



Dingo Fed Com 131H, 201H

Case No. 22878

Date: July 21, 2022

**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. 22878

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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case No.:	22878
Hearing Date:	7/21/2022
Applicant	Tap Rock Operating, LLC
Designated Operator & OGRID	372043
Applicant's Counsel	Michael Rodriguez
Case Title	Application of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	COG operating LLC
Well Family	Dingo
Formation/Pool	
Formation Name(s) or Vertical Extent	Wolfcamp
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Wolfcamp
Pool Name and Pool Code	ANTELOPE RIDGE;WOLFCAMP [2220]
Well Location Setback Rules	Standard
Spacing Unit Size	240 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	W/2W/2 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, NMPPM, Lea County
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	No
Proximity Defining Well: if yes, description	-
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Dingo Federal Com #131H (API # pending) SHL: 1812' FNL & 531' FWL, Section 12, T24S-R32E BHL: 5' FNL and 337' FWL of Sec. 1, T24S-R34E Completion Target: Wolfcamp (Approx. 11850' TVD)
Well #2	Dingo Federal Com #201H (API # pending) SHL: 1813' FNL & 581' FWL, Section 12, T24S-R32E BHL: 5' FNL and 986' FWL of Sec. 1, T24S-R32E Completion Target: Wolfcamp (Approx. 11850' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1

Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-7
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined WI	Exhibit A-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gross Isopach	Exhibit B-5
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-6
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	Exhibit B-2 (Gun Barrel Diagram)
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Rodriguez
Signed Name (Attorney or Party Representative):	/s/ Michael Rodriguez
Date:	7/19/2022

Tap Rock Operating, LLC

Case No. 22878

Exhibit A

**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. 22878

**SELF-AFFIRMED STATEMENT OF
TAYLOR FORD**

1. My name is Taylor Ford, and I am a landman at Tap Rock Operating, LLC (“TRO”). I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as a petroleum landman have been accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of TRO’s application and proposed hearing notice are attached as **Exhibit A-1**.

3. In this case, TRO seeks an order pooling all uncommitted interests in the ANTELOPE RIDGE;WOLFCAMP [2220] within the Wolfcamp formation underlying a 240-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the W/2W/2 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.

4. The Unit will be dedicated to the following proposed initial wells (“Wells”):

- The **Dingo Federal Com #131H** and **Dingo Federal Com #201H** to be horizontally drilled from surface hole locations in the SW/4NW/4 of Section 12 to bottom hole locations in the NW/4NW/4 of Section 1.

5. **Exhibit A-2** contains Form C-102s for the Wells which demonstrate the completed intervals of the Wells will be orthodox.

6. **Exhibit A-3** contains a plat of the tracts included in the Unit and includes any applicable lease numbers, a recapitulation of the ownership interests within the Unit, and the interests TRO seeks to pool.

7. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

8. TRO conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

9. In my opinion, TRO made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.

10. TRO requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by TRO and other operators in the vicinity.

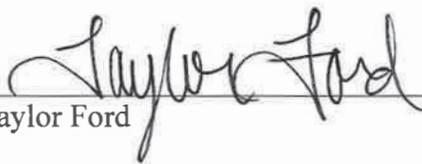
11. Notice of this application and the Division hearing was timely provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. **Exhibit A-6** contains a sample of the notice letters, a list of the parties who were notified of this hearing and the status of whether they received notice.

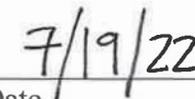
12. Notice of this application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as **Exhibit A-7**.

13. In my opinion, granting TRO's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

14. The attached exhibits were either prepared by me or compiled under my direction and supervision.

15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 14 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.


Taylor Ford


Date

Tap Rock Operating, LLC
Case No. 22878
Exhibit A-1

**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. 22878

APPLICATION

Pursuant to NMSA § 70-2-17, Tap Rock Operating, LLC (“TRO”) (OGRID No. 372043) applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 240-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the W/2W/2 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.

In support of its application, TRO states:

1. TRO is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following proposed initial wells (“Wells”) which it intends to drill simultaneously:
 - The **Dingo Federal Com #131H** and **Dingo Federal Com #201H** to be horizontally drilled from surface hole locations in the SW/4NW/4 of Section 12 to bottom hole locations in the NW/4NW/4 of Section 1.
3. The completed intervals of the Wells will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. To allow TRO to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and TRO should be designated the operator of the Wells and Unit.

WHEREFORE, TRO requests this application be set for hearing before an Examiner of the Oil Conservation Division on July 7, 2022, and after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the initial Wells in the Unit;
- C. Designating TRO as operator of this Unit and the Wells to be drilled thereon;
- D. Authorizing TRO to recover its costs of drilling, equipping and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by TRO in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

TAP ROCK OPERATING, LLC

/s/ Michael Rodriguez

Michael Rodriguez
523 Park Point Drive
Golden, CO 80401
(720) 245-2606
mdrodriguez@taprk.com
Attorney for Tap Rock Operating, LLC

Application of Tap Rock Operating, LLC for compulsory pooling, Lea County, New Mexico.

Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 240-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2W/2 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously:

- The Dingo Federal Com #131H and Dingo Federal Com #201H to be horizontally drilled from surface hole locations in the SW/4NW/4 of Section 12 to bottom hole locations in the NW/4NW/4 of Section 1.

The completed intervals of the Wells will be orthodox. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Tap Rock Operating, LLC as operator of the Unit and Wells, and a 200% charge for risk involved in drilling and completing the Wells. The Unit is located approximately 16 miles northwest of Jal, New Mexico.

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

Case No. 22878

Exhibit A-2

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

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., Sante Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DINGO FED COM			⁶ Well Number 131H
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3435'

¹⁰Surface Location

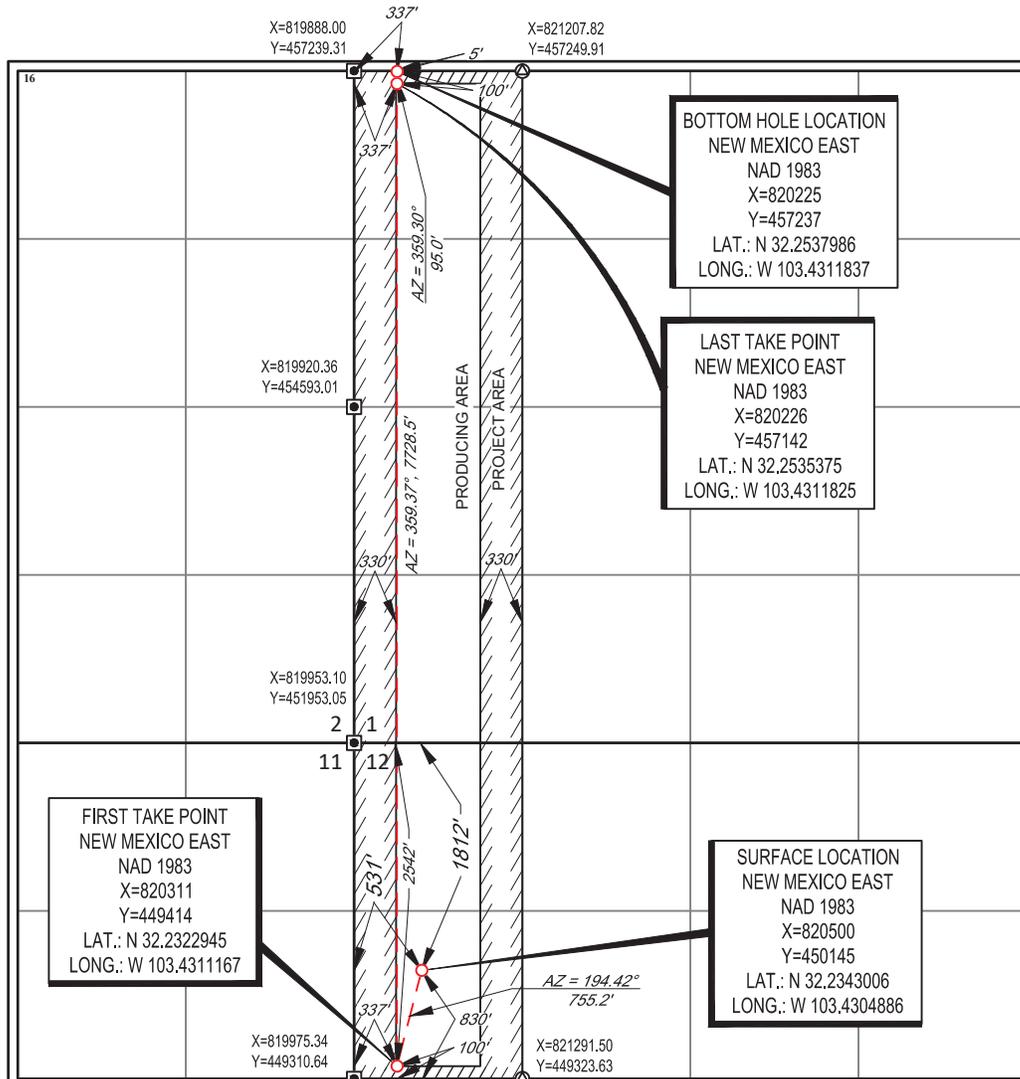
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	24-S	34-E	-	1812'	NORTH	531'	WEST	LEA

