



Coonskin Fee #111H

Case No. 22381

January 6, 2022

Checklist.....Tab 1

Application.....Tab 2

Landman Affidavit - Exhibit A.....Tab 3

Landman Exhibits

- 1. C102
- 2. Tract Map
- 3. Tract List
- 4. Unit Interest Breakdown
- 5. Sample Well Proposal and AFE
- 6. Complaint in Quiet Title Suit

Geologist Affidavit - Exhibit B.....Tab 4

Geologist Exhibits

- 7. Project Locator Map
- 8. Gun Barrel Diagram
- 9. Subsea Structure Map
- 10. Stratigraphic Cross Section
- 11. Isopach Map
- 12. Simplified Wellbore Diagram

Affidavit of Notice - Exhibit C.....Tab 5

Tab 1.

Received by OGD 1/4/2022 4:38:35 PM

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22381	APPLICANT'S RESPONSE
Date	January 6, 2022
Applicant	Tap Rock Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	372043
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & Ricardo Gonzales)
Case Title:	Application of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None at this time
Well Family	Coonskin Fee Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	WC-025 G-07 S243517D; Middle Bone Spring [98294]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	240 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	South-North
Description: TRS/County	W/2 W/2 of Section 28 and W/2 NW/4 of Section 33, T24S, R35E, Lea County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	n/a
Proximity Defining Well: if yes, description	n/a
Applicant's Ownership in Each Tract	100%, see Exhibit A, ¶ 6 and Exhibit 4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Coonskin Fee #111H, API No. 30-025-49260 SHL: 2303' FNL and 1143' FWL, Section 33, T24S-R35E, NMPM BHL: 5' FNL and 331' FWL, Section 28, T24S-R35E, NMPM Completion Target: First Bone Spring at approx. 10525' Well Orientation: South to North Completion location expected to be standard

Horizontal Well First and Last Take Point <i>Received by OCD on 1/4/2022 at 2:07 PM</i>	FTP (~331' FWL and 100' FSL of Section 33, T24S-R35E) LTP (~331' FWL and 100' FNL of Section 28, T24S-R35E)	<i>Page 5 of 4</i>
Completion Target (Formation, TVD and MD)	First Bone Spring - TVD (~10,525'), MD (~18,585')	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$7,000; see Exhibit A, ¶ 15	
Production Supervision/Month \$	\$700; see Exhibit A, ¶ 15	
Justification for Supervision Costs	Please see AFE at Exhibit 5	
Requested Risk Charge	200%; see Exhibit A, ¶ 16	
Notice of Hearing		
Proposed Notice of Hearing	Submitted with online filing of Application	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C	
Proof of Published Notice of Hearing (10 days before hearing)	n/a	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	See Exhibit A, ¶ 6 and Exhibit 2	
Tract List (including lease numbers and owners)	Exhibits 2 and 3	
Pooled Parties (including ownership type)	See Exhibit A, ¶ 6 and Exhibit 4	
Unlocatable Parties to be Pooled	None	
Ownership Depth Severance (including percentage above & below)	None	
Joinder		
Sample Copy of Proposal Letter	Exhibit 5	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4	
Chronology of Contact with Non-Joined Working Interests	Exhibit A, ¶ 6; Exhibit 5	
Overhead Rates In Proposal Letter	n/a	
Cost Estimate to Drill and Complete	Exhibit 5	
Cost Estimate to Equip Well	Exhibit 5	
Cost Estimate for Production Facilities	Exhibit 5	
Geology		
Summary (including special considerations)	Exhibit B, ¶¶ 5-11; see Exhibits 7-12	
Spacing Unit Schematic	Exhibits 1 and 2	
Gunbarrel/Lateral Trajectory Schematic	Exhibit 8	
Well Orientation (with rationale)	Exhibit B, ¶ 10(d)	
Target Formation	Exhibit 10	
HSU Cross Section	Exhibit 10	
Depth Severance Discussion	n/a; see Exhibit A, ¶ 11	
Forms, Figures and Tables		
C-102	Exhibit 1	

Tracts	Received by OCD: 1/4/2022 4:32:04 PM	Exhibit 2	Page 6 of 4
Summary of Interests, Unit Recapitulation (Tracts)		See Exhibit A, ¶ 6 and Exhibit 4	
General Location Map (including basin)		Exhibit 7	
Well Bore Location Map		Exhibit 7	
Structure Contour Map - Subsea Depth		Exhibit 9	
Cross Section Location Map (including wells)		Exhibit 11	
Cross Section (including Landing Zone)		Exhibit 10	
Additional Information			
Special Provisions/Stipulations		None	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.			
Printed Name (Attorney or Party Representative):		Sharon T. Shaheen	
Signed Name (Attorney or Party Representative):		<i>Sharon T. Shaheen</i>	
Date:			1/4/2022

Tab 2.

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

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

Case No. _____

APPLICATION

Tap Rock Operating, LLC (“Tap Rock”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (WC-025 G-07 S243517D; MIDDLE BONE SPRING [98294]) in a standard 240-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 W/2 of Section 28 and the W/2 NW/4 of Section 33, Township 24 South, Range 35 East in Lea County, New Mexico. In support of its application, Tap Rock states as follows:

1. Tap Rock is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Tap Rock proposes to drill the following one and a half-mile well in the proposed HSU: **Coonskin Fee #111H** well, to be horizontally drilled from an approximate surface hole location 2303’ FNL and 1143’ FWL of Section 33, T24S-R35E, to an approximate bottom hole location 5’ FNL and 331’ FWL of Section 28, T24S-R35E.
3. The completed intervals and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.
4. Tap Rock NM10 Minerals, LLC has filed a complaint to quiet title against the New Mexico Department of Transportation (“NMDOT”) in the Fifth Judicial District Court located in

Lea County, New Mexico. Tap Rock Resources, LLC, is the lessee of those minerals owned by Tap Rock NM10 Minerals, LLC. The quiet title suit covers, among other lands, an approximately 1.9-acre mineral tract in the SW/4NW/4 of Section 33, Township 24 South, Range 35 East in Lea County, New Mexico, which is within the Coonskin Fee #111H drilling and spacing unit. Tap Rock Resources, LLC, as Operator, proposed the Coonskin Fee #111H to the New Mexico Department of Transportation out of an abundance of caution until a Final Judgment is received by the Court.

5. Tap Rock Resources, LLC owns the entirety of the remaining working interest in the proposed HSU.

6. Tap Rock has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from the NMDOT in the HSU.

7. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to permit Tap Rock to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Tap Rock should be designated the operator of the HSU.

WHEREFORE, Tap Rock requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 240-acre, more or less, horizontal spacing and proration unit comprised of the W/2 W/2 of Section 28 and W/2 NW/4 of Section 33, Township 24 South, Range 35 East in Lea County, New Mexico;

- B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;
- C. Allowing the drilling of the Coonskin Fee #111H well in the proposed HSU;
- D. Designating Tap Rock as operator of the HSU and the well to be drilled thereon;
- E. Authorizing Tap Rock to recover its costs of drilling, equipping and completing the well;
- F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% penalty for the risk assumed by Tap Rock in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

Troy S. Lawton

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

sshaheen@montand.com

tlawton@montand.com

Attorneys for Tap Rock Operating, LLC

Tab 3.

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

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

Case No. 22381

AFFIDAVIT OF ERICA HIXSON

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Affidavit, which is based on my personal knowledge.

2. I am employed as a Landman with Tap Rock Operating, LLC (“Tap Rock”), and I am familiar with the subject application and the lands involved.

3. This affidavit is submitted in connection with the filing by Tap Rock of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.

4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

5. The purpose of this application is to force pool uncommitted working interest owners into the horizontal spacing unit (“HSU”) described below, and in the well to be drilled in the unit.

6. No opposition is expected. The New Mexico Department of Transportation (“NMDOT”) is a possible uncommitted interest owner, as a bonafide title dispute exists as to the tract where it might have an interest. NMDOT was contacted regarding the proposed well. Simultaneously with this application, Tap Rock has initiated proceedings to quiet title in the Fifth

Judicial District Court located in Lea County, New Mexico, in a suit styled *Tap Rock NM10 Minerals, LLC v. State of New Mexico ex rel. New Mexico Department of Transportation*, No. D-405-CV-2021-00993. The quiet title suit covers, among other lands, Tract 3 (approximately 1.9 acre mineral tract in the SW/4NW/4 of Section 33, Township 24 South, Range 35 East). Tract 3 falls within the HSU. The result of the quiet title suit will likely be that Tap Rock or one of its affiliates owns 100% of the working interest in the HSU. Out of an abundance of caution, Tap Rock wishes to proceed with this application until a Final Judgment is issued by the Fifth Judicial District Court. The complaint in the quiet title suit is attached as **Exhibit 6**.

7. Tap Rock seeks an order pooling all mineral interests in the WC-025 G-07 S243517D; MIDDLE BONE SP pool (Pool No. 98294) underlying the W/2W/2 of Section 28 and the W/2NW/4 of Section 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. The proposed 240-acre spacing unit will be dedicated to the Coonskin Fee #111H well as the defining well for the unit. A proposed C-102 for the well is attached as **Exhibit 1**. The well will develop the WC-025 G-07 S243517D; MIDDLE BONE SP pool (Pool No. 98294), which is an oil pool.

8. The proposed surface hole, bottom hole, and first and last take points for the well can be found in the attached **Exhibit 1**. The proposed total vertical depth and measured depth for the well can be found in the attached **Exhibit 5**.

9. A tract map containing the composition of the HSU is attached hereto as **Exhibit 2** and shows that the HSU is comprised of three fee tracts. A tract list with ownership interests is attached hereto as **Exhibit 3**.

10. The party being pooled, and the nature of its unit interest, is found in **Exhibit 4** attached hereto.

11. There are no depth severances that affect this well in the proposed HSU.

12. I have conducted a diligent search of the public records in Lea County, New Mexico, where the well will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. I mailed NMDOT a well proposal, including an Authorization for Expenditure (“AFE”) for the well. We have not received any response from NMDOT.

