State of New Mexico Energy, Minerals and Natural Resources Department

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Mr. Michael Rodriguez mdrodriguez@taprk.com

NON-STANDARD LOCATION

Administrative Order NSL-8359

Tap Rock Operating, LLC [OGRID 372043] Cypress 33 Federal Com Well No. 231H API No. 30-015-47871

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	220 FNL & 421 FWL	D	33	23S	29E	Eddy
First Take Point	100 FNL & 331 FWL	D	33	23S	29E	Eddy
Last Take Point	100 FSL & 331 FWL	M	33	23S	29E	Eddy
Terminus	30 FSL & 331 FWL	M	33	23S	29E	Eddy

Proposed Horizontal Gas Units

Description	Acres	Pool	Pool Code
W/2 of section 33	320	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on May 11th, 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 southern edge. Encroachment will impact the following tract.

Section 28, encroachment to the SW/4 Section 4, 24S 29E, encroachment to the NW/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 lateral length of the well, increasing the ultimate recovery of reserves and thereby preventing waste within the Wolfcamp formation underlying the W/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.

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.

Date: 6/09/2022



AES/lrl