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	1	24-S	34-E	-	5'	NORTH	337'	WEST	LEA

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



¹⁷OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

06/23/2022

Date of Survey
 Signature and Seal of Professional Surveyor

RAMON A. DOMINGUEZ
 NEW MEXICO
 24508
 PROFESSIONAL SURVEYOR

Certificate Number _____

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., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name DINGO FED COM		⁶ Well Number 201H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.		⁹ Elevation 3435'

¹⁰Surface Location

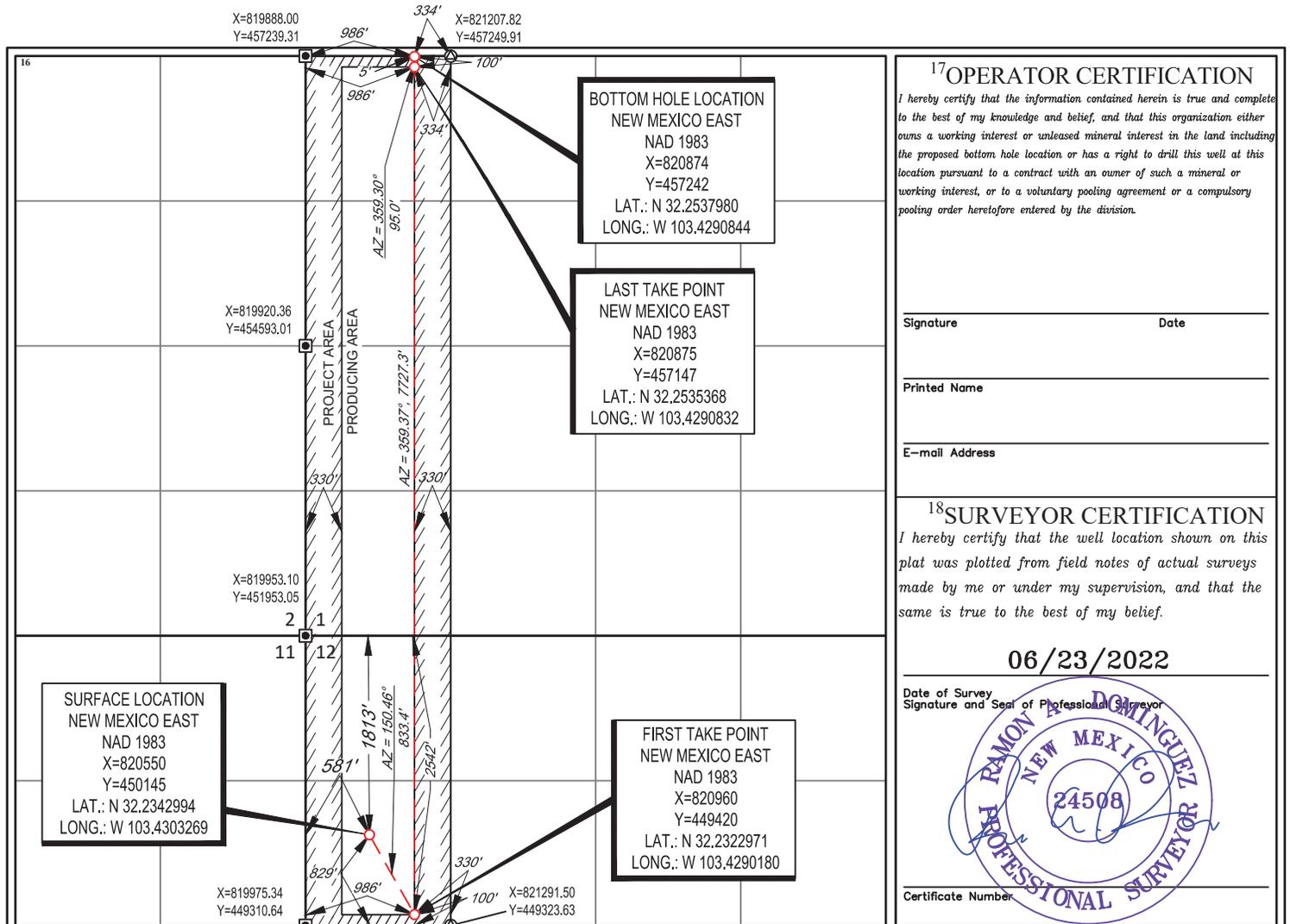
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	24-S	34-E	-	1813'	NORTH	581'	WEST	LEA

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	1	24-S	34-E	-	5'	NORTH	986'	WEST	LEA

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



¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

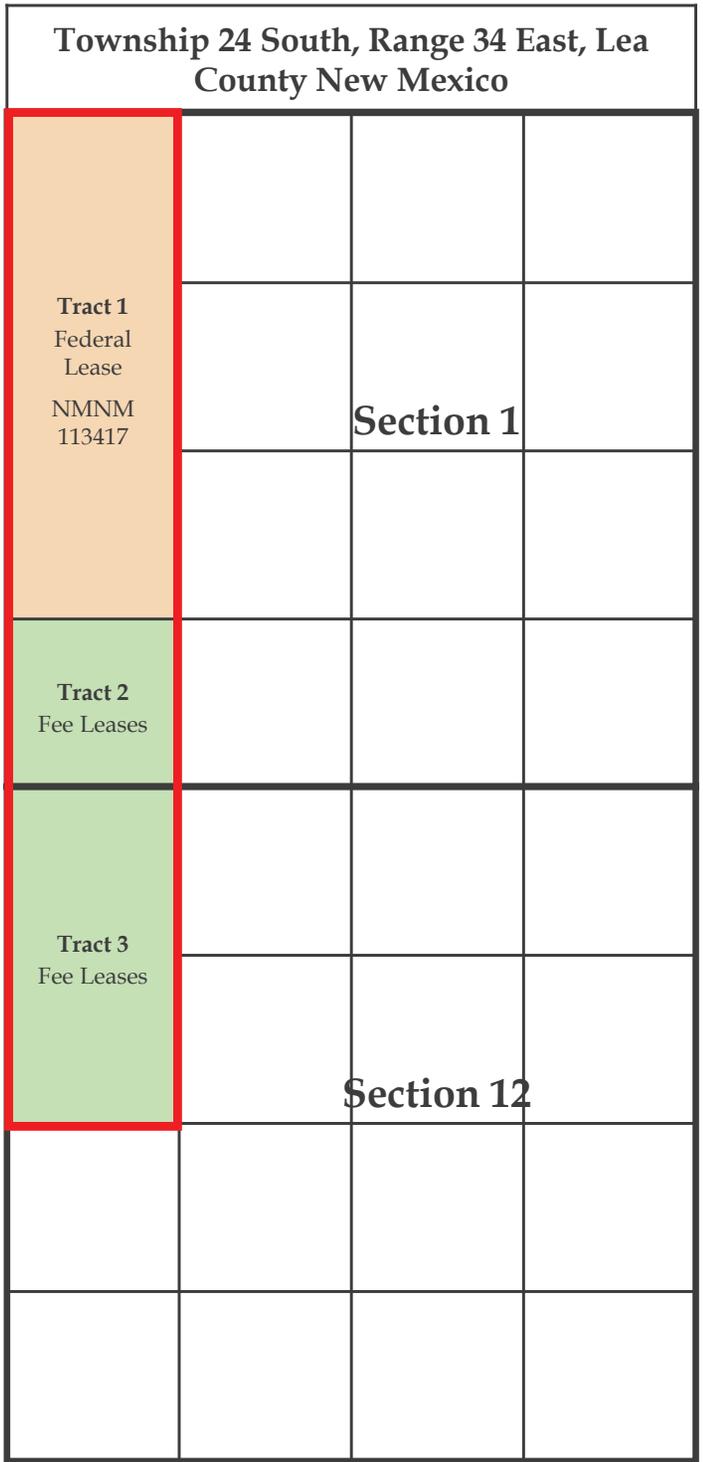
¹⁸SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

06/23/2022

Date of Survey _____
Signature and Seal of Professional Surveyor _____

Certificate Number _____

(Professional Surveyor Seal: RAMON A. DOMINGUEZ, NEW MEXICO, 24508)



