REVIEWER: LRL RECEIVED: pLEL2205937594



NEW MEXICO OIL CO	ONSERVATION DIVISION
- Geological & Eng	
1220 South St. Francis Driv	ve, Santa Fe, NM 87505
	PPLICATION CHECKLIST
	ATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND ESSING AT THE DIVISION LEVEL IN SANTA FE
Applicant: Tap Rock Operating, LLC	OGRID Number: 372043
Well Name: Cypress 33 Fed Com # 233H	API: 30-015- 47856
Pool: Purple Sage; Wolfcamp (Gas)	Pool Code: 98220
	ON REQUIRED TO PROCESS THE TYPE OF APPLICATION ATED BELOW
1) TYPE OF APPLICATION: Check those which app A. Location – Spacing Unit – Simultaneous De NSL NSP <sub>(PROJECT AREA)</sub>	. •
B. Check one only for [1] or [1]  [1] Commingling – Storage – Measureme  DHC CTB PLC PC  [11] Injection – Disposal – Pressure Increas  WFX PMX SWD IP  2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders	OC OLS OLM use - Enhanced Oil Recovery PI EOR PPR FOR OCD ONLY
B. Royalty, overriding royalty owners, reverse. Application requires published notice D. Notification and/or concurrent approve E. Notification and/or concurrent approve F. Surface owner G. For all of the above, proof of notification. H. No notice required	oval by SLO  Complete
3) <b>CERTIFICATION:</b> I hereby certify that the inform administrative approval is <b>accurate</b> and <b>comp</b> understand that <b>no action</b> will be taken on this notifications are submitted to the Division.	
Note: Statement must be completed by an ind	dividual with managerial and/or supervisory capacity.
	2/8/2022
Adam G. Rankin	Date
Print or Type Name	505-954-7294
	Phone Number
	- AGRankin@hollandhart.com

e-mail Address

Signature



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

February 3, 2022

#### VIA ONLINE FILING

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

**Re:** Tap Rock Operating, LLC

Request for Administrative Approval of Unorthodox Well Location

Cypress 33 Fed Com # 233H well E/2 of Section 33, Township 23 South, Range 29 East Eddy County, New Mexico Purple Sage; Wolfcamp (Gas) pool [98220] API No. 30-015-47856

Dear Ms. Sandoval:

Tap Rock Operating, LLC (OGRID No. 372043), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13(C)-(D) NMAC and applicable rules governing acreage and well location requirements for the Purple Sage; Wolfcamp (Gas) pool [98220], seeks administrative approval of an unorthodox well location for its **Cypress 33 Fed Com # 233H well** (API No. 30-015-47856), in a 320-acre, more or less, spacing unit underlying the E/2 of Section 33, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

The proposed surface and bottom hole locations and first and last take points are as follows:

- the <u>surface location</u> is located 14 feet from the south line and 1364 feet from the east line (Unit O) of Section 28,
- the <u>bottom hole location</u> is located 30 feet from the south line and 2025 feet from the east line (Unit O) of Section 33,
- the <u>first take point</u> is located 100 feet from the north line and 2025 feet from the east line (Unit B) of Section 33 and

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska Colorado Montana Nevada New Mexico Utah Washington, D.C. Wyoming • the <u>last take point</u> is located 100 feet from the south line and 2025 feet from the east line (Unit O) of Section 33.

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because the first and last take points are closer (100 feet instead of 330 feet) than the standard offsets to the northern and southern boundaries of the spacing unit – thus encroaching on (1) the SW/4 and W/2 SE/4 of Section 28, Township 23 South, Range 29 East, and (2) the N/2 of Section 4, Township 24 South, Range 29 East. Approval of the unorthodox, completed interval will increase the well's effective lateral length by 460 feet, thereby increasing ultimate recovery of reserves and preventing waste of natural resources.

**Exhibit A** is a Form C-102 with attached plats showing the first take point of the proposed Cypress 33 Fed Com # 233H well encroaches on the spacing unit/tracts to the north in the SW/4 and W/2 SE/4 of Section 28, Township 23 South, Range 29 East, and showing the last take point of the well encroaches on the spacing unit/tracts to the south in the N/2 of Section 4, Township 24 South, Range 29 East.

