Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:

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: _____ **OGRID Number:** _____
Well Name: _____ **API:** _____
Pool: _____ **Pool Code:** _____

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

FOR OCD ONLY
☐ Notice Complete
☐ Application Content Complete

2) **NOTIFICATION REQUIRED TO:** Check those which apply.
   A. ☐ Offset operators or lease holders
   B. ☐ Royalty, overriding royalty owners, revenue owners
   C. ☐ Application requires published notice
   D. ☐ Notification and/or concurrent approval by SLO
   E. ☐ Notification and/or concurrent approval by BLM
   F. ☐ Surface owner
   G. ☐ For all of the above, proof of notification or publication is attached, and/or,
   H. ☐ No notice required

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.

_____ Date

_____ Print or Type Name

_____ Phone Number

_____ Signature

_____ e-mail Address

HOLLAND&HART LLP

Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRankin@hollandhart.com

February 4, 2022

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 to surface commingle (pool and lease commingle) oil and gas production at the Apollo W/2E/2 and Apollo E/2E/2 Central Tank Batteries each located in the SE/4 of Section 21, Township 24 South, Range 33 East, and to add additional wells.

Dear Ms. Sandoval:

Tap Rock Operating, LLC (OGRID No. 372043), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease commingle) diversely owned oil and gas production at the **Apollo W/2E/2 and Apollo E/2E/2 Central Tank Batteries** *in all existing and future infill wells drilled in the following spacing units*:

(a) The 640-acre spacing unit comprised of the E/2 of Sections 16 and 21 in the WC-025 G-09 S243310P; Upper Wolfcamp; (98135). The spacing unit is currently dedicated to the following horizontal wells: the **Apollo State Com #136H Well** (API. No. 30-025-48647), **Apollo State Com #203H Well** (API. No. 30-025-48630), **Apollo State Com #223H Well** (API. No. 30-025-48639), **Apollo State Com #206H Well** (API. No. 30-025-48633), **Apollo State Com #212H Well** (API. No. 30-025-48635), **Apollo State Com #134H Well** (API. No. 30-025-48645), **Apollo State Com #214H Well** (API. No. 30-025-48636), **Apollo State Com #204H Well** (API. No. 30-025-48631);

(b) The 640-acre spacing unit comprised of the E/2 of Sections 16 and 21 in the Triple X; Bone Spring, West; (96674). The spacing unit is currently dedicated to the following horizontal wells: the **Apollo State Com #103H Well** (API. No. 30-025-48642), **Apollo State Com #104H Well** (API. No. 30-025-48643), **Apollo State Com #143H Well** (API. No. 30-025-48650), **Apollo State Com #144H Well** (API. No. 30-025-48651), **Apollo State Com #173H Well** (API. No. 30-025-48658), **Apollo State Com #174H Well** (API. No. 30-025-48659), **Apollo State Com #183H Well** (API. No. 30-025-48660), **Apollo State Com #184H Well** (API. No. 30-025-48661), **Apollo State Com #153H Well** (API. No. 30-025-48654), **Apollo State Com #154H Well** (API. No. 30-025-48655); and

(c) Pursuant to 19.15.12.10.C(4)(g), *future WC-025 G-09 S243310P; Upper Wolfcamp; (98135) and Triple X; Bone Spring, West; (96674) spacing units within the E/2 of Sections 16 and 21 connected to the Apollo W/2E/2 and Apollo E/2E/2 Central Tank Batteries* with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the *Apollo W/2E/2 and Apollo E/2E/2 Central Tank Batteries located in the SE/4 of Section 21*. Each well will have its own test separator and production will be separately metered with a Coriolis flow meter for oil and orifice meter for gas manufactured to AGA specifications.

Exhibit 1 hereto is a completed Application for Surface Commingling (Diverse Ownership) Form C-107B, that includes a statement from Jeff Trlica, Regulatory Analyst with Tap Rock, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities and referenced gas samples.

Exhibit 2 is an order by the Oil Conservation Division and a certificate of approval from the Commissioner of Public Lands, State of New Mexico, approving the Jackson Unit Area (consisting of Sections 15, 16, 21, and 22, Township 24 South, Range 33 East). Also included is a corresponding consent and ratification for the relevant Unit Operating Agreement.

Exhibit 3 is a list of wells and corresponding plat with lease boundaries showing well locations.

Ownership is diverse between the above-described spacing units. **Exhibit 4** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,

Adam G. Rankin
ATTORNEY FOR
TAP ROCK OPERATING, LLC

Exhibit 1

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised August 1, 2011

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Tap Rock Operating
OPERATOR ADDRESS: 523 Park Point Dr. Suite 200. Golden, CO 80401
APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See Attached					

(2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: _____ TITLE: Regulatory Analyst DATE: 1/26/2022

TYPE OR PRINT NAME Jeff Trlica TELEPHONE NO.: 720-772-5910

E-MAIL ADDRESS: jtrlica@taprk.com

TAP ROCK RESOURCES, LLC 523 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401

January 26, 2022

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Tap Rock Operating, LLC for administrative approval to surface commingle (pool and lease commingle) oil and gas production from the spacing units comprised of E/2 Section 16, E/2 Section 21, Township 24S, Range 33E Lea County, New Mexico (the "Lands")

To Whom This May Concern,

Tap Rock Operating, LLC ("Tap Rock"), OGRID No. 372043, requests to commingle current oil and gas production from eighteen (18) distinct wells located on the Lands and future production from the Lands as described herein. The wells will be metered through individual liquid coriolis flow meters for oil and orifice meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and orifice meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations. We have attached a sample gas analysis from the one producing well on the Lands at **Exhibit B**. (If available)

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an orifice meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other well's metered gas. The gathering line is then metered by another orifice meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter is tested and calibrated in accordance with industry specifications and

volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

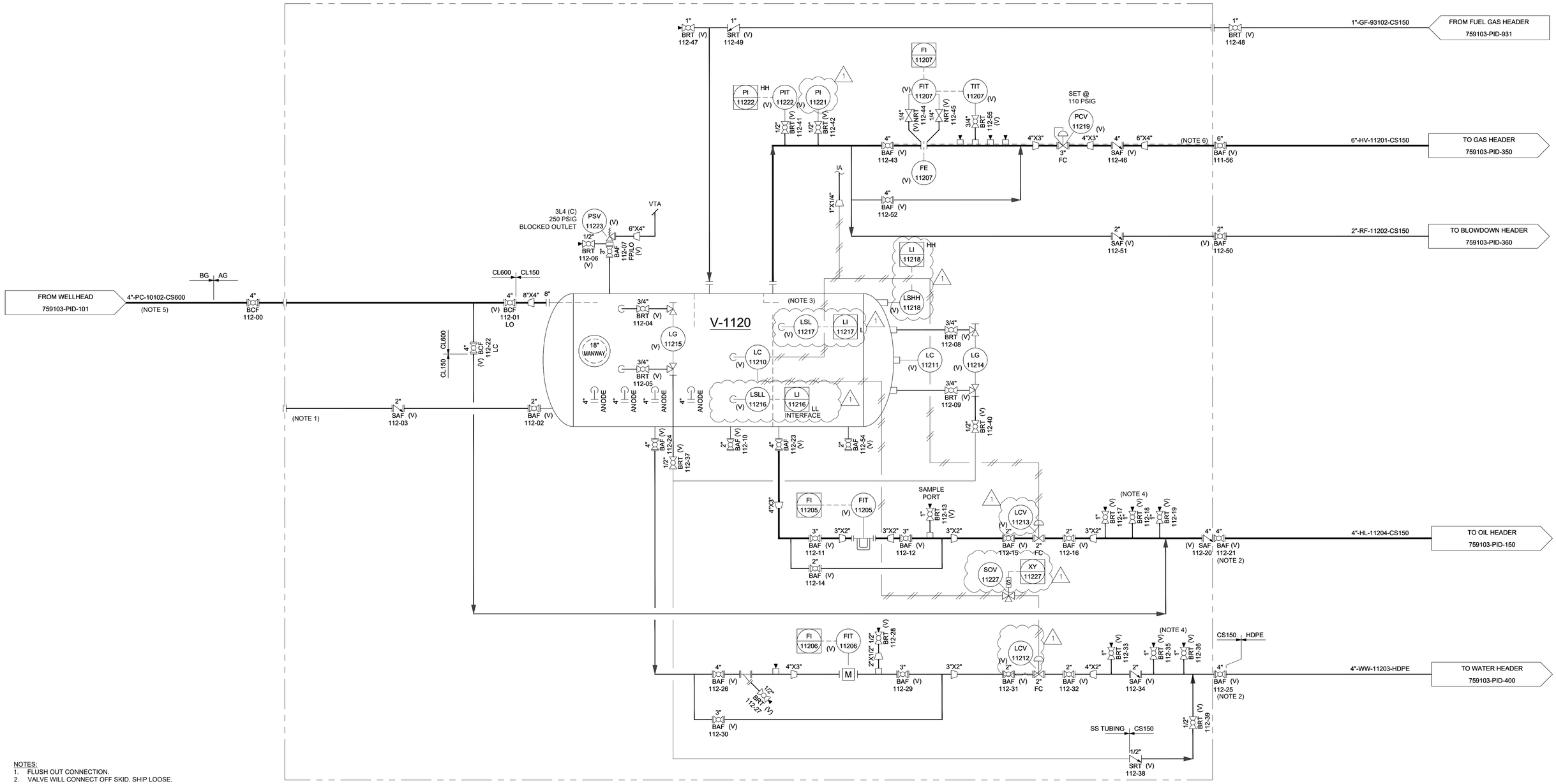
Regards,

TAP ROCK OPERATING, LLC

Jeff Trlica
Regulatory Analyst

V-1120
INLET SEPARATOR

DESIGN: 250 PSIG @ -20/200°F
SIZE: 48"OD X 20' S/S



NOTES:
1. FLUSH OUT CONNECTION.
2. VALVE WILL CONNECT OFF SKID. SHIP LOOSE.
3. INTERNALLY COAT VESSEL.
4. SAMPLE PORT AND INJECTION PORT TO HAVE QUILLS INTO PIPE.
5. USE CUSHION TEES AT CHANGES IN DIRECTION. USE SWEEPS OR 8D ELBOWS BELOW GRADE.
6. HEAT TRACE FROM BAF-112-43 TO BAF-112-56.

REFERENCED DRAWINGS

DRAWING NUMBER	TITLE
–	–

DRAWING REVISIONS

REV	DESCRIPTION	BY	CHK	APVD	DATE
0	ISSUED FOR CONSTRUCTION	COO	DSE	GBH	07/26/21
1	ISSUED FOR CONSTRUCTION	JAK	PSW	DM	09/07/21

ZAP ENGINEERING & CONSTRUCTION SERVICES, INC.

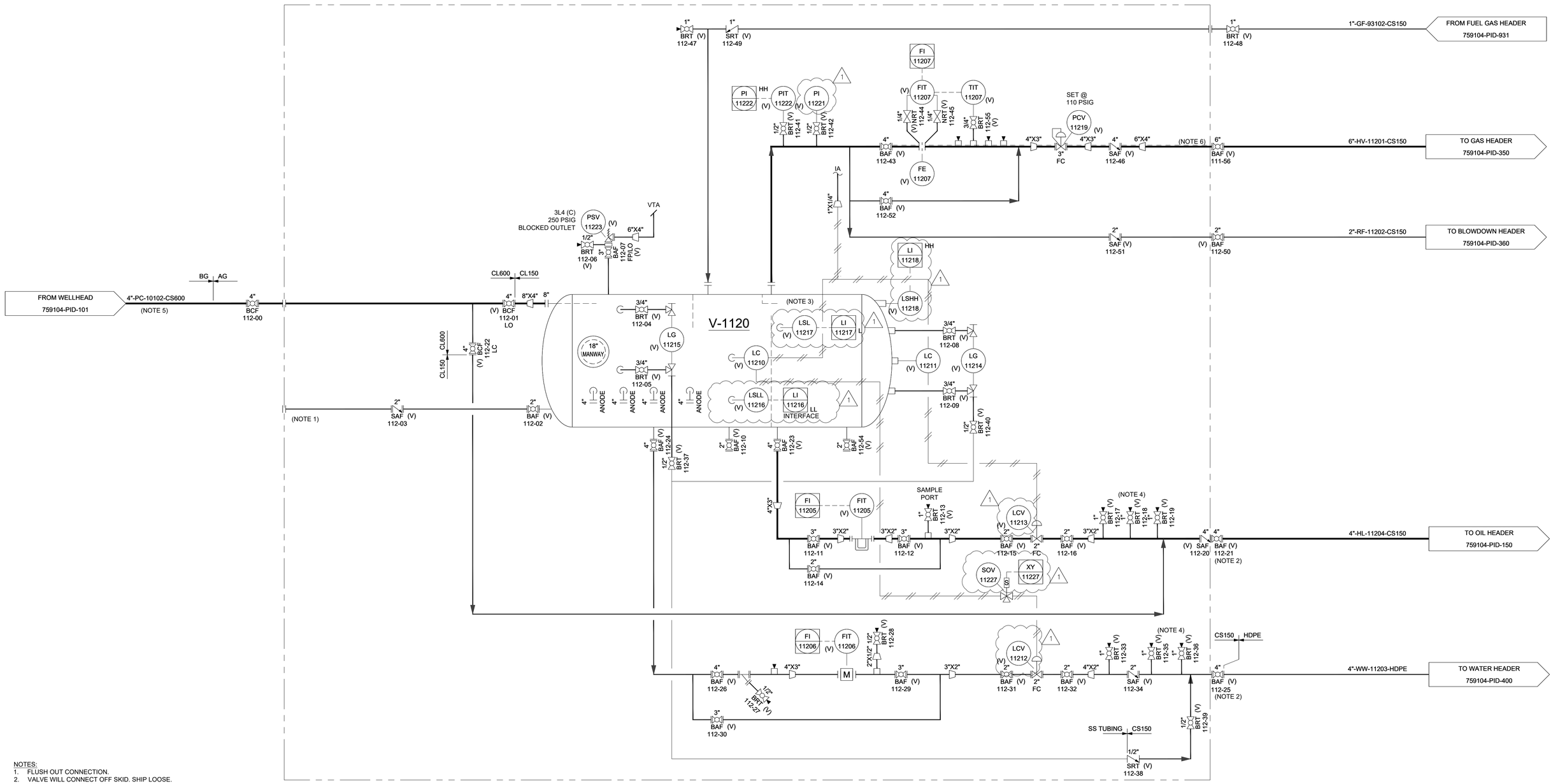
TAP ROCK RESOURCES

WELLPAD APOLLO C
PIPING & INSTRUMENTATION DIAGRAM
INLET SEPARATOR
–

JOB NO: 21126
DRAWING NO: 759103-PID-112
REV: 1
PLOT SIZE:
SCALE:

