

NSL Initial Application

RECEIVED: 09/16/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2126330794
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Tap Rock Operating, LLC **OGRID Number:** 372043
Well Name: Nailed It Fed Com #232H Well **API:** 30-015-46877
Pool: Purple Sage; Wolfcamp **Pool Code:** 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kaitlyn A. Luck

Print or Type Name

9/9/21

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address

Signature



Kaitlyn A. Luck
Phone (505) 954-7286
KALuck@hollandhart.com

September 9, 2021

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Nailed It Fed Com #232H Well in the SW/4 of Section 25 and W/2 of Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval of an unorthodox well location for its **Nailed It Fed Com #232H Well** (API No. 30-015-46877) to be completed within the Purple Sage; Wolfcamp Pool (98220) underlying the SW/4 of Section 25 and W/2 of Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

This well is to be drilled at the following location:

- Surface location: 205 feet from the south line and 1,970 feet from the west line (Lot 3) of Section 36;
- Bottom hole location: 2,465 feet from the south line and 2,430 feet from the west line (Unit K) of Section 25;
- First take point: 100 feet from the south line and 2,430 feet from the west line (Lot 3) of Section 36;
- Last take point: 2,335 feet from the south line and 2,30 feet from the west line (Unit K) of Section 25.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool, which provide for wells in the Wolfcamp formation in Eddy County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the **Nailed It Fed Com #232H Well** will be unorthodox because it is closer than 330 feet to the southern and eastern boundaries of the horizontal spacing unit. Approval of the unorthodox completed interval will allow Tap Rock to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Nailed It Fed Com #232H Well** encroaches on the spacing unit to the east in the SE/4 of Section 25 and E/2 of Section 36, and to the south in Section 2, Block 56, Township 1 North, Loving County, Texas

Exhibit B is a land plat that shows the proposed **Nailed It Fed Com #232H Well** in relation to the adjoining spacing units to the east in the E/2 of Sections 25 and 36, and to the south, in Texas.

Ownership is diverse between the subject spacing unit and the affected spacing unit to the east and to the south in Texas. **Exhibit C** includes the tracking information that reflects the “affected parties” were sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected parties:

Type	Affected Party	Location	Date Sent
Overriding Royalty Interest Owner	Tap Rock Minerals, LP	SE/4 of Section 25	N/A
Overriding Royalty Interest Owner	Randall S. Cate	NE/4 and Lot 1 of Section 36	9/3/21
Overriding Royalty Interest Owner	Patrick J. Tower	NE/4 and Lot 1 of Section 36	9/3/21
Overriding Royalty Interest Owner	Chevron USA, Inc.	Lot 2 of Section 36	9/3/21
Operator	WPX Energy Permian, LLC 3500 One Williams Center Tulsa, OK 74172	N/2 Section 2, Blk. 56, Township 1 North (Loving County, Texas)	9/3/21

Exhibit D is a statement from Tap Rock’s petroleum engineer confirming that Tap Rock’s requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Kaitlyn A. Luck", written over a horizontal line.

Kaitlyn A. Luck

ATTORNEY FOR TAP ROCK OPERATING, LLC

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name NAILED IT FED COM			⁶ Well Number 232H
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3018'

