

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF TAP ROCK OPERATING, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO**

Case No. 21067

**APPLICATION OF TAP ROCK OPERATING, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO**

Case No. 21068

PRE-HEARING STATEMENT

TAP ROCK OPERATING, LLC ("Tap Rock") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

TAP ROCK OPERATING, LLC

APPLICANT'S ATTORNEYS:

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OPPONENT

None

STATEMENT OF THE CASE

Applicant Tap Rock Operating, LLC (Tap Rock) seeks an order approving compulsory pooling in Lea County, New Mexico, and proposes to drill the following wells in the proposed HSU:

Case No. 21067: *Application of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico.* Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Middle Bone Spring formation ([98288] WC-025 G-07 S243533G) in the 240-acre spacing unit comprised of the W/2 W/2 of Section 34, Township 24 South, Range 35 East, and the W/2 NW/4 of Section 3, Township 25 South, Range 35 East, in Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed **Mulva Fed Com #111H Well**, to be horizontally drilled from an approximate surface hole location 13' FSL and 760' FWL of Section 27-T24S-R35E, to an approximate bottom hole location 2638' FSL and 658' FWL of Section 3-T25S-R35E. The completed interval and first and last take points for the **Mulva Fed Com #111H Well** will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 10 miles northwest of Jal, New Mexico.

Case No. 21068: *Application of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico.* Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfbone formation ([98098] WC-025 G-09 S243532M) in a 240-acre spacing unit comprised of the W/2 W/2 of Section 34, Township 24 South, Range 35 East, and the W/2 NW/4 of Section 3, Township 25 South, Range 35 East, in Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed **Mulva**

Fed Com #131H Well, to be horizontally drilled from an approximate surface hole location 483' FSL and 656' FWL of Section 27-T24S-R35E, to an approximate bottom hole location 2638' FSL and 658' FWL of Section 3-T25S-R35E. The Mulva Fed Com #131H Well will be the defining well for this unit. Also to be drilled as infill wells are the **Mulva Fed Com #211H Well**, to be horizontally drilled from an approximate surface hole location 458' FSL and 655' FWL of Section 27-T24S-R35E, to an approximate bottom hole location 2638' FSL and 332' FWL of Section 3-T25S-R35E, and the **Mulva Fed Com #215H Well**, to be horizontally drilled from an approximate surface hole location 458' FSL and 680' FWL of Section 27-T24S-R35E, to an approximate bottom hole location 2638' FSL and 987' FWL of Section 3-T25S-R35E. The completed intervals and first and last take points for these wells will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The

Tap Rock Operating, LLC is owner of an interest in this proposed well.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Matthew Phillips, Land	20 min.	6
Adam Smith, Geologist	20 min.	4

PROCEDURAL MATTERS

These matters should be consolidated for purposes of hearing. Assuming no opposition by time of hearing, Tap Rock will present these matters by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, PA.

By: /s/Sharon T. Shaheen

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