V-1120
INLET SEPARATOR

DESIGN: 250 PSIG @ -20/200°F
SIZE: 48"OD X 20' S/S



NOTES:
1. FLUSH OUT CONNECTION.
2. VALVE WILL CONNECT OFF SKID. SHIP LOOSE.
3. INTERNALLY COAT VESSEL.
4. SAMPLE PORT AND INJECTION PORT TO HAVE QUILLS INTO PIPE.
5. USE CUSHION TEES AT CHANGES IN DIRECTION. USE SWEEPS OR 8D ELBOWS BELOW GRADE.
6. HEAT TRACE FROM BAF-112-43 TO BAF-112-56.

REFERENCED DRAWINGS

DRAWING NUMBER	TITLE
–	–

DRAWING REVISIONS

REV	DESCRIPTION	BY	CHK	APVD	DATE
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1	ISSUED FOR CONSTRUCTION	JAK	PSW	DM	09/07/21

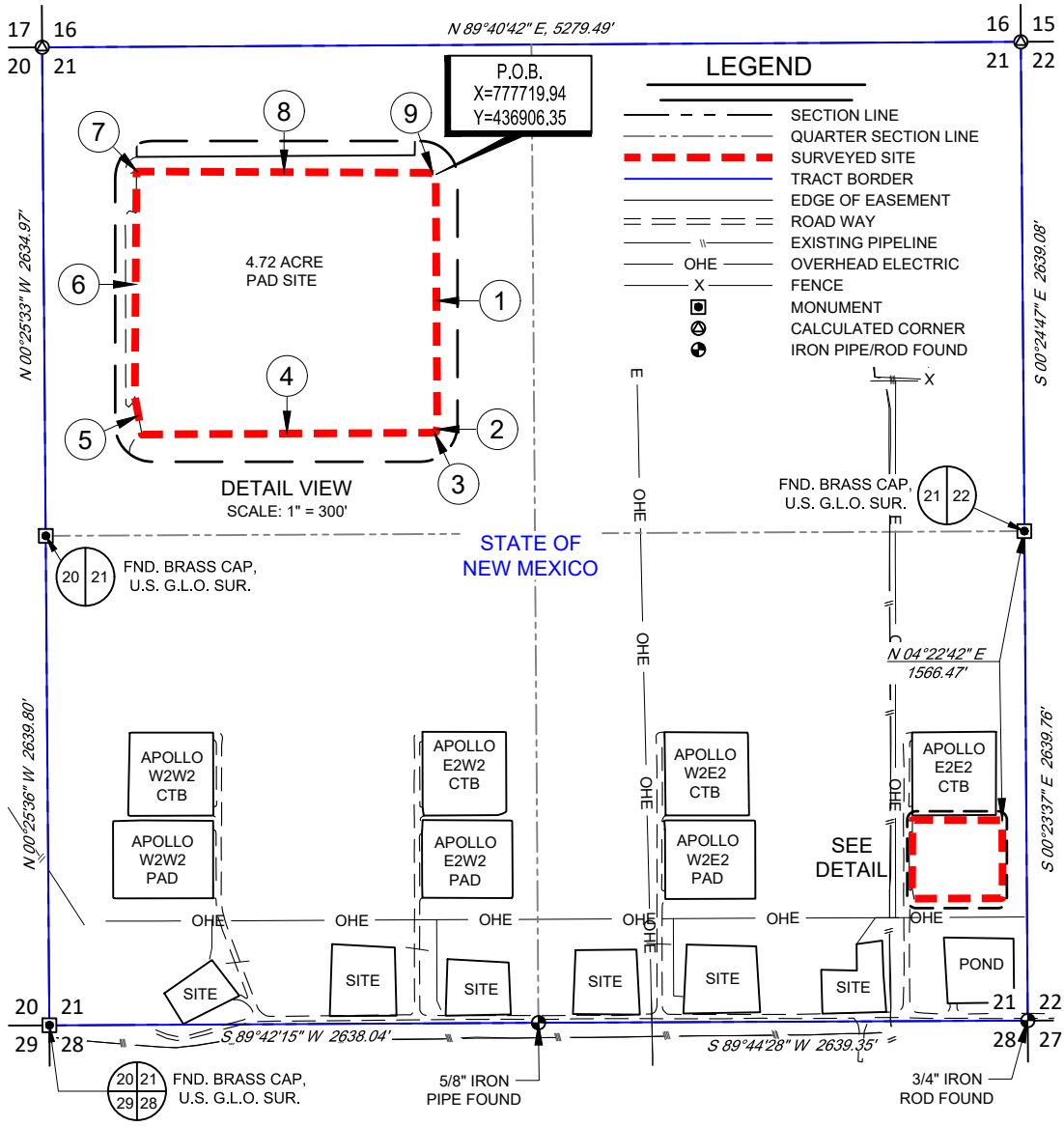
ZAP ENGINEERING & CONSTRUCTION SERVICES, INC.

TAP ROCK RESOURCES

WELLPAD APOLLO D
PIPING & INSTRUMENTATION DIAGRAM
INLET SEPARATOR
–

JOB NO: 21126
DRAWING NO: 759104-PID-112
REV: 1
PLOT SIZE:
SCALE:

SECTION 21, TOWNSHIP 24-S, RANGE 33-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



APOLLO STATE COM E2E2 FACILITY PAD AS-BUILT

Metes and Bounds Description of an as-built 4.72 acre surface pad located in Section 21, Township 24 South, Range 33 East, N.M.P.M., in Lea County, New Mexico.

BEGINNING at the Northeast corner of this site, whence a brass cap found for the East Quarter corner of said Section 21, bears: N 04°22'42" E, a distance of 1,566.47 feet;

Thence S 00°19'16" E, a distance of 408.30 feet to an exterior ell corner on the East side of this site;

Thence S 10°10'00" W, a distance of 8.23 feet to the Southeast corner of this site;

Thence S 80°00'37" W, a distance of 7.23 feet to an exterior ell corner on the South side of this site;

Thence S 89°39'28" W, a distance of 469.12 feet to the Southwest corner of this site;

Thence N 10°37'09" W, a distance of 62.23 feet to an exterior ell corner on the West side of this site;

Thence N 00°24'40" E, a distance of 363.14 feet to the Northwest corner of this site;

Thence N 72°10'46" E, a distance of 3.24 feet to an exterior ell corner on the North side of this site;

Thence S 89°44'51" E, a distance of 471.52 feet to an exterior ell corner on the North side of this site;

Thence S 73°59'42" E, a distance of 10.04 feet to the Point of Beginning.

LINE TABLE

LINE	BEARING	DISTANCE
1	S 00°19'16" E	408.30'
2	S 10°10'00" W	8.23'
3	S 80°00'37" W	7.23'
4	S 89°39'28" W	469.12'
5	N 10°37'09" W	62.23'
6	N 00°24'40" E	363.14'
7	N 72°10'46" E	3.24'
8	S 89°44'51" E	471.52'
9	S 73°59'42" E	10.04'

TOPOGRAPHIC
LOYALTY INNOVATION LEGACY
1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2903 N BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

RAMON A. DOMINGUEZ NEW MEXICO 24508 PROFESSIONAL SURVEYOR

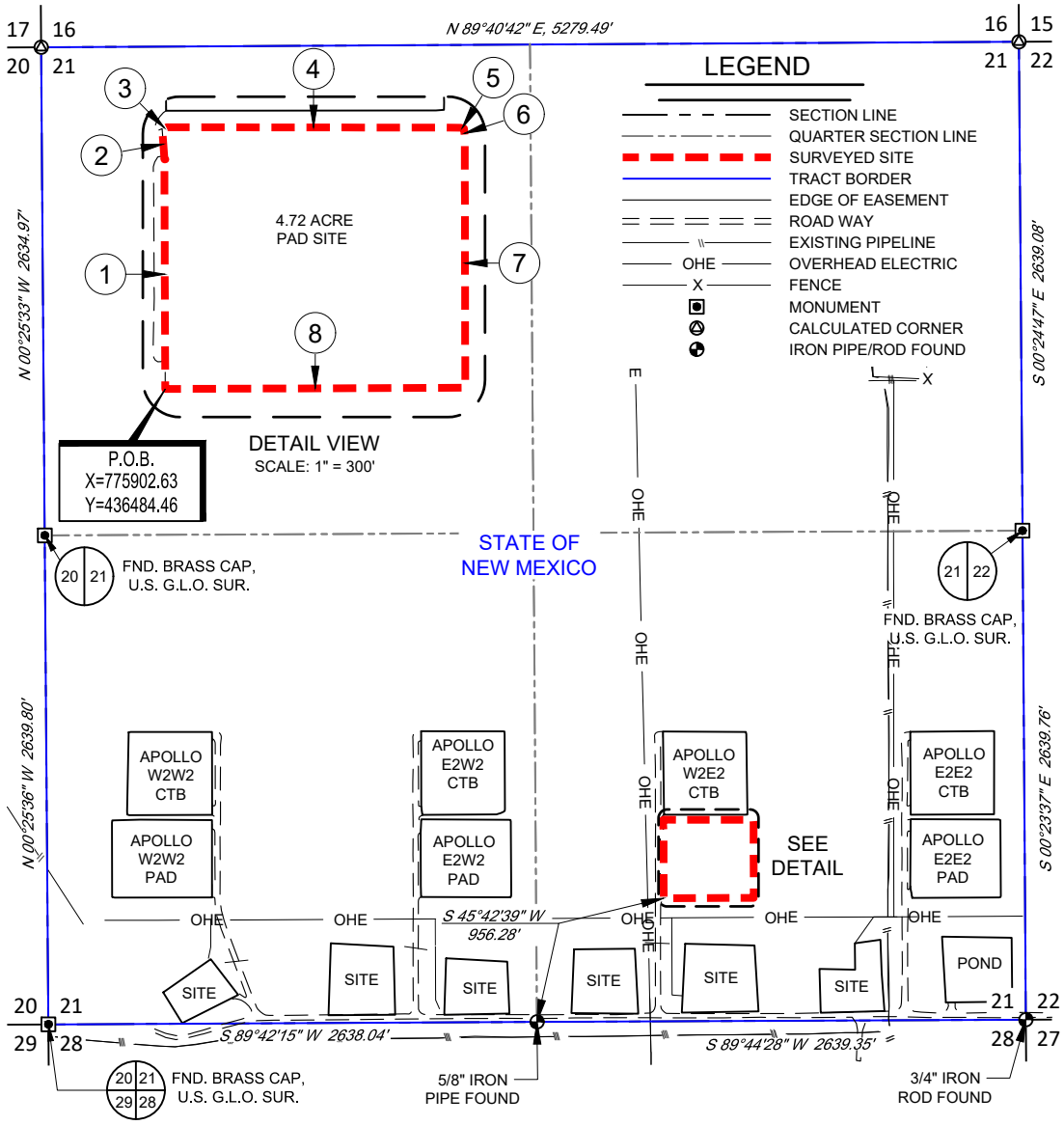
Ramon A. Dominguez, P.S. No. 24508
July 12, 2021

APOLLO STATE COM E2E2 FACILITY PAD AS-BUILT	REVISION: INT	DATE
DATE: 07/12/21		
FILE: BO_APOLLO_E2E2_FACILITY_PAD_AB		
DRAWN BY: IMU		
SHEET : 1 OF 1		

NOTES:
1. ORIGINAL DOCUMENT SIZE: 8.5" X 11"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY TAP ROCK OPERATING, LLC. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
5. E.O.L./P.O.E. = END OF LINE/POINT OF EXIT

S:\SURVEY\TAPROCK\APOLLO_UNIT\FINAL_PRODUCTS\BO_APOLLO_E2E2_FACILITY_PAD_AB.DWG 7/14/2021 1:13:04 PM kmatheny

SECTION 21, TOWNSHIP 24-S, RANGE 33-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



APOLLO STATE COM W2E2 FACILITY PAD AS-BUILT

Metes and Bounds Description of an as-built 4.72 acre facility pad located in Section 21, Township 24 South, Range 33 East, N.M.P.M., in Lea County, New Mexico.