¹⁰Surface Location

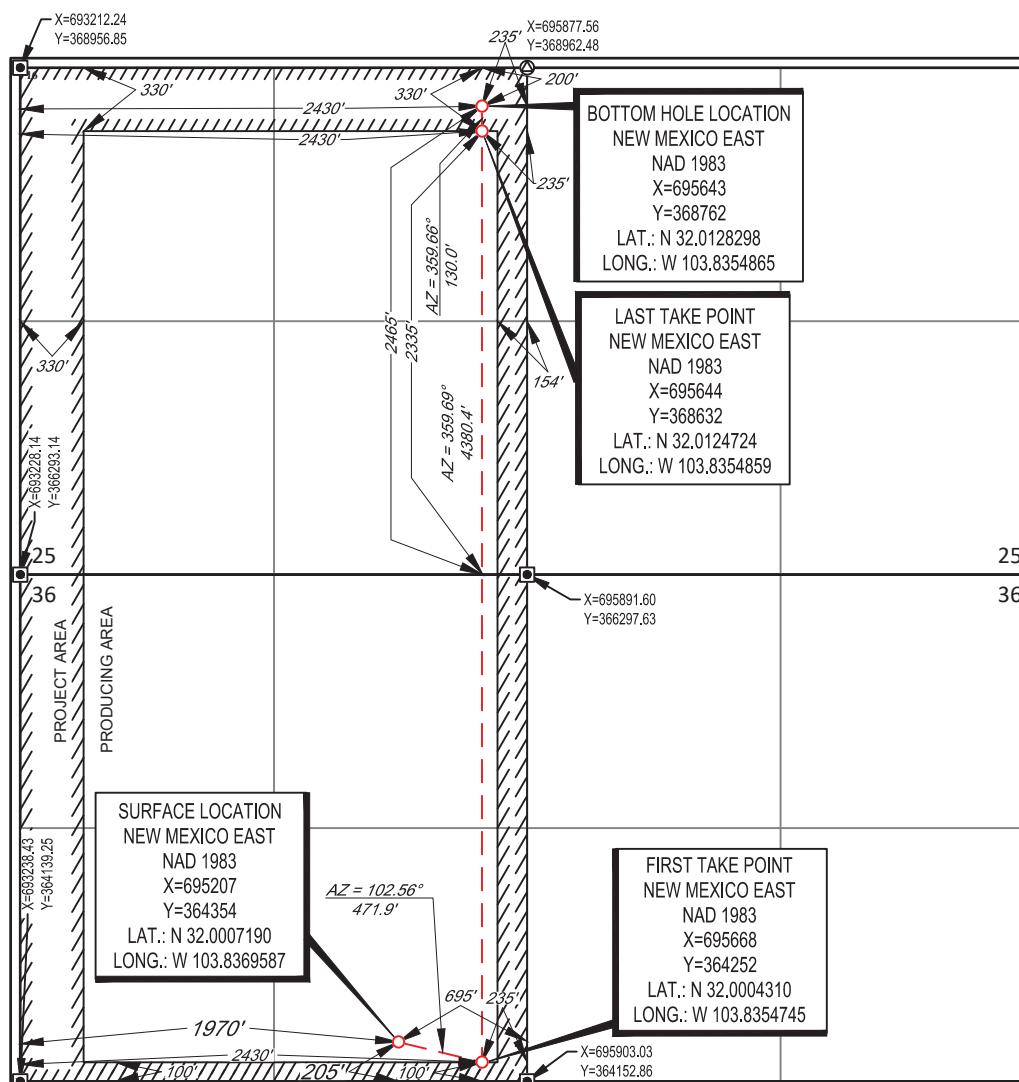
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	36	26-S	30-E	-	205'	SOUTH	1970'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	25	26-S	30-E	-	2465'	SOUTH	2430'	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