Fee Acreage



Federal Acreage



Dingo Wolfcamp W2W2
Horizontal Spacing Unit

Tap Rock Operating, LLC
Case No. 22878
Exhibit A-3

Tract List

Tract #	Legal	Mineral Ownership Type	Lease Number	Owners
1	W/2NW/4 and NW/4SW/4 of Section 1, Township 24 South, Range 34 East	Fed	NMNM 113417	Chevron Midcontinent, L.P. The Allar Company
2	SW/4SW/4 of Section 1, Township 24 South, Range 34 East	Fee	N/A	BEXP I OG, LLC
3	W/2NW/4 of Section 12, Township 24 South, Range 34 East	Fee	N/A	BEXP I OG, LLC Franklin Mountain Energy 2, LLC c/o Franklin Mountain Royalty Investments Marathon Oil Permian, LLC Cayuga Royalties LLC COG Operating, LLC ** Malibu Resources, LLC ** Innoventions, Inc ** RRIG Energy, LLC ** Arrington Oil & Gas Royalty Fund, LLC** Prevail Energy, LLC **

- * Final interest subject to division order title verification
- ** Committed Working Interest Owner

Unit Interest Breakdown*



Entity	Interest Type	Approximate Percentage
Top Rock Resources II, LLC	Working Interest	18.75123%
Conococheater Midcontinent L.P.	Uncommitted Working Interest	37.5031%
Beckwith Energy Services, LLC	Uncommitted Working Interest	24.0337%
The Allar Company	Uncommitted Working Interest	12.5010%
Franklin Mountain Energy, LLC	Uncommitted Working Interest	1.8373%
Marathon Oil Permian, LLC	Uncommitted Working Interest	1.66653%
COG Operating, LLC	Committed Working Interest	1.66653%
Cayuga	Uncommitted Working Interest	0.01582%
Malibu Resources, LLC	Committed Working Interest	0.97214%
Innoventions, Inc.	Committed Working Interest	0.41663%
RRIG Energy, LLC	Committed Working Interest	0.41663%
Arrington Oil & Gas Royalty Fund, LLC	Committed Working Interest	0.20832%
Prevail Energy, LLC	Committed Working Interest	0.01091%

Overriding Royalty Interest

- The Allar Company
- Regen Royalty Corp
- Allar Development, LLC
- CrownRock Minerals, LP
- John Kyle Thomas, Trustee of The Cornerstone Family Trust

- Interests in yellow subject to pooling.
- * Final interest subject to division order title verification

Released to Indus: 6/20/2022 8:43:19 AM

Received by OCD: 7/19/2022 4:44:01 PM

TAP ROCK RESOURCES, LLCTAYLOR FORD – LANDMAN
TFORD@TAPRK.COM

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



Tap Rock Operating, LLC
Case No. 22878
Exhibit A-4

March 24, 2022

Via Certified Mail

ARRINGTON OIL & GAS ROYALTY FUND, LLC
PO BOX 2071
MIDLAND, TX 79702

Re: Well Proposals for:

- **Dingo Federal Com #111H**
- **Dingo Federal Com #115H**
- **Dingo Federal Com #121H**
- **Dingo Federal Com #131H**
- **Dingo Federal Com #201H**

Township 24 South, Range 34 East, Section 1: W/2W/2 and Section 12: W/2NW/4

Lea County, New Mexico

(the "Wells")

Dear Working Interest Owner:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the following Wells by pad drilling to prevent waste and protect correlative rights. Accordingly, enclosed for your further handling are our AFEs for the following Wells:

Well Name	Surface Hole Location (SHL)	Bottom Hole Location (BHL)	Formation	True Vertical Depth	Measured Depth
DINGO FEDERAL COM #111H	W/2NW/4 of Sec. 12	5' FNL and 330' FWL of Sec. 1	1st Bone Spring	10,080'	18,140'
DINGO FEDERAL COM #115H	W/2NW/4 of Sec. 12	5' FNL and 990' FWL of Sec. 1	1st Bone Spring	10,250'	18,310'
DINGO FEDERAL COM #121H	W/2NW/4 of Sec. 12	5' FNL and 660' FWL of Sec. 1	2nd Bone Spring	10,600'	18,660'
DINGO FEDERAL COM #131H	W/2NW/4 of Sec. 12	5' FNL and 330' FWL of Sec. 1	Wolfcamp A	11,850'	19,910'
DINGO FEDERAL COM #201H	W/2NW/4 of Sec. 12	5' FNL and 990' FWL of Sec. 1	Wolfcamp A	11,850'	19,910'

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications. A separate AFE for facility costs is forthcoming. Your election to participate in the drilling and completion of the proposed wells will also be considered an election to participate in the construction of the production facility.

In the event you elect to participate in the proposed Wells, please execute the enclosed AFEs and return to me within 30 days. TRO is proposing to drill these wells under the terms of the enclosed AAPL Form 610-1989 Operating Agreement. This Operating Agreement covers W/2W/2 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East,

TAP ROCK RESOURCES, LLC

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

TAYLOR FORD – LANDMAN
TFORD@TAPRK.COM



Lea County, New Mexico, Lea County, New Mexico.

If you do not wish to participate in the operation, TRO would like to offer the following terms:

- 3 year primary term, Term Assignment or Lease
- Royalty equal to the difference between existing burdens and 20%
- \$500 per net acre bonus consideration

The Term Assignment offer is subject to the approval of TRO’s board and verification of title.

Additionally, TRO is open to discuss possible trades or other deal structures related to your interest in the proposed Wells. If an agreement cannot be reached within 30 days of your receipt of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed Wells to allow TRO to move forward with planning and drilling the Wells.

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

Sincerely,

TAP ROCK OPERATING, LLC

Taylor Ford

720.459.3726

806.445.7213

tford@taprk.com

ARRINGTON OIL & GAS ROYALTY FUND, LLC hereby elects to:

_____ participate in the DINGO FEDERAL COM #111H

_____ non-consent the DINGO FEDERAL COM #111H

_____ participate in the DINGO FEDERAL COM #115H

_____ non-consent the DINGO FEDERAL COM #115H

_____ participate in the DINGO FEDERAL COM #121H

_____ non-consent the DINGO FEDERAL COM #121H

_____ participate in the DINGO FEDERAL COM #131H

_____ non-consent the DINGO FEDERAL COM #131H

_____ participate in the DINGO FEDERAL COM #201H

_____ non-consent the DINGO FEDERAL COM #201H

By: _____

Name: _____

TAP ROCK RESOURCES, LLC

TAYLOR FORD – LANDMAN
TFORD@TAPRK.COM

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



Title: _____

Date: _____

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: **Dingo Fed Com #111H**
 AFE #: **0**
 County: **Lea**
 State: **NM**

Date: **January 12, 2022**
 MD/TVD: **18140 / 10080**
 Lateral Length: **7610**
 Geologic Target: **1st Bone Spring**

Well Description: **Drill, complete, and produce 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	5,900
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	655,184	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	88,074	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	104,738	2 14	Fluids/Chemicals	25,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	47,385	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	62,880	2 17	Fuel/Power	225,600	3 17	Fuel/Power	
1 18	Water	38,165	2 18	Water	232,603	3 18	Water	
1 19	Directional Drilling	308,237	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	148,824	2 25	Consultant Supervision	66,000	3 25	Consultant Supervision	18,500
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	15,000
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	83,446	2 30	Rentals - Surface	16,560	3 30	Rentals - Surface	9,800
1 31	Rentals - Living Quarters	50,853	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	73,360	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	12,950
1 35	Rentals - Frac Tanks	9,247	2 35	Rentals - Frac Tanks	28,730	3 35	Rentals - Frac Tanks	15,000
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	68,190	3 36	Coil Tubing Unit/Workover Rig	34,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	179,298	3 37	Wireline/Slickline/Perforating	5,500
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	31,200	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	46,640	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	1,918,676	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	43,600
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	65,960
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	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	66,166	2 55	Contingency	108,224	3 55	Contingency	11,278
TOTAL INTANGIBLE DRILLING COSTS: \$2,271,713			TOTAL INTANGIBLE COMPLETION COSTS: \$3,232,043			TOTAL INTANGIBLE PRODUCTION COSTS: \$265,088		

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	362,800	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	95,400
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	62,100
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	0
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	190,000
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	0
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	28,500
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: \$690,975			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$429,500		
TOTAL DRILLING COSTS: \$2,962,688			TOTAL COMPLETION COSTS: \$3,232,043			TOTAL PRODUCTION COSTS: \$694,588		
TOTAL WELL COST: \$6,889,319								

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.