BEGINNING at the Southwest corner of this site, whence a 2" iron pipe found for the South quarter corner of said Section 21, bears:
S 45°42'39" W, a distance of 956.28 feet;

Thence N 00°12'56" W, a distance of 371.77 feet to an exterior ell corner on the West side of this site;

Thence N 04°07'47" W, a distance of 49.81 feet to the Northwest corner of this site;

Thence N 71°51'37" E, a distance of 7.61 feet to an exterior ell corner on the North side of this site;

Thence S 89°54'44" E, a distance of 475.55 feet to an exterior ell corner on the North side of this site;

Thence S 77°02'47" E, a distance of 5.97 feet to the Northeast corner of this site;

Thence S 04°15'30" E, a distance of 16.08 feet to an exterior ell corner on the East side of this site;

Thence S 00°07'09" E, a distance of 403.73 feet to the Southeast corner of this site;

Thence S 89°45'57" W, a distance of 485.66 feet to the Point of Beginning.

LINE TABLE

LINE	BEARING	DISTANCE
1	N 00°12'56" W	371.77'
2	N 04°07'47" W	49.81'
3	N 71°51'37" E	7.61'
4	S 89°54'44" E	475.55'
5	S 77°02'47" E	5.97'
6	S 04°15'30" E	16.08'
7	S 00°07'09" E	403.73'
8	S 89°45'57" W	485.66'

RAMON A. DOMINGUEZ
NEW MEXICO
24508
PROFESSIONAL SURVEYOR

Ramon A. Dominguez, P.S. No. 24508
July 12, 2021

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WWW.TOPOGRAPHIC.COM

TAP ROCK

APOLLO STATE COM W2E2 FACILITY PAD AS-BUILT	REVISION:	
	INT	DATE
DATE: 07/12/21		
FILE: BO_APOLLO_W2E2_FACILITY_PAD_AB		
DRAWN BY: IMU		
SHEET : 1 OF 1		

NOTES:
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3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY TAP ROCK OPERATING, LLC. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
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S:\SURVEY\TAPROCK\APOLLO_UNIT\FINAL_PRODUCTS\BO_APOLLO_W2E2_FACILITY_PAD_AB.DWG 7/14/2021 1:14:46 PM kmatheny

November 22, 2021

FESCO, Ltd.
1100 Fesco Ave. - Alice, Texas 78332

For: Tap Rock Operating LLC
523 Park Point Drive, Suite 200
Golden, Colorado 80401

Sample: Apollo State Com No. 132H
First Stage Separator
Spot Gas Sample @ 255 psig & 123 °F

Date Sampled: 11/10/2021 Job Number: 213091.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	1.178	
Carbon Dioxide	0.112	
Methane	66.667	
Ethane	11.725	3.221
Propane	6.542	1.851
Isobutane	1.159	0.390
n-Butane	3.214	1.041
2-2 Dimethylpropane	0.010	0.004
Isopentane	1.477	0.555
n-Pentane	2.140	0.797
Hexanes	2.404	1.017
Heptanes Plus	3.372	1.395
Totals	100.000	10.270

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity	3.330	(Air=1)
Molecular Weight	95.76	
Gross Heating Value	5175	BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity	0.972	(Air=1)
Compressibility (Z)	0.9929	
Molecular Weight	27.94	
Gross Heating Value		
Dry Basis	1666	BTU/CF
Saturated Basis	1638	BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: 0.063 Gr/100 CF, 1.0 PPMV or 0.0001 Mol%

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) DM
Analyst: RG
Processor: KV
Cylinder ID: T-5421

Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

FESCO, Ltd. Job Number: 213091.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	1.178		1.181
Carbon Dioxide	0.112		0.176
Methane	66.667		38.273
Ethane	11.725	3.221	12.617
Propane	6.542	1.851	10.323
Isobutane	1.159	0.390	2.411
n-Butane	3.214	1.041	6.685
2,2 Dimethylpropane	0.010	0.004	0.026
Isopentane	1.477	0.555	3.814
n-Pentane	2.140	0.797	5.525
2,2 Dimethylbutane	0.025	0.011	0.077
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.173	0.073	0.534
2 Methylpentane	0.724	0.309	2.233
3 Methylpentane	0.387	0.162	1.193
n-Hexane	1.095	0.462	3.377
Methylcyclopentane	0.375	0.136	1.129
Benzene	0.187	0.054	0.523
Cyclohexane	0.678	0.237	2.042
2-Methylhexane	0.139	0.066	0.498
3-Methylhexane	0.153	0.072	0.549
2,2,4 Trimethylpentane	0.079	0.042	0.323
Other C7's	0.267	0.119	0.948
n-Heptane	0.345	0.163	1.237
Methylcyclohexane	0.471	0.194	1.655
Toluene	0.160	0.055	0.528
Other C8's	0.291	0.139	1.148
n-Octane	0.080	0.042	0.327
Ethylbenzene	0.006	0.002	0.023
M & P Xylenes	0.029	0.012	0.110
O-Xylene	0.005	0.002	0.019
Other C9's	0.076	0.040	0.343
n-Nonane	0.011	0.006	0.050
Other C10's	0.015	0.009	0.076
n-Decane	0.002	0.001	0.010
Undecanes (11)	0.003	0.002	0.017
Totals	100.000	10.270	100.000

Computed Real Characteristics of Total Sample		
Specific Gravity	0.972	(Air=1)
Compressibility (Z)	0.9929	
Molecular Weight	27.94	
Gross Heating Value		
Dry Basis	1666	BTU/CF
Saturated Basis	1638	BTU/CF

November 22, 2021

FESCO, Ltd.
1100 Fesco Ave. - Alice, Texas 78332

Sample: Apollo State Com No. 132H
First Stage Separator
Spot Gas Sample @ 255 psig & 123 °F

Date Sampled: 11/10/2021 Job Number: 213091.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.112		0.176
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	1.178		1.181
Methane	66.667		38.273
Ethane	11.725	3.221	12.617
Propane	6.542	1.851	10.323
Isobutane	1.159	0.390	2.411
n-Butane	3.224	1.045	6.711
Isopentane	1.477	0.555	3.814
n-Pentane	2.140	0.797	5.525
Cyclopentane	0.000	0.000	0.000
n-Hexane	1.095	0.462	3.377
Cyclohexane	0.678	0.237	2.042
Other C6's	1.309	0.554	4.037
Heptanes	1.279	0.558	4.361
Methylcyclohexane	0.471	0.194	1.655
2,2,4 Trimethylpentane	0.079	0.042	0.323
Benzene	0.187	0.054	0.523
Toluene	0.160	0.055	0.528
Ethylbenzene	0.006	0.002	0.023
Xylenes	0.034	0.014	0.129
Octanes Plus	0.478	0.239	1.971
Totals	100.000	10.270	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity	4.008	(Air=1)
Molecular Weight	115.25	
Gross Heating Value	6031	BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity	0.972	(Air=1)
Compressibility (Z)	0.9929	
Molecular Weight	27.94	
Gross Heating Value		
Dry Basis	1666	BTU/CF
Saturated Basis	1638	BTU/CF

December 8, 2021

FESCO, Ltd.
1100 FESCO Avenue - Alice, Texas 78332

For: Tap Rock Operating LLC
523 Park Point Drive, Suite 200
Golden, Colorado 80401

Sample: Apollo State Com No. 132H
First Stage Separator Hydrocarbon Liquid
Sampled @ 255 psig & 123°F

Date Sampled: 11/10/2021 Job Number: 213091.002

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2186-M

COMPONENT	MOL %	LIQ VOL %	WT %
Nitrogen	0.170	0.034	0.036
Carbon Dioxide	0.029	0.009	0.010
Methane	6.111	1.877	0.740
Ethane	4.540	2.201	1.030
Propane	6.243	3.117	2.078
Isobutane	1.737	1.030	0.762
n-Butane	5.457	3.118	2.394
2,2 Dimethylpropane	0.085	0.059	0.046
Isopentane	2.672	1.771	1.455
n-Pentane	3.866	2.539	2.105
2,2 Dimethylbutane	0.052	0.039	0.033
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.289	0.215	0.188
2 Methylpentane	1.905	1.433	1.239
3 Methylpentane	0.952	0.705	0.619
n-Hexane	2.951	2.199	1.919
Heptanes Plus	62.940	79.655	85.346
Totals:	100.000	100.000	100.000

Characteristics of Heptanes Plus:

Specific Gravity	0.8153	(Water=1)
°API Gravity	42.05	@ 60°F
Molecular Weight	179.7	
Vapor Volume	14.04	CF/Gal
Weight	6.79	Lbs/Gal

Characteristics of Total Sample:

Specific Gravity	0.7610	(Water=1)
°API Gravity	54.45	@ 60°F
Molecular Weight	132.5	
Vapor Volume	17.77	CF/Gal
Weight	6.34	Lbs/Gal

Base Conditions: 15.025 PSI & 60 °F

Certified: FESCO, Ltd. - Alice, Texas

Sampled By: (24) DM
Analyst: JL
Processor: HBdjv
Cylinder ID: W-1726

Conan Pierce 361-661-7015

FESCO, Ltd. Job Number: 213091.002

TOTAL EXTENDED REPORT - GPA 2186-M

COMPONENT	Mol %	LiqVol %	Wt %
Nitrogen	0.170	0.034	0.036
Carbon Dioxide	0.029	0.009	0.010
Methane	6.111	1.877	0.740
Ethane	4.540	2.201	1.030
Propane	6.243	3.117	2.078
Isobutane	1.737	1.030	0.762
n-Butane	5.457	3.118	2.394
2,2 Dimethylpropane	0.085	0.059	0.046
Isopentane	2.672	1.771	1.455
n-Pentane	3.866	2.539	2.105
2,2 Dimethylbutane	0.052	0.039	0.033
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.289	0.215	0.188
2 Methylpentane	1.905	1.433	1.239
3 Methylpentane	0.952	0.705	0.619
n-Hexane	2.951	2.199	1.919
Methylcyclopentane	0.695	0.446	0.442
Benzene	0.321	0.163	0.189
Cyclohexane	1.734	1.070	1.102
2-Methylhexane	0.666	0.561	0.504
3-Methylhexane	0.616	0.513	0.466
2,2,4 Trimethylpentane	0.361	0.340	0.311
Other C-7's	0.747	0.595	0.559
n-Heptane	1.961	1.640	1.483
Methylcyclohexane	3.230	2.353	2.394
Toluene	1.398	0.849	0.972
Other C-8's	4.580	3.930	3.809
n-Octane	2.003	1.860	1.727
E-Benzene	0.442	0.309	0.354
M & P Xylenes	1.305	0.918	1.046
O-Xylene	0.380	0.262	0.305
Other C-9's	3.989	3.824	3.801
n-Nonane	1.779	1.814	1.721
Other C-10's	4.443	4.679	4.737
n-decane	1.351	1.503	1.451
Undecanes(11)	4.517	4.881	5.011
Dodecanes(12)	3.298	3.850	4.007
Tridecanes(13)	3.348	4.190	4.421
Tetradecanes(14)	2.785	3.733	3.993
Pentadecanes(15)	2.450	3.518	3.808
Hexadecanes(16)	1.786	2.741	2.992
Heptadecanes(17)	1.557	2.527	2.784
Octadecanes(18)	1.450	2.479	2.748
Nonadecanes(19)	1.265	2.252	2.511
Eicosanes(20)	0.928	1.718	1.927
Heneicosanes(21)	0.794	1.546	1.744
Docosanes(22)	0.695	1.409	1.599
Tricosanes(23)	0.609	1.280	1.460
Tetracosanes(24)	0.497	1.082	1.240
Pentacosanes(25)	0.467	1.056	1.216
Hexacosanes(26)	0.391	0.915	1.058
Heptacosanes(27)	0.364	0.883	1.026
Octacosanes(28)	0.333	0.836	0.974
Nonacosanes(29)	0.262	0.680	0.795
Triacontanes(30)	0.210	0.563	0.661
Hentriacontanes Plus(31+)	2.933	9.887	11.999
Total	100.000	100.000	100.000