**Exhibit B** is a plat for the E/2 of Section 33, Township 23 South, Range 29 East, the SW/4 and W/2 SE/4 of Section 28, Township 23 South, Range 29 East, and the N/2 of Section 4, Township 24 South, Range 29 East, that shows the proposed Cypress 33 Fed Com # 233H well in relation to adjoining spacing unit/tracts to the north and south. OXY USA Inc. is the operator of wells in these affected spacing units to the north and south. Additionally, the United States owns the mineral estate or a part thereof in the affected spacing units. Accordingly, the "affected persons" are OXY USA Inc. and the United States Bureau of Land Management. Included as **Exhibit C** is a waiver from OXY USA Inc. Therefore, notice only needs to be provided to the United States Bureau of Land Management.

**Exhibit D** is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons has either executed a waiver or was sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected parties:

Type	Affected Party	Location
Operator/	OXY USA Inc.	SW/4, W/2
Working		SE/4 of
Interest		Section 28;
		N/2 of
		Section 4
Federal/State	United States Bureau of Land	SW/4, W/2
Mineral	Management	SE/4 of
Interest		Section 28;

<sup>&</sup>lt;sup>1</sup> See NMAC §§ 19.15.2.7.A(8) and 19.15.4.12.A(2)(a).

	N/2 of
	Section 4

Your attention to this matter is appreciated.

Sincerely,

Adam G. Rankin

**ATTORNEY FOR** 

TAP ROCK OPERATING, LLC

### **Exhibit A**

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 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

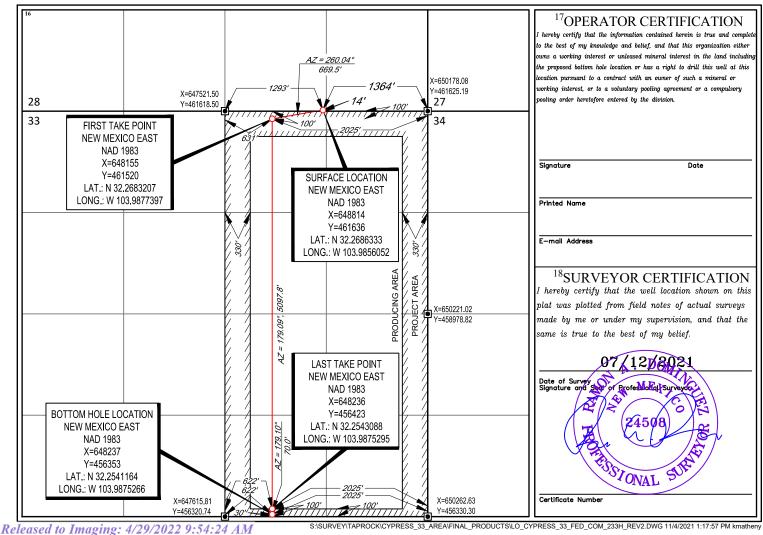
**FORM C-102** Revised August 1, 2011 Submit one copy to appropriate **District Office** 

AMENDED REPORT

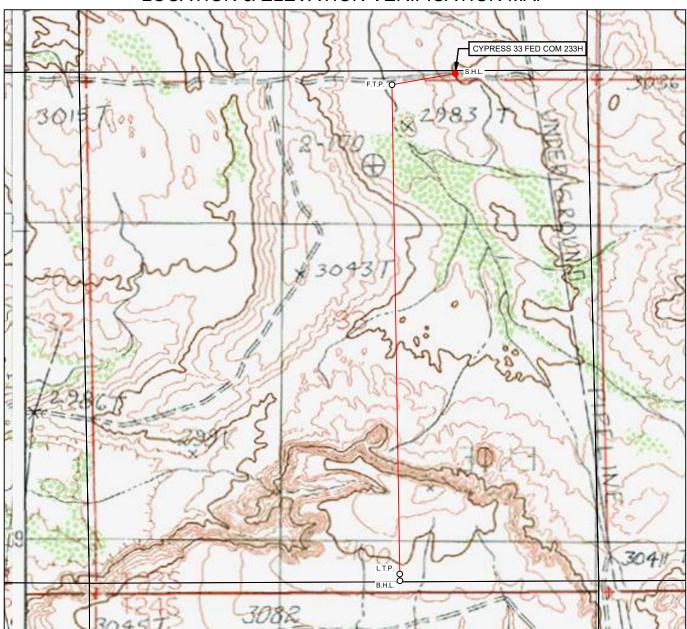
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