13. Tap Rock has made a good faith effort to obtain voluntary joinder of the working interest owner in the proposed well.

14. **Exhibit 5** is a sample proposal letter and the AFE for the proposed well. The estimated cost of the well as set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

15. Tap Rock requests overhead and administrative rates of \$8000/month for drilling a well and \$800/month for a producing well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Tap Rock requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

16. Tap Rock requests the maximum cost, plus 200% risk charge be assessed against non-consenting owners.

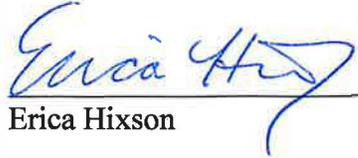
17. Tap Rock requests that it be designated operator of the well.

18. The Exhibits to this Affidavit were prepared by me or compiled from Tap Rock’s company business records.

19. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

20. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT


Erica Hixson

STATE OF COLORADO)
)ss
COUNTY OF JEFFERSON)

Subscribed to and sworn before me this 3rd day of January, 2022.


Notary Public

My Commission expires 9/20/2024.

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

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

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49260		² Pool Code 98294		³ Pool Name WC-025 G-07 S243517D;MIDDLE BONE SPRING	
⁴ Property Code 331322		⁵ Property Name COONSKIN FEE			⁶ Well Number 111H
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3291'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	33	24-S	35-E	-	2303'	NORTH	1143'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

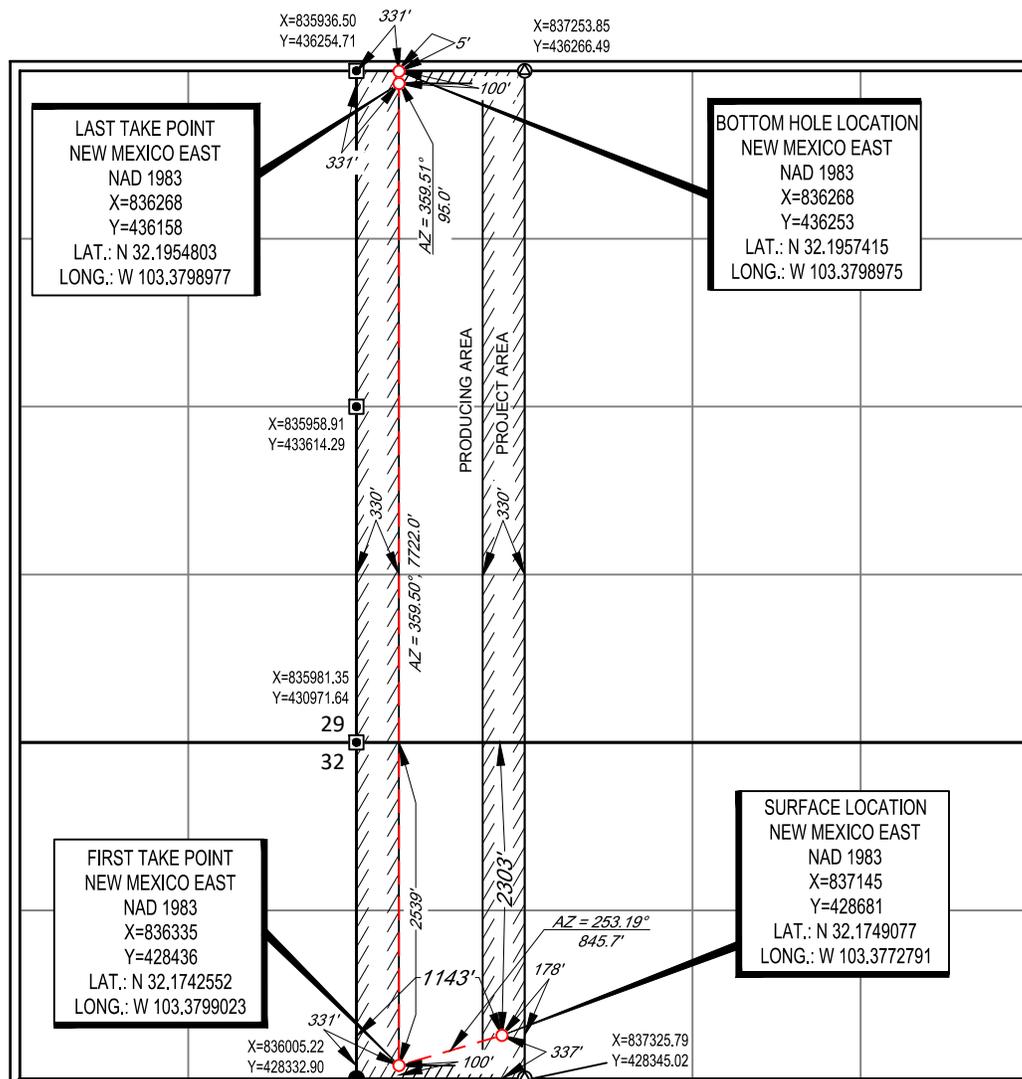
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	24-S	35-E	-	5'	NORTH	331'	WEST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Exhibit 1

Case No. 22381



¹⁷OPERATOR CERTIFICATION

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

Bill Ramsey

7/28/2021

Signature

Date

Bill Ramsey

Printed Name

bramsey@taprk.com

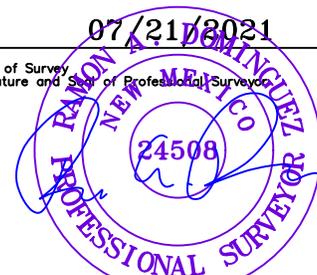
E-mail Address

¹⁸SURVEYOR CERTIFICATION

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

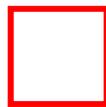
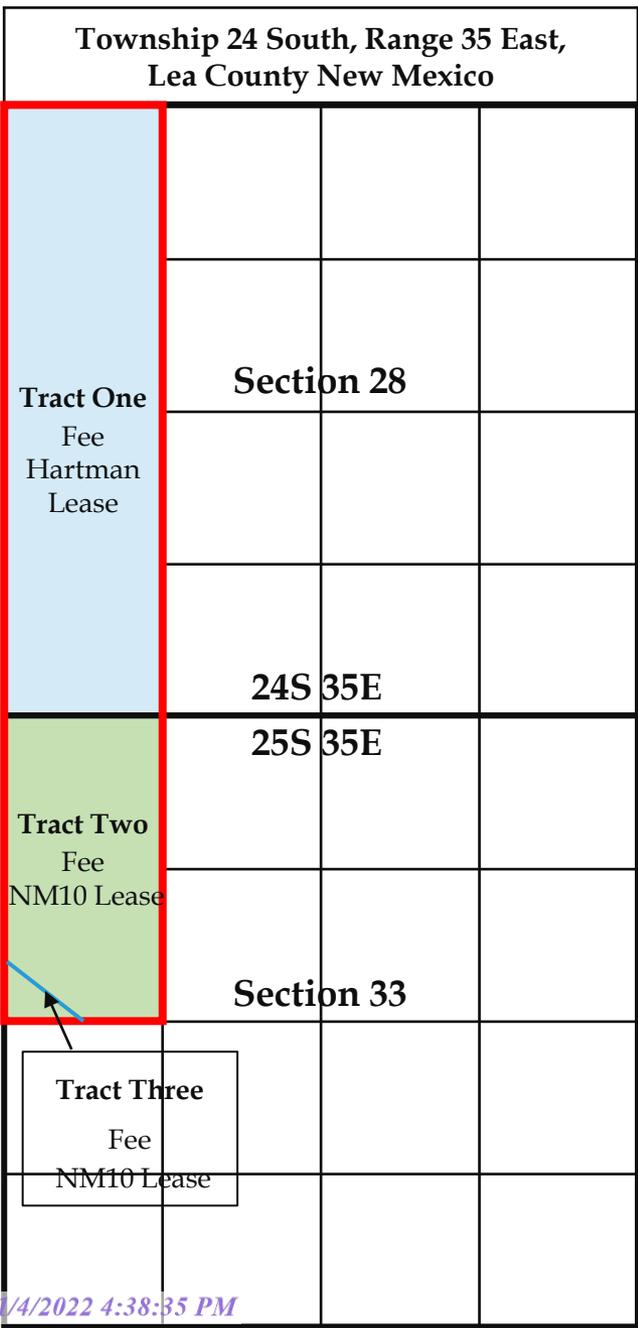
07/21/2021

Date of Survey
Signature and Seal of Professional Surveyor



Certificate Number

Tract Map



Coonskin Fee #111H Drilling and Spacing Unit

Tract #	Legal	Mineral Ownership Type	Working Interest Owners
1	W/2W/2 of Section 28, Township 24 South, Range 35 East	Fee	Tap Rock Resources, LLC
2	W/2NW/4 of Section 33, Township 24 South, Range 35 East Less & Except Parcel 4-1 as further described in Stipulated Judgment recorded in Lea County Records at Book 1691, Page 845	Fee	Tap Rock Resources, LLC
3	Parcel 4-1 as further described in Stipulated Judgment recorded in Lea County Records at Book 1691, Page 845	Fee	Tap Rock Resources, LLC New Mexico Department of Transportation *

*Tap Rock NM10 Minerals, LLC has filed a complaint to quiet title against the New Mexico Department of Transportation in the Fifth Judicial District Court located in Lea County, New Mexico. The quiet title suit covers, among other lands, Tract 3 (approximately 1.9 acre mineral tract in the SW/4NW/4 of Section 33, Township 24 South, Range 35 East).

