

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



Mr. Adam Rankin
AGRankin@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8328

Tap Rock Operating, LLC [OGRID 372043]
Cypress 33 Federal Com Well No. 246H
API No. 30-015-47857

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 11 FNL & 1339 FEL | B | 33 | 23S | 29E | Eddy |
| First Take Point | 100 FNL & 1650 FEL | B | 33 | 23S | 29E | Eddy |
| Last Take Point | 100 FSL & 1650 FEL | O | 33 | 23S | 29E | Eddy |
| Terminus | 30 FSL & 1650 FEL | O | 33 | 23S | 29E | Eddy |

Proposed Horizontal Gas Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|-----------------------------|------------------|
| E/2 of Section 33 | 320 | Purple Sage; Wolfcamp (GAS) | 98220 |

Reference is made to your application received on February 8th, 2022.

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.

This well's completed interval is as close as 100 feet to the northern and 100 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tract.

Section 28, T23S, R29E, encroachment to the SE/4
Section 4, T24S, R29E, encroachment the NE/4

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.

Division understands you are seeking this unorthodox location to increase the effective lateral length thereby increasing ultimate recovery of reserves and preventing waste within the Wolfcamp formation underlying the E/2 of section 33.

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.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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

Date: 4/28/2022

AES/lrl