·	API Number	ber <sup>2</sup> Pool Code				<sup>3</sup> Pool Name				
<sup>4</sup> Property Code <sup>5</sup> Property Name <sup>6</sup> Well Numl							Well Number			
				CY	PRESS 33	FED COM			233H	
<sup>7</sup> OGRID N	lo.				<sup>8</sup> Operator	Name			<sup>9</sup> Elevation	
37204	<u>ا</u> 3			TAP I	ROCK OPE	RATING, LLC.			3004'	
<sup>10</sup> Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
0	28	23-S	S 29-E - 14'			SOUTH	1364'	EAST	EDDY	
	11Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
0	33	23-S	29-E	-	30'	SOUTH	2025'	EAST	EDDY	
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or l	Infill 14Con	solidation Co	de <sup>15</sup> Orde	r No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



#### LOCATION & ELEVATION VERIFICATION MAP

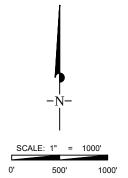




CYPRESS 33 FED COM 233H LEASE NAME & WELL NO :

SECTION 28 TWP 23-S RGE 29-E SURVEY N.M.P.M. EDDY STATE COUNTY . NM \_ ELEVATION \_ DESCRIPTION \_ 14' FSL & 1364' FEL

LATITUDE \_\_\_\_\_ N 32.2686333 \_\_\_\_ LONGITUDE \_\_\_\_ W 103.9856052

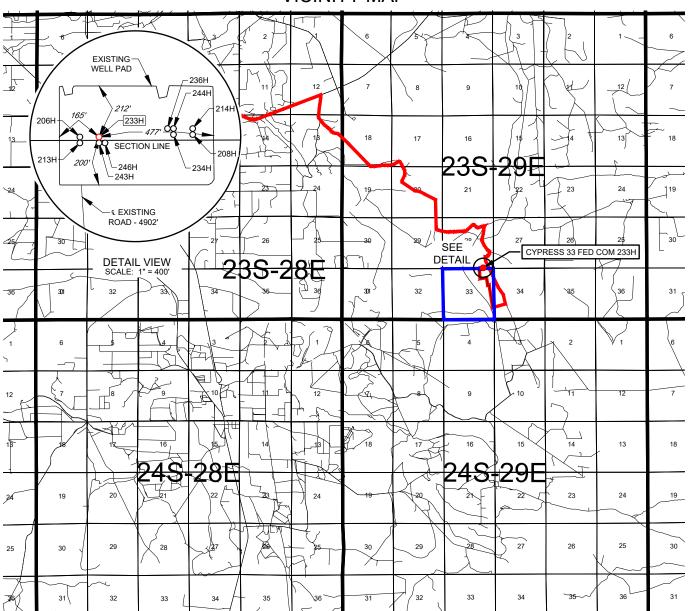


THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



TELEPHONE: (817) 744-7512 • FAX (817) 744-7554 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM





LEASE NAME & WELL NO.: CYPRESS 33 FED COM 233H

 SECTION
 28
 TWP
 23-S
 RGE
 29-E
 SURVEY
 N.M.P.M.

 COUNTY
 EDDY
 STATE
 NM

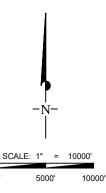
 DESCRIPTION
 14' FSL & 1364' FEL

#### **DISTANCE & DIRECTION**

FROM INT. OF NM-31, & STATE HWY 387, GO EAST ON NM-31 ±1.7 MILES, THENCE SOUTH (RIGHT) ON FISHERMANS LN. ±0.5 MILES, THENCE CONTINUE STRAIGHT ON A LEASE RD. ±4.8 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.6 MILES, THENCE CONTINUE SOUTH (RIGHT) ON A LEASE RD. ±0.7 MILES, THENCE WEST (RIGHT) ON PROPOSED RD. ±4902 FEET TO A POINT ±213 FEET SOUTHWEST OF THE LOCATION.



ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.





1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140

TELEPHONE: (817) 744-7512 • FAX (817) 744-7554

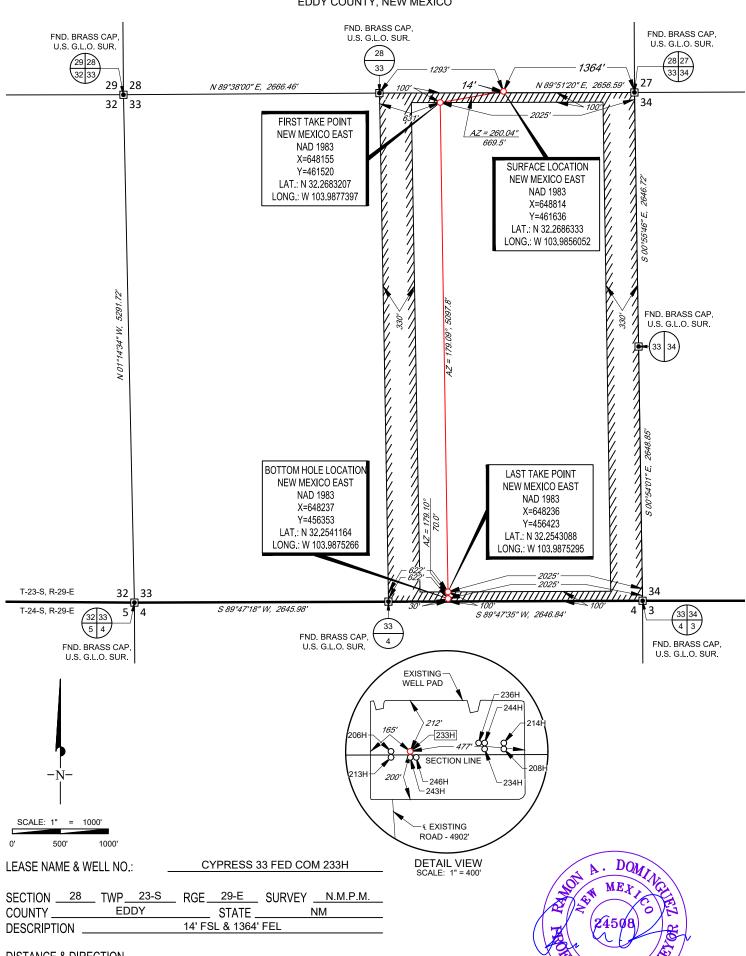
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705

TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743

WWW.TOPOGRAPHIC.COM



### SECTION 28, TOWNSHIP 23-S, RANGE 29-E, N.M.P.M. EDDY COUNTY, NEW MEXICO



DISTANCE & DIRECTION

FROM INT. OF NM-31, & STATE HWY 387, GO EAST ON NM-31 ±1.7 MILES, THENCE SOUTH (RIGHT) ON FISHERMANS LN. ±0.5 MILES, THENCE CONTINUE STRAIGHT ON A LEASE RD. ±4.8 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.6 MILES, THENCE CONTINUE SOUTH (RIGHT) ON A LEASE RD. ±0.7 MILES, THENCE WEST (RIGHT) ON PROPOSED RD. ±4902 FEET TO A POINT ±213 FEET SOUTHWEST OF THE LOCATION.

