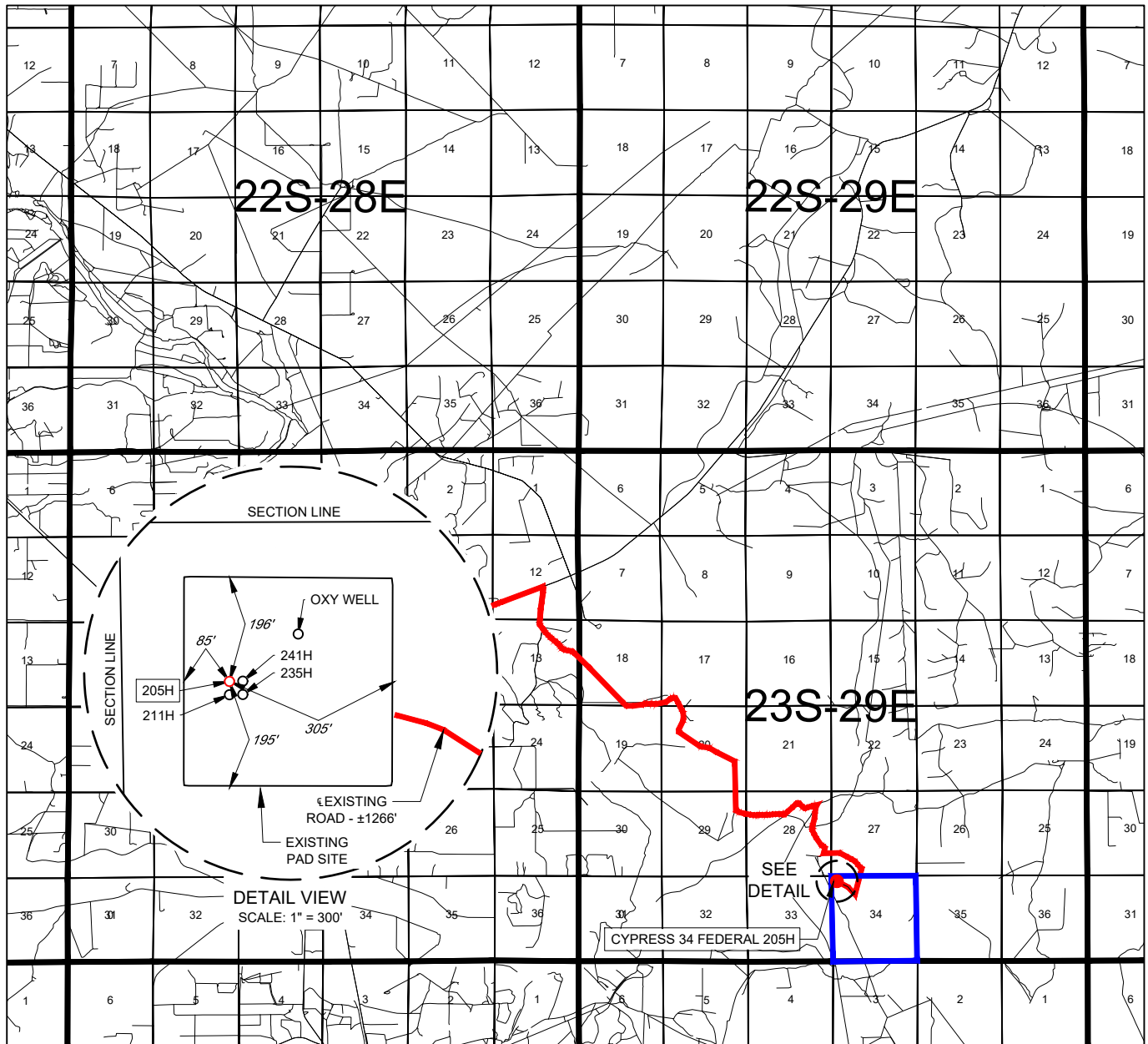
ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



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 & WELL NO.: CYPRESS 34 FEDERAL 205H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.
COUNTY EDDY STATE NM
DESCRIPTION 298' FNL & 201' FWL

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. ±0.4 MILES, THENCE RIGHT (WEST) ON A PROPOSED ROAD ±1266 FEET TO A POINT ±316 FEET EAST 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.

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.