Certificate of Analysis

Number: 6030-21090156-005A

Artesia Laboratory
200 E Main St.
Artesia, NM 88210
Phone 575-746-3481

Alex Batista
Taprock
602 Park Point Drive
Ste. 200
Golden, CO 80401

Sep. 23, 2021

Station Name:	Hyperion St 141-2H	Sampled By:	James Hill
Station Number:	7060100	Sample Of:	Gas Spot
Sample Point:	Meter Run	Sample Date:	09/17/2021 12:10
Formation:	Spot	Sample Conditions:	98.5 psig, @ 93.7 °F Ambient: 85 °F
County:	Lea, NM	Effective Date:	09/17/2021 12:10
Type of Sample:	Spot-Cylinder	Method:	GPA-2261M
Heat Trace Used:	N/A	Cylinder No:	5030-02728
Sampling Method:	Fill and Purge	Instrument:	6030_GC6 (Inficon GC-3000 Micro)
Sampling Company:	SPL	Last Inst. Cal.:	09/13/2021 0:00 AM
		Analyzed:	09/21/2021 05:05:11 by KNF

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia		
Hydrogen Sulfide	0.000	0.000	0.000		GPM TOTAL C2+	6.672
Nitrogen	1.344	1.369	1.720		GPM TOTAL C3+	3.271
Methane	72.565	73.921	53.182		GPM TOTAL iC5+	0.586
Carbon Dioxide	1.271	1.295	2.556			
Ethane	12.437	12.669	17.084	3.401		
Propane	6.324	6.442	12.739	1.781		
Iso-butane	0.838	0.854	2.226	0.281		
n-Butane	1.934	1.970	5.135	0.623		
Iso-pentane	0.413	0.421	1.362	0.155		
n-Pentane	0.447	0.455	1.472	0.166		
Hexanes Plus	0.593	0.604	2.524	0.265		
	98.166	100.000	100.000	6.672		

Calculated Physical Properties	Total	C6+
Relative Density Real Gas	0.7727	3.2176
Calculated Molecular Weight	22.30	93.19
Compressibility Factor	0.9960	
GPA 2172 Calculation:		
Calculated Gross BTU per ft³ @ 14.73 psia & 60°F		
Real Gas Dry BTU	1299	5141
Water Sat. Gas Base BTU	1277	5052
Ideal, Gross HV - Dry at 14.73 psia	1294.0	5141.1
Ideal, Gross HV - Wet	1271.5	5051.6
Net BTU Wet Gas - real gas	1160	

Comments: H2S Field Content 0 ppm

Data reviewed by: Krystle Fitzwater, Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

BOOK 387 PAGE 378

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO
JACKSON UNIT
LEA COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated November 15, 1980, which said Agreement has been executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

(a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.

(b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.

(c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.

(d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and, further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions and requirements of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 28th. day of January, 19 81.

Alex J. Armijo
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

OG-26

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7097
Order No. R-6545

APPLICATION OF MESA PETROLEUM CO.
FOR APPROVAL OF THE JACKSON UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 10, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of January, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Mesa Petroleum Co., seeks approval of the Jackson Unit Agreement covering 2,560 acres, more or less, of State lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Sections 15 and 16: All
Sections 21 and 22: All

(3) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, should be submitted to the Director of the Division for approval.

(4) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the Jackson Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That all plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(5) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

S E A L
fd/

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE

Jackson UNIT AREA

Lea COUNTY, NEW MEXICO

NO. _____

THIS AGREEMENT, entered into as of the 15th day of November 19 80 by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto";

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty, or other oil or gas interests in the unit area subject to this agreement; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended by Dec. 1 of Chapter 162, Laws of 1951, (Chap. 19, Art. 10, Sec. 45, N. M. Statutes 1978 Annot.), to consent to and approve the development or operation of State Lands under agreements made by lessees of State Land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field, or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by and Act of the Legislature (Sec. 1, Chap. 162), (Laws of 1951, Chap. 19, Art. 10, Sec. 47, N. M. Statutes 1978 Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State Lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field, or area; and

WHEREAS, the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico (hereinafter referred to as the "Division"), is authorized by an Act of the Legislature (Chap. 72, Laws 1935, as amended, being Section 70-2-1 et seq. New Mexico Statutes Annotated, 1978 Compilation) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the _____ Jackson Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below defined unit area, and agree severally among themselves as follows:

1. UNIT AREA: The following described land is hereby designated and recognized as constituting the unit area:

Township 24-S, Range 33-E N.M.P.M.

Sections: 15,16,21,22; All

containing 2560 acres, more or less,

Lea County, New Mexico

Exhibit A attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the unit operator. Exhibit B attached hereto is a schedule showing to the extent known to the unit operator the acreage, percentage and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown on said map or schedule as owned by such party. Exhibits A and B shall be revised by the unit operator whenever changes in ownership in the unit area render such revisions necessary or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner" or the Oil Conservation Division, hereinafter referred to as the "Division".

All land committed to this agrement shall constitute land referred to herein as "unitized land" or "land subject to this agreement".

2. UNITIZED SUBSTANCES: All oil, gas, natural gasoline, and associated fluid hydrocarbons in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

3. UNIT OPERATOR: Mesa Petroleum Co., whose address is Suite 1000, Vaughn Bldg., Midland, Tex. 79701 is hereby designated as unit operator and by signature hereto commits to this agreement all interest in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of unit operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the unit operator,

such reference means the unit operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to unit operator as the owner of a working interest when such an interest is owned by it.

4. RESGINATION OR REMOVAL OF UNIT OPERATOR: Unit operator shall have the right to resign at any time but such resignation shall not become effective until a successor unit operator has been selected and approved in the manner provided for in Section 5 of this agreement. The resignation of the unit operator shall not release the unit operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

Unit operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working inerersts determined in like manner as herein provided for the selection of a new unit operator. Such removal shall be effective upon notice thereof to the Commissioner and the Division.

The resignation or removal of the unit operator under this agreement shall not terminate his right, title or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of unit operator becoming effective, such unit operator shall deliver possession of all equipment, materials, and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor unit operator, or to the owners thereof if no such new unit operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of wells.

5. SUCCESSOR UNIT OPERATOR: Whenever the unit operator shall resign as unit operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor unit operator; provided that, if a majority but less than seventy-five percent (75%) of the working interests qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than seventy-five percent (75%) of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a unit operator so selected shall accept in writing the duties and responsibilities of unit operator, and (b) the selection shall

have been approved by the Commissioner. If no successor unit operator is selected and qualified as herein provided, the Commissioner at his election, with notice to the Division, may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS: The unit operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned, among the owners of the unitized working interests in accordance with an operating agreement entered into by and between the unit operator and the owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the unit operator as provided in this section, whether one or more, are herein referred to as the "Operating Agreement". No such agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the unit operator of any right or obligation established under this unit agreement and in case of any inconsistencies or conflict between this unit agreement and the operating agreement, this unit agreement shall prevail.

7. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR: Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the untizied substances are hereby delegated to and shall be exercised by the unit operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said unit operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of unit operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the unit operator, in its capacity as unit operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

8. DRILLING TO DISCOVERY: The unit operator shall, within sixty (60) days after the effective date of this agreement, commence operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to attain the top of the Mississippian (Chester) formation or to such a depth as unitized substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of unit operator, be determined that the further drilling of said well shall be unwarranted or impracticable; provided, however, that unit operator shall not, in any event, be required to drill said well to a depth in excess of 16,000 feet. Until

a discovery of a deposit of unitized substances capable of being produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit) unit operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner or until it is reasonably proven to the satisfaction of the unit operator that the unitized land is incapable of producing unitized substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this article the Commissioner may, after reasonable notice to the unit operator and each working interest owner, lessee and lessor at their last known addresses, declare this unit agreement terminated, and all rights, privileges and obligations granted and assumed by this unit agreement shall cease and terminate as of such date.

9. OBLIGATIONS OF UNIT OPERATOR AFTER DISCOVERY OF UNITIZED SUBSTANCES:

Should unitized substances in paying quantities be discovered upon the unit area, the unit operator shall on or before six months from the time of the completion of the initial discovery well and within thirty days after the expiration of each twelve months period thereafter, file a report with the Commissioner and Division of the status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this agrement by the Commissioner of Public Lands is to secure the orderly development of the unitized lands in accordance with good conservation practices so as to obtain the greatest ultimate recovery of unitized substances.

After discovery of unitized substances in paying quantities, unit operator shall proceed with diligence to reasonably develop the unitized area as a reasonably prudent operator would develop such area under the same or similar circumstances.

If the unit operator should fail to comply with the above covenant for reasonable development this agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units, but in such event, the basis of participation by the working interest shall remain the same as if this agreement had not been

lands; provided, however, the Commissioner shall give notice to the unit operator and the lessees of record in the manner prescribed by (Sec. 19-10-20 N. M. Statutes 1978 Annotated,) of intention to cancel on account of any alleged breach of said covenant for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by (Sec. 19-10-23 N.M. Statutes 1978 Annotated and, provided further, in any event the unit operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

10. PARTICIPATION AFTER DISCOVERY: Upon completion of a well capable of producing unitized substances in paying quantities, the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests covered hereby on an acreage basis bears to the total number of acres committed to this unit agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold interests particpating therein. For the purpose of determining any benefits accuring under this agreement and the distribution of the royalties payable to the State of New Mexico and other lessors, each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively committed to this agreement bears to the total number of acres committed hereto.

Notwithstanding any provisions contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the unit operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

11. ALLOCATION OF PRODUCTION: All unitized substances produced from each tract in the unitized area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the unitized land, and for the purpose of determining any benefits that accrue on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire unitized area. It is hereby agreed that production of unitized substances from the unitized area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tracts of said unitized area.

12. PAYMENT OF RENTALS, ROYALTIES AND OVERRIDING ROYALTIES:

All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

All royalties due to the State of New Mexico under the terms of the leases committed to this agreement shall be computed and paid on the basis of all unitized substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the unitized substances allocated to the respective leases, and in such case the unit operator shall make delivery of such royalty oil in accordance with the terms of the respective leases.

All rentals, if any, due under any leases embracing lands other than the State of New Mexico, shall be paid by the respective lease owners in accordance with the terms of their leases and all royalties due under the terms of any such leases shall be paid on the basis of all unitized substances allocated to the respective leases committed hereto.

If the unit operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that such withdrawal shall be at such time as may be provided in a plan of operation consented to by the Commissioner and approved by the Division as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual royalty, the owner of each such lease shall bear and assume the same out of the unitized substances allocated to the lands embraced in each such lease as provided herein.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED INSOFAR AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA:

The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts reltaing to the exploration, drilling development or operation for oil or gas of the lands committed to this agreement, shall as of the effective date hereof, be and the same are hereby expressly modified and amended insofar as they apply to lands within the unitized area to the extent necessary to

make the same conform to the provisions hereof and so that the respective terms of said leases and agreements will be extended insofar as necessary to coincide with the term of this agreement and the approval of this agreement by the ommissioner and the respective lessors and lessees shall be effective to conform the provisions and extend the terms of each such lease as to lands within the unitized area to the provisions and terms of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement, insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein as long as this agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the unit operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not effect any lease which pursuant to the terms thereof or any applicable laws would continue in full force and effect thereafter. The commencement, completion, continued operation or production on each of the leasehold interests committed to this agreement and operations or production pursuant to this agreement shall be deemed to be operations upon and production from each leasehold interest committed hereto and there shall be no obligation on the part of the unit operator or any of the owners of the respective leasehold interests committed hereto to drill offsets to wells as between the leasehold interests committed to ths agreement, except as provided in Section 9 hereof.

Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall be segregated as to the portion committed and as to the protion not committed and the terms of such leases shall apply separately as to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if oil and gas, or either of them, are discovered and are being produced in paying quantities from some part of the lands embraced in such lease committed to this agreement at the expiration of the secondary term of such lease, or if, at the expiration of the secondary term, the lessee or the unit operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced therein shall remain in full force and effect so long as such operations are being diligently prosecuted, and they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil and gas, or either of them, are being produced in paying quantities fro any portion of said lands.

14. CONSERVATION: Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State laws or regulations.

15. DRAINAGE: In the event a well or wells producing oil or gas in paying quanities should be brought in on land adjacent to the unit area draining unitized substances from the lands embraced therein, unit operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

16. COVENANTS RUN WITH LAND: The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder to the grantee, transferee or other successor in interest. No assignment or transfer or any working, royalty, or other interest subject hereto shall be binding upon unit operator until the first day of the calendar month after the unit operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

17. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Commissioner and the Division and shall terminate in two years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect so long as unitized substances are being produced in paying quantities from the unitized land and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as asforesaid. This agreement may be terminated at any time by not less than seventy-five percent (75%) on an acreage basis of the owners of the working interests, signatory hereto, with the approval of the Commissioner and with notice to Division. Likewise, the failure to comply with the drilling requirements of Section 8 hereof, may subject this agreement to termination as provided in said section.

18. RATE OF PRODUCTION: All production and the disposal thereof shall be in conformity with allocations, allotments, and quotas made or fixed by the Commission, and in conformity with all applicable laws and lawful regulations.

19. APPEARANCES: Unit operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby, before the Commissioner of Public Lands and the Division, and to appeal from orders issued under the regulations of the Commissioner or Division, or to apply for relief from any of said regulations or in any proceedings on its own behalf relative to operations pending before the Commissioner or Division; provided, however, that any other interest party shall also have the right at his own expense to appear and to participate in any such proceeding.