Ramon A. Dominguez, P.S. No. 24508 November 1, 2021

STONAL

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



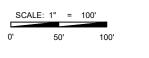
1400 EVERMAN PARKWAY, SI6. 140 • F1. WORTH, IEAAS 76140
TELEPHONE: (817) 744-7524
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

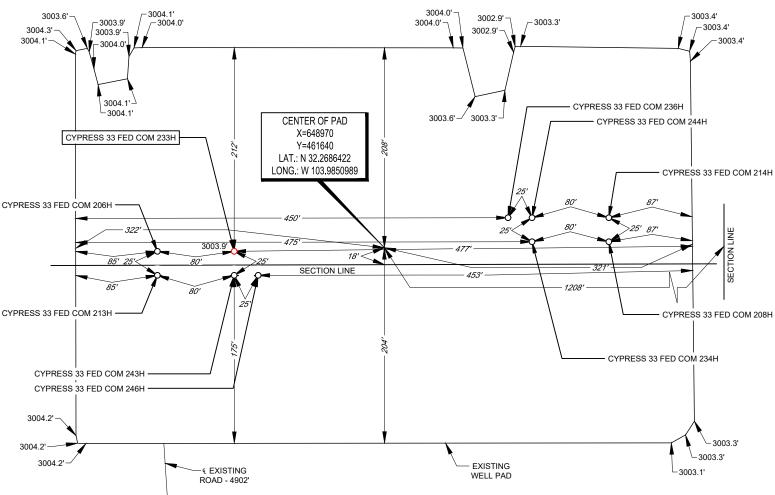
SECTION 28, TOWNSHIP 23-S, RANGE 29-E, N.M.P.M. EDDY COUNTY, NEW MEXICO

LEGEND

SECTION LINE
PROPOSED ROAD

DETAIL VIEW SCALE: 1" = 100'







CENTER OF PAD IS 18' FSL & 1208' FEL

Ramon A. Dominguez, P.S. No. 24508

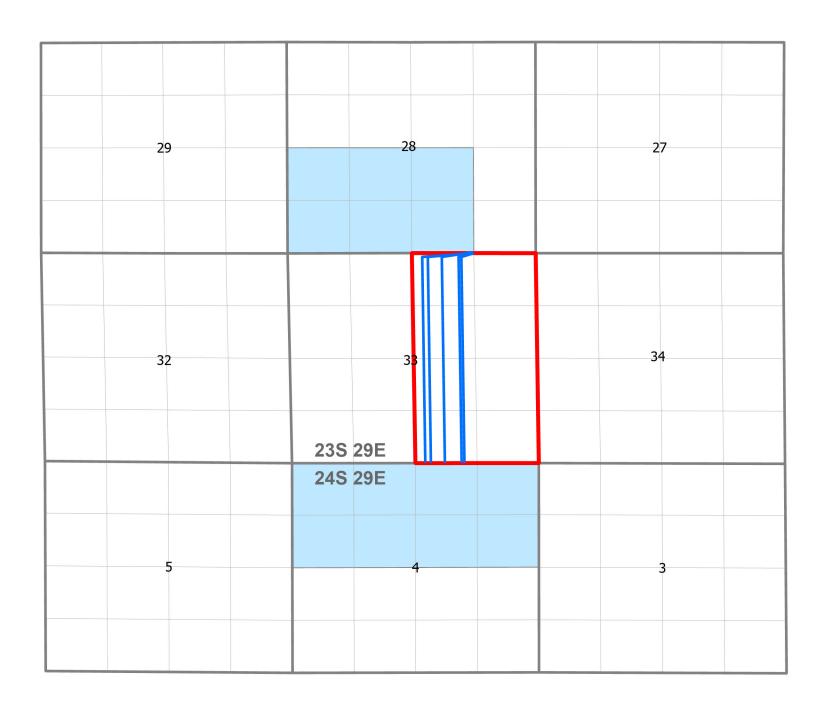
ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

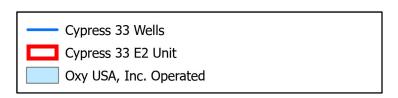
THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

# **Exhibit B**





### **Exhibit C**

#### Keri J. Hanzelka

From: Matt Phillips

**Sent:** Friday, October 29, 2021 12:10 PM

**To:** Van Liew, Peter R

**Subject:** RE: [EXTERNAL] RE: Tap Rock Cypress 33 Wells - NSL Waiver

Peter,

Thank you for the quick response. Tap Rock agrees to waive any right to protest NSLs on Heads. I will place a copy of these emails in the file to memorialize the terms on my end.

