

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

**APPLICATIONS OF TAP ROCK
OPERATING, LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 23458, 23459

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

	APPLICANT'S RESPONSE
Case:	23458
Date:	May 4, 2023
Applicant	Tap Rock Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Tap Rock Operating, LLC (372043)
Applicant's Counsel:	Michael Rodriguez
Case Title:	APPLICATION OF TAP ROCK OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	EOG Resources, Inc.
Well Family	High Life
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Wildcat G-04 S252501H (97841)
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	horizontal
Size (Acres)	640
Building Blocks:	quarter-quarter
Orientation:	lay-down
Description: TRS/County	N/2 of Sections 11 and 12, Township 25 South, Range 2. East, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	The completed interval for the High Life Federal Com #152H will be within 330' of the quarter-quarter line separating the N/2N/2 from the S/2N/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit.
Proximity Defining Well: if yes, description	High Life Federal Com #152H
Applicant's Ownership in Each Tract	Exhibit A-4
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	High Life Federal Com #151H (API# pending) SHL: Sec. 10, 1803 FNL, 275 FEL BHL: Sec. 12, 392 FNL, 5 FEL Target: Bone Spring Status: Standard
Well #2	High Life Federal Com #152H (API# pending) SHL: Sec. 10, 1828 FNL, 275 FEL BHL: Sec. 12, 1600 FNL, 5 FEL Target: Bone Spring Status: Standard
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-2
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-2
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	Exhibit A-4
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B

Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
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-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
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	
Special Provisions/Stipulations	N/A
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:	04/27/2023

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

	APPLICANT'S RESPONSE
Case:	23459
Date:	May 4, 2023
Applicant	Tap Rock Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Tap Rock Operating, LLC (372043)
Applicant's Counsel:	Michael Rodriguez
Case Title:	APPLICATION OF TAP ROCK OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	EOG Resources, Inc.
Well Family	High Life
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Wildcat G-04 S252501H (97841)
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	horizontal
Size (Acres)	640
Building Blocks:	quarter-quarter
Orientation:	lay-down
Description: TRS/County	S/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	The completed interval for the High Life Federal Com #153H will be within 330' of the quarter-quarter line separating the S/2S/2 from the N/2S/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit.
Proximity Defining Well: if yes, description	High Life Federal Com #153H
Applicant's Ownership in Each Tract	Exhibit A-4
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	High Life Federal Com #153H (API# pending) SHL: Sec. 11, 1617 FSL, 275 FWL BHL: Sec. 12, 1600 FSL, 5 FEL Target: Bone Spring Status: Standard
Well #2	High Life Federal Com #154H (API# pending) SHL: Sec. 11, 1592 FSL, 275 FWL BHL: Sec. 12, 330 FSL, 5 FEL Target: Bone Spring Status: Standard
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-2
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-2
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	Exhibit A-4
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B

Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
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-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
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	
Special Provisions/Stipulations	N/A
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:	04/27/2023

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

APPLICATIONS OF TAP ROCK
OPERATING, LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 23458, 23459

SELF-AFFIRMED STATEMENT OF CHAD MATNEY

1. My name is Chad Matney, 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.

2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”). I graduated from Colorado State University in 2005 with a degree in Business Management. I have worked as a Landman for the past 18 years and started my current role at Tap Rock on February 13, 2023. I have been an active member of the AAPL since 2012 and also a member of various other Landman associations over the past 17 years. A copy of my resume is attached as **Exhibit A-1**.

3. I am familiar with the land matters involved in the above-referenced cases. Copies of TRO’s applications and proposed hearing notices are attached as **Exhibit A-2**.

4. In **Case No. 23458**:

a) TRO seeks an order pooling all uncommitted interests in the Wildcat G-04 S252501H [97841] within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the N/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico.

b) The Unit will be dedicated to the following proposed initial wells (“Wells”): **High Life Federal Com #151H** to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the NE/4NE/4 of Section

12, and **High Life Federal Com #152H** to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the SE/4NE/4 of Section 12.

- c) The completed interval for the **High Life Federal Com #152H** will be within 330' of the quarter-quarter line separating the N/2N/2 from the S/2N/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit.

5. In **Case No. 23459**:

- a) TRO seeks an order pooling all uncommitted interests in the Wildcat G-04 S252501H [97841] within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the S/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico.
- b) The Unit will be dedicated to the following proposed initial wells ("Wells"): **High Life Federal Com #153H** to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the NE/4SE/4 of Section 12, and **High Life Federal Com #154H** to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the SE/4SE/4 of Section 12.
- c) The completed interval for the **High Life Federal Com #153H** will be within 330' of the quarter-quarter line separating the S/2S/2 from the N/2S/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit.

6. **Exhibit A-3** contains Form C-102s for the Wells which demonstrate the completed intervals of the Wells will be orthodox.

7. **Exhibit A-4** contains a plat of the tracts included in the Units and includes applicable lease numbers, a recapitulation of the ownership interests within the Units, and the interests TRO seeks to pool.

8. **Exhibit A-5** 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, reasonable, and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

9. 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.

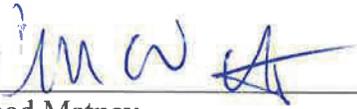
10. In my opinion, TRO made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-6**.

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

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

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

14. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony in paragraphs 1 through 13 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.



Chad Matney

4/25/23

Date

CHAD W. MATNEY

EXPERIENCE

TAP ROCK RESOURCES

Landman February 2023 – Current

Responsible for Land functions associated with Tap Rock's assets in Eddy County, New Mexico. Negotiations, acquisitions, divestitures, trades, contract drafting, well planning, permitting, title research and more.

MATNEY LAND, LLC

Landman 2021 - 2022

Performing contract Land work for multiple clients with properties in Texas and New Mexico. Due diligence, title curative, leasing, abstracting and more.

DIAMONDBACK ENERGY (fka QEP RESOURCES, INC.), Denver, Colorado

Staff Landman, Permian Division 2019 - 2021

Was responsible for Land functions supporting a two-rig drilling program in the Midland Basin (Martin and Andrews counties). Negotiated trades, JOA's, acquisitions, divestitures and conducted the due diligence associated therewith. Managed team of brokers in obtaining abstracts and title curative. Drafted, reviewed and proposed production sharing agreements to mineral owners. Proposed wells and workovers to partners. Ensured that all surface agreements, Railroad Commission and University Lands rules are followed, and that all notifications and paperwork are filed accurately and in a timely manner. Successfully worked in an interdisciplinary team of Landmen, Geologists, Engineers, Financial Analysts and Accountants to achieve our corporate goals.

QEP RESOURCES, INC., Denver, Colorado

Land and Regulatory Manager, Haynesville Division, 2017-2019

Managed land and regulatory teams for company's Haynesville division (active refrac and drilling program). Led a team of seven employees consisting of three landmen, land tech, land administrative assistant, regulatory supervisor, and a regulatory analyst. Worked cross-functionally with interdisciplinary teams of engineers and geologists to plan for and start up drilling and refrac programs. Planned, performed, and delegated negotiations of surface use and rights-of-way agreements, ownership confirmation, and well proposals.

Senior Landman, 2010-2017

Responsible for the Land functions for properties in Wyoming's Powder River and Green River basins, Pinedale Anticline, Uinta Basin in Utah and Williston Basin in North Dakota. Drafted and negotiated 100+ contracts, which included leases, farmouts, pooling, confidentiality, joint operating, and other industry standard and non-standard agreements.

QUESTAR CORPORATION, Denver, Colorado || Landman, 2006-2010

Performed the land tasks for a number of different properties in Utah and Wyoming. Prepared, sent, and tracked well proposals for operated new drills. Non-operated proposals: evaluated, confirmed interest, and worked with the interdisciplinary team to seek approval to participate or elect to non-consent. Researched and planned for lease expirations.

EDUCATION

COLORADO STATE UNIVERSITY, Fort Collins, Colorado, B.S., Organization Management, 2005

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

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

CASE NO. 23458

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 Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the N/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy 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:
 - **High Life Federal Com #151H** to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the NE/4NE/4 of Section 12, and
 - **High Life Federal Com #152H** to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the SE/4NE/4 of Section 12.
3. The completed interval for the **High Life Federal Com #152H** will be within 330’ of the quarter-quarter line separating the N/2N/2 from the S/2N/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit.
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 May 4, 2023, 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, Eddy County, New Mexico.

Tap Rock Operating, LLC (“TRO”) applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the N/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico. The Unit will be dedicated to the following proposed initial wells (“Wells”) which it intends to drill simultaneously: High Life Federal Com #151H to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the NE/4NE/4 of Section 12, and High Life Federal Com #152H to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the SE/4NE/4 of Section 12. The completed interval for the High Life Federal Com #152H will be within 330’ of the quarter-quarter line separating the N/2N/2 from the S/2N/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit. 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 3 miles southeast of Whites City, New Mexico.

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

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

CASE NO. 23459

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 Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the S/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy 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:
 - **High Life Federal Com #153H** to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the NE/4SE/4 of Section 12, and
 - **High Life Federal Com #154H** to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the SE/4SE/4 of Section 12.
3. The completed interval for the **High Life Federal Com #153H** will be within 330’ of the quarter-quarter line separating the S/2S/2 from the N/2S/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit.
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 May 4, 2023, 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, Eddy County, New Mexico.