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: **Dingo Fed Com #115H**
 AFE #: **0**
 County: **Lea**
 State: **NM**

Date: **January 12, 2022**
 MD/TVD: **18310 / 10250**
 Lateral Length: **7610**
 Geologic Target: **1st Bone Spring**

Well Description: **Drill, complete, and produce 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	5,900
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	653,475	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	87,865	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	104,662	2 14	Fluids/Chemicals	25,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	48,150	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	62,698	2 17	Fuel/Power	225,600	3 17	Fuel/Power	
1 18	Water	38,147	2 18	Water	232,603	3 18	Water	
1 19	Directional Drilling	307,345	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	148,432	2 25	Consultant Supervision	66,000	3 25	Consultant Supervision	18,500
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	15,000
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	83,220	2 30	Rentals - Surface	16,560	3 30	Rentals - Surface	9,800
1 31	Rentals - Living Quarters	50,728	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	73,148	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	12,950
1 35	Rentals - Frac Tanks	9,220	2 35	Rentals - Frac Tanks	28,730	3 35	Rentals - Frac Tanks	15,000
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	68,190	3 36	Coil Tubing Unit/Workover Rig	34,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	179,298	3 37	Wireline/Slickline/Perforating	5,500
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	31,200	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	46,640	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	1,918,676	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	43,600
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	65,960
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	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	66,067	2 55	Contingency	108,224	3 55	Contingency	11,278
TOTAL INTANGIBLE DRILLING COSTS: \$2,268,313			TOTAL INTANGIBLE COMPLETION COSTS: \$3,232,043			TOTAL INTANGIBLE PRODUCTION COSTS: \$265,088		

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	366,200	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	95,400
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	62,100
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	0
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	190,000
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	0
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	28,500
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: \$694,375			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$429,500		
TOTAL DRILLING COSTS: \$2,962,688			TOTAL COMPLETION COSTS: \$3,232,043			TOTAL PRODUCTION COSTS: \$694,588		
TOTAL WELL COST: \$6,889,319								

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.

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: **Dingo Fed Com #121H**
 AFE #: **0**
 County: **Lea**
 State: **NM**

Date: **January 12, 2022**
 MD/TVD: **18660 / 10600**
 Lateral Length: **7610**
 Geologic Target: **2nd Bone Spring**

Well Description: Drill, complete, and produce a horizontal 2nd 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	5,900
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	674,589	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	90,448	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	105,598	2 14	Fluids/Chemicals	25,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	49,725	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	64,946	2 17	Fuel/Power	225,600	3 17	Fuel/Power	
1 18	Water	38,367	2 18	Water	232,603	3 18	Water	
1 19	Directional Drilling	318,361	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	153,279	2 25	Consultant Supervision	66,000	3 25	Consultant Supervision	18,500
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	15,000
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	86,009	2 30	Rentals - Surface	16,560	3 30	Rentals - Surface	9,800
1 31	Rentals - Living Quarters	52,270	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	75,770	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	12,950
1 35	Rentals - Frac Tanks	9,551	2 35	Rentals - Frac Tanks	28,730	3 35	Rentals - Frac Tanks	15,000
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	68,190	3 36	Coil Tubing Unit/Workover Rig	34,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	179,298	3 37	Wireline/Slickline/Perforating	5,500
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	31,200	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	46,640	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	1,918,676	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	43,600
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	65,960
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	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	67,622	2 55	Contingency	108,224	3 55	Contingency	11,278
TOTAL INTANGIBLE DRILLING COSTS: \$2,321,688			TOTAL INTANGIBLE COMPLETION COSTS: \$3,232,043			TOTAL INTANGIBLE PRODUCTION COSTS: \$265,088		

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	373,200	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	95,400
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	62,100
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	0
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	190,000
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	0
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	28,500
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: \$701,375			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$429,500		
TOTAL DRILLING COSTS: \$3,023,063			TOTAL COMPLETION COSTS: \$3,232,043			TOTAL PRODUCTION COSTS: \$694,588		
TOTAL WELL COST: \$6,949,694								

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.

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: **Dingo Fed Com #131H**
 AFE #: **0**
 County: **Lea**
 State: **NM**

Date: **January 12, 2022**
 MD/TVD: **19910 / 11850**
 Lateral Length: **7610**
 Geologic Target: **Wolfcamp A**

Well Description: **Drill, complete, and produce a horizontal Wolfcamp A 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	5,900
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	777,365	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	103,023	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	112,431	2 14	Fluids/Chemicals	25,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	55,350	2 15	WBM Cuttings/Wastewater Disposal		3 15	WBM Cuttings/Wastewater Disposal	
1 16	OBM Cuttings/Chemical Disposal	22,830	2 16	OBM Cuttings/Chemical Disposal		3 16	OBM Cuttings/Chemical Disposal	
1 17	Fuel/Power	75,884	2 17	Fuel/Power	225,600	3 17	Fuel/Power	
1 18	Water	39,440	2 18	Water	232,603	3 18	Water	
1 19	Directional Drilling	371,982	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	176,872	2 25	Consultant Supervision	66,000	3 25	Consultant Supervision	18,500
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	15,000
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	99,586	2 30	Rentals - Surface	16,560	3 30	Rentals - Surface	9,800
1 31	Rentals - Living Quarters	59,778	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	88,532	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	12,950
1 35	Rentals - Frac Tanks	11,159	2 35	Rentals - Frac Tanks	28,730	3 35	Rentals - Frac Tanks	15,000
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	68,190	3 36	Coil Tubing Unit/Workover Rig	34,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	179,298	3 37	Wireline/Slickline/Perforating	5,500
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	31,200	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	46,640	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	1,962,110	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	43,600
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	65,960
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	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	75,882	2 55	Contingency	109,310	3 55	Contingency	11,278
TOTAL INTANGIBLE DRILLING COSTS: \$2,605,268			TOTAL INTANGIBLE COMPLETION COSTS: \$3,276,562			TOTAL INTANGIBLE PRODUCTION COSTS: \$265,088		

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	286,375	5 63	2nd Intermediate Casing		6 63	2nd Intermediate Casing	
4 64	Production Casing	415,620	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	95,400
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	62,100
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	0
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	190,000
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	0
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	28,500
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: \$1,030,170			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$429,500		
TOTAL DRILLING COSTS: \$3,635,438			TOTAL COMPLETION COSTS: \$3,276,562			TOTAL PRODUCTION COSTS: \$694,588		
TOTAL WELL COST: \$7,606,588								

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.

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: **Dingo Fed Com #201H**
 AFE #: **0**
 County: **Lea**
 State: **NM**

Date: **January 12, 2022**
 MD/TVD: **19910 / 11850**
 Lateral Length: **7610**
 Geologic Target: **Wolfcamp A**

Well Description: Drill, complete, and produce a horizontal Wolfcamp A 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	5,900
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	777,365	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	103,023	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	112,431	2 14	Fluids/Chemicals	25,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	55,350	2 15	WBM Cuttings/Wastewater Disposal		3 15	WBM Cuttings/Wastewater Disposal	
1 16	OBM Cuttings/Chemical Disposal	22,830	2 16	OBM Cuttings/Chemical Disposal		3 16	OBM Cuttings/Chemical Disposal	
1 17	Fuel/Power	75,884	2 17	Fuel/Power	225,600	3 17	Fuel/Power	
1 18	Water	39,440	2 18	Water	232,603	3 18	Water	
1 19	Directional Drilling	371,982	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	
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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	99,586	2 30	Rentals - Surface	16,560	3 30	Rentals - Surface	9,800
1 31	Rentals - Living Quarters	59,778	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	88,532	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	12,950
1 35	Rentals - Frac Tanks	11,159	2 35	Rentals - Frac Tanks	28,730	3 35	Rentals - Frac Tanks	15,000
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	68,190	3 36	Coil Tubing Unit/Workover Rig	34,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	179,298	3 37	Wireline/Slickline/Perforating	5,500
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	31,200	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	46,640	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	1,962,110	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	43,600
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	65,960
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	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	75,882	2 55	Contingency	109,310	3 55	Contingency	11,278
TOTAL INTANGIBLE DRILLING COSTS: \$2,605,268			TOTAL INTANGIBLE COMPLETION COSTS: \$3,276,562			TOTAL INTANGIBLE PRODUCTION COSTS: \$265,088		

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	286,375	5 63	2nd Intermediate Casing		6 63	2nd Intermediate Casing	
4 64	Production Casing	415,620	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	95,400
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	62,100
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	0
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	190,000
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	0
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	28,500
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: \$1,030,170			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$429,500		
TOTAL DRILLING COSTS: \$3,635,438			TOTAL COMPLETION COSTS: \$3,276,562			TOTAL PRODUCTION COSTS: \$694,588		
TOTAL WELL COST: \$7,606,588								

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.