Thank you, Matt

From: Van Liew, Peter R < Peter\_VanLiew@oxy.com>

**Sent:** Friday, October 29, 2021 12:05 PM **To:** Matt Phillips <mphillips@taprk.com>

Subject: [EXTERNAL] RE: Tap Rock Cypress 33 Wells - NSL Waiver

#### [EXTERNAL] This email originated from outside your organization. Do not trust links or attachments.

Matt,

Oxy is amenable to granting to waive any right to protest these NSLs so long as we receive a reciprocal waiver for our Heads development in Section 4. Feel free to confirm via email and let me know if you need anything else related to this request.

Sincerely,

### Peter R. Van Liew, RPL Senior Land Negotiator Occidental Petroleum Corporation 5 Greenway Plaza, Suite 110 Houston, Texas 77046 713.985.6972 (o)

832.627.6880 (c)

#### **CONFIDENTIALITY NOTICE**

The information in this e-mail may be confidential and/or privileged. This e-mail is intended for review only by the individual or organization named above. If you are not the intended recipient, you are hereby notified that any review, dissemination or copying of this e-mail or the information contained herein and in its attachments, if any, is prohibited. If you have received this e-mail in error, please immediately notify the sender by return e-mail and delete this e-mail from your system.

From: Matt Phillips < <a href="mailto:mphillips@taprk.com">mphillips@taprk.com</a> Sent: Friday, October 29, 2021 12:00 PM

To: Van Liew, Peter R < Peter VanLiew@oxy.com>

Subject: [EXTERNAL] Tap Rock Cypress 33 Wells - NSL Waiver

# WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Peter,

Pursuant to our conversation this morning, please allow this email to serve as notice that Tap Rock Operating, LLC intends to drill the following wells at non-standard locations (100' setbacks for FTP and LTP) encroaching on the SW/4 & W/2SE/4 Section 28, T23S, R29E and N/2 Section 4, T24S, R29E:

- E/2 Section 33 (Northern and Southern encroachment): Cypress 33 Fed Com #206H, #246H, #233H, #243H, #213H
- E/2 Section 33 (Southern encroachment): Cypress 33 Fed Com #208H, #214H, #234H, #244H
- W/2 Section 33 (Northern and Southern encroachment): Cypress 33 Fed Com #205H, #207H, #211H, #212H, #231H, #232H, #235H, #241H, #245H, #242H

We plan to spud the E/2 wells starting in December of 2021 and the W/2 wells in April of 2022. If OXY is amenable to granting Tap Rock waivers for the above, we are willing to grant same for any upcoming OXY Heads development and will confirm via email upon request.

Thank you,

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

mphillips@taprk.com



## **Exhibit D**

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5 ADDR6
OXY USA Inc.	5 Greenway Plaza, Suite 110	Houston	TX	77046
United States Bureau of Land Management	620 E Greene Street	Carlsbad	NM	88220
United States Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508



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

February 3, 2022

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

**Re:** Tap Rock Operating, LLC

Request for Administrative Approval of Unorthodox Well Location

Cypress 33 Fed Com # 233H well E/2 of Section 33, Township 23 South, Range 29 East Eddy County, New Mexico Purple Sage; Wolfcamp (Gas) pool [98220] API No. 30-015-47856

#### Ladies and Gentlemen:

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

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

Matt Phillips Tap Rock Operating, LLC (720) 459-3724 mphillips@taprk.com

Sincerely,

Adam G. Rankin **ATTORNEY FOR** 

TAP ROCK OPERATING, LLC

Parent ID	Mail Date	Name	Address 1	City	ST	Zip	MailClass	Tracking #	Well
31309	02/03/20	United States Bureau of Land Management	620 E Greene St	Carlsbad	NM		Certified with Return Receipt (Signature)		71767 - Tap Rock - Cypress - NSL - notice list - 1
31309	02/03/20	United States Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508- 1560	Certified with Return Receipt (Signature)		71767 - Tap Rock - Cypress - NSL - notice list - 2

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

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 79884

#### **CONDITIONS**

Operator:	OGRID:
TAP ROCK OPERATING, LLC	372043
523 Park Point Drive	Action Number:
Golden, CO 80401	79884
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

#### CONDITIONS

Create By	d Condition	Condition Date
llowe	NSL-8324 is approved.	3/29/2022