Approved

NSL

Order

State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst Cabinet Secretary Adrienne E. Sandoval, Director Oil Conservation Division

ORDERVATION ON BOT

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary

October 7th, 2021

Ms. Kaitlyn A. Luck kaluck@holllandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8220

Tap Rock Operating, LLC [OGRID 372043] Nailed It Federal Com Well NO. 211H API No. 30-015-46855

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	305 FSL & 279 FWL	4	36	26S	30E	Eddy
First Take Point	100 FSL & 331 FWL	4	36	26S	30E	Eddy
Last Take Point	2334 FSL & 331 FWL	L	25	26S	30E	Eddy
Terminus	2464 FSL & 331 FWL	L	25	26S	30E	Eddy

Proposed Horizontal Gas Units

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

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.



AES/lrl

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