Summary of Communication



Released to Imaging: 7/20/2022 8:13:16 AM

Received by OCD: 7/19/2022 4:44:01 PM

	Communication
Chevron Midcontinent, LP	1/12/22 - Sent well proposals and JOA 3/24/22 - Sent updated well proposals 3/24/22 - Present: Sent updated JOAs; Tap Rock and Chevron continue JOA negotiations with anticipation of Chevron participating
BEXPI, LLC BEXPI OG, LLC	1/12/22 - Sent well proposals and JOA 3/24/22 - Present: Sent updated well proposals and JOAs; Tap Rock and BEXP enter into Letter Agreement
Franklin Mountain Royalty Investments Franklin Mountain Energy ("FME")	1/12/22 - Sent well proposals and JOA 3/24/22 - Present: Sent updated well proposals and JOAs; anticipate FME to participate
Marathon Oil Permian, LLC	1/12/22 - Sent well proposals and JOA 3/24/22 - Present: Sent updated well proposals and JOAs; anticipate Marathon to elect under Order
Cayuga Royalties, LLC	5/4/22 - Present: Sent well proposals and JOAs; no response from Cayuga
The Allar Company	1/12/22 - Sent well proposals and JOA 3/24/22 - Present: Sent updated well proposals and JOAs; anticipate Allar participating

- * Final interest subject to division order title verification

Page 24 of 38

TAP ROCK OPERATING, LLC
MICHAEL RODRIGUEZ – ATTORNEY
MDRODRIGUEZ@TAPRK.COM

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



July 19, 2022

Tap Rock Operating, LLC
Case No. 22878
Exhibit A-6

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTERESTED PARTIES SUBJECT TO NOTICE

Re: Case No. 22877 - Application of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

Re: Case No. 22878 - Application of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on July 7, 2022, beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter later. Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. MST, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about the subject applications, please contact the following:

Taylor Ford
Tap Rock Operating, LLC
(720) 459-3726
tford@taprk.com

Thank you,

/s/ Michael Rodriguez
Michael Rodriguez
ATTORNEY FOR TAP ROCK OPERATING, LLC

MailClass	TrackingNo	ToName	DeliveryAddress	City	State	Zip	MailDate	USPS_Status	Last_Modified
certified with Return Receipt (Si	9414811898765877740909	Bexp I Og, LLC	5914 W Courtyard Dr Ste 340	Austin	TX	78730-4928	06/10/2022	Your item was delivered to an individual at the address at 10:20 am on June 15, 2022 in AUSTIN, TX 78731.	06/16/2022 03:02:14
certified with Return Receipt (Si	9414811898765877740695	Franklin Mountain Energy	PO Box 6977	Denver	CO	80206-0977	06/10/2022	Your item was picked up at the post office at 3:41 pm on June 15, 2022 in DENVER, CO 80206.	06/16/2022 03:02:15
certified with Return Receipt (Si	9414811898765877740640	Cog Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	06/10/2022	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	06/10/2022 05:12:23
certified with Return Receipt (Si	9414811898765877740992	Marathon Oil Permian, LLC	5555 San Felipe St	Houston	TX	77056-2701	06/10/2022	Your item was delivered to the front desk, reception area, or mail room at 2:32 pm on June 17, 2022 in HOUSTON, TX 77024.	06/18/2022 08:06:25
certified with Return Receipt (Si	9414811898765877740947	The Allar Company	PO Box 1567	Graham	TX	76450-7567	06/10/2022	Your item was picked up at the post office at 10:13 am on June 13, 2022 in GRAHAM, TX 76450.	06/14/2022 01:55:30
certified with Return Receipt (Si	9414811898765877740930	Cayuga Royalties, LLC	PO Box 540711	Houston	TX	77254-0711	06/10/2022	Your item was delivered at 10:40 am on June 28, 2022 in HOUSTON, TX 77098.	06/28/2022 14:05:00
certified with Return Receipt (Si	9414811898765877740978	Attn MCBU Land	1400 Smith St	Houston	TX	77002-7327	06/10/2022	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	06/10/2022 05:12:24
certified with Return Receipt (Si	9414811898765877740619	Crownrock Minerals, Lp	PO Box 51933	Midland	TX	79710-1933	06/10/2022	Your item was picked up at a postal facility at 10:15 am on June 17, 2022 in MIDLAND, TX 79705.	06/17/2022 14:02:23
certified with Return Receipt (Si	9414811898765877740657	Regen Royalty Corp	PO Box 210	Artesia	NM	88211-0210	06/10/2022	Your item was picked up at the post office at 11:24 am on June 13, 2022 in ARTESIA, NM 88210.	06/14/2022 01:55:31
certified with Return Receipt (Si	9414811898765877740664	John Kyle Thoma, Trustee Of	PO Box 558	Peyton	CO	80831-0558	06/10/2022	Your item was delivered at 9:12 am on June 13, 2022 in PEYTON, CO 80831.	06/14/2022 01:55:31
certified with Return Receipt (Si	9414811898765877740626	Trustee William C. Walker	2501 Museum Way Apt 810	Fort Worth	TX	76107-3089	06/10/2022	The delivery status of your item has not been updated as of June 14, 2022, 2:20 am. We apologize that it may arrive later than expected	06/10/2022 05:12:23

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

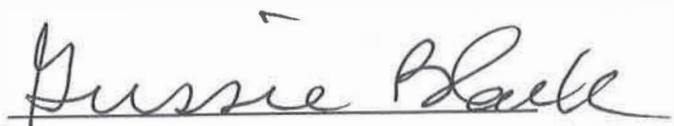
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
June 10, 2022
and ending with the issue dated
June 10, 2022.



Publisher

Sworn and subscribed to before me this
10th day of June 2022.



Business Manager

My commission expires
January 29, 2023
(Seal)

GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526
My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE
June 10, 2022

To all interested parties subject to notice including: BEXP I OG, LLC; Marathon Oil Permlan, LLC; The Allar Company; Cayuga Royalties, LLC; Chevron Midcontinent, LP; Franklin Mountain Energy; COG Operating LLC; CrownRock Minerals, LP; Regen Royalty Corp; John Kyle Thoma, Trustee of The Cornerstone Family Trust; Willam C. Walker, trustee of the William C. and Elaine M. Walker Family Trust; and their successors or assigns. On July 7, 2022, the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Tap Rock Operating, LLC in Case No. 22878. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 240-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2W/2 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously: The Dingo Federal Com #131H and Dingo Federal Com #201H to be horizontally drilled from surface hole locations in the SW/4NW/4 of Section 12 to bottom hole locations in the NW/4NW/4 of Section 1. The completed intervals of the Wells will be orthodox. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Tap Rock Operating, LLC as operator of the Unit and Wells, and a 200% charge for risk involved in drilling and completing the Wells. The Unit is located approximately 16 miles northwest of Jal, New Mexico.
#37746

67117307

00267685

MICHAEL RODRIGUEZ
TAP ROCK OPERATING LLC
523 PARK POINT DR
GOLDEN, CO 80401

Tap Rock Operating, LLC
Case No. 22878
Exhibit B

**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. 22878

**SELF-AFFIRMED STATEMENT OF
ELI DENBESTEN**

1. I am over the age of 18 and have personal knowledge of the matters stated herein. I am employed as a petroleum geologist for Tap Rock Operating, LLC (“Tap Rock”) and am familiar with the subject application and the geology matters involved. I have testified before the New Mexico Oil Conservation Division in the past and my credentials as an expert in petroleum geology matters was accepted and made a matter of record.

2. **Exhibit B-1** is a Project Locator Map depicting the location of the Horizontal Spacing Unit (“HSU”) within the Delaware Basin. Within Section 12 of Township 24 South, Range 34 East, and Section 1 of Township 24 South, Range 34 East, is the proposed HSU dedicated to the Dingo Fed Com #131H and #201H wells (the “Wells”).

3. **Exhibit B-2** is a Gun Barrel Diagram showing the planned Wolfcamp horizontal spacing for the Wells. This diagram shows the projected development of the Wolfcamp Wells. A nearby type log has been included to show approximate depths and reservoir quality of the landing zones.

4. **Exhibit B-3** is a Wolfcamp structure map in subsea vertical depth. This map shows the location of the Dingo Fed Com W/2 HSU outlined by the red box. The surface/bottom hole locations of the Wells is shown, zoomed in, to the right. The contour intervals are 25 feet each. Structure is down dipping from north to the south through the HSU of Section 12 of 24S 34E and Section 1 of 24S 34E. The orientation of the Wells will be

approximately perpendicular to the down dipping structure. One horizontal well to the west of the Dingo Fed Com Com HSU (Canyonlands 2 State Com 002H) is targeted in the Wolfcamp A, and a second horizontal well to the east of the Dingo Fed Com HSU (Mortarboard Federal Com 013H) is targeted in the 3rd Bone Spring W Sand. All wells on the map marked with a green dot are landed in the 3rd Bone Spring W Sand and all wells on the map marked with a brown dot are landed in the Wolfcamp A. The vertical wells controlling the structure map have the subsea vertical depth posted in black. The subsequent cross-section from A-A' (**Exhibit B-4**) is also identified to locate our closest control on the reservoir properties for the Wells. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

5. **Exhibit B-4** is a Wolfcamp Stratigraphic Cross Section (flattened on the uppermost 3rd Bone Spring W Sand). For each well, track 1 has a gamma ray log with interpreted color fill for lithology and scaled from 0 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 2 ohmm to 2000 ohmm. The red shading cutoff is at 20 ohmm or less to help identify the more siliciclastic rocks. Track 3 is the porosity track and contains the red neutron porosity curve and the blue density porosity curve, both scaled from 25% to 0%. The gray shading is separation of neutron and density porosity curves and typically interpreted as increasing clay content with increasing separation. 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 Wells. Peach circles on the depth track of Well 3 show the landing target intervals for the Wells.