20. NOTICES: All notices, demands, or statements required hereunder to be given or rendered to the parties hereto, shall be deemed fully given, if given in writing and sent by postpaid registered mail, addressed to such party or parties at their respective addresses, set forth in connection with the signatures hereto or to the ratification or consent hereof, or to such other address as any such party may have furnished in writing to party sending the notice, demand, or statement.

21. UNAVOIDABLE DELAY: All obligations under this agreement requiring the unit operator to commence or continue drilling or to operate on or produce unitized substances from any of the lands covered by this agreement, shall be suspended while, but only so long as, the unit operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, war, act of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportion, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the unit operator, whether similar to matters herein enumerated or not.

22. LOSS OF TITLE: In the event title to any tract of unitized land or substantial interest therein shall fail, and the true owner cannot be induced to join the unit agreement so that such tract is not committed to this agreement, or the operation thereof hereunder becomes impracticable as a result thereof, such tract may be eliminated from the unitized area, and the interest of the parties readjusted as a result of such tract being eliminated from the unitized area. In the event of a dispute as to the title to any royalty, working, or other interest subject hereto, the unit operator may withhold payment or delivery of the allocated portion of the unitized substances involved on account thereof, without liability for interest until the dispute is finally settled, provided that no payments of funds due the State of New Mexico shall be withheld. Unit operator, as such, is relieved from any responsibility for any defect or failure of any title hereunder.

23. SUBSEQUENT JOINDER: Any oil or gas interest in lands within the unit area not committed hereto, prior to the submission of the agreement for final approval

by the Commissioner and the Division, may be committed hereto by the owner or owners of such rights, subscribing or consenting to this agreement, or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of exploration, development, and operation. A subsequent joinder shall be effective as of the first day of the month following the approval by the Commissioner and the filing with the Division of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement, but such joining party or parties, before participating in any benefits hereunder, shall be required to assume and pay to unit operator, their proportionate share of the unit expenses incurred prior to such party's or parties' joinder in the unit agreement, and the unit operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment or revenue.

24. COUNTERPARTS: This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described unit area.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

UNIT OPERATOR AND WORKING INTEREST OWNER

MESA PETROLEUM CO.
OPERATOR

DATE: _____
ATTEST

By Marion E. Causey
MARION E. CAUSEY

BY _____

Tr-2-3-4-7

STATE OF TEXAS)
)SS.
COUNTY OF MIDLAND)

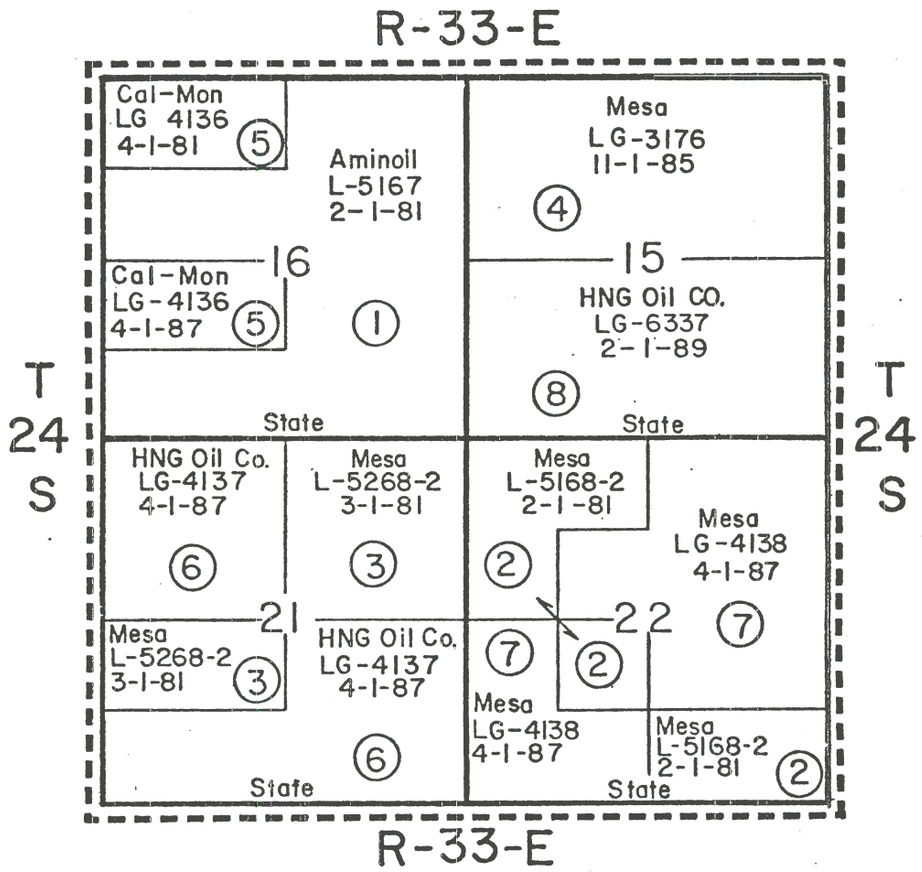
The foregoing instrument was acknowledged before me this 13th day of January, 1980, by MARION E. CAUSEY, who is Attorney in fact of MESA PETROLEUM CO., a Delaware corporation, on behalf of said corporation.

My Commission Expires:

NOTARY PUBLIC * COUNTY OF MIDLAND, TEXAS *

October 31, 1984

Loretta G. Porter
Notary Public



---- Unit Outline

○ Tract Number

□ State of New Mexico Lands
2,560.00 Acres - 100% of
Unit Area

EXHIBIT "A"

JACKSON UNIT AREA
Lea County, New Mexico

EXHIBIT "B"
Schedule Showing all Lands and Leases
Within the Jackson Unit Area
Lea County, New Mexico

TRACT NO.	DESCRIPTION OF LAND	ACRES	LEASE NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
			ALL LANDS - State of New Mexico				
			All Lands are in T-24-S, R-33-E, NMPM				
1.	Sec. 16: E½, S½NW¼, S½SW¼	480.00	L-5167 2-1-81	State 12.5	Aminoil, USA, Inc. (Signal Oil & Gas) All	None	Aminoil, USA, INC. All
2.	Sec. 22: N½NW¼, SW¼NW¼, NE¼SW¼, S½SE¼	240.00	L-5168-3 2-1-81	State 12.5	MTS, Limited Partnership All	Betty A. Davis 2.00 Glen D. Aaron 1.25 Midland Nat'l Bank Agent 1.25 Yates Petroleum Corp 5.00	MTS, Limited Partnership All
3.	Sec. 21: NE¼, N½SW¼	240.00	L-5268-3 3-1-81	State 12.5	MTS, Limited Partnership All	Glen D. Aaron 1.25 Midland Nat'l Bank Agent 1.25 Betty A. Davis 2.00 Yates Petroleum Corp 3.00	MTS, Limited Partnership All
4.	Sec. 15: N½	320.00	LG-3176-1 11-1-85	State 12.5	MTS, Limited Partnership All	None	MTS, Limited Partnership All
5.	Sec. 16: N½NW¼, N½SW¼	160.00	LG-4136 4-1-87	State 12.5	Cal-Mon Oil Co. All	None	Cal-Mon Oil Co. All

6.	Sec. 21: NW¼, SE¼, S½SW¼	400.00	LG-4137 4-1-86	State 12.5	HNG Oil Co.	All	None	HNG Oil Co.	All
7.	Sec. 22: NE¼, SE¼NW¼ NW¼SW¼, S½SW¼ N½SE¼	400.00	LG-4138-1 4-1-87	State 12.5	MTS, Limited Partnership	All	None	MTS, Limited Partnership	All
8.	Sec. 15: S½	320.00	LG-6337 2-1-89	State 12.5	HNG Oil Co.	All	None	HNG Oil Co.	All

Total: 2,560.00 Acres, State of New Mexico Land, 100% of Unit Area

BOOK 387 PAGE 394

CONSENT AND RATIFICATION

UNIT AGREEMENT

FOR THE JACKSON UNIT AREA

LEA COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement in connection with the development and operation of the Jackson Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated the 15th day of November, 1980, and acknowledges that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold or overriding royalty interests being committed to said Unit Agreement do hereby consent to said Unit Agreement and ratify all the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

AMINOIL USA, INC.

_____ Bill W. Johnson

BILL W. JOHNSON, CONTRACT AGENT

_____ _____

_____ _____

INDIVIDUAL

T-1

STATE OF _____ }
}SS.
COUNTY OF _____ }

The foregoing instrument was acknowledged before me this _____ day of _____, 198__, by _____.

My Commission Expires:

_____ _____
Notary Public

CORPORATE

STATE OF TEXAS }
}SS.
COUNTY OF MIDLAND }

The foregoing instrument was acknowledged before me this 26th day of January, 1981, by Bill W. Johnson, Contract Agent of Aminoil USA, Inc., a Delaware corporation, on behalf of said corporation.

My Commission Expires:

7-13-81

Judith D Brown

Notary Public
in and for Midland County, Texas
Judith G. Brown

CONSENT AND RATIFICATION

UNIT AGREEMENT

FOR THE JACKSON UNIT AREA

LEA COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement in connection with the development and operation of the Jackson Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated the 15th day of November, 1980, and acknowledges that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold or overriding royalty interests being committed to said Unit Agreement do hereby consent to said Unit Agreement and ratify all the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

Judy Walters

Judy Walters, Asst. Secretary

HNG OIL COMPANY

By: J. Stewart Martin

J. Stewart Martin, Vice President

7-6-8

INDIVIDUAL

STATE OF _____ }
} SS.
COUNTY OF _____ }

The foregoing instrument was acknowledged before me this _____ day of _____, 198__, by _____.

My Commission Expires:

_____

_____
Notary Public

CORPORATE

STATE OF TEXAS }
} SS.
COUNTY OF MIDLAND }

The foregoing instrument was acknowledged before me this 26th day of January, 1981, by J. STEWART MARTIN, Vice President of HNG OIL COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission Expires:

12-15-84

Sherry L. Waller

Notary Public

CONSENT AND RATIFICATION

UNIT AGREEMENT

FOR THE JACKSON UNIT AREA

LEA COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement in connection with the development and operation of the Jackson Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated the 15th day of November, 1980, and acknowledges that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold or overriding royalty interests being committed to said Unit Agreement do hereby consent to said Unit Agreement and ratify all the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

James W. Rogers, Asst. Secretary

FLORIDA EXPLORATION COMPANY

By: Jim R. Williams

Jim R. Williams, Vice President

INDIVIDUAL

STATE OF _____ }
}SS.
COUNTY OF _____ }

The foregoing instrument was acknowledged before me this _____ day of _____, 198__, by _____.

My Commission Expires:

_____

_____
Notary Public

CORPORATE

STATE OF TEXAS }
}SS.
COUNTY OF MIDLAND }

The foregoing instrument was acknowledged before me this 26 day of January, 1981, by Jim R. Williams, Vice President of Florida Exploration Company, a Texas corporation, on behalf of said corporation.

My Commission Expires:

6-4-84

Joyce L. Bolding
Notary Public

Joyce L. Bolding STATE OF TEXAS

CONSENT AND RATIFICATION

UNIT OPERATING AGREEMENT

FOR THE JACKSON UNIT AREA

LEA COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Operating Agreement in connection with the Unit Agreement for the development and operation of the Jackson Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated the 15th day of November, 1980, and acknowledges that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold interests being committed to said Unit Agreement do hereby consent to said Unit Operating Agreement and ratify all the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Operating Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Attest

By: _____
Assistant Trust Officer

The Midland National Bank, Midland, Texas, Agent

By: Diane McElligott
Trust Officer

INDIVIDUAL

STATE OF _____ }
} SS.
COUNTY OF _____ }

The foregoing instrument was acknowledged before me this _____ day of _____, 198__, by _____.

My Commission Expires:

_____

_____
Notary Public

CORPORATE

STATE OF Texas }
} SS.
COUNTY OF Midland }

The foregoing instrument was acknowledged before me this 20th day of January, 1981, by Diane McElligott, Trust Officer of Midland National Bank, a _____ corporation, on behalf of said corporation.

My Commission Expires:

8-4-84

Ivonne Green Coppoc
Notary Public
Ivonne Green Coppoc

CONSENT AND RATIFICATION

UNIT OPERATING AGREEMENT

FOR THE JACKSON UNIT AREA

LEA COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Operating Agreement in connection with the Unit Agreement for the development and operation of the Jackson Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated the 15th day of November, 1980, and acknowledges that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold interests being committed to said Unit Agreement do hereby consent to said Unit Operating Agreement and ratify all the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Operating Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Glen D. Aaron

Glen D. Aaron

INDIVIDUAL

STATE OF TEXAS)
) SS.
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this 14th day of January, 198 1, by Glen D. Aaron.