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

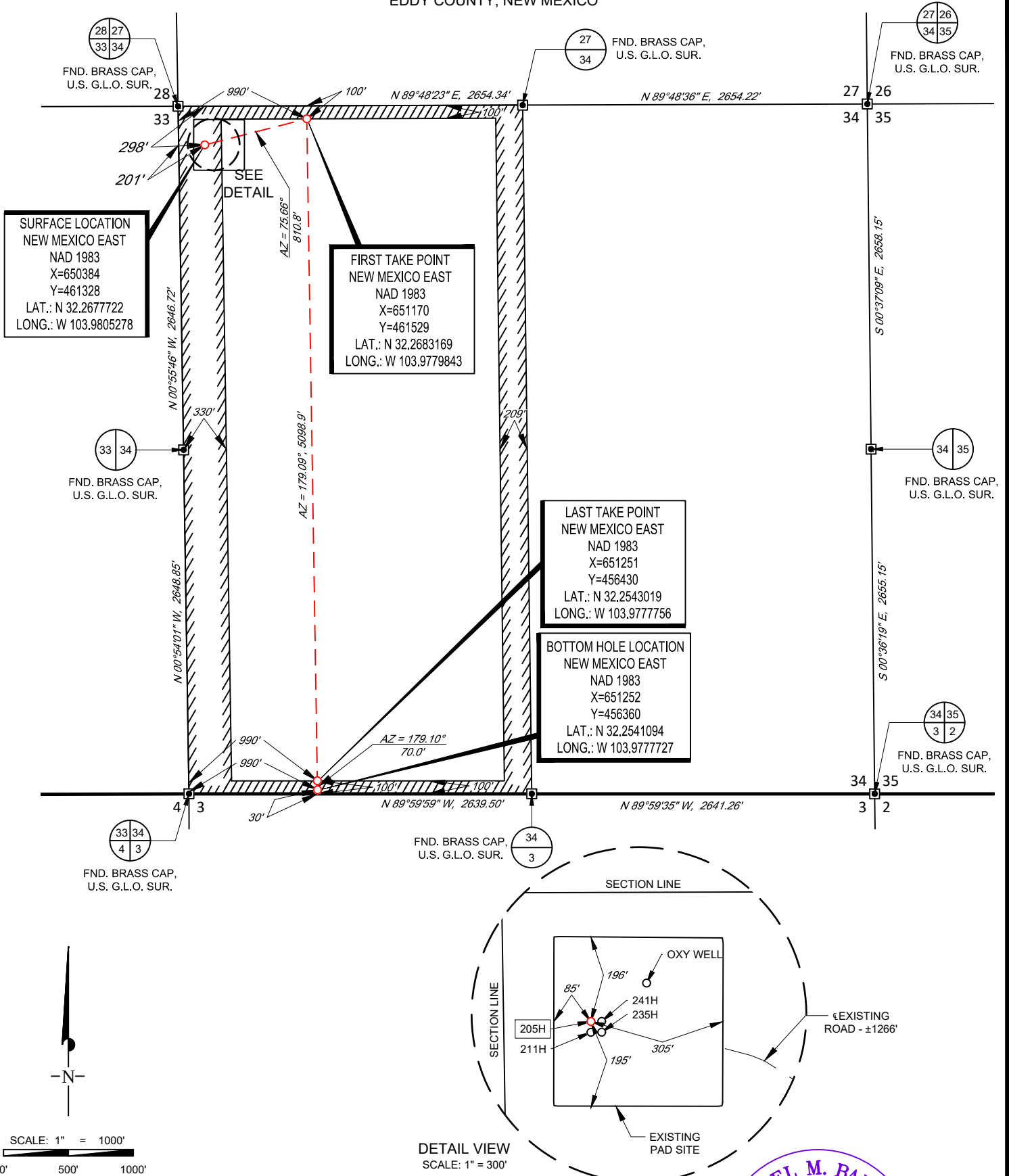


TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

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 205H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.
COUNTY EDDY STATE NM
DESCRIPTION 298' FNL & 201' FWL

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. ± 0.4 MILES, THENCE RIGHT (WEST) ON A PROPOSED ROAD ± 1266 FEET TO A POINT ± 316 FEET EAST 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, P.S. No. 11401

TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

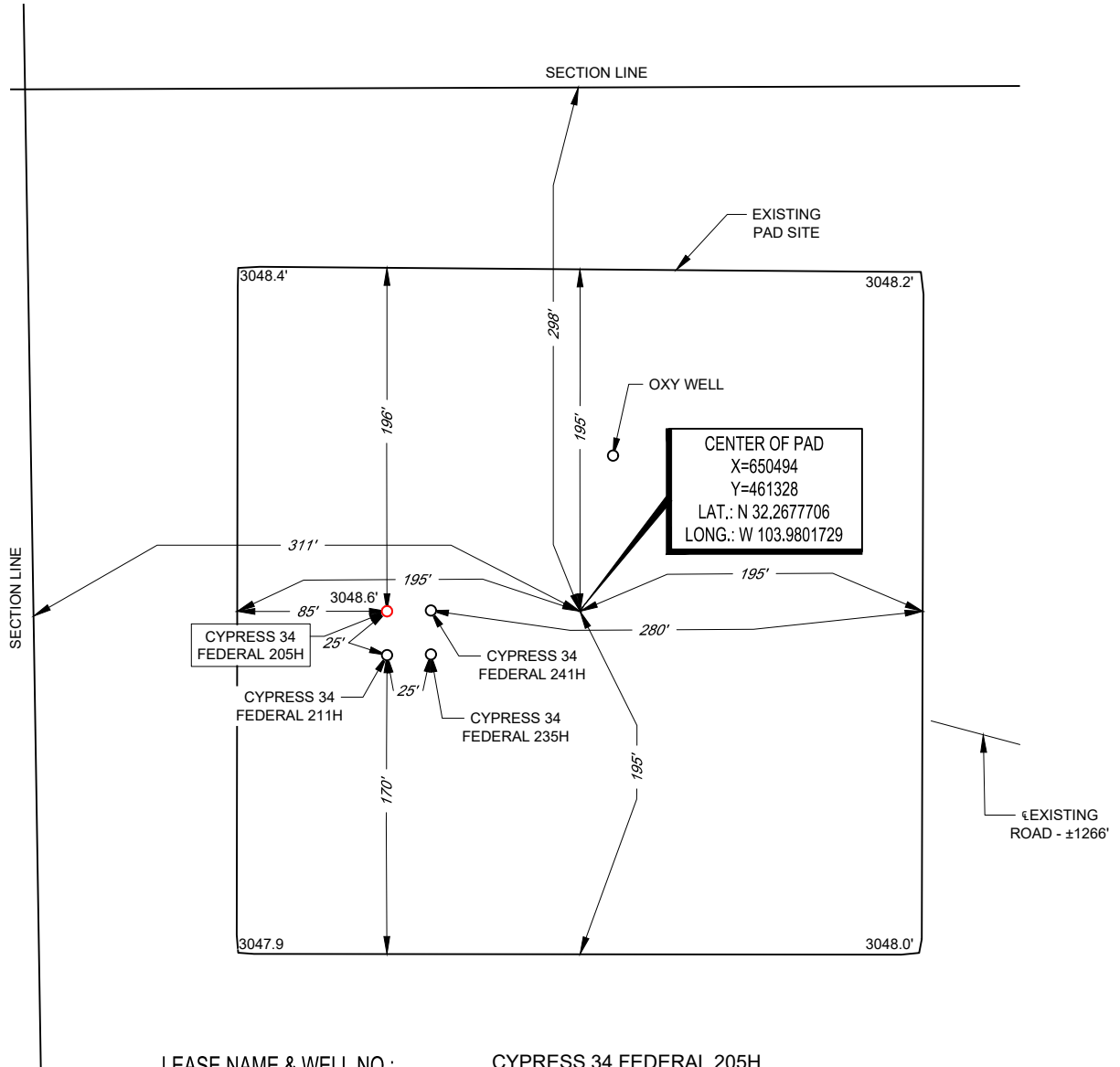
1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

EXHIBIT 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 205H
205H LATITUDE N 32.2677722 205H LONGITUDE W 103.9805278

CENTER OF PAD IS 298' FNL & 311' FWL



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. ONLY THE DATA SHOWN ABOVE IS BEING
CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED
TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. 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"

S:\SURVEY\TAPROCK\CYPRESS_34_23S29E3434_AREA\FINAL_PRODUCTS\LO_CYPRESS_34_FEDERAL_205H_REV3.DWG 8/24/2020 9:32:02 AM kmatheny