6. **Exhibit B-5** is an Isopach Map of the Gross Wolfcamp interval. This map shows the location of the Dingo Fed Com HSU outlined by the red box. The surface/bottom hole location of the Wells is shown, zoomed in, to the right. The anticipated gross thickness of the interval is 550-725' throughout the HSU. The contour intervals are 25'. The location of the previous cross-section from A-A' is also shown on this map.

7. 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 west-east.

8. **Exhibit B-6** shows a Simplified Wellbore Diagram of the Wells in the HSU and demonstrates that the first and last take points for the Wells will be standard.

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

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

11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 10 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.



Eli DenBesten

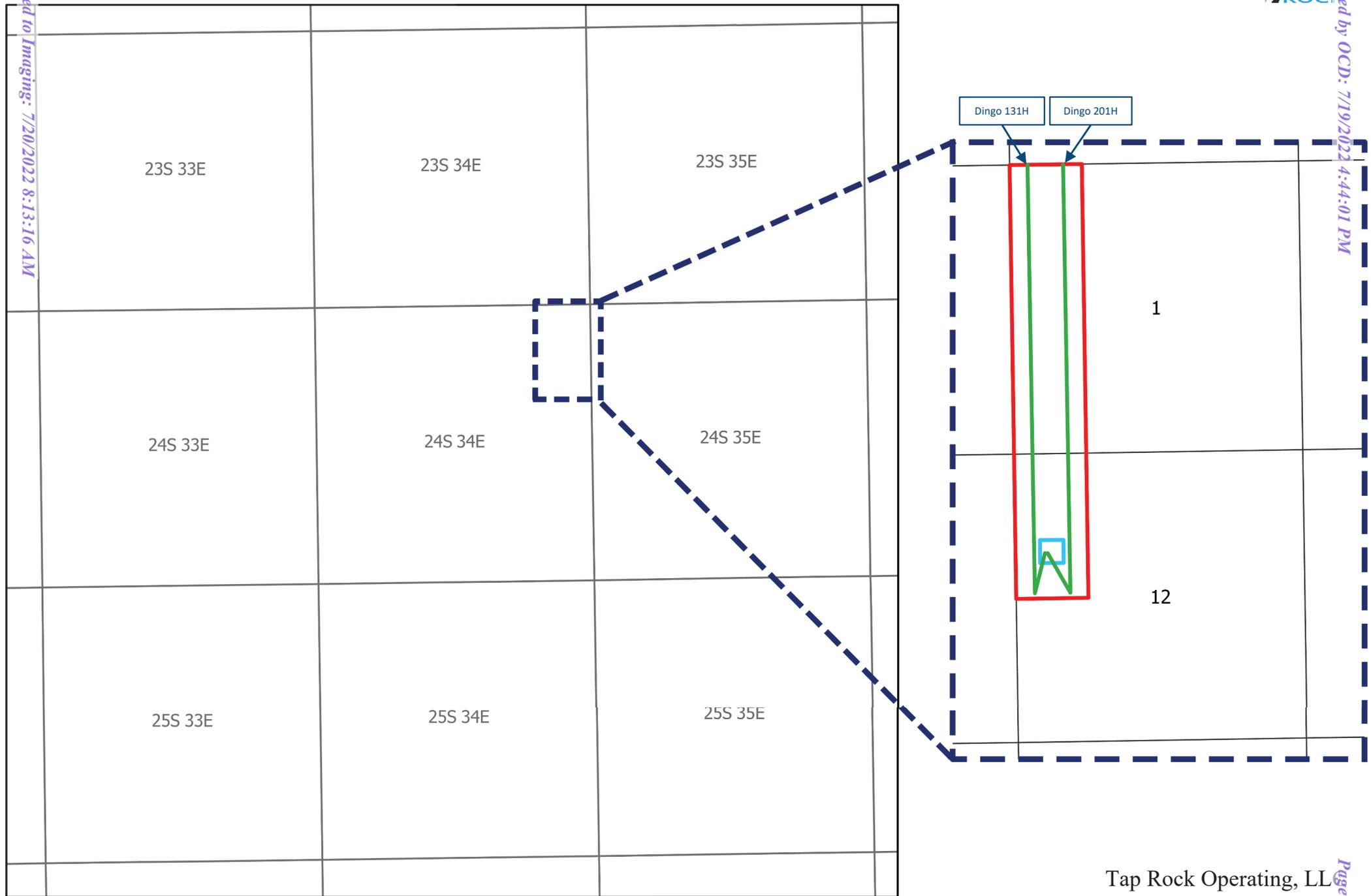
7-19-2022

Date

Project Locator Map - Dingo Fed Com 131H, 201H



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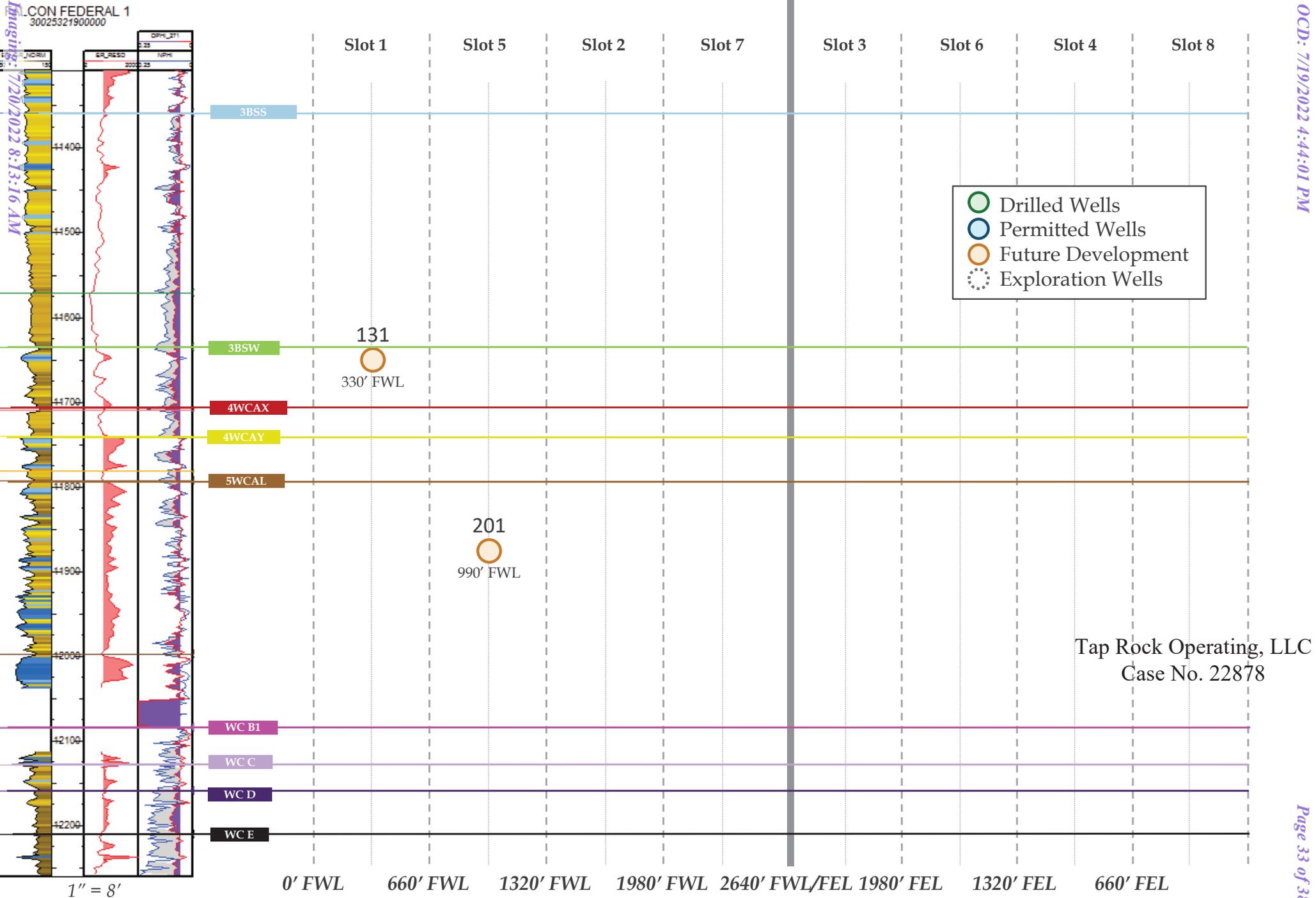
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Wolfcamp Target Zone Development

Dingo & Mortarboard (W/2 sec 12 & 1) Exhibit B-2 (E/2 sec 12 & 1)



Tap Rock Operating, LLC
Case No. 22878

Top Wolfcamp [Subsea Structure Map; CI=25']