02/06/2021
Date of Survey
Signature and Seal of Professional Surveyor

ANGEL M. BAEZA
25116
PROFESSIONAL SURVEYOR
Certificate Number

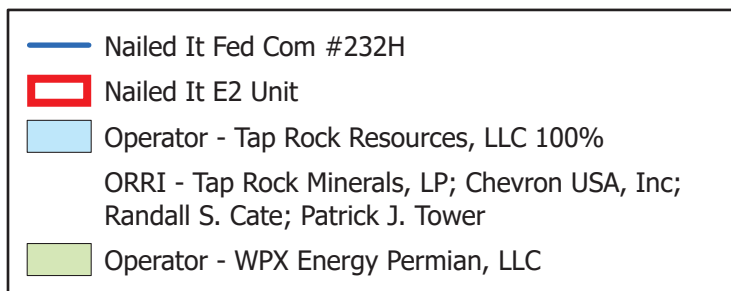
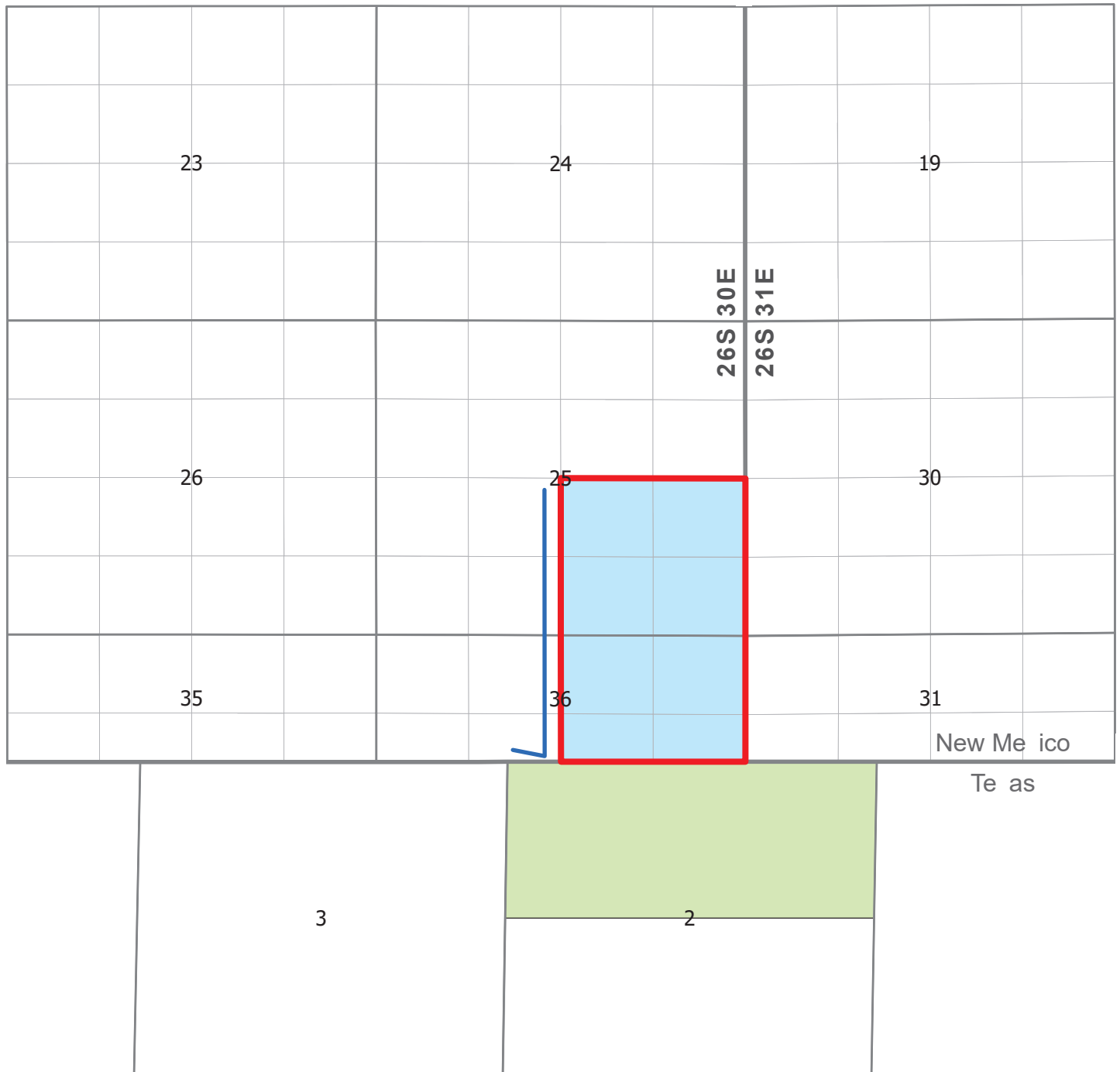