Tap Rock Operating, LLC (“TRO”) applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the S/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico. The Unit will be dedicated to the following proposed initial wells (“Wells”) which it intends to drill simultaneously: High Life Federal Com #153H to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the NE/4SE/4 of Section 12, and High Life Federal Com #154H to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the SE/4SE/4 of Section 12. The completed interval for the High Life Federal Com #153H will be within 330’ of the quarter-quarter line separating the S/2S/2 from the N/2S/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit. 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 3 miles southeast of Whites City, New Mexico.

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

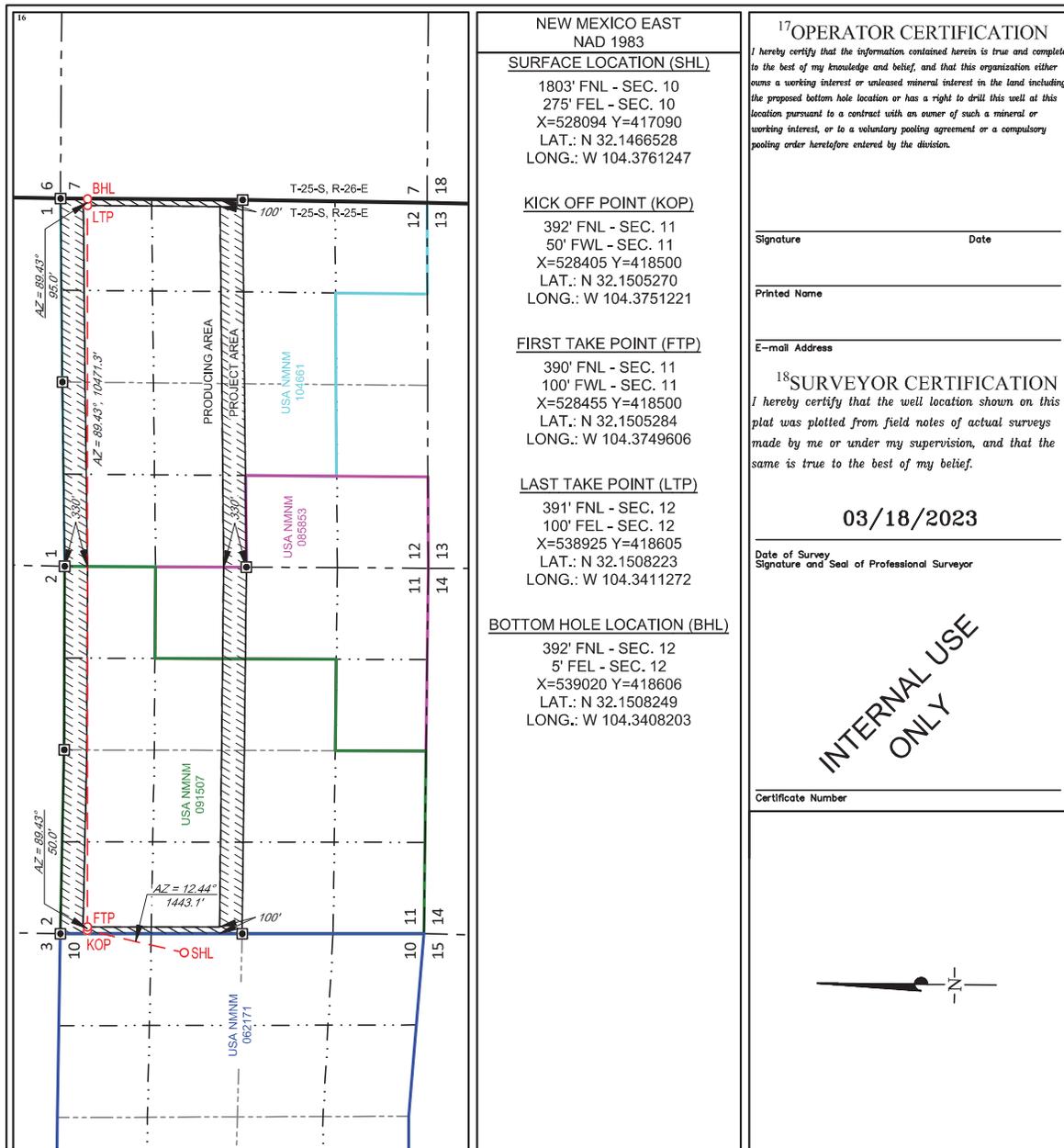
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

Tap Rock Operating, LLC
Case Nos. 23458, 23459
Exhibit A-3

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name HIGH LIFE FED COM			⁶ Well Number 151H				
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3511'				
¹⁰ Surface Location									
UL or lot no. H	Section 10	Township 25-S	Range 25-E	Lot Idn -	Feet from the 1803'	North/South line NORTH	Feet from the 275'	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. A	Section 12	Township 25-S	Range 25-E	Lot Idn -	Feet from the 392'	North/South line NORTH	Feet from the 5'	East/West line EAST	County EDDY
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6178 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

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

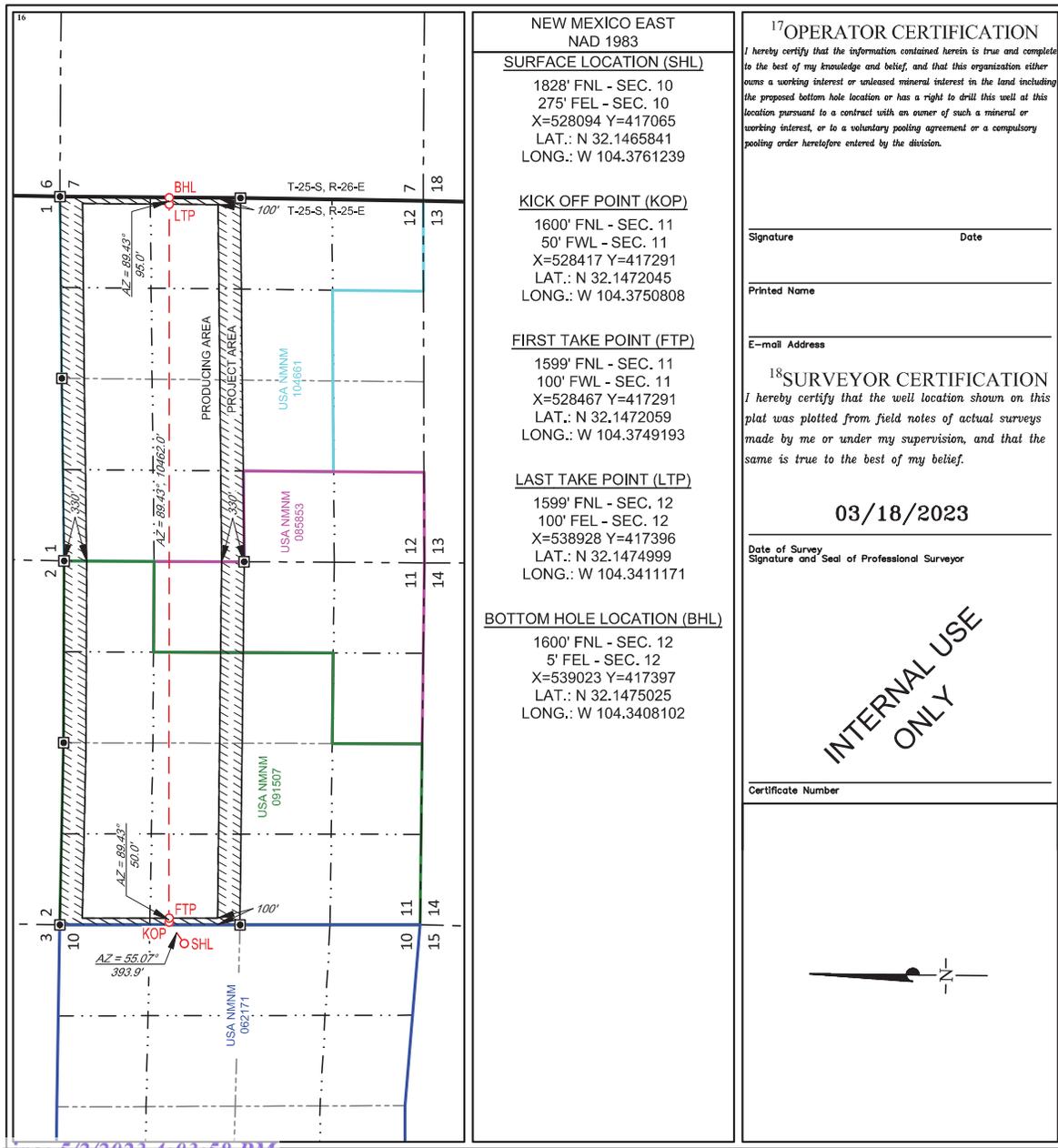
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name HIGH LIFE FED COM			⁶ Well Number 152H				
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3511'				
¹⁰ Surface Location									
UL or lot no. H	Section 10	Township 25-S	Range 25-E	Lot Idn -	Feet from the 1828'	North/South line NORTH	Feet from the 275'	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. H	Section 12	Township 25-S	Range 25-E	Lot Idn -	Feet from the 1600'	North/South line NORTH	Feet from the 5'	East/West line EAST	County EDDY
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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



