

Approved

NSL

Order

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



October 4th, 2021

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8218

Tap Rock Operating, LLC [OGRID 372043]
Nailed It Federal Com Well No. 202H
API No. 30-015-46874

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	230 FSL & 1840 FWL	3	36	26S	30E	Eddy
First Take Point	100 FSL & 2178 FWL	3	36	26S	30E	Eddy
Last Take Point	2335 FSL & 2178 FWL	C	25	26S	30E	Eddy
Terminus	2465 FSL & 2178 FWL	C	25	26S	30E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 36 SW/4 of Section 25	289.2	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on September 16th, 2021.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

The affected tract concerning this well's completed interval is as close as 100 feet to the southern edge. The encroachment infringes toward the exterior state boundary line, which is not concerning of the correlative rights of all interested parties for this unorthodox location.

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. Public notice is not required as all affected parties are located exterior to the State's jurisdiction.

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Division understands you are seeking this unorthodox location as your preferred well spacing plan for horizontal wells within the Wolfcamp formation underlying W/2 of section 36 and the SW/4 of section 25. Thereby preventing waste.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per Subsection B of 19.15.15.13 NMAC, **Division approves this unorthodox location.**

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: State Land Office – Oil, Gas, and Minerals Division
Bureau of Land Management – Carlsbad Field Office