Unit Interest Breakdown*

Entity	Interest Type	Approximate Percentage*
Tap Rock Resources, LLC New Mexico Department of Transportation	Working Interest/Unleased Mineral Interest	100%**

Overriding Royalty Interest*

Chilmark Properties, LLC
Robert E. Landreth

*final interest is subject to division order title verification

**Tap Rock NM10 Minerals, LLC has filed a complaint to quiet title against the New Mexico Department of Transportation in the Fifth Judicial District Court located in Lea County, New Mexico. The quiet title suit covers, among other lands, Tract 3 (approximately 1.9 acre mineral tract in the SW/4NW/4 of Section 33, Township 24 South, Range 35 East).



523 Park Point Dr, Suite 200
Golden, CO 80401

August 09, 2021

Via FedEx

NEW MEXICO DEPARTMENT OF TRANSPORTATION
1120 CERRILLOS ROAD
SANTA FE, NM 87504-1149

**Re: Well Proposal(s) for:
- COONSKIN FEE #111H
Township 24 South, Range 35 East, Section 28: W/2W/2
Township 24 South, Range 35 East, Section 33: W/2NW/4
Lea County, NM**

Dear Working Interest Owner:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the following Well. Accordingly, enclosed for your further handling is our AFE for the following Well:

Well Name	Surface Hole Location (SHL)	Bottom Hole Location (BHL)	Formation	True Vertical Depth	Measured Depth
COONSKIN FEE #111H	2303' FNL & 1143' FWL of Section 33	5' FNL & 331' FWL of Section 28	1st Bone Spring	10,525'	18,585'

A bonafide title dispute exists as to the mineral ownership in the W/2NW/4 of Section 33, Township 24 South, Range 35 East, Lea County, New Mexico that affects your possible interest in the Well. TRO is currently working to resolve this dispute and determine accurate mineral ownership. While it works to resolve the dispute, TRO is willing to offer the following lease terms to the New Mexico Department of Transportation :

- 3-year primary term, effective August 1, 2021
- Royalty equal to 20%
- \$500 per net acre bonus consideration

The proposed location and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. In the event you elect to participate in the proposed Well, please execute the enclosed AFE and return to me within 30 days.

If we do not receive a response from you within 30 days of your receipt of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your possible interest in the Well.

Should you have any questions regarding the above, please contact the undersigned.

Sincerely,

TAP ROCK OPERATING, LLC

Exhibit 5
Case No. 22381

Erica Hixson

Erica Hixson

720-460-3316

ehixson@taprk.com

NEW MEXICO DEPARTMENT OF TRANSPORTATION hereby elects to:

_____ participate in the COONSKIN FEE #111H

_____ non-consent the COONSKIN FEE #111H

By: _____

Name: _____

Title: _____

Date: _____

TAP ROCK OPERATING, LLC

523 Park Point Dr, Golden, Colorado 80401
Authorization For Expenditure

Name: Coonskin Fee #111H
AFE #: 0
County: Lea
State: NM

Date: August 9, 2021
MD/TVD: 18585 / 10525
Lateral Length: 7610
Geologic Target: 1st Bone Spring

Well Description: **Drill, complete, and equip a horizontal 1st Bone Spring well with a 7610 foot lateral.**

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000	2 1	Land - Legal		3 1	Land - Legal	
1 2	Land - Regulatory	10,000	2 2	Land - Regulatory		3 2	Land - Regulatory	
1 3	Land - Surface Damages	10,000	2 3	Land - Surface Damages		3 3	Land - Surface Damages	
1 4	Land - Survey	10,000	2 4	Land - Survey		3 4	Land - Survey	
1 5	Location/Pit Construction	59,000	2 5	Location/Pit Construction		3 5	Location/Pit Construction	5,000
1 6	Remedial Dirtwork	0	2 6	Remedial Dirtwork		3 6	Remedial Dirtwork	
1 7	Reserve/Frac Pit Closing	0	2 7	Reserve/Frac Pit Closing		3 7	Reserve/Frac Pit Closing	
1 8	Drilling - Contractor	501,464	2 8	Drilling - Contractor		3 8	Drilling - Contractor	
1 9	Mob/Rig Up - Contractor/Trucking	50,000	2 9	Mob/Rig Up - Contractor/Trucking		3 9	Mob/Rig Up - Contractor/Trucking	
1 10	Cementing Services	141,000	2 10	Cementing Services		3 10	Cementing Services	
1 11	Cementing Equipment	30,000	2 11	Cementing Equipment		3 11	Cementing Equipment	
1 12	Bits/Drill Out Assemblies	63,500	2 12	Bits/Drill Out Assemblies	35,440	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	69,267	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	97,921	2 14	Fluids/Chemicals	25,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	49,388	2 15	WBM Cuttings/Wastewater Disposal		3 15	WBM Cuttings/Wastewater Disposal	
1 16	OBM Cuttings/Chemical Disposal	0	2 16	OBM Cuttings/Chemical Disposal		3 16	OBM Cuttings/Chemical Disposal	
1 17	Fuel/Power	46,519	2 17	Fuel/Power	284,100	3 17	Fuel/Power	
1 18	Water	36,561	2 18	Water	370,724	3 18	Water	
1 19	Directional Drilling	228,036	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	18,654	2 20	Mud Logging		3 20	Mud Logging	
1 21	Open/Cased/Production Hole Logs	0	2 21	Open/Cased/Production Hole Logs	8,440	3 21	Open/Cased/Production Hole Logs	
1 22	Coring	0	2 22	Coring		3 22	Coring	
1 23	Geologic Supervision	0	2 23	Geologic Supervision		3 23	Geologic Supervision	
1 24	Engineering Supervision	0	2 24	Engineering Supervision		3 24	Engineering Supervision	
1 25	Consultant Supervision	113,536	2 25	Consultant Supervision	66,000	3 25	Consultant Supervision	15,000
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	5,000
1 27	Labor	98,500	2 27	Labor	11,720	3 27	Labor	28,000
1 28	Supplies - Surface	2,500	2 28	Supplies - Surface	2,000	3 28	Supplies - Surface	
1 29	Supplies - Living Quarters	1,000	2 29	Supplies - Living Quarters	2,000	3 29	Supplies - Living Quarters	
1 30	Rentals - Surface	63,139	2 30	Rentals - Surface	16,560	3 30	Rentals - Surface	
1 31	Rentals - Living Quarters	39,625	2 31	Rentals - Living Quarters	12,320	3 31	Rentals - Living Quarters	
1 32	Rentals - Downhole	2,000	2 32	Rentals - Downhole	0	3 32	Rentals - Downhole	
1 33	Rentals - Pipe & Handling Tools	54,273	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	81,894	3 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	6,841	2 35	Rentals - Frac Tanks	28,730	3 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	77,730	3 36	Coil Tubing Unit/Workover Rig	83,400
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	224,050	3 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	36,075	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	50,880	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	1,194,147	3 40	Stimulation	
1 41	Rentals - Pressure Control		2 41	Rentals - Pressure Control		3 41	Rentals - Pressure Control	
1 42	Flowback Services		2 42	Flowback Services	41,231	3 42	Flowback Services	38,500
1 43	Water Transfer Services		2 43	Water Transfer Services	63,600	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	10,649	3 44	Flowback Water Trucking & Disposal	0
1 45	Permanent Equipment Installation		2 45	Permanent Equipment Installation		3 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services		2 46	Pipeline Tapping Services		3 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0	2 47	Plugging & Abandonment		3 47	Plugging & Abandonment	
1 53	Overhead	0	2 53	Overhead	13,715	3 53	Overhead	5,500
1 54	Insurance	0	2 54	Insurance		3 54	Insurance	
1 55	Contingency	54,652	2 55	Contingency	103,112	3 55	Contingency	7,095
TOTAL INTANGIBLE DRILLING COSTS: \$1,876,375			TOTAL INTANGIBLE COMPLETION COSTS: \$2,762,431			TOTAL INTANGIBLE PRODUCTION COSTS: \$187,495		

TANGIBLE DRILLING COSTS			TANGIBLE COMPLETION COSTS			TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	18,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	56,375	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	160,800	5 62	1st Intermediate Casing		6 62	1st Intermediate Casing	
4 63	2nd Intermediate Casing	0	5 63	2nd Intermediate Casing		6 63	2nd Intermediate Casing	
4 64	Production Casing	371,700	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	50,000
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	53,500
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	10,000
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	107,000
4 70	Compressors		5 70	Compressors		6 70	Compressors	
4 71	Surface Flowlines		5 71	Surface Flowlines		6 71	Surface Flowlines	50,000
4 72	Gathering Lines		5 72	Gathering Lines		6 72	Gathering Lines	0
4 73	Valves & Controllers		5 73	Valves & Controllers		6 73	Valves & Controllers	
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	15,000
4 75	Instrumentation & Measurement		5 75	Instrumentation & Measurement		6 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment		5 76	Electrical Grounding/Safety Equipment		6 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation		5 77	Permanent Equipment Installation		6 77	Permanent Equipment Installation	3,500
4 80	Other - Surface		5 80	Other - Surface		6 80	Other - Surface	
4 81	Other - Downhole	15,000	5 81	Other - Downhole		6 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS: \$699,875			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$289,000		
TOTAL DRILLING COSTS: \$2,576,250			TOTAL COMPLETION COSTS: \$2,762,431			TOTAL PRODUCTION COSTS: \$476,495		
TOTAL WELL COST: \$5,815,176								

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS _____

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

AFE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.

**FIFTH JUDICIAL DISTRICT COURT
STATE OF NEW MEXICO
COUNTY OF LEA**

FILED
5th JUDICIAL DISTRICT COURT
Lea County
11/10/2021 2:43 PM
NELDA CUELLAR
CLERK OF THE COURT
Cory Hagedoorn

TAP ROCK NM10 MINERALS, LLC,

Plaintiff,

vs.

**STATE OF NEW MEXICO ex rel.
NEW MEXICO DEPARTMENT OF
TRANSPORTATION,**

Defendant.