NEW MEXICO EAST
NAD 1983

SURFACE LOCATION (SHL)
1828' FNL - SEC. 10
275' FEL - SEC. 10
X=528094 Y=417065
LAT.: N 32.1465841
LONG.: W 104.3761239

KICK OFF POINT (KOP)
1600' FNL - SEC. 11
50' FWL - SEC. 11
X=528417 Y=417291
LAT.: N 32.1472045
LONG.: W 104.3750808

FIRST TAKE POINT (FTP)
1599' FNL - SEC. 11
100' FWL - SEC. 11
X=528467 Y=417291
LAT.: N 32.1472059
LONG.: W 104.3749193

LAST TAKE POINT (LTP)
1599' FNL - SEC. 12
100' FEL - SEC. 12
X=538928 Y=417396
LAT.: N 32.1474999
LONG.: W 104.3411171

BOTTOM HOLE LOCATION (BHL)
1600' FNL - SEC. 12
5' FEL - SEC. 12
X=539023 Y=417397
LAT.: N 32.1475025
LONG.: W 104.3408102

17 OPERATOR 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 _____

18 SURVEYOR 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.

03/18/2023

Date of Survey _____
Signature and Seal of Professional Surveyor _____

INTERNAL USE ONLY

Certificate Number _____

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

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

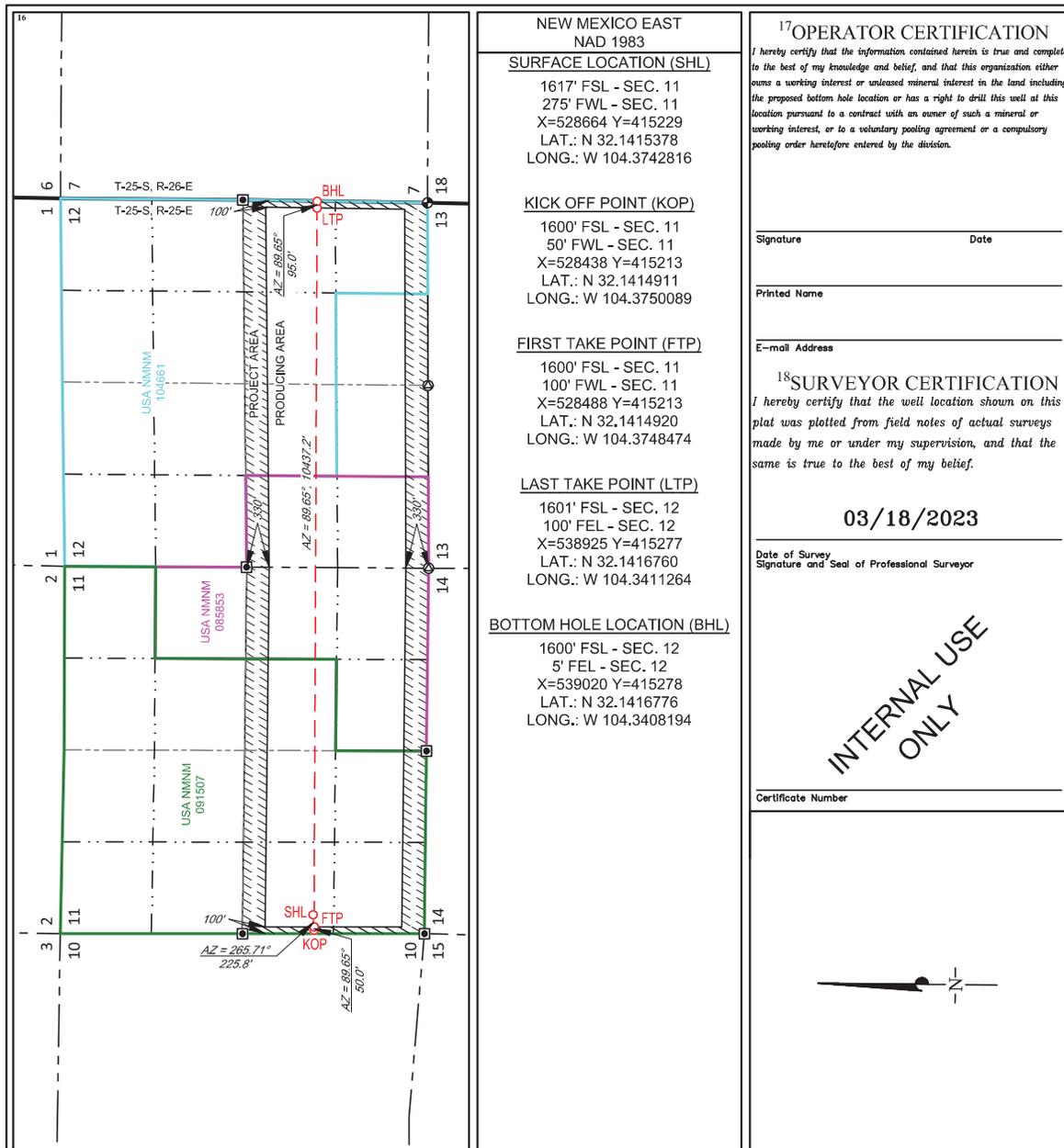
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name HIGH LIFE FED COM			⁶ Well Number 153H				
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3489'				
¹⁰ Surface Location									
UL or lot no. L	Section 11	Township 25-S	Range 25-E	Lot Idn -	Feet from the 1617'	North/South line SOUTH	Feet from the 275'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. I	Section 12	Township 25-S	Range 25-E	Lot Idn -	Feet from the 1600'	North/South line SOUTH	Feet from the 5'	East/West line EAST	County EDDY
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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



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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

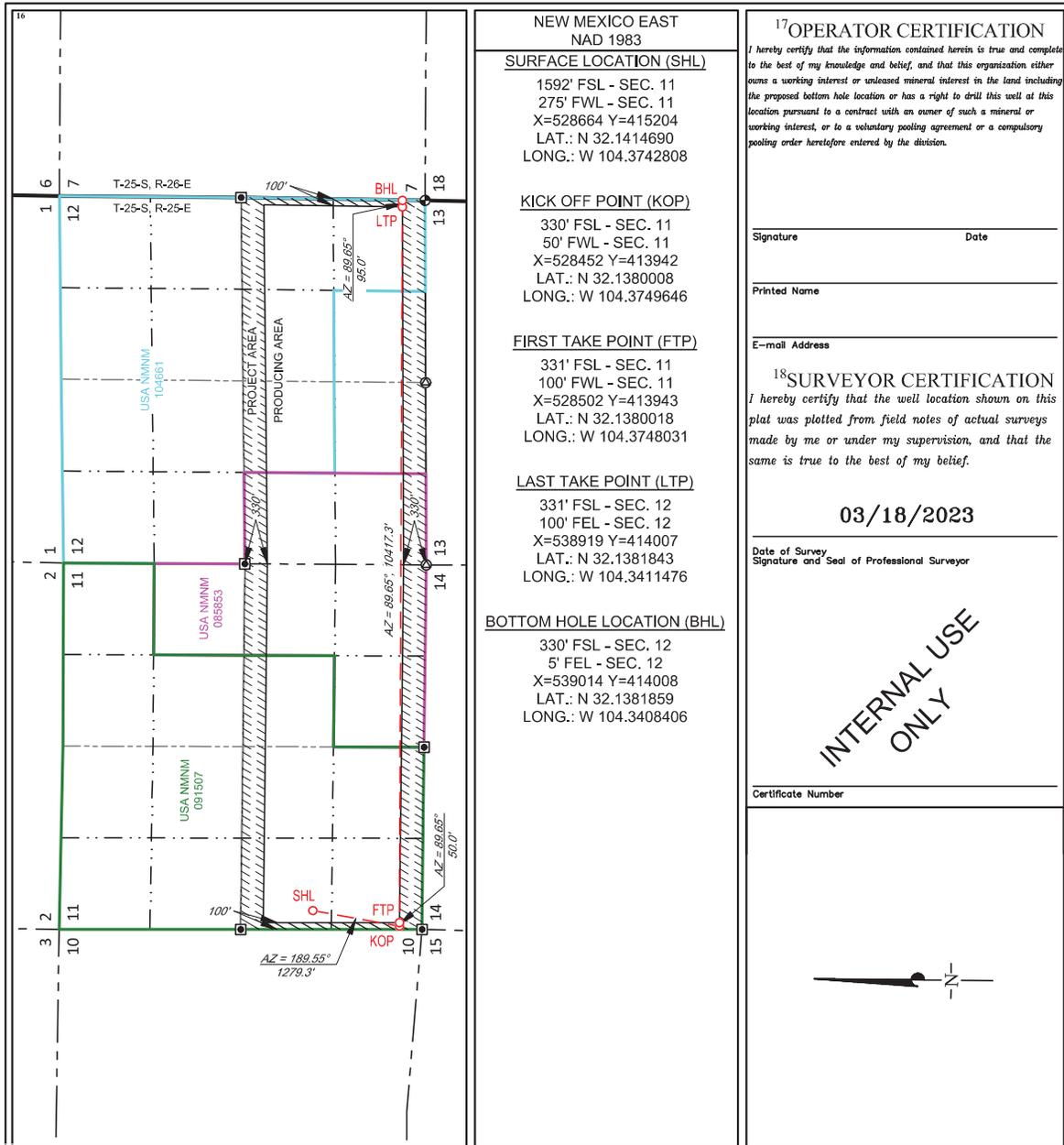
¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name HIGH LIFE FED COM			⁶ Well Number 154H
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3489'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	25-S	25-E	-	1592'	SOUTH	275'	WEST	EDDY

¹¹ Bottom 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
P	12	25-S	25-E	-	330'	SOUTH	5'	EAST	EDDY

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

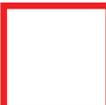




Tap Rock Operating, LLC
Case Nos. 23458, 23459
Exhibit A-4

Township 25 South, Range 25 East Eddy County New Mexico			
Tract 1 NMINM 91507	Tract 2 NMINM 85853		Tract 3 NMINM 104661