My Commission Expires:

September 13, 1984

Notary Public

CORPORATE

STATE OF _____)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 198__, by _____, _____ of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

_____

Notary Public

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

MAY 13 1981

at 3:45 o'clock P. M
and recorded in Book 387
Page 377
Donna Benge, County Clerk
By _____ Deputy

CONSENT AND RATIFICATION

UNIT AGREEMENT

FOR THE JACKSON UNIT AREA

LEA COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement in connection with the development and operation of the Jackson Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated the 15th day of November, 1980, and acknowledges that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold or overriding royalty interests being committed to said Unit Agreement do hereby consent to said Unit Agreement and ratify all the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

MCOR OIL AND GAS CORPORATION
formerly McCulloch Oil Corporation

By: _____
W. James Saul, Vice President

INDIVIDUAL

STATE OF _____ }
} SS.
COUNTY OF _____ }

The foregoing instrument was acknowledged before me this _____ day of _____, 198__, by _____.

My Commission Expires:

_____ _____
Notary Public

CORPORATE

STATE OF CALIFORNIA }
} SS.
COUNTY OF LOS ANGELES }

The foregoing instrument was acknowledged before me this 22 ND day of JANUARY, 1981, by W. JAMES SAUL, VICE PRESIDENT of MCOR OIL AND GAS CORPORATION, a DELAWARE corporation, on behalf of said corporation.

7103

My Commission Expires:

OFFICIAL SEAL
CAROL L SACKETT
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JUN 15, 1984

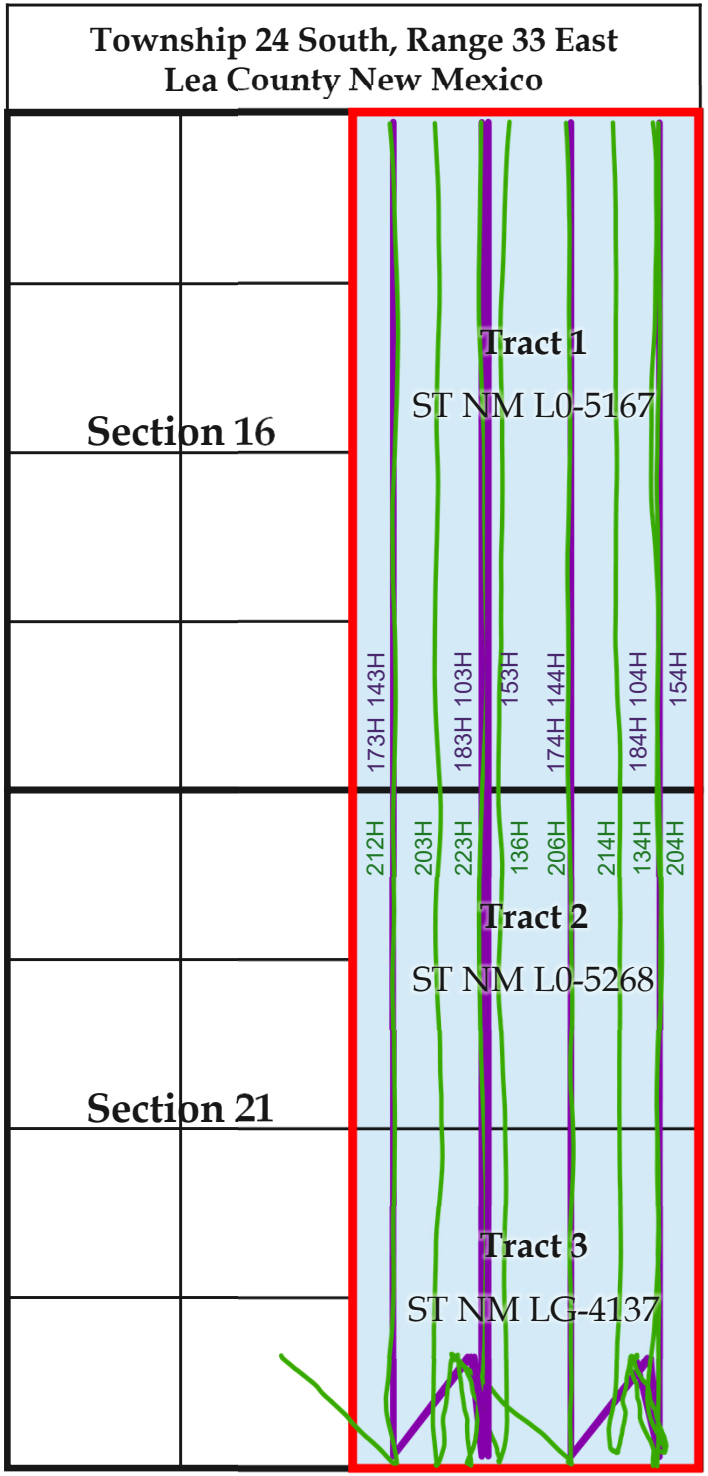
Carol L. Sackett
Notary Public

Exhibit 3

APPLICATION TO POOL COMMINGLE, STORAGE AND SALES FOR OIL AND GAS PRODUCTION AT APOLLO E/2 CTB

Pool	API	Well Name	Well Number	W2 or E2	Unit Letter	Section	Township	Range	Date Online	Oil (MBOD)	GAS (MCFD)	Gravity	BTU/cf
[98135] WC-025 G-09 S243310P; UPPER WOLFCAMP	30-025-48647	APOLLO STATE COM	#136H	E2	O	21 24S	33E		10/21/2021	1800	3300	41	1500
[98135] WC-025 G-09 S243310P; UPPER WOLFCAMP	30-025-48680	APOLLO STATE COM	#203H	E2	O	21 24S	33E		10/21/2021	1200	3300	42	1500
[98135] WC-025 G-09 S243310P; UPPER WOLFCAMP	30-025-48639	APOLLO STATE COM	#223H	E2	O	21 24S	33E		10/21/2021	600	4000	43	1400
[98135] WC-025 G-09 S243310P; UPPER WOLFCAMP	30-025-48633	APOLLO STATE COM	#209H	E2	O	21 24S	33E		10/21/2021	1150	2500	41	1500
[98135] WC-025 G-09 S243310P; UPPER WOLFCAMP	30-025-48635	APOLLO STATE COM	#212H	E2	N	21 24S	33E		10/21/2021	1300	3700	41	1300
[98135] WC-025 G-09 S243310P; UPPER WOLFCAMP	30-025-48645	APOLLO STATE COM	#134H	E2	P	21 24S	33E		10/21/2021	700	4000	46	1500
[98135] WC-025 G-09 S243310P; UPPER WOLFCAMP	30-025-48636	APOLLO STATE COM	#214H	E2	P	21 24S	33E		10/21/2021	1300	3900	42	1500
[98135] WC-025 G-09 S243310P; UPPER WOLFCAMP	30-025-48631	APOLLO STATE COM	#204H	E2	P	21 24S	33E		10/21/2021	1800	3400	53	1400
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48642	APOLLO STATE COM	#103H	E2	O	21 24S	33E		6/28/2022	800	1250	46	1250
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48643	APOLLO STATE COM	#104H	E2	P	21 24S	33E		6/28/2022	800	1250	46	1250
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48650	APOLLO STATE COM	#143H	E2	O	21 24S	33E		6/28/2022	800	1250	46	1250
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48651	APOLLO STATE COM	#144H	E2	P	21 24S	33E		6/28/2022	800	1250	46	1250
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48658	APOLLO STATE COM	#173H	E2	O	21 24S	33E		6/28/2022	800	1250	46	1250
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48659	APOLLO STATE COM	#174H	E2	P	21 24S	33E		6/28/2022	800	1250	46	1250
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48860	APOLLO STATE COM	#183H	E2	O	21 24S	33E		6/28/2022	800	1250	46	1250
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48661	APOLLO STATE COM	#184H	E2	P	21 24S	33E		6/28/2022	800	1250	46	1250
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48654	APOLLO STATE COM	#153H	E2	O	21 24S	33E		6/28/2022	800	1250	46	1250
[96674] TRIPLE X; BONE SPRING, WEST	30-025-48655	APOLLO STATE COM	#154H	E2	P	21 24S	33E		6/28/2022	800	1250	46	1250

Apollo E2 Unit



State Acreage

Apollo E2 Unit

[98135] WC-025 G-09 S243310P;
UPPER WOLFCAMP pool wells

[96674] TRIPLE X;
BONE SPRING, WEST pool wells

Exhibit 4

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5
Murchison Oil and Gas LLC	7250 Dallas Parkway, Suite 1400	Plano	TX	75024
Tap Rock Resources LLC	523 Park Point Drive, Suite 200	Golden	CO	80401
Tap Rock Minerals LP	523 Park Point Dr, Suite 200	Golden	CO	80401
Commissioner of Public Lands	PO Box 1148	Santa Fe	NM	87504-1148
Alan Eugene Karper	PO Box 149	Graham	TX	76450
Betty A Davis Mineral Trust, D Stone Davis, Trustee	PO Box 8904	Aspen	CO	81612
Boldrick Family Properties, LP, c/o Boldrick Management Co, LLC	PO Box 10648	Midland	TX	79702
Carl T Speight	PO Box 72	Midland	TX	79702-0072
CXA Oil & Gas Holdings LP	1302 West Ave	Austin	TX	78701
David John Andrews	3715 Windsor Rd	Austin	TX	78703
E.A. Karper, Jr.	P.O. Box 149	Graham	TX	76450
Elizabeth Scott Goldman	10401 Pinehurst Dr	Austin	TX	78747
Gwendolyn Williams Family	27710 Cold Spring Trace	Katy	TX	77494
Headington Oil Company, LLC	1700 N Redbud Blvd, Ste 400	McKinney	TX	75069
Heathary Resources Inc	6318 Cherry Hills Rd	Houston	TX	77069
James Rogers	PO Box 943	Graham	TX	76450
John M Speight	PO Box 60871	Midland	TX	79711
John Rick McConn	5207 Green Tree	Houston	TX	77056
Kristin Karper	PO Box 149	Graham	TX	76450
Lagniappe Hydrocarbons, LLC	PO Box 10668	Midland	TX	79702
Mary Ann Goldman Richardson	3911 Pinewood Drive	Jackson	MS	39211-6445
MEC Petroleum Corporation	PO Box 11265	Midland	TX	79702
Melinda Ann McConn Chernosky	602 Fall River Road	Houston	TX	77024
Meredith Ellen McConn Zenner	4919 Valkeith Dr	Houston	TX	77096-4225
Michele Goldman Slattery	948 Kalikimake Place	Diamondhead	MS	39525
Nancy Hope Goldman	3407 Learned Rd.	Raymond	MS	39154
Paul E Speight	PO Box 50505	Midland	TX	79710
Philip Karper	PO Box 149	Graham	TX	76450
Phillip T Speight	217 Bayberry	Midland	TX	79705
Raptor Partnership LTD	2320 Mount Auburn Rd	Evansville	IN	47720
Rivercrest Royalties LLC	777 Taylor Street, Ste 810	Fort Worth	TX	76102
Robert L McMillan	912 Austin Rd	Graham	TX	76450
Rogers Resources LP	416 Manor Village Circle	Midland	TX	79707
Sandra Jo Gober	1101 N Minter	Throckmorton	TX	76483
Stephanie Ashley Campbell	801 Elm St	Graham	TX	76450
Wildcard Family Limited Partnership	1601 Bryan St, Ste 4300	Dallas	TX	75201-3477
J D Murchison Interests Inc	7250 Dallas Pkwy Ste 1400	Plano	TX	75024
Finley Production Co LP	PO Box 2200	Fort Worth	TX	76113

Grasslands Energy LP	5128 Apache Plume Rd	Fort Worth	TX	76109
Richard Scott Briggs	1920 E Riverside Drive	Austin	TX	78741
Causey Resources, LLC	4945 Rustic Trail	Midland	TX	79707-1426
MEC Resources, LLC	5806 Devlin Place	Midland	TX	79707
Mesa Southwest Energy LLC	3548 Rosedale Ave	Dallas	TX	75205

HOLLAND&HART LLP

Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRankin@hollandhart.com

February 4, 2022

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Tap Rock Operating, LLC for administrative approval to surface commingle (pool and lease commingle) oil and gas production at the Apollo W/2E/2 and Apollo E/2E/2 Central Tank Batteries each located in the SE/4 of Section 21, Township 24 South, Range 33 East, and to add additional wells.