EXHIBIT B

Nailed It Fed Com #232H NSL Notice List

SE/4 Section 25, Township 26 South, Range 30 East, Eddy County, NM

Tap Rock Minerals, LP
523 Park Point Dr., Suite 200
Golden, CO 80401

NE/4 and Lot 1 Section 36, Township 26 South, Range 30 East, Eddy County, NM

Randall S. Cate
P.O. Box 8329
Horseshoe Bay, TX 78657

Patrick J. Tower
1904 Western Dr.
Midland, TX 79705

Lot 2 Section 36, Township 26 South, Range 30 East, Eddy County, NM

Chevron USA, Inc.
6301 Deauville Blvd.
Midland, TX 79706

N/2 Section 2, Block 56, Township 1 North, Loving County, TX

WPX Energy Permian, LLC
3500 One Williams Center
Tulsa, OK 74172

EXHIBIT C



Kaitlyn A. Luck
Associate
Phone (505) 954-7286
KALuck@hollandhart.com

September 9, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Nailed It Fed Com #232H Well in the SW/4 of Section 25 and W/2 of Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Matt Phillips
Tap Rock Resources
(720) 459-3724
mphillips@taprk.com

Sincerely,

A handwritten signature in dark ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC

Parent ID	Mail Date	Company	DeliveryAddress	City	ST	Zip	MailClass	TrackingNo	Well
31309	09/09/2021	Tap Rock Minerals, LP	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Certified with Return Receipt (Signature)	9414811898765806250561	70994 - Tap Rock -Nailed It 232H Notice List - 1
31309	09/09/2021	Randall S. Cate	PO Box 8329	Horseshoe Bay	TX	78657-8329	Certified with Return Receipt (Signature)	9414811898765806250523	70994 - Tap Rock -Nailed It 232H Notice List - 2
31309	09/09/2021	Patrick J. Tower	1904 Western Dr	Midland	TX	79705-8753	Certified with Return Receipt (Signature)	9414811898765806250592	70994 - Tap Rock -Nailed It 232H Notice List - 3
31309	09/09/2021	Chevron USA, Inc.	6301 Deauville	Midland	TX	79706-2964	Certified with Return Receipt (Signature)	9414811898765806250547	70994 - Tap Rock -Nailed It 232H Notice List - 4
31309	09/09/2021	WPX Energy Permian, LLC	3500 One Williams Ctr	Tulsa	OK	74172-0135	Certified with Return Receipt (Signature)	9414811898765806250530	70994 - Tap Rock -Nailed It 232H Notice List - 5

TAP ROCK OPERATING

523 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401

CONNER WOOD

VICE PRESIDENT - ASSETS

CWOOD@TAPRK.COM



August 25, 2021

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Non-Standard Location Request
Nailed It Fed Com #232H (the "Well")

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") hereby requests administrative approval of a non-standard location for the Wells referenced above by decreasing the first take point from 330 feet to 100 feet from the horizontal plane outer boundary and locating the wellbore inside of the 330 foot setback on the eastern boundary of the spacing unit. The Well is located in the Purple Sage – Wolfcamp Gas Pool (Pool Code 98220). It is Tap Rock's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. Decreasing the first take point will increase the Wells effective lateral length by 230 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

TAP ROCK OPERATING, LLC

A handwritten signature in black ink, appearing to read "Conner Wood".

Conner Wood
Vice President - Assets

EXHIBIT D

From: [Matt Phillips](#)
To: [Lowe, Leonard, EMNRD](#)
Subject: [EXTERNAL] Nailed It Fed Com NSL Applications - Section 25, T26S, R30E, Eddy County Acreage Calculations
Date: Thursday, September 23, 2021 12:02:50 PM
Attachments: [image001.png](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Leonard,

Thank you for reaching out. As discussed in our telephone conversation, below please find the acreage calculations for the each quarter of the captioned section:

- NW/4 Section 25, T26S, R30E – 162.9234177 acres
- NE/4 Section 25, T26S, R30E – 162.4924041 acres
- SW/4 Section 25, T26S, R30E – 162.5394009 acres
- SE/4 Section 25, T26S, R30E – 162.7823568 acres

The total acreage for Section 25 is 650.7375795 acres which explains the discrepancy from the “standard” one mile footage measurements on each of the Nailed It Fed Com Wolfcamp wells in your queue for administrative approval.

Should you require additional information or have any further questions on the matter, please do not hesitate to contact me by phone or email.

Thank you,

Matthew C. Phillips
Land Manager
Direct: (720) 459-3724
Cell: (432) 553-3272
mphillips@taprk.com



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1625 N. French Dr., Hobbs, NM 88240
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Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 49000

CONDITIONS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 49000
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	9/16/2021