 Federal Acreage

 High Life N2 Unit

Case No. 23458 - N2 Bone Spring Unit				
Tract #	Legal	Mineral Ownership Type	Lease Number	Owners
1	<u>T25S-R25E</u> Sec. 11: NW/4, W/2NE/4, NE/4NE/4 Eddy County, New Mexico	Federal	NMNM-91507	COG Operating LLC Concho Oil & Gas, LLC Judith A. West Sydhan, LP Featherstone Development Corporation Raye Miller Parrot Head Properties, LLC Prospector, LLC Big Three Energy Group, LLC EOG Resources, Inc. Oxy Y-1 Company
2	<u>T25S-R25E</u> Sec. 11: SE/4NE/4 Eddy County, New Mexico	Federal	NMNM-85853	Tap Rock Resources II, LLC Judith A. West Sydhan, LP Balog Family Trust dated August 15, 2002 Vision Energy, Inc.
3	<u>T25S-R25E</u> Sec. 12: N/2 Eddy County, New Mexico	Federal	NMNM-104661	EOG Resources, Inc. Oxy Y-1 Company

Case No. 23459 - S2 Bone Spring Unit				
Tract #	Legal	Mineral Ownership Type	Lease Number	Owners
1	<u>T25S-R25E</u> Sec. 11: SW/4, NW/4SE/4 Eddy County, New Mexico	Federal	NMNM-91507	COG Operating LLC Concho Oil & Gas, LLC Judith A. West Sydhan, LP Featherstone Development Corporation Raye Miller Parrot Head Properties, LLC Prospector, LLC Big Three Energy Group, LLC EOG Resources, Inc. Oxy Y-1 Company
2	<u>T25S-R25E</u> Sec. 11: E2/SE/4, SW/4SE/4 Sec. 12: W/2SW/4 Eddy County, New Mexico	Federal	NMNM-85853	Tap Rock Resources II, LLC Judith A. West Sydhan, LP Balog Family Trust dated August 15, 2002 Vision Energy, Inc. Jon Esslinger & Louise Esslinger
3	<u>T25S-R25E</u> Sec. 12: SE/4SW/4, SW/4SE/4 Eddy County, New Mexico	Fee	Fee	Steven C. Barnes Julie E. Barnes Elaine Barnes Christine Barnes Motycka TTCZ Properties, LLC
4	<u>T25S-R25E</u> Sec. 12: NE/4SW/4, N/2SE/4, SE/4SE/4 Eddy County, New Mexico	Federal	NMNM-104661	EOG Resources, Inc. Oxy Y-1 Company

Case No. 23458 - N2 Bone Spring Unit

Entity	Interest Type	Approximate Percentage
Tap Rock Resources, LLC	Working Interest	4.937500%
COG Operating LLC	Uncommitted Working Interest	18.254042%
Concho Oil & Gas, LLC	Uncommitted Working Interest	0.960739%
EOG Resources, Inc.	Uncommitted Working Interest	43.914188%
Oxy Y-1 Company	Uncommitted Working Interest	18.480406%
Judith A. West	Uncommitted Working Interest	4.000000%
Sydhan, LP	Uncommitted Working Interest	1.000000%
Featherstone Development Corporation	Committed Working Interest	0.743750%
Raye Miller	Uncommitted Working Interest	2.187500%
Parrot Head Properties, LLC	Uncommitted Working Interest	0.743750%
Prospector, LLC	Committed Working Interest	3.718750%
Big Three Energy Group, LLC	Committed Working Interest	0.371875%
Balog Family Trust dated August 15, 2002	Committed Working Interest	0.062500%
Vision Energy, Inc.	Uncommitted Working Interest	0.625000%
	TOTAL:	100.000000%

Case No. 23459 - S2 Bone Spring Unit

Entity	Ownership Type	Approximate Percentage
Tap Rock Resources, LLC	Committed Working Interest	24.625000%
COG Operating LLC	Uncommitted Working Interest	13.038602%
Concho Oil & Gas, LLC	Uncommitted Working Interest	0.686242%
EOG Resources, Inc.	Uncommitted Working Interest	24.081563%
Oxy Y-1 Company	Uncommitted Working Interest	9.771719%
Judith A. West	Uncommitted Working Interest	5.000000%
Sydhan, LP	Uncommitted Working Interest	1.250000%
Featherstone Development Corporation	Committed Working Interest	0.531250%
Raye Miller	Uncommitted Working Interest	1.562500%
Parrot Head Properties, LLC	Committed Working Interest	0.531250%
Prospector, LLC	Committed Working Interest	2.656250%
Big Three Energy Group, LLC	Committed Working Interest	0.265625%
Balog Family Trust dated August 15, 2002	Uncommitted Working Interest	0.312500%
Vision Energy, Inc.	Uncommitted Working Interest	3.125000%
Jon Esslinger & Louise Esslinger	Uncommitted Working Interest	0.062500%
Steven C. Barnes	Leased Mineral Interest	3.750000%
Julie E. Barnes	Leased Mineral Interest	3.750000%
Elaine Barnes	Leased Mineral Interest	1.666667%
Christine Barnes Motycka	Leased Mineral Interest	1.666667%
TTCZ Properties, LLC	Leased Mineral Interest	1.666667%
	TOTAL:	100.000000%

TAP ROCK RESOURCES, LLC

TAYLOR FORD – LANDMAN
TFORD@TAPRK.COM

523 PARK POINT DRIVE, SUITE 200

Tap Rock Operating, LLC

Case Nos. 23458, 23459

Exhibit A-5



September 23, 2022

Via Certified Mail

CABAL ENERGY CORP
415 W WALL ST
STE 1700
MIDLAND, TX 79701

Re: Well Proposals for:
- High Life Federal Com #151H
- High Life Federal Com #152H
Township 25 South, Range 25 East, Sections 11 and 12: N/2
Eddy 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
HIGH LIFE FEDERAL COM #151H	NE/4SW/4 of Section 11	NE/4NE/4 of Section 12	3rd Bone Spring	7,300'	17,960'
HIGH LIFE FEDERAL COM #152H	NE/4SW/4 of Section 11	SE/4NE/4 of Section 12	3rd Bone Spring	7,300'	17,960'

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 N/2 of Sections 11 and 12, Township 25 South, Range 25 East, Eddy County, New Mexico, Eddy 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
- 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

TAP ROCK OPERATING, LLC

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



March 22, 2023

Via Certified Mail

BIG THREE ENERGY GROUP, LLC
PO BOX 429
ROSWELL, NM 88202

Re: Supplement to Well Proposals dated March 9, 2023:
- High Life Federal Com #151H
- High Life Federal Com #152H
Township 25 South, Range 25 East, Section 11 and 12: N/2
Eddy County, New Mexico
(the "Wells")

Dear Working Interest Owner:

Tap Rock Operating, LLC ("TRO") is providing this supplemental letter to be incorporated into the Well Proposal for the High Life Federal Com Wells dated March 9, 2023 ("Well Proposal"), to update the surface hole locations as described below. No other changes have been made to the Well Proposal.

Well Name	Original Surface Hole Location	Updated Surface Hole Location
High Life Federal Com #151H	NE/4SW/4 of Section 11	1803' FNL & 275' FEL of Section 10, or at a legal location as approved by the governing regulatory agency.
High Life Federal Com #152H	NE/4SW/4 of Section 11	1828' FNL & 275' FEL of Section 10, or at a legal location as approved by the governing regulatory agency.

All other specifications, terms and conditions in the original Well Proposal remain in effect. Should you have any questions concerning this supplemental letter or the Well Proposal, please contact the undersigned.

Respectfully,

TAP ROCK OPERATING, LLC

Chad Matney
720.245.2579
303.551.5094
cmatney@taprk.com

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

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



September 23, 2022

Via Certified Mail

CABAL ENERGY CORP
415 W WALL ST
STE 1700
MIDLAND, TX 79701

Re: Well Proposals for:
- High Life Federal Com #153H
- High Life Federal Com #154H
Township 25 South, Range 25 East, Sections 11 and 12: S/2
Eddy 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
HIGH LIFE FEDERAL COM #153H	NE/4SW/4 of Section 11	NE/4SE/4 of Section 12	3rd Bone Spring	7,300'	17,960'
HIGH LIFE FEDERAL COM #154H	NE/4SW/4 of Section 11	SE/4SE/4 of Section 12	3rd Bone Spring	7,300'	17,960'

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 S/2 of Sections 11 and 12, Township 25 South, Range 25 East, Eddy County, New Mexico, Eddy 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
- 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

TAP ROCK OPERATING, LLC

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



March 22, 2023

Via Certified Mail

BIG THREE ENERGY GROUP, LLC
PO BOX 429
ROSWELL, NM 88202

Re: Supplement to Well Proposals dated March 9, 2023:
- High Life Federal Com #153H
- High Life Federal Com #154H
Township 25 South, Range 25 East, Section 11 and 12: S/2
Eddy County, New Mexico
(the "Wells")

Dear Working Interest Owner:

Tap Rock Operating, LLC ("TRO") is providing this supplemental letter to be incorporated into the Well Proposal for the High Life Federal Com Wells dated March 9, 2023 ("Well Proposal"), to update the surface hole locations as described below. No other changes have been made to the Well Proposal.

Well Name	Original Surface Hole Location	Updated Surface Hole Location
High Life Federal Com #153H	NE/4SW/4 of Section 11	1617' FSL & 275' FWL of Section 11, or at a legal location as approved by the governing regulatory agency.
High Life Federal Com #154H	NE/4SW/4 of Section 11	1592' FSL & 275' FWL of Section 11, or at a legal location as approved by the governing regulatory agency.