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 at the Division's Santa Fe office located at 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:

Dana Arnold
General Counsel
Tap Rock Operating, LLC
(720) 460-3497

Sincerely,

Adam G. Rankin
ATTORNEY FOR
TAP ROCK OPERATING, LLC

Parent ID	Mail Date	Company	Name	Address 1	City	ST	Zip	MailClass	Tracking #	Well
31309	02/04/2022		Murchison Oil and Gas LLC	7250 Dallas Pkwy Ste 1400	Plano	TX	75024-5002	Certified with Return Receipt (Signature)	9414811898765844536474	71785 - Apollo E2 Ownership - 1
31309	02/04/2022		David John Andrews	3715 Windsor Rd	Austin	TX	78703-1523	Certified with Return Receipt (Signature)	9414811898765844536535	71785 - Apollo E2 Ownership - 10
31309	02/04/2022		E.A. Karper, Jr.	PO Box 149	Graham	TX	76450-0149	Certified with Return Receipt (Signature)	9414811898765844536573	71785 - Apollo E2 Ownership - 11
31309	02/04/2022		Elizabeth Scott Goldman	10401 Pinehurst Dr	Austin	TX	78747-1227	Certified with Return Receipt (Signature)	9414811898765844531219	71785 - Apollo E2 Ownership - 12
31309	02/04/2022		Gwendolyn Williams Family LLC	27710 Cold Spring Trce	Katy	TX	77494-6546	Certified with Return Receipt (Signature)	9414811898765844531257	71785 - Apollo E2 Ownership - 13
31309	02/04/2022		Headington Oil Company, LLC	1700 Redbud Blvd Ste 400	McKinney	TX	75069-3295	Certified with Return Receipt (Signature)	9414811898765844531264	71785 - Apollo E2 Ownership - 14

Parent ID	Mail Date	Company	Name	Address 1	City	ST	Zip	MailClass	Tracking #	Well
31309	02/04/2022		Heathary Resources Inc	6318 Cherry Hills Rd	Houston	TX	77069-1348	Certified with Return Receipt (Signature)	9414811898765844531226	71785 - Apollo E2 Ownership - 15
31309	02/04/2022		James Rogers	PO Box 943	Graham	TX	76450-0943	Certified with Return Receipt (Signature)	9414811898765844531240	71785 - Apollo E2 Ownership - 16
31309	02/04/2022		John M Speight	PO Box 60871	Midland	TX	79711-0871	Certified with Return Receipt (Signature)	9414811898765844531233	71785 - Apollo E2 Ownership - 17
31309	02/04/2022		John Rick McConn	5207 Green Tree Rd	Houston	TX	77056-1308	Certified with Return Receipt (Signature)	9414811898765844531271	71785 - Apollo E2 Ownership - 18
31309	02/04/2022		Kristin Karper	PO Box 149	Graham	TX	76450-0149	Certified with Return Receipt (Signature)	9414811898765844531851	71785 - Apollo E2 Ownership - 19
31309	02/04/2022		Tap Rock Resources LLC	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Certified with Return Receipt (Signature)	9414811898765844536511	71785 - Apollo E2 Ownership - 2

Parent ID	Mail Date	Company	Name	Address 1	City	ST	Zip	MailClass	Tracking #	Well
31309	02/04/2022		Lagniappe Hydrocarbons, LLC	PO Box 10668	Midland	TX	79702-7668	Certified with Return Receipt (Signature)	9414811898765844531868	71785 - Apollo E2 Ownership - 20
31309	02/04/2022		Mary Ann Goldman Richardson	3911 Pinewood Dr	Jackson	MS	39211-6445	Certified with Return Receipt (Signature)	9414811898765844531820	71785 - Apollo E2 Ownership - 21
31309	02/04/2022		MEC Petroleum Corporation	PO Box 11265	Midland	TX	79702-8265	Certified with Return Receipt (Signature)	9414811898765844531806	71785 - Apollo E2 Ownership - 22
31309	02/04/2022		Melinda Ann McConn Chernosky	602 Fall River Rd	Houston	TX	77024-5630	Certified with Return Receipt (Signature)	9414811898765844531899	71785 - Apollo E2 Ownership - 23
31309	02/04/2022		Meredith Ellen McConn Zenner	4919 Valkeith Dr	Houston	TX	77096-4225	Certified with Return Receipt (Signature)	9414811898765844531844	71785 - Apollo E2 Ownership - 24
31309	02/04/2022		Michele Goldman Slattery	948 Kalikimaka Pl	Diamondhead	MS	39525-4176	Certified with Return Receipt (Signature)	9414811898765844531882	71785 - Apollo E2 Ownership - 25

Parent ID	Mail Date	Company	Name	Address 1	City	ST	Zip	MailClass	Tracking #	Well
31309	02/04/2022		Nancy Hope Goldman	3407 Learned Rd	Raymond	MS	39154-9032	Certified with Return Receipt (Signature)	9414811898765844531875	71785 - Apollo E2 Ownership - 26
31309	02/04/2022		Paul E Speight	PO Box 50505	Midland	TX	79710-0505	Certified with Return Receipt (Signature)	9414811898765844531714	71785 - Apollo E2 Ownership - 27
31309	02/04/2022		Philip Karper	PO Box 149	Graham	TX	76450-0149	Certified with Return Receipt (Signature)	9414811898765844531752	71785 - Apollo E2 Ownership - 28
31309	02/04/2022		Phillip T Speight	217 Bayberry Pkwy	Midland	TX	79705-3041	Certified with Return Receipt (Signature)	9414811898765844531769	71785 - Apollo E2 Ownership - 29
31309	02/04/2022		Tap Rock Minerals LP	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Certified with Return Receipt (Signature)	9414811898765844536559	71785 - Apollo E2 Ownership - 3
31309	02/04/2022		Raptor Partnership LTD	2320 Mount Auburn Rd	Evansville	IN	47720-5444	Certified with Return Receipt (Signature)	9414811898765844531721	71785 - Apollo E2 Ownership - 30

Parent ID	Mail Date	Company	Name	Address 1	City	ST	Zip	MailClass	Tracking #	Well
31309	02/04/2022		Rivercrest Royalties LLC	777 Taylor St Ste 810	Fort Worth	TX	76102-4936	Certified with Return Receipt (Signature)	9414811898765844531790	71785 - Apollo E2 Ownership - 31
31309	02/04/2022		Robert L McMillan	912 Austin Rd	Graham	TX	76450-4215	Certified with Return Receipt (Signature)	9414811898765844531745	71785 - Apollo E2 Ownership - 32
31309	02/04/2022		Rogers Resources LP	416 Manor Village Cir	Midland	TX	79707-6146	Certified with Return Receipt (Signature)	9414811898765844531783	71785 - Apollo E2 Ownership - 33
31309	02/04/2022		Sandra Jo Gober	1101 N Minter Ave	Throckmorton	TX	76483-4401	Certified with Return Receipt (Signature)	9414811898765844531738	71785 - Apollo E2 Ownership - 34
31309	02/04/2022		Stephanie Ashley Campbell	801 Elm St	Graham	TX	76450-3407	Certified with Return Receipt (Signature)	9414811898765844531776	71785 - Apollo E2 Ownership - 35
31309	02/04/2022		Wildcard Family Limited Partnership	1601 Bryan St Ste 4300	Dallas	TX	75201-3477	Certified with Return Receipt (Signature)	9414811898765844531912	71785 - Apollo E2 Ownership - 36

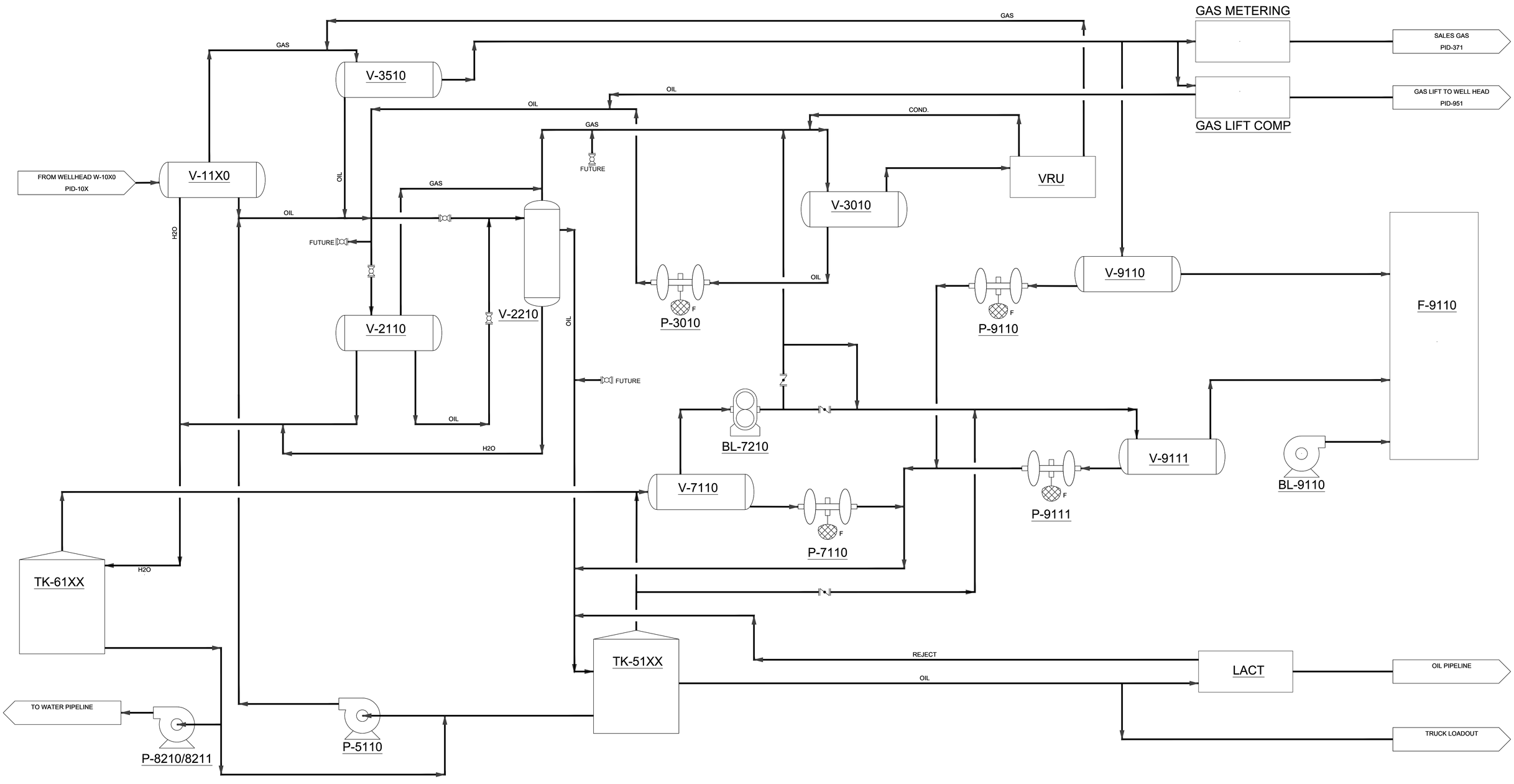
Parent ID	Mail Date	Company	Name	Address 1	City	ST	Zip	MailClass	Tracking #	Well
31309	02/04/2022		J D Murchison Interests Inc	7250 Dallas Pkwy Ste 1400	Plano	TX	75024-5002	Certified with Return Receipt (Signature)	9414811898765844531950	71785 - Apollo E2 Ownership - 37
31309	02/04/2022		Finley Production Co LP	PO Box 2200	Fort Worth	TX	76113-2200	Certified with Return Receipt (Signature)	9414811898765844531967	71785 - Apollo E2 Ownership - 38
31309	02/04/2022		Grasslands Energy LP	5128 Apache Plume Rd	Fort Worth	TX	76109-1580	Certified with Return Receipt (Signature)	9414811898765844531929	71785 - Apollo E2 Ownership - 39
31309	02/04/2022		Commissioner of Public Lands	PO Box 1148	Santa Fe	NM	87504-1148	Certified with Return Receipt (Signature)	9414811898765844536566	71785 - Apollo E2 Ownership - 4
31309	02/04/2022		Richard Scott Briggs	1920 E Riverside Dr	Austin	TX	78741-1342	Certified with Return Receipt (Signature)	9414811898765844531905	71785 - Apollo E2 Ownership - 40
31309	02/04/2022		Causey Resources, LLC	4945 Rustic Trl	Midland	TX	79707-1426	Certified with Return Receipt (Signature)	9414811898765844531998	71785 - Apollo E2 Ownership - 41

Parent ID	Mail Date	Company	Name	Address 1	City	ST	Zip	MailClass	Tracking #	Well
31309	02/04/2022		MEC Resources, LLC	5806 Devlin Pl	Midland	TX	79707-5029	Certified with Return Receipt (Signature)	9414811898765844531943	71785 - Apollo E2 Ownership - 42
31309	02/04/2022		Mesa Southwest Energy LLC	3548 Rosedale Ave	Dallas	TX	75205-1226	Certified with Return Receipt (Signature)	9414811898765844531981	71785 - Apollo E2 Ownership - 43
31309	02/04/2022		Alan Eugene Karper	PO Box 149	Graham	TX	76450-0149	Certified with Return Receipt (Signature)	9414811898765844536528	71785 - Apollo E2 Ownership - 5
31309	02/04/2022	Betty A Davis Mineral Trust,	D Stone Davis, Trustee	PO Box 8904	Aspen	CO	81612-8904	Certified with Return Receipt (Signature)	9414811898765844536504	71785 - Apollo E2 Ownership - 6
31309	02/04/2022	Boldrick Family Properties, LP,	c/o Boldrick Management Co, LLC	PO Box 10648	Midland	TX	79702-7648	Certified with Return Receipt (Signature)	9414811898765844536597	71785 - Apollo E2 Ownership - 7
31309	02/04/2022		Carl T Speight	PO Box 72	Midland	TX	79702-0072	Certified with Return Receipt (Signature)	9414811898765844536542	71785 - Apollo E2 Ownership - 8

Parent ID	Mail Date	Company	Name	Address 1	City	ST	Zip	MailClass	Tracking #	Well
31309	02/04/2022		CXA Oil & Gas Holdings LP	1302 West Ave	Austin	TX	78701-1716	Certified with Return Receipt (Signature)	9414811898765844536580	71785 - Apollo E2 Ownership - 9

TK-51XX OIL TANKS | V-11X0 INLET SEPARATOR | V-2210 VRT | V-3010 VRU KNOCKOUT | V-7110 TANK VAPOR KNOCKOUT | V-9110 HP KNOCKOUT | P-9111 | V-9111 LP KNOCKOUT | P-3010 | P-5110 RECIRC PUMP | P-7110 | P-8210/8211 SWD PUMPS

F-9110 FLARE | BL-7210 TANK VAPOR BLOWER | VRU SK-3110 | BL-9110 FLARE BLOWER | LACT | GAS METERING | GAS LIFT COMP | TK-61XX WATER TANKS | P-9110 | V-2110 HEATER TREATER | V-3510 2-PHASE SALES GAS SEPARATOR



REFERENCED DRAWINGS

DRAWING NUMBER	TITLE
–	–

DRAWING REVISIONS

REV	DESCRIPTION	BY	CHK	APVD	DATE
0	ISSUED FOR CONSTRUCTION	COO	DSE	GBH	07/26/21

ZAP ENGINEERING & CONSTRUCTION SERVICES, INC.