)
)
)
)
) **No. D-506-CV-2021-00993**
) Case assigned to Sanchez, Mark
)
)
)
)

COMPLAINT TO QUIET TITLE

COMES NOW Plaintiff, by and through its attorneys, Cavin & Ingram, P.A. (Stephen D. Ingram, Scott S. Morgan, and Brandon D. Hajny), and for its claim for relief states as follows:

STATEMENT OF THE CASE

1. This is an action under NMSA 1978, Sections 42-6-1 to 11 to quiet title to Plaintiff's mineral interests in and to certain lands in Lea County, New Mexico.

JURISDICTION AND VENUE

2. The lands embraced in this matter are situated wholly within Lea County, New Mexico, being more particularly described as follows:

Tract 1

Tract 1 is that portion of Parcel 4-1 (described below) which is within the SW/4NW/4 of Section 33, Township 24 South, Range 35 East, N.M.P.M.

Parcel 4-1 being described as follows:

Township 24 South, Range 35 East, NMPM

Section 33: a certain tract, described by metes and bounds as follows:

Exhibit 6
Case No. 22381

Beginning at the most northerly corner of the parcel of land herein described being a point 75.00 feet to the left of, northeasterly and opposite Construction Centerline Station 1633+03.16 of N.M. Project No. AC-GRIP-(TPM)-1271(23)38, said point being on the line common to Sections 32 and 33, T24S, R35E, NMPM, whence the Section Corner common to Sections 28, 29, 32 and 33, T24S, R35E bears $N00^{\circ}30'00''W$, 2,024.45 feet distance; thence,

Southeasterly, 898.82 feet distance along the arc of a $01^{\circ}53'39''$ degree curve bearing to the right (said arc having a radius of 3,025.00 feet, a central angle of $17^{\circ}01'28''$ and a chord which bears $S47^{\circ}05'42''E$, 895.52 feet distance) to the point of tangency; thence,

$S38^{\circ}34'58''E$, 2,211.50 feet distance to the point of curvature; thence,

Southeasterly, 1,261.19 feet distance along the arc of a $01^{\circ}01'43''$ degree curve bearing to the left (said arc having a radius of 5,570.00 feet, a central angle of $12^{\circ}58'24''$ and a chord which bears $S45^{\circ}04'10''E$, 1,258.50 feet distance) to the most easterly corner of the parcel of land herein described being a point on the line common to Section 33, T24S, R35E and Section 4, T25S, R35E, NMPM; thence,

$S89^{\circ}30'09''W$, 118.14 feet distance to a point on the Centerline Station 1675+77.49 of N.M. Project No. AC-GRIP-(TPM)-1271(23)38; thence,

$S89^{\circ}30'09''W$, 39.29 feet distance to a point on the existing northerly right-of-way line of N.M. Project S-1271(1) and a point on curve; thence,

Northwesterly, 1,167.96 feet distance along the arc of a $01^{\circ}00'38''$ degree curve bearing to the right (said arc having a radius of 5,669.82 feet, a central angle of $11^{\circ}48'10''$ and a chord which bears $N44^{\circ}27'52''W$, 1,165.90 feet distance) to the point of tangency; thence,

$N38^{\circ}33'47''W$, 2,206.70 feet distance to the point of curvature; thence,

Northwesterly, 797.29 feet distance along the arc of a $01^{\circ}57'34''$ degree curve bearing to the left (said arc having a radius of 2,923.92 feet, a central angle of $15^{\circ}37'24''$ and a chord which bears $N46^{\circ}22'29''W$, 794.82 feet distance) to a point on the line common to Sections 32 and 33, T24S, R35E, NMPM; thence,

$N00^{\circ}30'00''W$, 30.65 feet distance to a point on the Centerline Station 1633+55.80 of N.M. Project No. AC-GRIP-(TPM)-1271(23)38; thence,

$N00^{\circ}30'00''W$, 92.01 feet distance to the Point of Beginning of the parcel of land herein described.

Parcel 4-1 contains 429,943 square feet (9.8701 acres), more or less, and Tract 1 is that portion of Parcel 4-1 *insofar and only insofar* as said metes and bounds tract is within the SW/4NW/4 of Section 33 (hereinafter "Tract 1")

Tract 2

Tract 2 is that portion of Parcel 5-1 (described below) which is within the NW/4 of Section 3, Township 25 South, Range 35 East, N.M.P.M.

Parcel 5-1 being described as follows:

Township 25 South, Range 35 East, NMPM

Section 3: a certain tract, described by metes and bounds as follows:

Beginning at the northwest corner of the parcel of land herein described being a point 75.00 feet to the left of, northeasterly and opposite Construction Centerline Station 1704+67.62 of N.M. Project No. AC-GRIP-(TPM)-1271(23)38, said point being on the line common to Sections 3 and 4, T25S, R35E and Sections 3 and 4, T25S, R35E bears N00°29'28"W, 1,434.57 feet distance; thence,

S61°01'42"E, 3,332.38 feet distance to appoint; thence,

N28°58'18"E, 15.00 feet distance to appoint; thence,

S61°01'42"E, 2,724.93 feet distance to the northeast corner of the parcel of land herein described being a point on the line common to Sections 2 and 3, T25S, R35E, NMPM; thence,

S00°27'56"E, 103.34 feet distance to a point on the Centerline Station 1765+75.72 of N.M. Project No. AC-GRIP-(TPM)-1271(23)38; thence,

S00°27'56"E, 27.79 feet distance to appoint on the existing northerly right-of-way line of N.M. Project S-1271(1); thence,

N 61°01'47"W, 6,065.64 feet distance to the southwest corner of the parcel of land herein described being a point on the line common to Sections 3 and 4, T25S, R35E, NMPM; thence,

N00°29'28"W, 27.96 feet distance to appoint on the Centerline Station 1705+09.99 of N.M. Project No. AC-GRIP-(TPM)-1271(23)38; thence,

N00°29'28"W, 86.14 feet distance to the northwest corner and Point of Beginning of the parcel of land herein described.

Parcel 5-1 contains 643,096 square feet (14.7635 acres), more or less, and Tract 2 is that portion of Parcel 5-1 *insofar and only insofar* as said metes and bounds tract is within the NW/4 of Section 3 (hereinafter "Tract 2").

These lands being two non-contiguous tracts located approximately 10.5 miles west of Jal, Lea County, New Mexico, being the land used for New Mexico State Road NM 128 as it intersects the SW/4NW/4 of Section 33, Township 24 South, Range 35 East, N.M.P.M. and the NW/4 of Section 3, Township 25 South, Range 35 East, N.M.P.M.

3. Plaintiff's interest in Tract 1 and Tract 2 is 100% of the mineral estate in the same (hereinafter the "Subject Interest").

4. Plaintiff Tap Rock NM10 Minerals, LLC is a foreign corporation whose principal place of business is located outside of the State of New Mexico. However, Plaintiff is the owner of the Subject Interest, and is therefore subject to the *in rem* jurisdiction of this Court.

5. Any Defendants who are non-residents of the State of New Mexico are subject to the *in rem* jurisdiction of this Court based upon claims of ownership interests in the Subject Interest. Any Defendants who are residents of the State of New Mexico are subject to the personal jurisdiction of the Court and the *in rem* jurisdiction of the Court based upon claims of ownership interests in the Subject Interest.

6. Jurisdiction and venue are proper before this Court.

PLAINTIFF

7. Plaintiff Tap Rock NM10 Minerals, LLC is a Delaware limited liability company, whose principal place of business is in Jefferson County, Colorado.

DEFENDANT

8. This action is brought under NMSA 1978, Sections 42-6-1 to 42-6-11 to quiet title to Plaintiff's undivided title in and to the Subject Interest. Plaintiff is credibly informed and believe, and therefore alleges that the following Defendant may claim or have claimed the Subject Interest, or portions thereof.

9. Plaintiff is credibly informed and believe and, upon such information and belief, alleges that the State of New Mexico *ex rel* the New Mexico Department of Transportation (“NMDOT”) claims an interest in the Subject Interest.

COUNT I

CLAIM FOR QUIET TITLE

10. Paragraphs 1-9 are incorporated here by reference as if fully set out herein.

11. Plaintiff brings this Count against all Defendants.

Title as to the Subject Interest from Inception

12. By Patent No. 775081, dated September 25, 1920, the United States granted to Samuel Edward E. Wright various lands, including Tract 1. The Patent did not reserve minerals to the United States. This Patent was recorded on March 23, 1922, at Book 3, Page 82 of the Lea County records.

13. By Patent No. 793227, dated February 1, 1921, the United States granted to Roy Lemmons various lands, including Tract 2. The Patent did not reserve minerals to the United States. This Patent was recorded on March 23, 1922, at Book 3, Page 80 of the Lea County records.

14. By mesne conveyances, fee simple title to the surface and mineral estate of Tract 1 and Tract 2 was vested in Texas Ten, Ltd. sometime prior to August 6, 2008.

15. On August 6, 2008 Petitioner State of New Mexico, *ex rel*, New Mexico Department of Transportation filed a Petition/Complaint for Condemnation (the “Petition”), seeking to condemn “in fee simple” three (3) separate parcels of land identified by metes-and-bounds therein as Parcel 4-1, Parcel 5-1, and Parcel 6-2 for the building of state road NM-128 (the “Condemnation Proceeding”). Parcel 4-1 is the portion of NM-128 that crosses Section 33, T24S, R35E, and Tract 1 constitutes the portion of Parcel 4-1 that crosses only the NW/4 of Section 33.

Parcel 5-1 is the portion of NM-128 that crosses Section 3, T25S, R35E, and Tract 2 constitutes the portion of Parcel 5-1 that crosses only the NW/4 of Section 3. The Petition does not specifically list the mineral estate.

16. Plaintiff is credibly informed and believes and, upon such information and belief, alleges that the mineral interests underlying the portions of Parcel 4-1 and 5-1 that do not encompass Tract 1 and Tract 2 are owned by the United States of America. The United States of America was not a party to the Condemnation Proceeding.