All other specifications, terms and conditions in the original Well Proposal remain in effect. Should you have any questions concerning this supplemental letter or the Well Proposal, please contact the undersigned.

Respectfully,

TAP ROCK OPERATING, LLC

Chad Matney
720.245.2579
303.551.5094
cmatney@taprk.com

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

Name: High Life Fed Com #151H
AFE #: 0
County: Eddy
State: NM

Date: September 23, 2022
MD/TVD: 17960 / 7300
Lateral Length: 10210
Geologic Target: 3rd Bone Spring

Well Description: **Drill, complete, and produce a horizontal 3rd Bone Spring well with a 10210 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	600,908	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	39,421	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	66,494	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	106,567	2 14	Fluids/Chemicals	35,875	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	34,875	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	43,871	2 17	Fuel/Power	300,800	3 17	Fuel/Power	
1 18	Water	36,301	2 18	Water	311,253	3 18	Water	
1 19	Directional Drilling	215,054	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	24,071	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	107,824	2 25	Consultant Supervision	82,000	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	14,220	3 27	Labor	53,000
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	59,852	2 30	Rentals - Surface	20,080	3 30	Rentals - Surface	9,800
1 31	Rentals - Living Quarters	37,808	2 31	Rentals - Living Quarters	14,960	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	51,183	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	92,688	3 34	Rentals - Frac Stack	12,950
1 35	Rentals - Frac Tanks	6,452	2 35	Rentals - Frac Tanks	29,315	3 35	Rentals - Frac Tanks	15,000
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	94,066	3 36	Coil Tubing Unit/Workover Rig	36,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	239,064	3 37	Wireline/Slickline/Perforating	12,000
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	41,600	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	58,300	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	3,329,161	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	48,681	3 42	Flowback Services	58,600
1 43	Water Transfer Services		2 43	Water Transfer Services	79,500	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	13,056	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	16,880	3 53	Overhead	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	57,233	2 55	Contingency	160,539	3 55	Contingency	13,378
TOTAL INTANGIBLE DRILLING COSTS: \$1,964,990			TOTAL INTANGIBLE COMPLETION COSTS: \$5,035,898			TOTAL INTANGIBLE PRODUCTION COSTS: \$315,688		

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	30,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	52,460	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	127,100	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	700,440	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	180,000
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	5,000
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: \$1,003,000			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$515,600		
TOTAL DRILLING COSTS: \$2,967,990			TOTAL COMPLETION COSTS: \$5,035,898			TOTAL PRODUCTION COSTS: \$831,288		
TOTAL WELL COST: \$8,835,176								

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.

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

Name: High Life Fed Com #152H
AFE #: 0
County: Eddy
State: NM

Date: September 23, 2022
MD/TVD: 17960 / 7300
Lateral Length: 10210
Geologic Target: 3rd Bone Spring

Well Description: **Drill, complete, and produce a horizontal 3rd Bone Spring well with a 10210 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	600,908	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	39,421	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	66,494	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	106,567	2 14	Fluids/Chemicals	35,875	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	34,875	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	43,871	2 17	Fuel/Power	300,800	3 17	Fuel/Power	
1 18	Water	36,301	2 18	Water	311,253	3 18	Water	
1 19	Directional Drilling	215,054	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	24,071	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	107,824	2 25	Consultant Supervision	82,000	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	14,220	3 27	Labor	53,000
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	59,852	2 30	Rentals - Surface	20,080	3 30	Rentals - Surface	9,800
1 31	Rentals - Living Quarters	37,808	2 31	Rentals - Living Quarters	14,960	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	51,183	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	92,688	3 34	Rentals - Frac Stack	12,950
1 35	Rentals - Frac Tanks	6,452	2 35	Rentals - Frac Tanks	29,315	3 35	Rentals - Frac Tanks	15,000
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	94,066	3 36	Coil Tubing Unit/Workover Rig	36,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	239,064	3 37	Wireline/Slickline/Perforating	12,000
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	41,600	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	58,300	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	3,329,161	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	48,681	3 42	Flowback Services	58,600
1 43	Water Transfer Services		2 43	Water Transfer Services	79,500	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	13,056	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	16,880	3 53	Overhead	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	57,233	2 55	Contingency	160,539	3 55	Contingency	13,378
TOTAL INTANGIBLE DRILLING COSTS: \$1,964,990			TOTAL INTANGIBLE COMPLETION COSTS: \$5,035,898			TOTAL INTANGIBLE PRODUCTION COSTS: \$315,688		

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	30,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	52,460	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	127,100	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	700,440	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	180,000
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	5,000
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: \$1,003,000			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$515,600		
TOTAL DRILLING COSTS: \$2,967,990			TOTAL COMPLETION COSTS: \$5,035,898			TOTAL PRODUCTION COSTS: \$831,288		
TOTAL WELL COST: \$8,835,176								

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.

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

Name: High Life Fed Com #153H
AFE #: 0
County: Eddy
State: NM

Date: September 23, 2022
MD/TVD: 17960 / 7300
Lateral Length: 10210
Geologic Target: 3rd Bone Spring

Well Description: **Drill, complete, and produce a horizontal 3rd Bone Spring well with a 10210 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	600,908	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	39,421	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	66,494	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	106,567	2 14	Fluids/Chemicals	35,875	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	34,875	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	43,871	2 17	Fuel/Power	300,800	3 17	Fuel/Power	
1 18	Water	36,301	2 18	Water	311,253	3 18	Water	
1 19	Directional Drilling	215,054	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	24,071	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	107,824	2 25	Consultant Supervision	82,000	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	14,220	3 27	Labor	53,000
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	59,852	2 30	Rentals - Surface	20,080	3 30	Rentals - Surface	9,800
1 31	Rentals - Living Quarters	37,808	2 31	Rentals - Living Quarters	14,960	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	51,183	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	92,688	3 34	Rentals - Frac Stack	12,950
1 35	Rentals - Frac Tanks	6,452	2 35	Rentals - Frac Tanks	29,315	3 35	Rentals - Frac Tanks	15,000
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	94,066	3 36	Coil Tubing Unit/Workover Rig	36,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	239,064	3 37	Wireline/Slickline/Perforating	12,000
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	41,600	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	58,300	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	3,329,161	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	48,681	3 42	Flowback Services	58,600
1 43	Water Transfer Services		2 43	Water Transfer Services	79,500	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	13,056	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	16,880	3 53	Overhead	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	57,233	2 55	Contingency	160,539	3 55	Contingency	13,378
TOTAL INTANGIBLE DRILLING COSTS: \$1,964,990			TOTAL INTANGIBLE COMPLETION COSTS: \$5,035,898			TOTAL INTANGIBLE PRODUCTION COSTS: \$315,688		

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	30,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	52,460	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	127,100	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	700,440	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	180,000
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	5,000
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: \$1,003,000			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$515,600		
TOTAL DRILLING COSTS: \$2,967,990			TOTAL COMPLETION COSTS: \$5,035,898			TOTAL PRODUCTION COSTS: \$831,288		
TOTAL WELL COST: \$8,835,176								

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.

TAP ROCK OPERATING, LLC

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

Name: High Life Fed Com #154H
AFE #: 0
County: Eddy
State: NM

Date: September 23, 2022
MD/TVD: 17960 / 7300
Lateral Length: 10210
Geologic Target: 3rd Bone Spring

Well Description: Drill, complete, and produce a horizontal 3rd Bone Spring well with a 10210 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	600,908	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	39,421	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	66,494	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	106,567	2 14	Fluids/Chemicals	35,875	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	34,875	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	43,871	2 17	Fuel/Power	300,800	3 17	Fuel/Power	
1 18	Water	36,301	2 18	Water	311,253	3 18	Water	
1 19	Directional Drilling	215,054	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	24,071	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	107,824	2 25	Consultant Supervision	82,000	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	14,220	3 27	Labor	53,000
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	59,852	2 30	Rentals - Surface	20,080	3 30	Rentals - Surface	9,800
1 31	Rentals - Living Quarters	37,808	2 31	Rentals - Living Quarters	14,960	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	51,183	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	92,688	3 34	Rentals - Frac Stack	12,950
1 35	Rentals - Frac Tanks	6,452	2 35	Rentals - Frac Tanks	29,315	3 35	Rentals - Frac Tanks	15,000
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	94,066	3 36	Coil Tubing Unit/Workover Rig	36,500
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	239,064	3 37	Wireline/Slickline/Perforating	12,000
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	41,600	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	58,300	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	3,329,161	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	48,681	3 42	Flowback Services	58,600
1 43	Water Transfer Services		2 43	Water Transfer Services	79,500	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	13,056	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	16,880	3 53	Overhead	0
1 54	Insurance	20,000	2 54	Insurance		3 54	Insurance	
1 55	Contingency	57,233	2 55	Contingency	160,539	3 55	Contingency	13,378
TOTAL INTANGIBLE DRILLING COSTS: \$1,964,990			TOTAL INTANGIBLE COMPLETION COSTS: \$5,035,898			TOTAL INTANGIBLE PRODUCTION COSTS: \$315,688		

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	30,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	52,460	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	127,100	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	700,440	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	180,000
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	5,000
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: \$1,003,000			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$515,600		
TOTAL DRILLING COSTS: \$2,967,990			TOTAL COMPLETION COSTS: \$5,035,898			TOTAL PRODUCTION COSTS: \$831,288		
TOTAL WELL COST: \$8,835,176								

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.