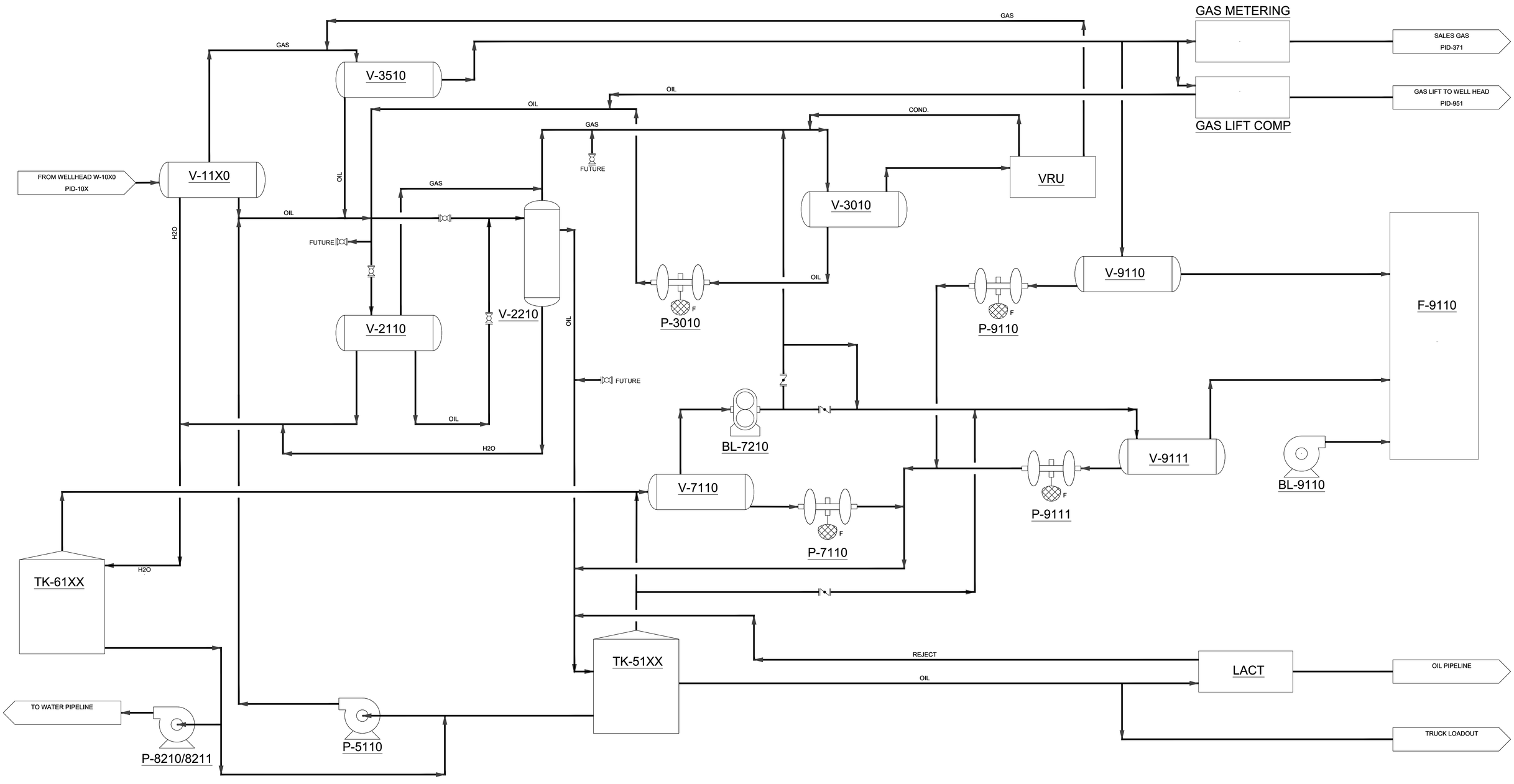
TAP ROCK RESOURCES

WELLPAD APOLLO A
PROCESS FLOW DIAGRAM
WELL PAD FACILITY
–

JOB NO: 21126
DRAWING NO: 759101-PFD-001
REV: 0
PLOT SIZE:
SCALE:

TK-51XX OIL TANKS | V-11X0 INLET SEPARATOR | V-2210 VRT | V-3010 VRU KNOCKOUT | V-7110 TANK VAPOR KNOCKOUT | V-9110 HP KNOCKOUT | P-9111 | V-9111 LP KNOCKOUT | P-3010 | P-5110 RECIRC PUMP | P-7110 | P-8210/8211 SWD PUMPS

F-9110 FLARE | BL-7210 TANK VAPOR BLOWER | VRU SK-3110 | BL-9110 FLARE BLOWER | LACT | GAS METERING | GAS LIFT COMP | TK-61XX WATER TANKS | P-9110 | V-2110 HEATER TREATER | V-3510 2-PHASE SALES GAS SEPARATOR



REFERENCED DRAWINGS

DRAWING NUMBER	TITLE
–	–

DRAWING REVISIONS

REV	DESCRIPTION	BY	CHK	APVD	DATE
0	ISSUED FOR CONSTRUCTION	EIO	DSE	GBH	07/29/21

ZAP ENGINEERING & CONSTRUCTION SERVICES, INC.

TAP ROCK RESOURCES

WELLPAD APOLLO B
PROCESS FLOW DIAGRAM
WELL PAD FACILITY
–

JOB NO: 21126

DRAWING NO: 759102-PFD-001 | REV: 0

PLOT SIZE: | SCALE:

From: Engineer, OCD, EMNRD
To: Adam Rankin
Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Hawkins, James , EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Dawson, Scott
Subject: Approved Administrative Order PLC-807
Date: Tuesday, March 22, 2022 5:46:46 PM
Attachments: PLC807 Order.pdf

NMOCD has issued Administrative Order PLC-807 which authorizes Tap Rock Operating, LLC (372043) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48647	Apollo State Com #136H	E/2 E/2	16-24S-33E 21-24S-33E	98135
30-025-48630	Apollo State Com #203H	E/2 E/2	16-24S-33E 21-24S-33E	98135
30-025-48639	Apollo State Com #223H	E/2 E/2	16-24S-33E 21-24S-33E	98135
30-025-48633	Apollo State Com #206H	E/2 E/2	16-24S-33E 21-24S-33E	98135
30-025-48635	Apollo State Com #212H	E/2 E/2	16-24S-33E 21-24S-33E	98135
30-025-48645	Apollo State Com #134H	E/2 E/2	16-24S-33E 21-24S-33E	98135
30-025-48636	Apollo State Com #214H	E/2 E/2	16-24S-33E 21-24S-33E	98135
30-025-48631	Apollo State Com #204H	E/2 E/2	16-24S-33E 21-24S-33E	98135
30-025-48642	Apollo State Com #103H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48643	Apollo State Com #104H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48650	Apollo State Com #143H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48651	Apollo State Com #144H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48658	Apollo State Com #173H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48659	Apollo State Com #174H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48660	Apollo State Com #183H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48661	Apollo State Com #184H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48654	Apollo State Com #153H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48655	Apollo State Com #154H	E/2 E/2	16-24S-33E 21-24S-33E	96674

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any

conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Chris K. LeCates
To: Adam Rankin; McClure, Dean, EMNRD
Subject: [EXTERNAL] RE: surface commingling application PLC-807
Date: Monday, March 14, 2022 10:00:46 AM
Attachments: image001.png
image002.png
image003.png
image004.png
image005.png
image006.png
759102-PFD-001 Rev 0.pdf
759101-PFD-001 Rev 0.pdf

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

Dean, please see the following regarding your requests:

1. Attached are process flow diagrams.

2. As to the ownership issue, ownership is different among the Bone Spring and Wolfcamp pools. Over time, the parties within the unit have done various formation specific conveyances that created these differences.

Let me know if you need anything else. Thanks.

Chris

Chris LeCates
Attorney, Holland & Hart LLP
222 South Main Street, Suite 2200, Salt Lake City, UT 84101
T 801.799.5743

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Friday, March 11, 2022 4:32 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Cc: Chris K. LeCates <CKLeCates@hollandhart.com>
Subject: RE: surface commingling application PLC-807

Dean,

We will ask for process flow diagrams showing the tank batteries.

As to the ownership issue, I believe that the unit has different ownership as between zones.

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, March 11, 2022 3:29 PM
To: Adam Rankin <AGRankin@hollandhart.com>
Subject: surface commingling application PLC-807

External Email

Mr. Rankin,

I am reviewing surface commingling application PLC-807 which involves a commingling project that includes the Apollo W/2E/2 and Apollo E/2E/2 batteries and is operated by Tap Rock Operating, LLC (372043).

Please provide facility diagrams for these two batteries.

Within the application it is stated that ownership is diverse between these wells and notification was provided. However, it also appears that despite their names, all of these wells are unit wells of the Jackson Unit. My presumption would be that ownership would be identical as this is a type 1 unit, but its easily possible that I am missing something. Please speak a little on this subject.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

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

APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY TAP ROCK OPERATING, LLC **ORDER NO. PLC-807**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Tap Rock Operating, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.

12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.

13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.

14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.

15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

   Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

   Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

   Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not

included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.

4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.

5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.

7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC.

9. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.

10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).

12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

DATE: 3/22/2022

ADRIENNE SANDOVAL
DIRECTOR

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-807
Operator: Tap Rock Operating, LLC (372043)
Central Tank Battery: Apollo W/2E/2 Central Tank Battery
Central Tank Battery Location: UL O, Section 21, Township 24 South, Range 33 East
Central Tank Battery: Apollo E/2E/2 Central Tank Battery
Central Tank Battery Location: UL P, Section 21, Township 24 South, Range 33 East
Gas Title Transfer Meter Location: SE/4, Section 21, Township 24 South, Range 33 East

Pools

Pool Name	Pool Code
TRIPLE X; BONE SPRING, WEST	96674
WC-025 G-09 S243310P; UPPER WOLFCAMP	98135

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
Jackson Unit (Bone Spring)	All	15-24S-33E
	All minus C D K L	16-24S-33E
	All	21-24S-33E
	All	22-24S-33E
Jackson Unit (Wolfcamp)	All	15-24S-33E
	All minus C D K L	16-24S-33E
	All	21-24S-33E
	All	22-24S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48647	Apollo State Com #136H	E/2	16-24S-33E	98135
		E/2	21-24S-33E	
30-025-48630	Apollo State Com #203H	E/2	16-24S-33E	98135
		E/2	21-24S-33E	
30-025-48639	Apollo State Com #223H	E/2	16-24S-33E	98135
		E/2	21-24S-33E	
30-025-48633	Apollo State Com #206H	E/2	16-24S-33E	98135
		E/2	21-24S-33E	
30-025-48635	Apollo State Com #212H	E/2	16-24S-33E	98135
		E/2	21-24S-33E	
30-025-48645	Apollo State Com #134H	E/2	16-24S-33E	98135
		E/2	21-24S-33E	
30-025-48636	Apollo State Com #214H	E/2	16-24S-33E	98135
		E/2	21-24S-33E	
30-025-48631	Apollo State Com #204H	E/2	16-24S-33E	98135
		E/2	21-24S-33E	
30-025-48642	Apollo State Com #103H	E/2	16-24S-33E	96674
		E/2	21-24S-33E	

30-025-48643	Apollo State Com #104H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48650	Apollo State Com #143H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48651	Apollo State Com #144H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48658	Apollo State Com #173H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48659	Apollo State Com #174H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48660	Apollo State Com #183H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48661	Apollo State Com #184H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48654	Apollo State Com #153H	E/2 E/2	16-24S-33E 21-24S-33E	96674
30-025-48655	Apollo State Com #154H	E/2 E/2	16-24S-33E 21-24S-33E	96674

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 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 81427

CONDITIONS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 81427
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	3/22/2022