17. Plaintiff is credibly informed and believes and, upon such information and belief, alleges that the mineral interests underlying Parcel 6-2 are owned, in part, by the United States of America, and in part by other private individuals. Texas Ten, Ltd. was the only private party listed as a party to the Condemnation Proceeding.

18. Plaintiff is credibly informed and believes and, upon such information and belief, alleges that, as of the date of the Petition, the surface interests in Parcel 4-1, Parcel 5-1, and Parcel 6-2, were owned entirely by Texas Ten, Ltd.

19. Plaintiff is credibly informed and believes and, upon such information and belief, alleges that the United States of America and the other private individual mineral interest owners were not made a party to the Condemnation proceedings, because NMDOT did not intend to condemn, and did not condemn, the mineral interests underlying Parcel 4-1, Parcel 5-1, and Parcel 6-2.

20. Texas Ten, Ltd. and NMDOT entered into a Stipulated Judgment in the Condemnation Proceedings (the "Stipulated Judgment"). The Stipulated Judgment provided for a payment of \$3,500 to Texas Ten, Ltd. and NMDOT was "adjudged hereby to be the owner in fee simple" of Parcel 4-1, Parcel 5-1, and Parcel 6-2.

21. Plaintiff is credibly informed and believes and, upon such information and belief, alleges that NMDOT had no need for the mineral estate underlying Parcel 4-1, Parcel 5-1, and Parcel 6-2 for the construction of NM 128, and that NMDOT lacks authority to condemn a greater property interest than it needs. *See, generally* U.S. Const. amend. V; *City of Carlsbad v. Ballard*, 1963-NMSC-031, ¶ 7, 71 N.M. 397, 399.

22. Plaintiff is credibly informed and believes and, upon such information and belief, alleges that \$3,500 is substantially below the market value for the mineral interests in Parcel 4-1, Parcel 5-1, and Parcel 6-2. Plaintiff is credibly informed and believes and, upon such information and belief, alleges that \$3,500 represents fair payment for the surface estate interest in Parcel 4-1, Parcel 5-1, and Parcel 6-2.

23. Plaintiff is credibly informed and believes and, upon such information and belief, alleges that the language in the Stipulated Judgment adjudging that NMDOT owned Parcel 4-1, Parcel 5-1, and Parcel 6-2 in “fee simple”, as well as the language in the Petition seeking to condemn Parcel 4-1, Parcel 5-1, and Parcel 6-2 “in fee simple” meant solely the fee simple interest in the surface estate and did not include the mineral estate. Otherwise, the Stipulated Judgment would have had to have been entered after notice to and/or consent by the United States of America, and the other private individuals who own the remainder of the minerals in Parcel 4-1, Parcel 5-1, and Parcel 6-2.

24. Plaintiff is credibly informed and believes and, upon such information and belief, alleges that the Petition and the Stipulated Judgment do not reference the mineral estate, because NMDOT did not intend to acquire, and did not acquire, any interest in the mineral estate, but intended to acquire, and did acquire, the surface interest owned by Texas Ten, Ltd. in Parcel 4-1, Parcel 5-1, and Parcel 6-2.

25. The unclear usage of “fee simple” in the Stipulated Judgment has clouded Plaintiff’s title to the mineral estate in Tract 1 and Tract 2.

26. By Warranty Deed, dated December 1, 2016, Texas Ten, Ltd. deeded to New Mexico Ten, Ltd aka New Mexico Ten, LLLP, all of its right, title, and interest in various lands in Lea County, New Mexico, including, but not limited to, the mineral estate in Tract 1 and Tract 2. This Deed was recorded on December 27, 2016, at Book 2074, Page 397 of the Lea County Records.

27. The fee simple interest of New Mexico Ten, LLLP in the mineral estate in Tract 1 and Tract 2 was adjudicated as against all other parties, known and unknown, not a party to said action, in Case No. D-506-CV-2019-00280 filed in the Fifth Judicial District Court, Lea County, New Mexico, by Final Judgment Quieting Title to Oil, Gas and Other Minerals located in Lea County, New Mexico entered in that case on November 4, 2019. This Final Judgment was recorded on December 16, 2019, at Book 2159, Page 943 of the Lea County records.

28. Upon information and belief, NMDOT did not have notice of Case No. D-506-CV-2019-00280 and is not bound by the Final Judgment entered therein.

29. By Special Warranty Deed dated effective January 1, 2020, New Mexico Ten, LLLP assigned all of its right, title, and interest in and to Tract 1 and Tract 2 to Plaintiff Tap Rock NM10 Minerals, LLC. This Special Warranty Deed was recorded on January 27, 2020 at Book 2161, Page 595 of the Lea County records.

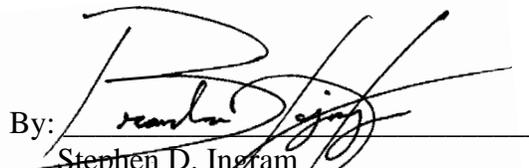
30. As a result of the foregoing, Plaintiff owns one hundred percent (100%) of the mineral estate in and to Tract 1 and Tract 2 in fee simple absolute.

CONCLUSION

WHEREFORE, Plaintiff prays that: (i) the undivided ownership of the Subject Interest by Tap Rock NM10 Minerals, LLC be established against the adverse claims of Defendant; (ii) that Defendant be barred and forever estopped from having or claiming any lien upon or any right or title to the Subject Interest, or any portion thereof, adverse to Tap Rock NM10 Minerals, LLC; (iii) that the respective undivided title and estate of Tap Rock NM10 Minerals, LLC therein and thereto be forever quieted and set at rest; and (iv) for such other and further relief as the Court deems proper.

RESPECTFULLY SUBMITTED:

CAVIN & INGRAM, P.A.

By: 
Stephen D. Ingram
Scott S. Morgan
Brandon D. Hajny
P.O. Box 1216
Albuquerque, NM 87103
505/243-5400

singram@cilawnm.com
smorgan@cilawnm.com
bhajny@cilawnm.com

ATTORNEYS FOR PLAINTIFFS

VERIFICATION

STATE OF Colorado)
) ss.
COUNTY OF Jefferson)

Clayton Sporich, as Executive Vice President of Land and Legal of Tap Rock NM10 Minerals, LLC, being first duly sworn, upon his oath states that he has read the foregoing Complaint to Quiet Title and understands the contents thereof, and that the matters therein contained are true and correct to the best of his knowledge and belief.



Clayton Sporich as Executive Vice President of Land and Legal of Tap Rock NM10 Minerals, LLC

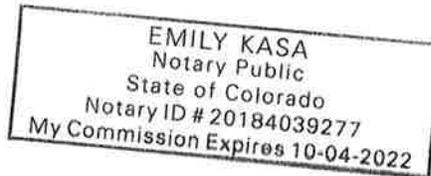
The foregoing Complaint to Quiet Title was acknowledged before me this 9th day of November, 2021 by Clayton Sporich, as Executive Vice President of Land and Legal of Tap Rock NM10 Minerals, LLC.



Notary Public

My Commission Expires:

10-4-2022



Tab 4.

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

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

Case No. 22381

AFFIDAVIT OF EMILY LANGE

I, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for Tap Rock Operating, LLC (“Tap Rock”), and I am familiar with the subject applications and the geology involved.
3. This affidavit is submitted in connection with the filing by Tap Rock of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
5. **Exhibit 7** is a Project Locator Map depicting the location of the Horizontal Spacing Unit (“HSU”) within the Delaware Basin. Within Sections 28 & 33 of 24S 35E, is the Coonskin Fee #111H (the “Well”).
6. **Exhibit 8** is a Gun Barrel Diagram showing the planned Bone Spring horizontal spacing for the Well. This diagram shows the projected development of a single Bone Spring well, spaced 1,320’ away from the nearest well in the same zone. A nearby type log has been included

Exhibit B
Case No. 22381

(for log descriptions, see Exhibit 11 below) to show approximate depths and reservoir quality of the selected landing zones.

7. **Exhibit 9** is a Bone Spring Structure Map. This map shows the location of the Coonskin HSU outlined by the red box. The surface/bottom hole location of the Well is shown, zoomed in, to the right. The map is the top of the First Bone Spring formation in sub-sea vertical depth. The contour intervals are 25 feet each. There is a monoclinial dip down to the southwest. The orientation of the Well will be approximately along dip. There are several wells, indicated with a light blue circle, that have targeted a similar interval. All wells that penetrate the Bone Spring horizon, and are controlling the map, are indicated with a small purple circle. The wells controlling the structure map have the sub-sea vertical depth posted in red. The subsequent cross-section from A-A' is also identified to locate our closest control on the reservoir properties for the Well. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

8. **Exhibit 10** is a Bone Spring Stratigraphic Cross Section (flattened on the First Bone Spring surface). All wells have a triple combo log display. Track 1 has a gamma ray log with interpreted color fill for lithology and scaled from -50 to 150 api units. For gamma ray, the blue colors indicate carbonate, yellow to orange are sandstone/siltstones, and the darker browns are shale facies. Track 2 has the deep resistivity log, scaled from 0.2 ohmm to 2000 ohmm. The pink shading cutoff is at 20 ohmm or greater to help separate out high versus low water bearing rock. Track 3 is the porosity track and contains the blue neutron porosity curve and the red density porosity curve, both scaled from 0.25 to 0. The gray shading is where neutron is higher than density, indicating increased clay content. The purple shading on the density porosity curve highlights anything greater than 8% porosity. This cutoff indicates the best rock properties for

reservoir evaluation. The cross-section identifies the key tops used to evaluate reservoirs and landing targets for the Well. The peach circle on the depth track of Well 2 shows the landing target interval for the Well within in the green shaded box. The First Bone targeted reservoir has a thickness of approximately 350', with the zone getting thicker to the east.