Communication	
Tap Rock Operating, LLC	Executing JOA
Encho Oil & Gas, LLC	Executing JOA
Wirth A. West	9/23/22 – Present: Sent well proposals and JOA; no response
Sydney, LP (Michael Shearn)	9/23/22: Sent well proposals and JOA 10/26/22 – Present: Representative for Sydney, LP and Michael Shearn working on deal with TRR
EOG Resources, Inc.	9/23/22 – Present: Sent well proposals and JOA; ongoing deal discussions between EOG and TRR
OXY Y-1 Company	9/23/22: Sent well proposals and JOA 10/6/22 – Present: Oxy and TRR exchanged emails regarding wells, but no agreement has been made
Vision Energy	9/23/22: Sent well proposals and JOA 4/11/23 - Present: Spoke with representative for Vision regarding a potential deal. Discussions ongoing.
Peter Balog Family Trust	9/23/22: Sent well proposals and JOA; no response
John & Louise Esslinger	9/23/22: Sent well proposals and JOA; no response
Steven C. Barnes Julia E. Barnes Elaine Barnes Christine Barnes Motycka TTCZ Properties, LLC	9/23/22: 9/23/22: Sent well proposals and JOA 10/1/22: Representative for Barnes family reached out 11/14/22 – Present: TRR provided answers to their questions; no agreement made with Barnes family
Featherstone Development Corporation	3/9/23: Sent well proposals and JOA 4/11/23: Made a phone call and then sent an offer to purchase to Featherstone. Discussions ongoing.
Raye Miller	3/9/23: Sent well proposals and JOA 4/26/23: Made a phone call then sent an offer to purchase to Raye. Discussions ongoing.
Parrot Head Properties, LLC	3/9/23: Sent well proposals and JOA 4/11/23: Made a phone call and then sent an offer to purchase to Parrot Head. Discussions ongoing.
Prospector, LLC	3/9/23: Sent well proposals and JOA 4/11/23: Made a phone call and then sent an offer to purchase to Prospector. Discussions ongoing.
Big Three Energy Group, LLC	3/9/23: Sent well proposals and JOA 4/11/23: Made a phone call and then sent an offer to purchase to Big Three. Discussions ongoing.

Tap Rock Operating, LLC
Case Nos. 23458, 23459
Exhibit A-6

- * Final interest subject to division order title verification
- ** Updated proposals mailed on 3/22/23

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

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

CASE NOS. 23458, 23459

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 Units ("Units") within Sections 11 and 12, Township 25 South, Range 25 East, Eddy County, New Mexico, dedicated to the High Life Federal Com #151H, #152H, #153H and #154H wells ("Wells").

3. **Exhibit B-2** is a Gun Barrel Diagram showing the planned Bone Spring horizontal spacing for the 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 Bone Spring structure map in subsea vertical depth. This map shows the location of the Units outlined by red boxes. The surface/bottom hole locations of the Wells are shown, zoomed in, to the right. The contour intervals are 25 feet each. Structure is down dipping from west to east through the Units. The orientation of the Wells will be approximately parallel to the down dipping structure. The vertical wells controlling the structure map have the subsea vertical depth posted in red. The subsequent cross-section from

A-A' is also identified. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval utilizing horizontal wells.

5. **Exhibit B-4** is a Bone Spring Stratigraphic Cross Section (flattened on the 3rd Bone Spring Sand). The exhibit contains a gamma ray log, deep resistivity log, and porosity track for each well. This exhibit identifies the key tops used to evaluate reservoirs and landing targets for the Wells. The peach circle on the depth track of Well 3 shows the landing targeted intervals for the Wells.

6. **Exhibit B-5** is an Isopach Map of the targeted intervals. This map shows the location of the Units outlined by red boxes. The surface/bottom hole location of the Wells are shown, zoomed in, to the right. The anticipated gross thickness of the interval is 3000-3100' throughout the Units. The contour intervals are 25'. The location of the previous cross-section from A-A' is also shown on this map.

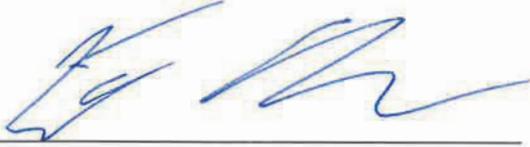
7. The preferred well orientation in this area is west-east since the inferred orientation of the maximum horizontal stress is roughly north-south.

8. Based on my geologic study of the area, I conclude that the Units are justified from a geologic standpoint and each quarter-quarter section in the Units will contribute more or less equally to production.

9. The attached Exhibits were either prepared by me, compiled under my direction and supervision, or compiled from company business records.

10. The granting of the subject applications will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

11. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. 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