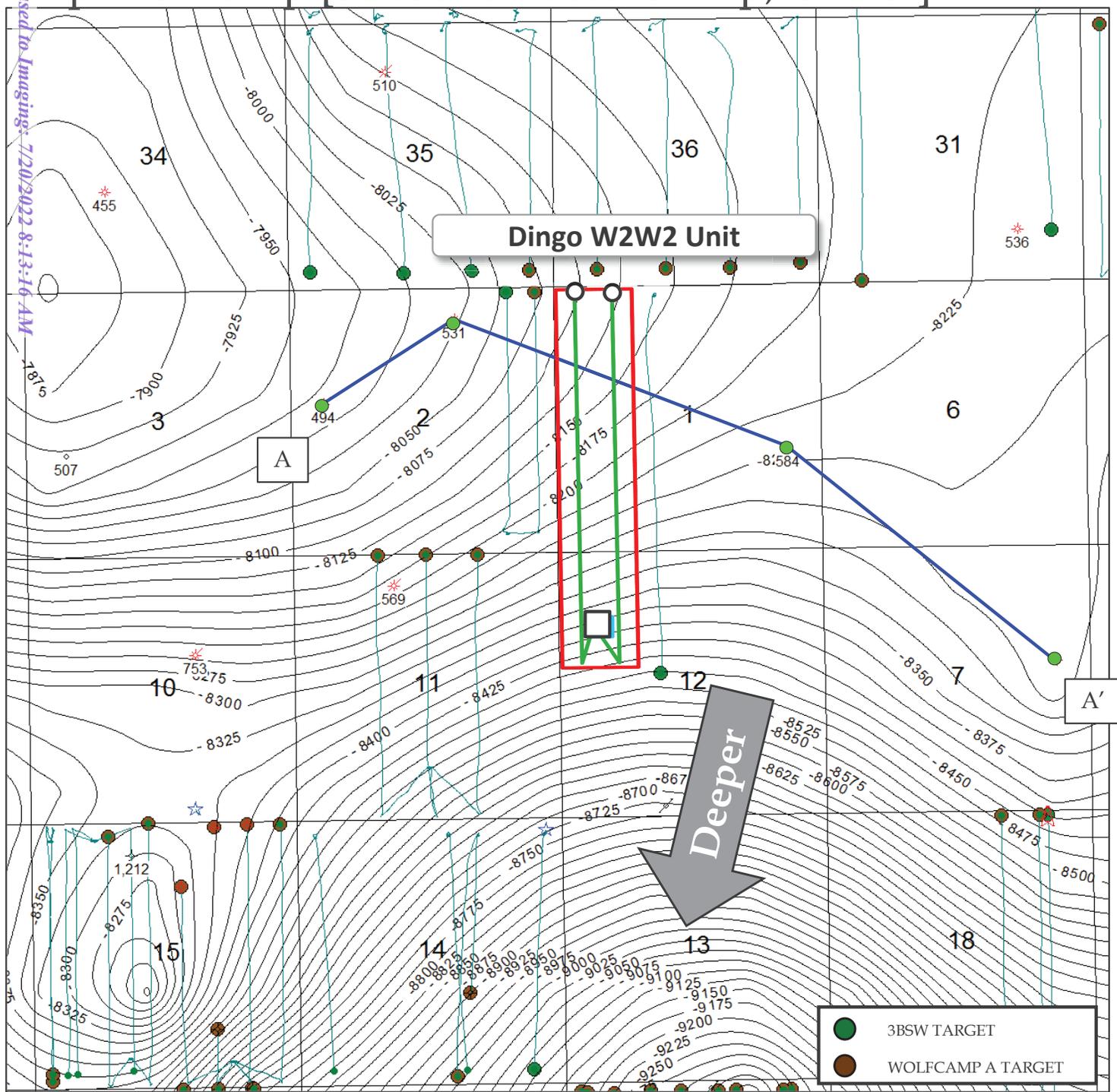
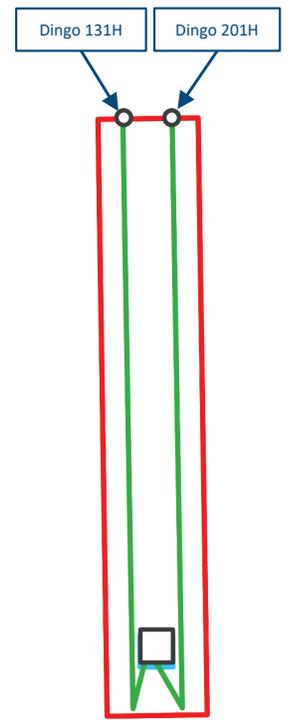


Map Legend

- SHL □ Tap Rock –
- BHL ○ Horizontal Location



C.I. = 25'

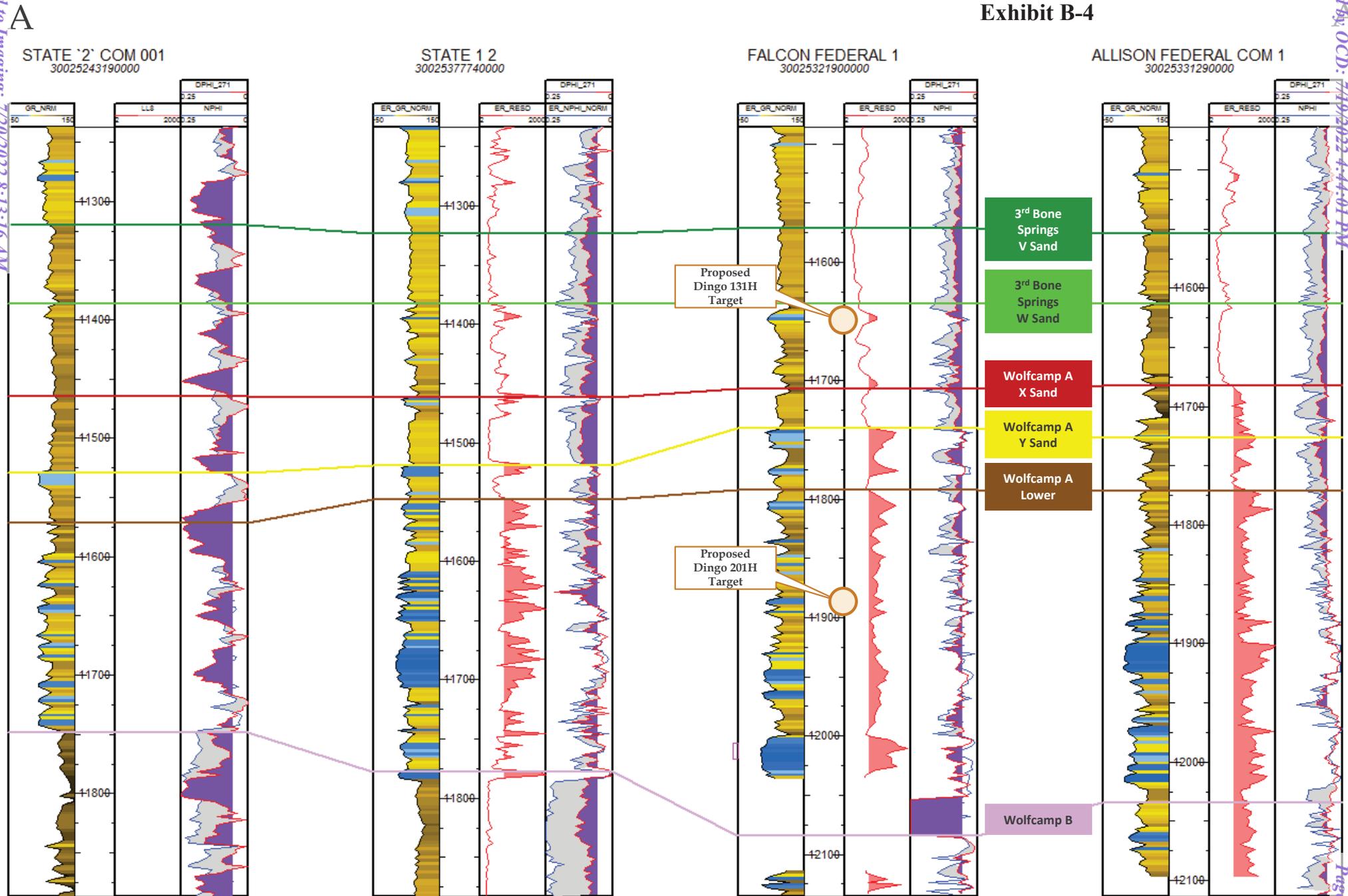


Stratigraphic Cross-Section - A-A'