9. **Exhibit 11** is an Isopach Map of the Gross First Bone Spring interval. This map shows the location of the Coonskin HSU outlined by the red box. The surface/bottom hole location of the Well is shown, zoomed in, to the right. The anticipated gross thickness of the interval is ~350 feet throughout the HSU. The contour intervals are 10'. There are several wells, indicated with a light blue circle, that have targeted a similar interval. All wells that are controlling the map, are indicated with a small purple circle, and have their thicknesses posted in red. The location of the previous cross-section from A-A' is also shown on this map.

10. Based on my geologic study of the area, I conclude the following:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.
- d. The preferred well orientation in this area is south-north. This is because the inferred orientation of the maximum horizontal stress is roughly northwest-southeast.

11. **Exhibit 12** shows a Simplified Wellbore Diagram for the Well in the HSU and demonstrates that the first and last take points for the well will be standard.

12. The Exhibits to this Affidavit were prepared by me, or compiled from Tap Rock's company business records.

13. The granting of this Application is in the interests of conservation and the prevention of waste.

14. The foregoing is correct and complete to the best of my knowledge and belief.

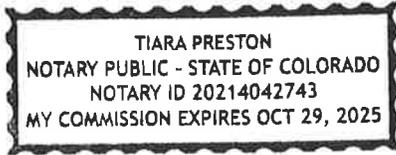
FURTHER AFFIANT SAYETH NAUGHT

Emily Lange

EMILY LANGE

STATE OF COLORADO)
)ss
COUNTY OF JEFFERSON)

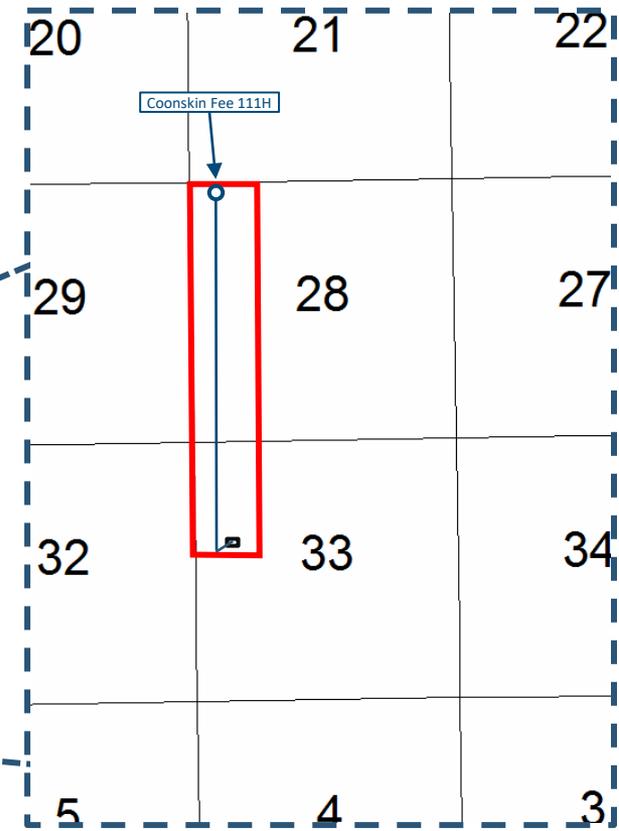
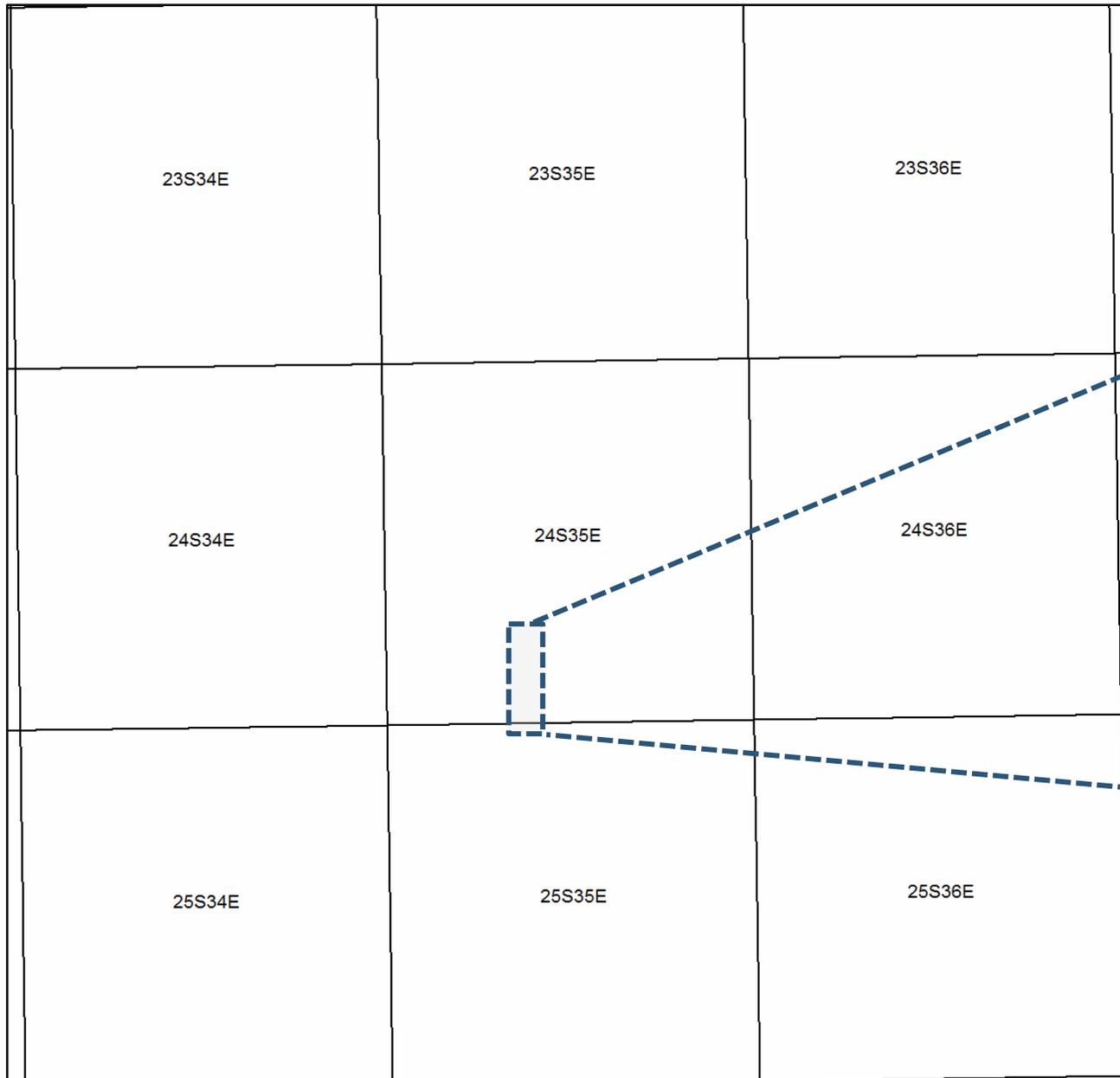
Subscribed to and sworn before me this 3rd day of January, 2022.



Tiara Preston

Notary Public

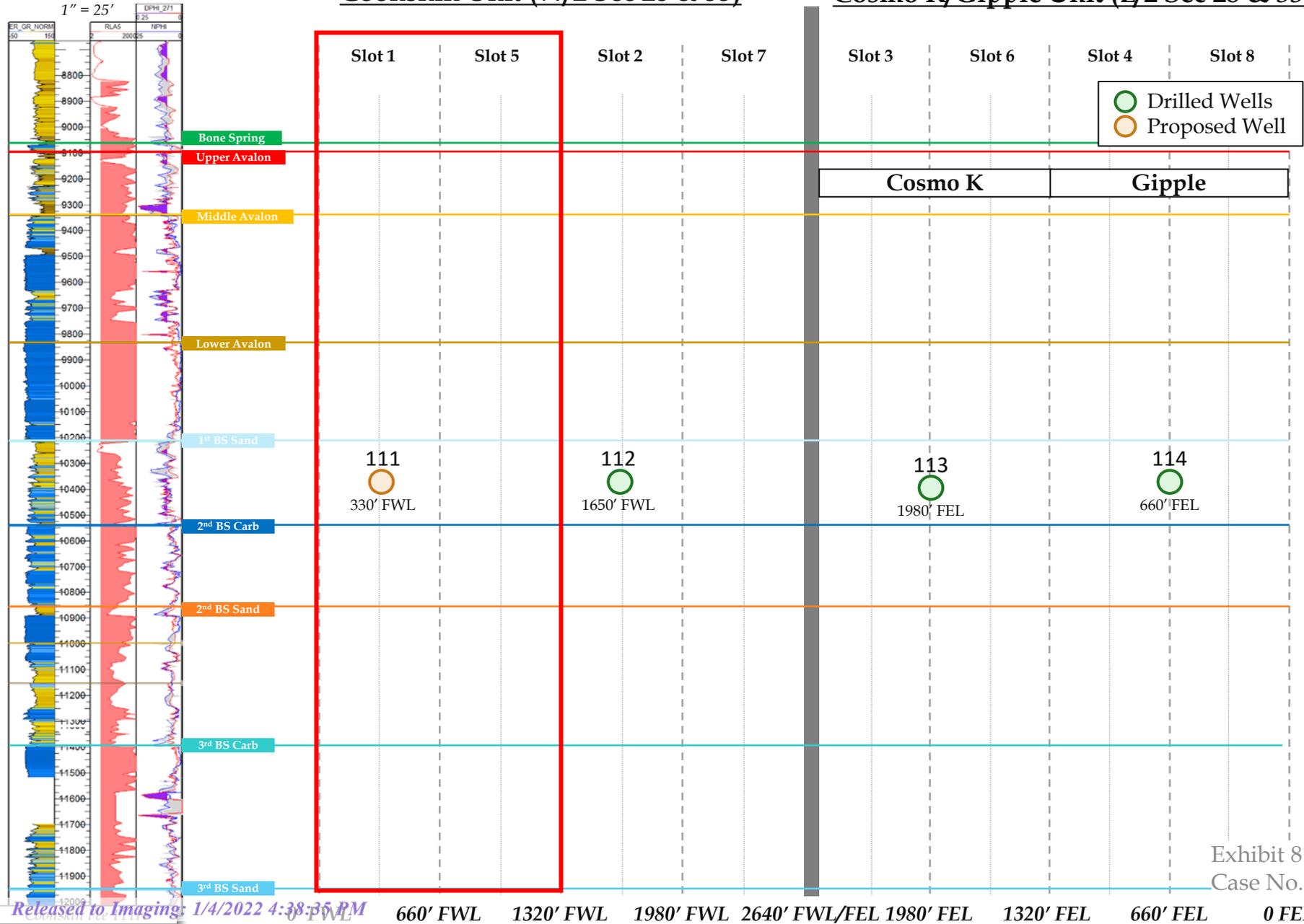
My Commission expires October 29, 2025.