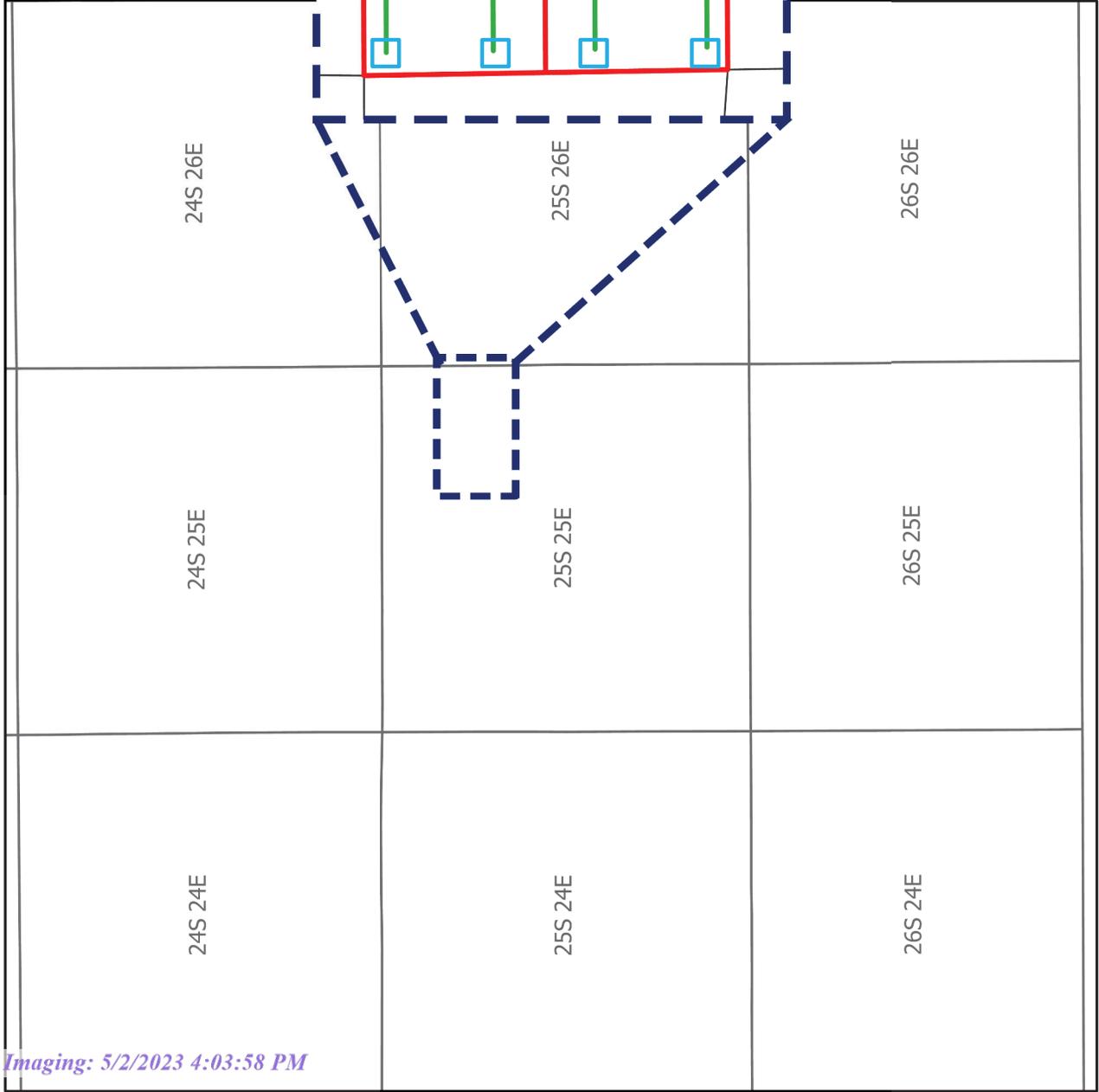
4-19-2023

Date

Project Locator Map - High Life Fed Com 151H, 152H, 153H, 154H



Tap Rock Operating, LLC
Case Nos. 23458, 23459
Exhibit B-1





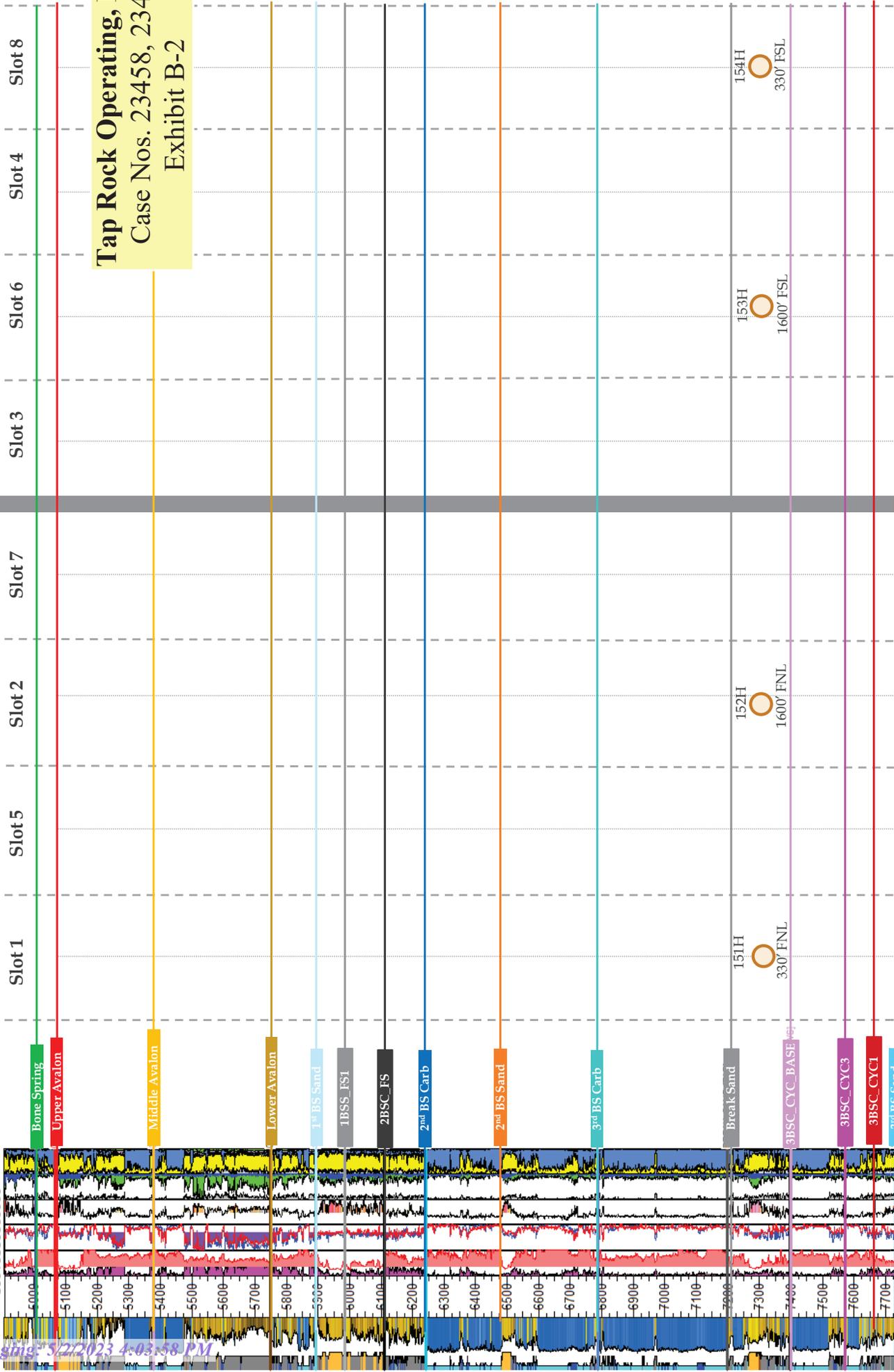
one Spring Target Zone Development

High Life (S/2 Sec 11 & 12)

High Life (N/2 Sec 11 & 12)

SPANISH CEDAR STATE COM 1

30015355360000



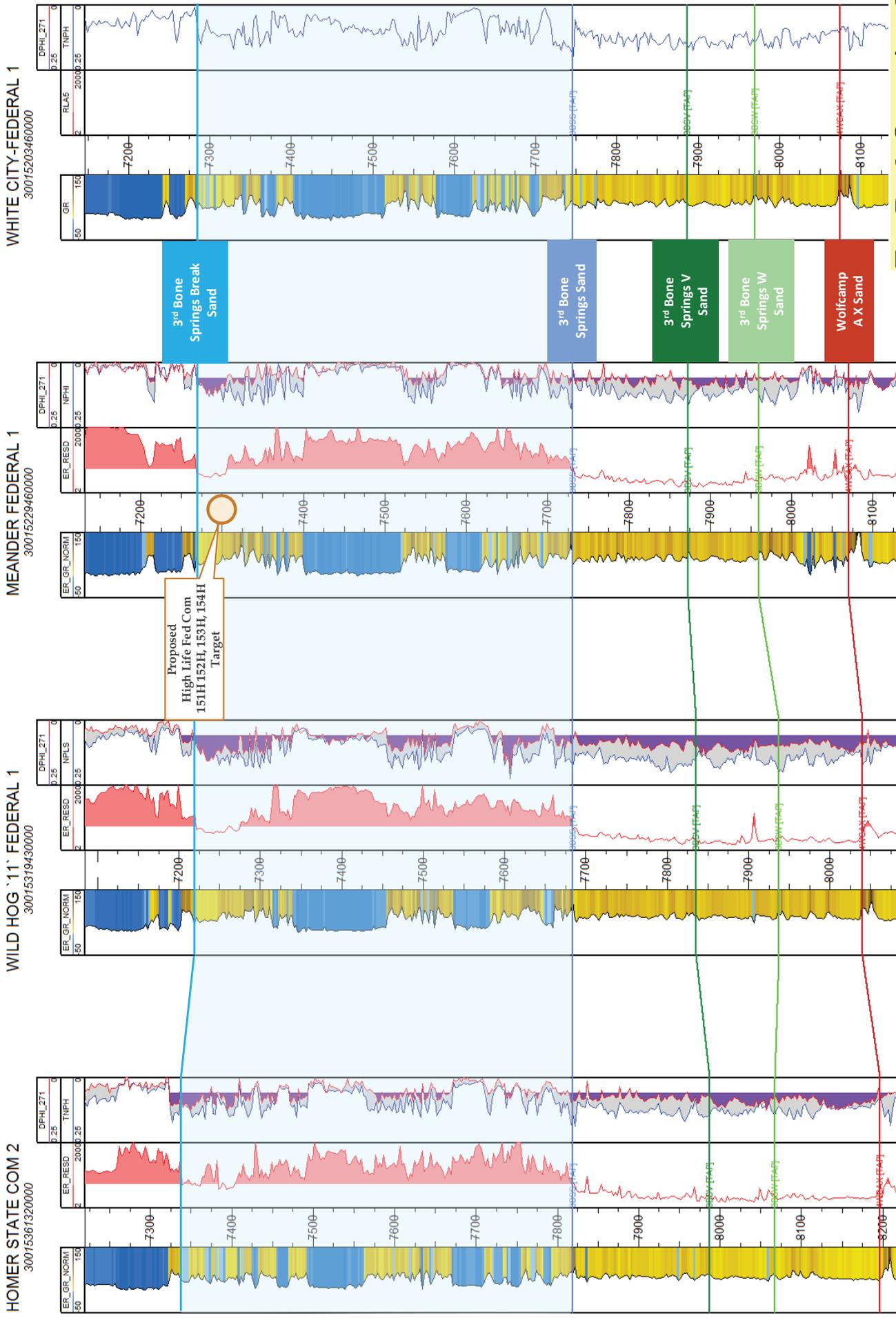
High Life Fed Com #151H, #152H, #153H, #154H NL 1" = 40'

Case No. 660' FNL 1320' FNL 1980' FNL 1980' FNL 1320' FNL 660' FNL CL 1980' FSL 1320' FSL 660' FSL SL 3

Stratigraphic Cross-Section - A-A'