Tap Rock Operating, LLC
Case No. 22878



Exhibit B-4



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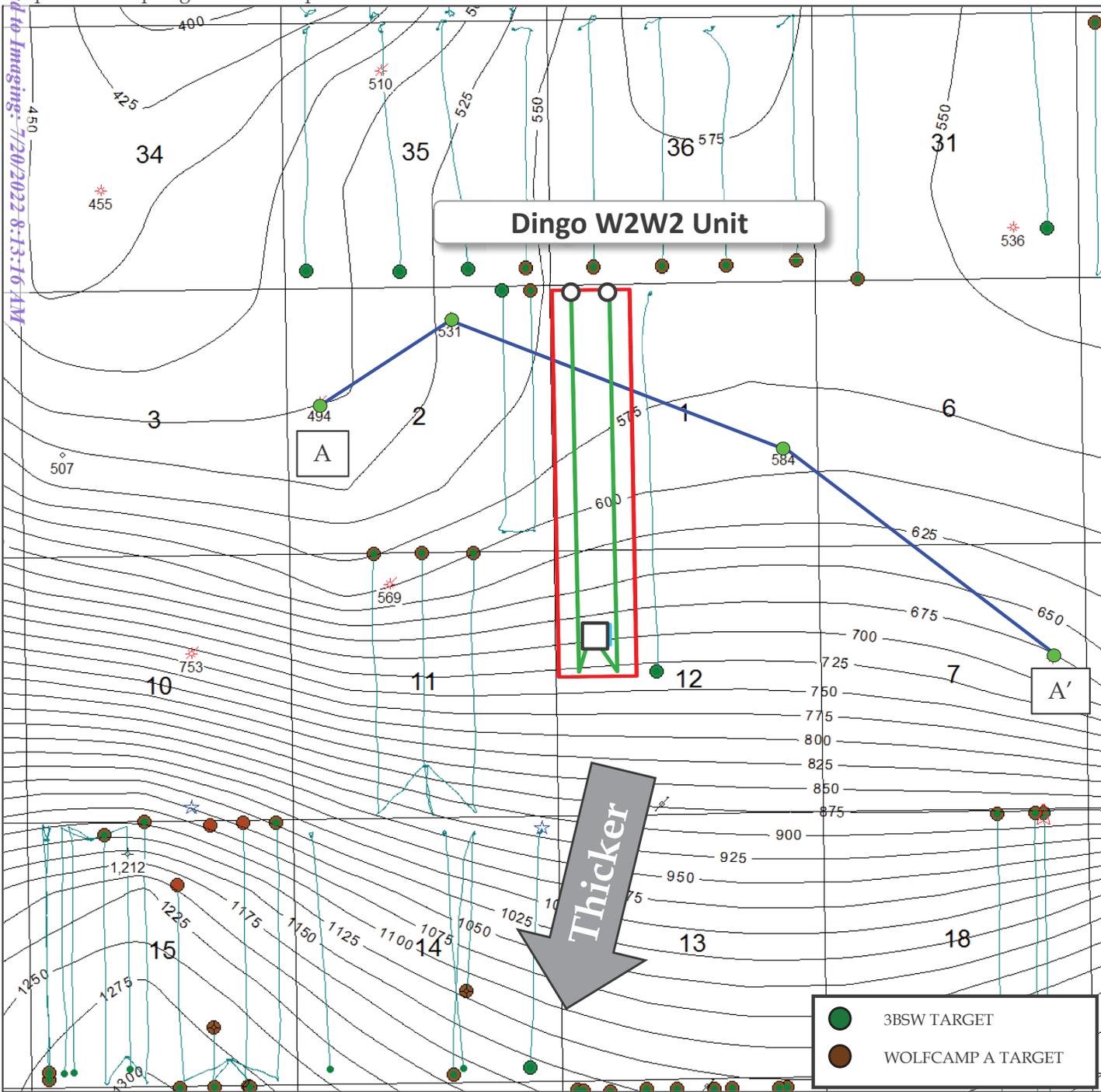
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Gross Wolfcamp [Isopach Map; CI=25']

Top 3rd Bone Spring V Sand - Top Strawn



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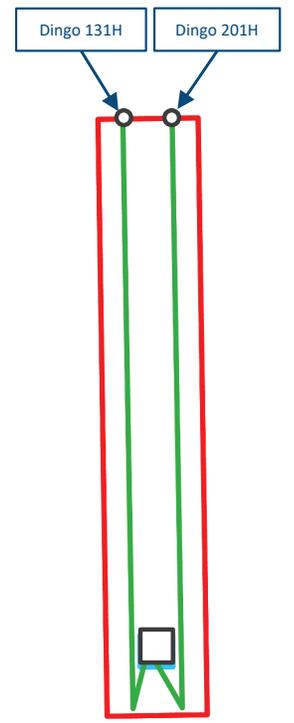


Map Legend

- SHL □ Tap Rock – Horizontal Location
- BHL ○



C.I. = 25'



- 3BSW TARGET
- WOLFCAMP A TARGET

Tap Rock Operating, LL
Case No. 22878
Exhibit B-5

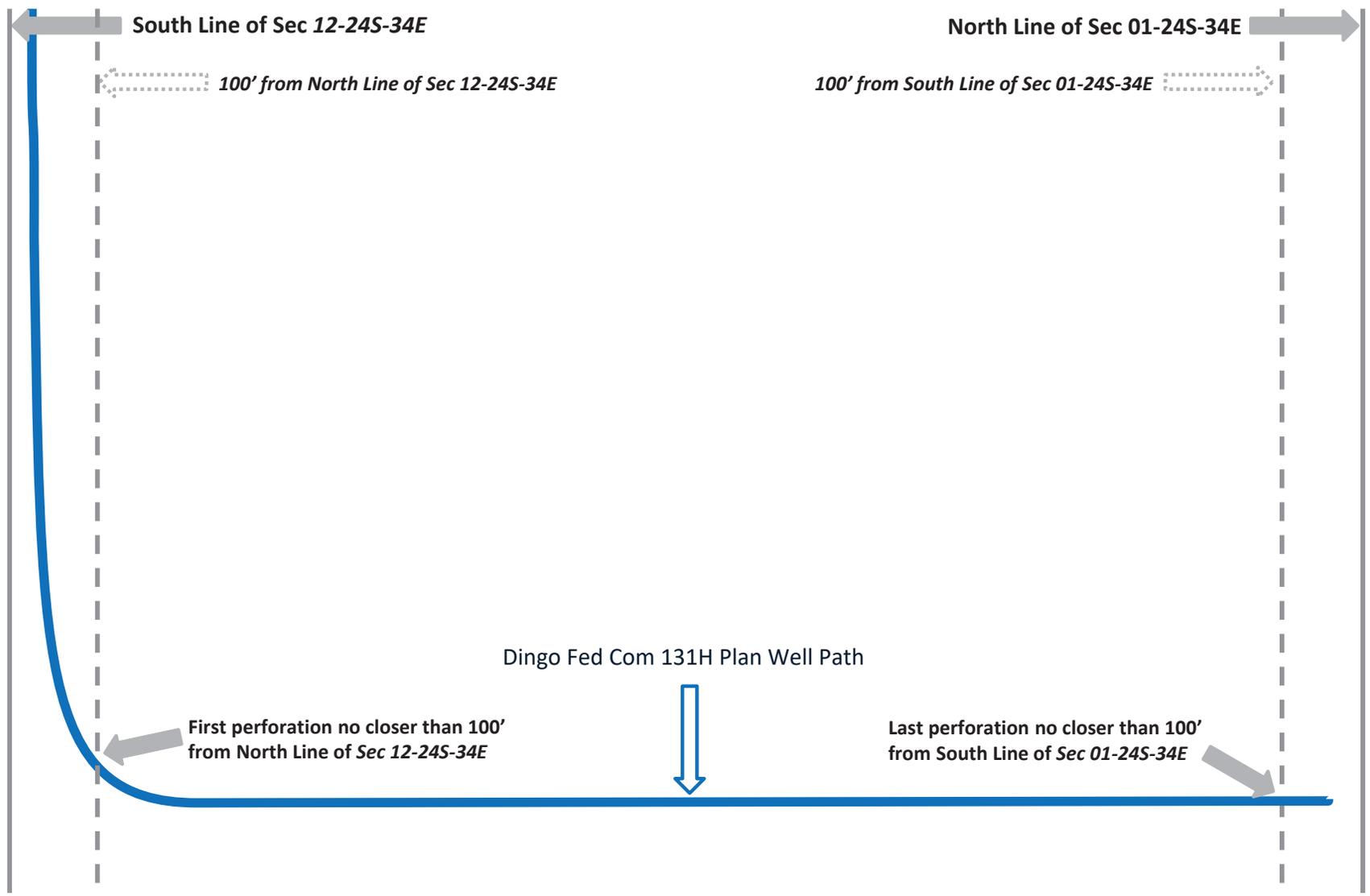
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Dingo Federal Com 131H (2 mile S-N Lateral)

SH: 1812' FNL, 531' FWL, Sec 12 24S-34E
BH: 5' FNL, 337' FWL, Sec 01 24S-34E

**Diagram not to scale*



Dingo Federal Com 201H (2 mile S-N Lateral)

SH: 1813' FNL, 581' FWL, Sec 12 24S-34E
BH: 5' FNL, 986' FWL, Sec 01 24S-34E

**Diagram not to scale*