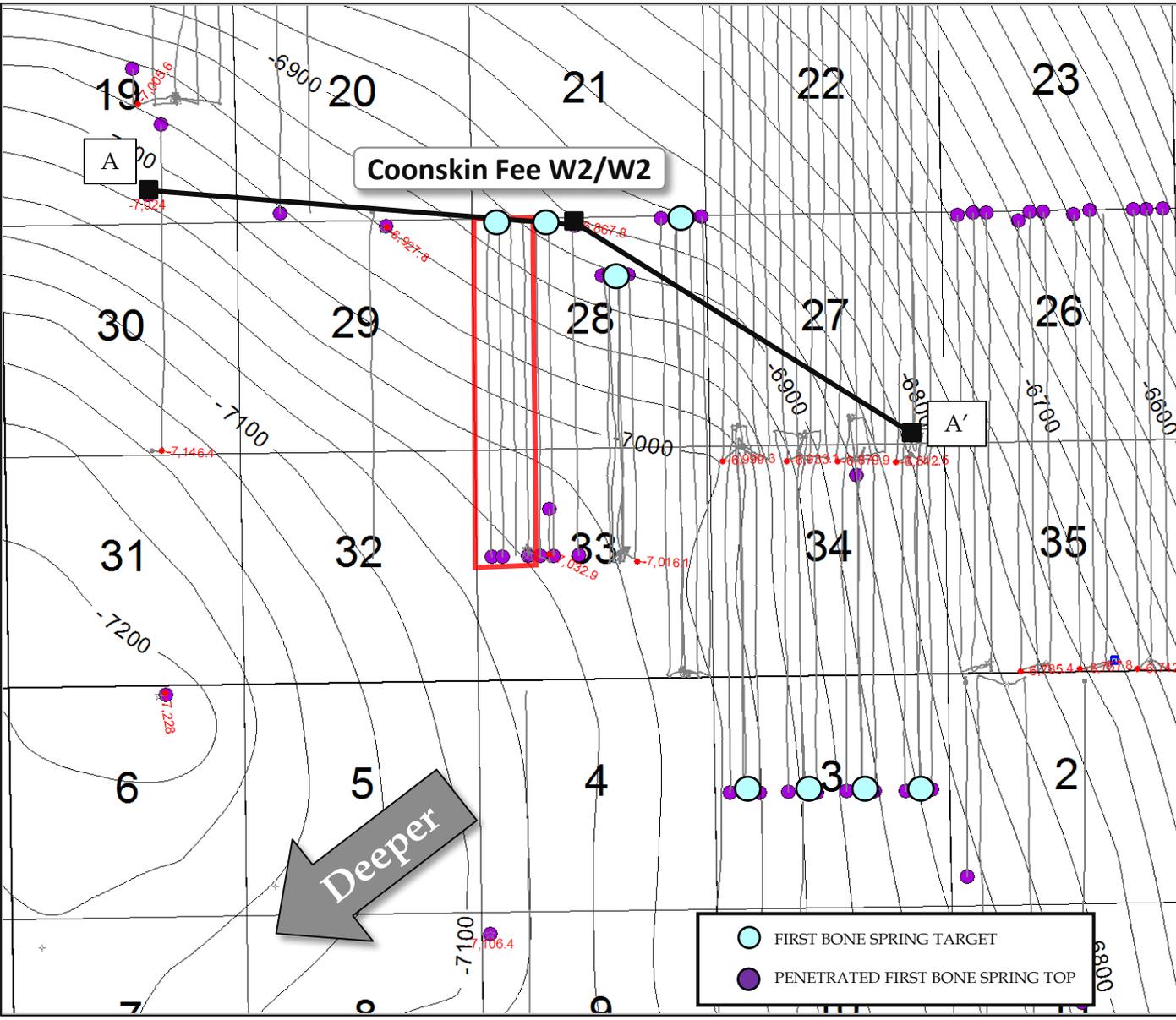
COONSKIN FEE 025H
 30025436830000

Coonskin Unit (W/2 Sec 28 & 33)

Cosmo K/Gipple Unit (E/2 Sec 28 & 33)



Top Bone Spring [Subsea Structure Map; CI=25']

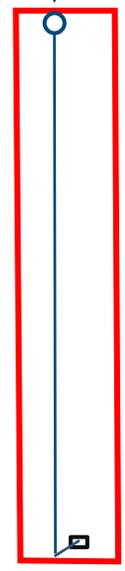


Map Legend

- SHL □ Tap Rock –
- BHL ○ Horizontal Locator



C.I. = 25'
Coonskin Fee 111H



- FIRST BONE SPRING TARGET
- PENETRATED FIRST BONE SPRING TOP

Stratigraphic Cross-Section - A-A'

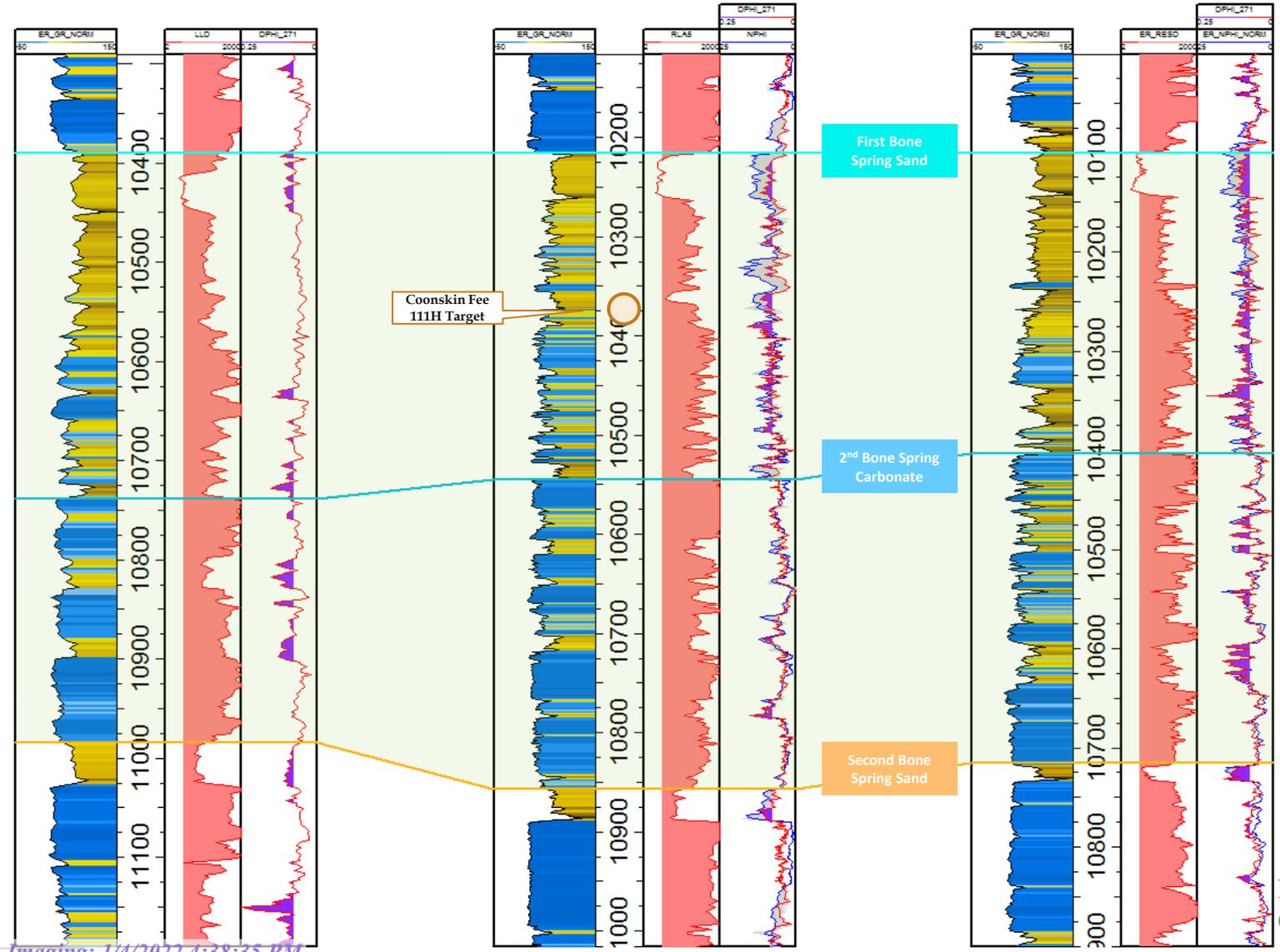
A

A'