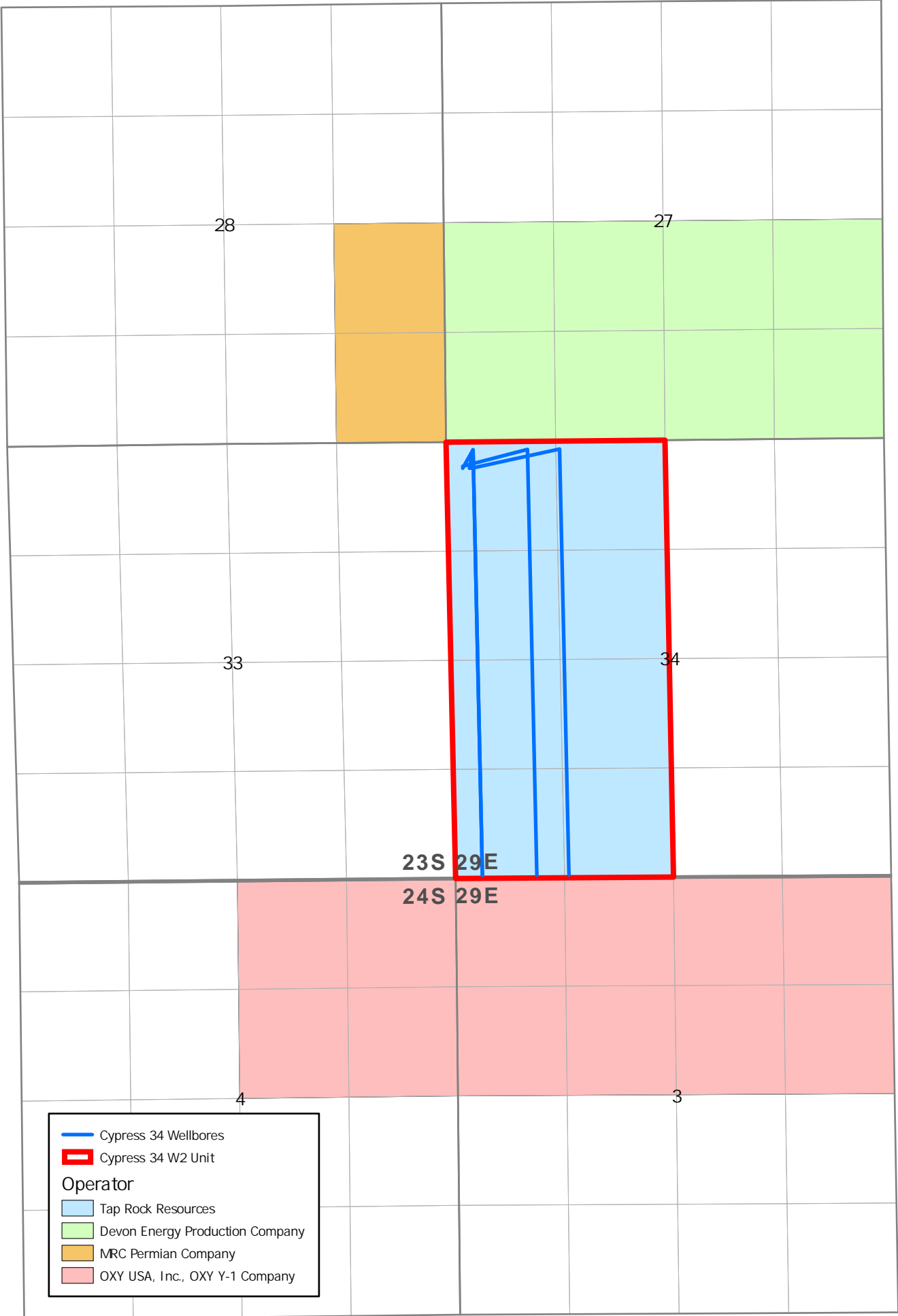


EXHIBIT B

Cypress 34 Federal #205H, #211H, #235H, #241H Offset Notice List

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

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

E/2SE/4 Section 28, Township 23 South, Range 29 East (Eddy County, NM)

MRC Permian Company
One Lincoln Centre
5400 LBJ Freeway, Ste. 1500
Dallas, TX 75240

**N/2 Section 3, Township 24 South, Range 29 East (Eddy County, NM)
NE/4 Section 4, Township 24 South, Range 29 East (Eddy County, NM)**

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

OXY Y-1 Company
P.O. Box 27570
Houston, TX 77227

EXHIBIT C



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

April 19, 2021

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 #205H 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

ParentID	Mail Date	Name	DeliveryAddress	City	ST	Zip	MailClass	TrackingNo	Well
31309	04/19/2021	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	9414811898765896705538	70352 - BLM Carlsbad Notice - 1
31309	04/19/2021	Devon Energy Production Company	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Certified with Return Receipt (Signature)	9414811898765896705408	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 1
31309	04/19/2021	MRC Permian Company	5400 Lbj Fwy Ste 1500 One Lincoln Centre	Dallas	TX	75240-1017	Certified with Return Receipt (Signature)	9414811898765896705484	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 2
31309	04/19/2021	OXY USA, Inc.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Certified with Return Receipt (Signature)	9414811898765896705514	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 3
31309	04/19/2021	OXY Y-1 Company	PO Box 27570	Houston	TX	77227-7570	Certified with Return Receipt (Signature)	9414811898765896705569	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 4
31309	04/19/2021	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	9414811898765896705590	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 5



April 12, 2021

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 #205H, #211H, #235H, #241H (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 blue ink, appearing to read "C Wood", written over the company name.

Conner Wood
Asset Manager and Reservoir Engineer

EXHIBIT D