

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. Michael Rodriguez
mdrodriguez@taprk.com

NON-STANDARD LOCATION

Administrative Order NSL-8360

Tap Rock Operating, LLC [OGRID 372043]
Cypress 33 Federal Com Well No. 235H
API No. 30-015-47864

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 251 FNL & 1314 FWL | D | 33 | 23S | 29E | Eddy |
| First Take Point | 100 FNL & 1540 FWL | D | 33 | 23S | 29E | Eddy |
| Last Take Point | 100 FSL & 1540 FWL | N | 33 | 23S | 29E | Eddy |
| Terminus | 30 FSL & 1540 FWL | N | 33 | 23S | 29E | Eddy |

Proposed Horizontal Gas Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|-----------------------------|------------------|
| 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.



ADRIENNE E. SANDOVAL
Division Director

Date: 6/09/2022

AES/lrl