MADERA '19' COM 1
30025287620000

COONSKIN FEE 025H
30025436830000

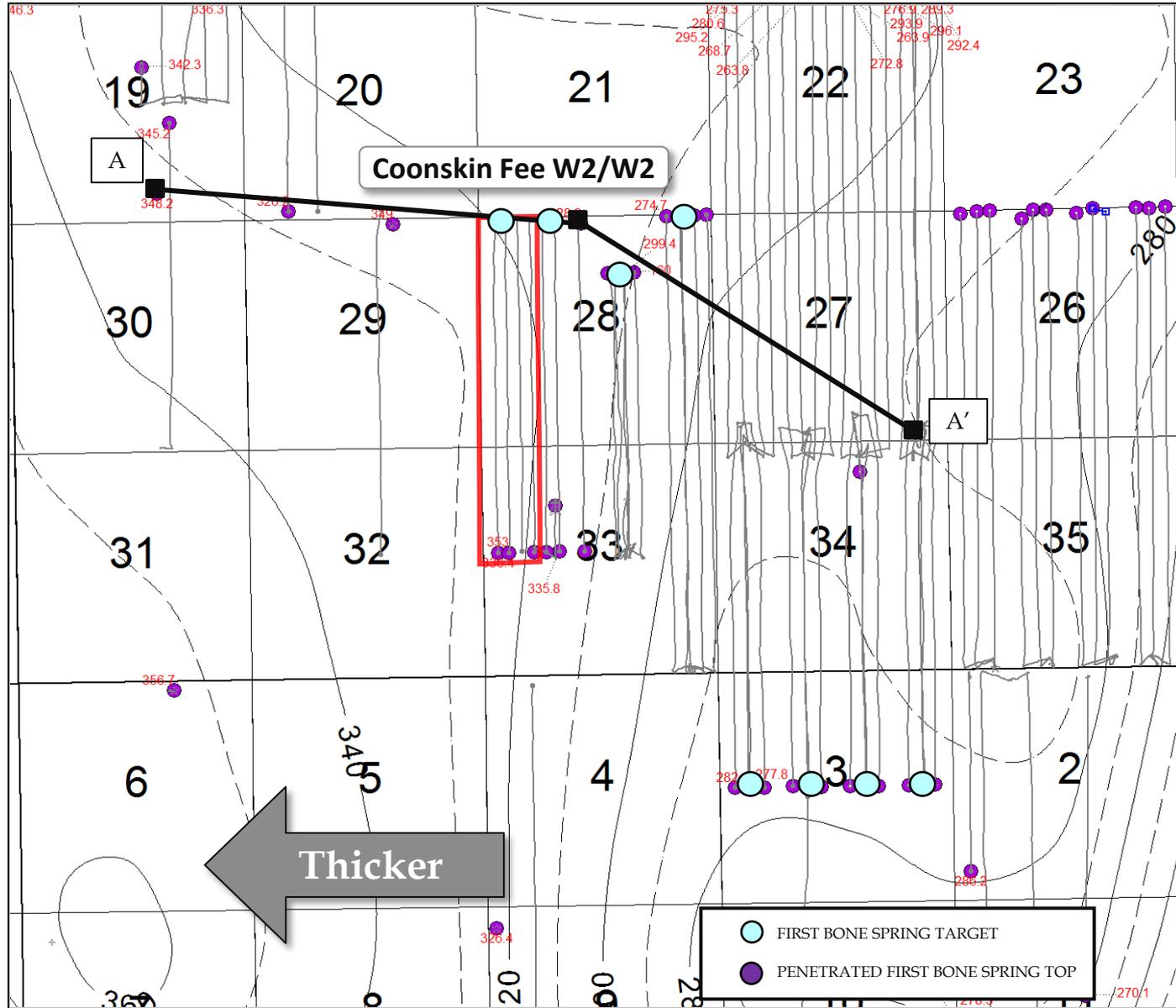
MULVA FED COM 214H
30025478330000



1" = 100'

Gross First Bone Spring [Isopach Map; CI=10']

Top First Bone Springs - Top Second Bone Springs

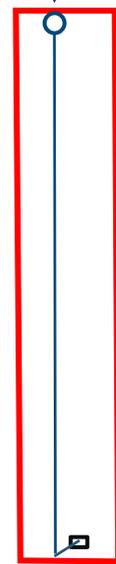


Map Legend

- SHL □ Tap Rock -
- BHL ○ Horizontal Locator

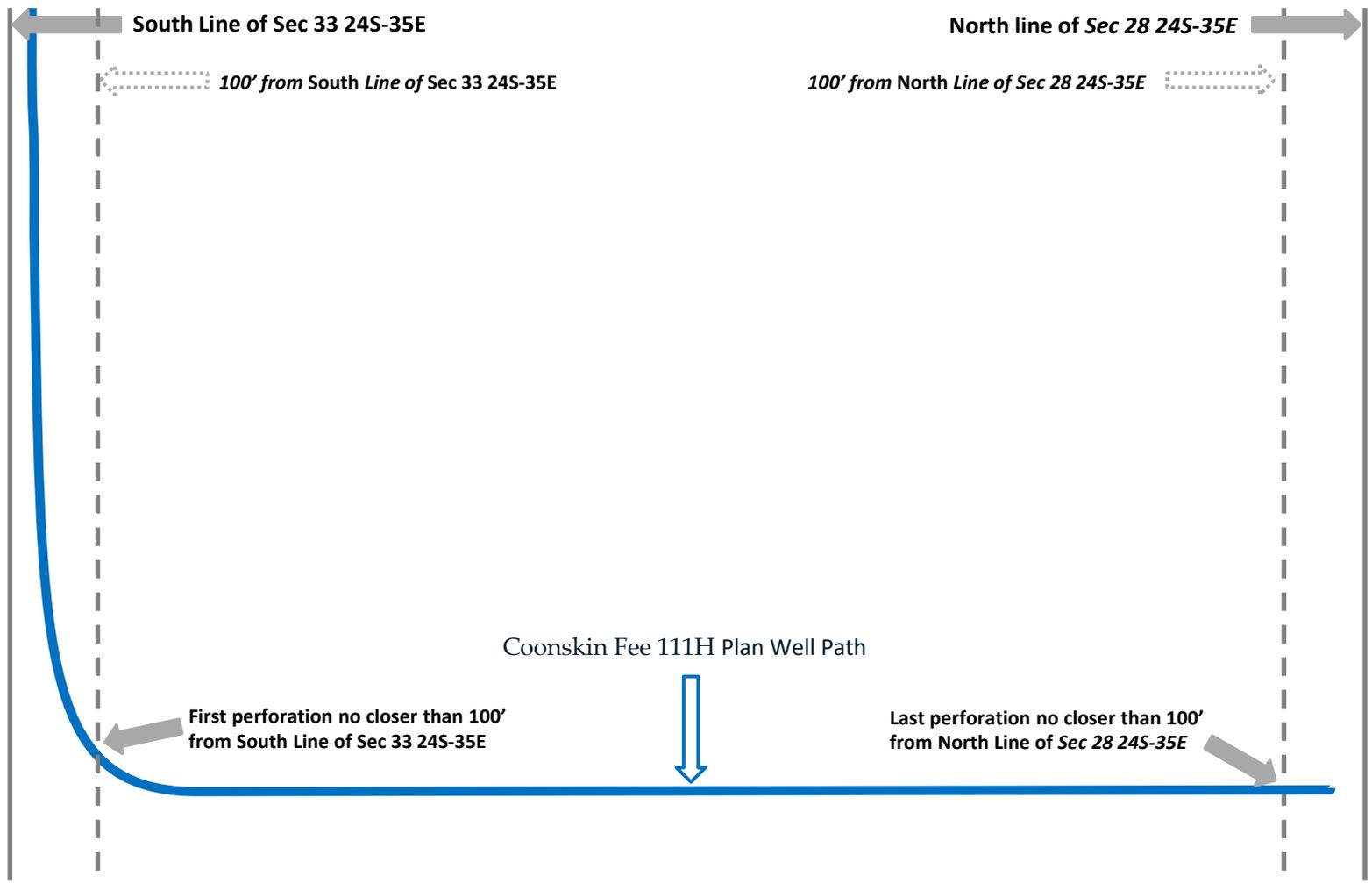


C.I. = 25'
Coonskin Fee 111H



SH: 2303' FNL, 1143' FWL, Sec 33 24S-35E
BH: 5' FNL, 331 FWL, Sec 28 24S-35E

**Diagram not to scale*



Tab 5.



**MONTGOMERY
& ANDREWS**
LAW FIRM

SHARON T. SHAHEEN
Direct: (505) 986-2678
Email: sshaheen@montand.com
www.montand.com

December 13, 2021

Via U.S. Certified Mail, return receipt requested

New Mexico Department of Transportation
1120 Cerrillos Road
Santa Fe, NM 87504-1149

Re: Case No. **22381** - Application of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Tap Rock Operating, LLC ("Tap Rock") has filed an Application with the New Mexico Oil Conservation Division for an order regarding the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

Case No. 22381. Application of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation (WC-025 G-07 S243517D; MIDDLE BONE SPRING [98294]) in a standard 240-acre, more or less, horizontal spacing and proration unit comprised of the W/2 W/2 of Section 28 and the W/2 NW/4 of Section 33, Township 24 South, Range 35 East in Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the following one and a half-mile well: Coonskin Fee #111H well, to be horizontally drilled from an approximate surface hole location 2303' FNL and 1143' FWL of Section 33, T24S-R35E, to an approximate bottom hole location 5' FNL and 331' FWL of Section 28, T24S-R35E. The completed intervals and first and last take points for this well will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 12 miles northwest of Jal, New Mexico.

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

Exhibit A

All Interest Owners
December 13, 2021
Page 2

The attached application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on **January 6, 2022**, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony.

Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by **December 29, 2021**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **December 30, 2021**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,

/s/ Sharon T. Shaheen
Sharon T. Shaheen

STS/cp
Enclosure

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✓ Delivered, PO Box

December 17, 2021 at 6:48 am
SANTA FE, NM 87501

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Product Information v

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Exhibit B

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