Tap Rock Operating, LLC
Case Nos. 23458, 23459
Exhibit B-4

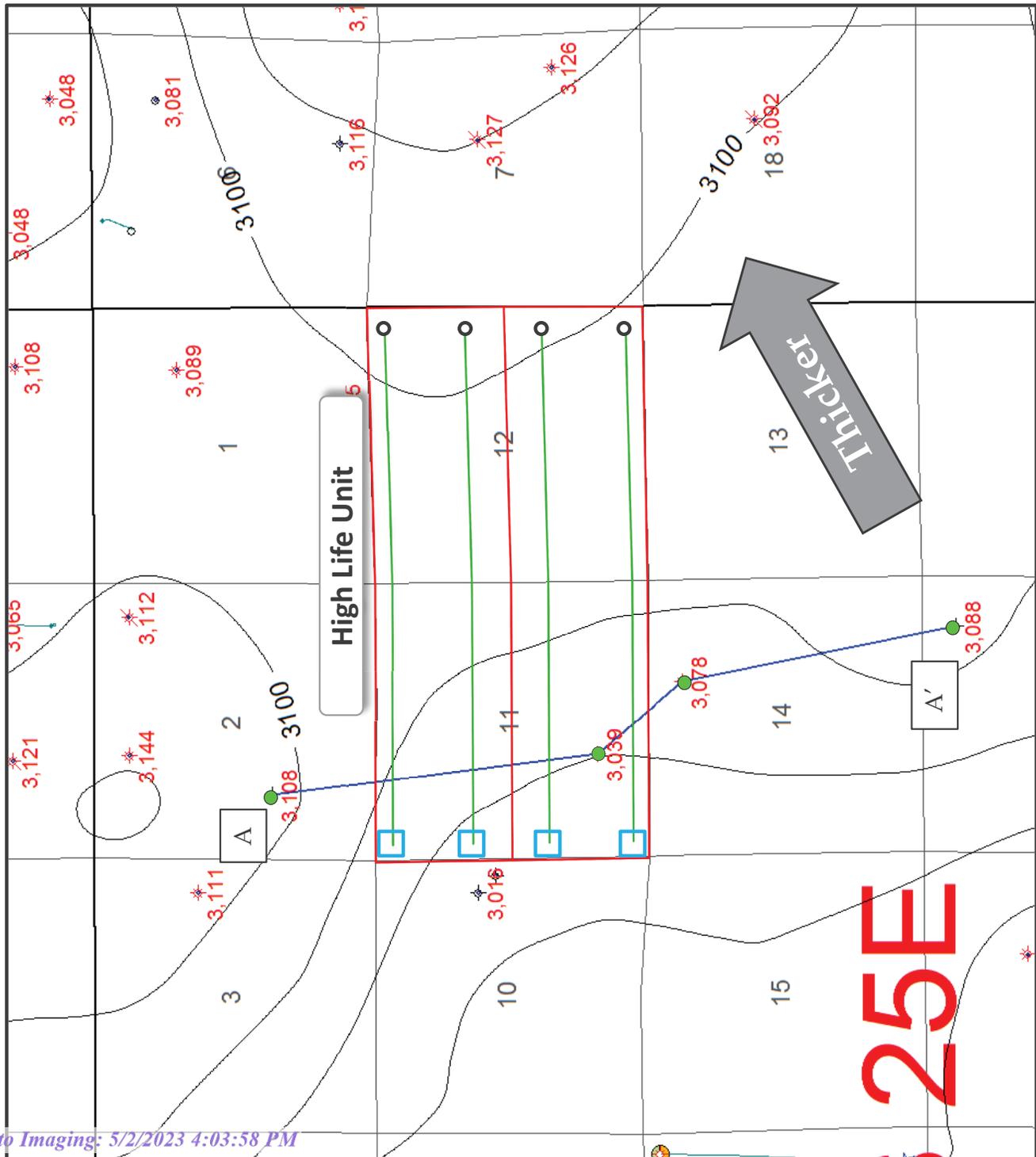


1" = 10'

High Life Fed Com #151H, #152H, #153H, #154H

Gross Bone Spring [Isopach Map; CI=25']

op Bone Spring - Top Wolfcamp



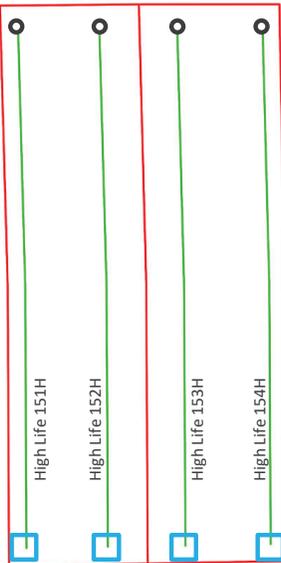
Map Legend

- SHL Tap Rock - Horizontal Locator
- BHL



Spacing Unit

C.I. = 25'



Tap Rock Operating, LLC
 Case Nos. 23458, 23459
 Exhibit B-5

Tap Rock Operating, LLC

Case Nos. 23458, 23459

Exhibit C

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

**APPLICATIONS OF TAP ROCK
OPERATING, LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 23458, 23459

**SELF-AFFIRMED STATEMENT OF
MICHAEL RODRIGUEZ**

1. I am attorney in fact and authorized representative of Tap Rock Operating, LLC, the Applicant herein.

2. On March 29, 2023, I caused notice of the applications for the captioned cases to be sent by certified mail through the United States Postal Service to all interest owners entitled to receive notice of the applications filed herein.

3. The notice letter attached as **Exhibit C-1** and the applications in these cases were sent to the uncommitted interest owners. This exhibit also contains a tracking sheet that identifies the parties and addresses that notice was sent to and the status of receipt.

4. On March 31, 2023, notice was also directed to all interested parties by publication in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus and a copy of the notice publication are attached as **Exhibit C-2**.

5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 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.



Michael Rodriguez

05/02/2023

Date

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

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



March 29, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tap Rock Operating, LLC
Case Nos. 23458, 23459
Exhibit C-1

TO: ALL INTERESTED PARTIES SUBJECT TO NOTICE

Re: Case Nos. 23458-23461 - Applications of Tap Rock Operating, LLC for Compulsory Pooling, Eddy 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 May 4, 2023, 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:

Chad Matney
Tap Rock Operating, LLC
303-551-5094
cmatney@taprk.com

Thank you,

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

TrackingNo	Well	ToName	DeliveryAddress	AddressLine2	City	State	Zip	MailDate	USPS_Status	StatusCode
9414811898765833563825	74112 - All - 1	Raye Miller	2308 Sierra Vista Rd		Artesia	NM	88210-9409	03/29/2023	Your item was delivered to an individual at the address at 11:38 am on April 1, 2023 in ARTESIA, NM 88210.	D
9414811898765833563764	74112 - All - 10	Concho Oil & Gas, LLC	600 W Illinois Ave		Midland	TX	79701-4882	03/29/2023	Your item was picked up at a postal facility at 7:40 am on April 4, 2023 in MIDLAND, TX 79702.	D
9414811898765833563702	74112 - All - 11	Judith A. West	PO Box 1948		Cullman	AL	35056-1948	03/29/2023	Your item was picked up at the post office at 3:20 pm on April 5, 2023 in CULLMAN, AL 35055.	D
9414811898765833563795	74112 - All - 12	VISION ENERGY INC	PO Box 2459		Carlsbad	NM	88221-2459	03/29/2023	Your item was picked up at the post office at 11:53 am on April 5, 2023 in CARLSBAD, NM 88220.	D
9414811898765833563740	74112 - All - 13	Peter Balog Family Trust	25812 S Dartford Dr		Sun Lakes	AZ	85248-6717	03/29/2023	Your item was delivered to an individual at the address at 1:18 pm on April 1, 2023 in CHANDLER, AZ 85248.	D
9414811898765833563801	74112 - All - 2	Prospector, LLC	1801 W 2nd St		Roswell	NM	88201-1709	03/29/2023	Your item has been delivered to the original sender at 10:12 am on April 13, 2023 in ALBUQUERQUE, NM 87113.	D
9414811898765833563894	74112 - All - 3	Parrot Head Properties, LLC	1801 W 2nd St		Roswell	NM	88201-1709	03/29/2023	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	I
9414811898765833563887	74112 - All - 4	FEATHERSTONE DEVELOPMENT CORPORATION	1801 W 2nd St		Roswell	NM	88201-1709	03/29/2023	Your item has been delivered to the original sender at 10:12 am on April 13, 2023 in ALBUQUERQUE, NM 87113.	D
9414811898765833563849	74112 - All - 4	Big Three Energy Group, LLC	1801 W 2nd St		Roswell	NM	88201-1709	03/29/2023	Your item has been delivered to the original sender at 10:12 am on April 13, 2023 in ALBUQUERQUE, NM 87113.	D
9414811898765833563887	74112 - All - 5	Sydhya, LP	PO Box 92349		Austin	TX	78709-2349	03/29/2023	Your item was delivered to an individual at the address at 12:30 pm on April 8, 2023 in AUSTIN, TX 78735.	D
9414811898765833563832	74112 - All - 6		5 Greenway Plz Ste 110		Houston	TX	77046-0521	03/29/2023	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on April 1, 2023 at 11:12 am.	D
9414811898765833563870	74112 - All - 7	OXY 1 COMPANY	PO Box 2267	Midland Division - Land Dept	Midland	TX	79702-2267	03/29/2023	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	I
9414811898765833563719	74112 - All - 8	EOG RESOURCES INC	600 W Illinois Ave		Midland	TX	79701-4882	03/29/2023	Your item was picked up at a postal facility at 7:40 am on April 4, 2023 in MIDLAND, TX 79702.	D
9414811898765833563757	74112 - All - 9	COG OPERATING LLC	11831 Diamond View Rd		Trinidad	CO	81082-3808	03/29/2023	Your item was picked up at the post office at 3:45 pm on April 10, 2023 in TRINIDAD, CO 81082.	D
9414811898765833563191	74114 - S2 WC - 3	Steven C. Barnes	PO Box 505		Midland	TX	79702-0505	03/29/2023	Your item was picked up at the post office at 11:14 am on April 3, 2023 in MIDLAND, TX 79701.	D
9414811898765833563146	74114 - S2 WC - 4	Julia E. Barnes	3109 Haynes Dr		Midland	TX	79705-4212	03/29/2023	Your item was delivered to an individual at the address at 11:52 am on April 1, 2023 in MIDLAND, TX 79705.	D
9414811898765833563184	74114 - S2 WC - 5	Elaine Barnes aka Viola Elaine Barnes	4600 E Bankhead Hwy		Hudson Oaks	TX	76087-9598	03/29/2023	Your item was delivered to an individual at the address at 11:27 am on April 3, 2023 in WEATHERFORD, TX 76087.	D
9414811898765833563139	74114 - S2 WC - 6	Christine Barnes Motycka	3117 South Cir		Anchorage	AK	99507-3958	03/29/2023	Your item was delivered to an individual at the address at 12:09 pm on April 1, 2023 in ANCHORAGE, AK 99507.	D
9414811898765833563641	74113 - S2 Bone Spring - 1	John & Louise Esslinger	201 Main St Ste 400	A Texas Limited Liability Company	Fort Worth	TX	76102-3116	03/29/2023	Your item was delivered to an individual at the address at 11:02 am on April 5, 2023 in FORT WORTH, TX 76102.	D
9414811898765833563689	74113 - S2 Bone Spring - 2	TTCZ Properties, LLC	11831 Diamond View Rd		Trinidad	CO	81082-3808	03/29/2023	Your item was picked up at the post office at 2:14 pm on April 4, 2023 in TRINIDAD, CO 81082.	D
9414811898765833563634	74113 - S2 Bone Spring - 3	Steven C. Barnes	PO Box 505		Midland	TX	79702-0505	03/29/2023	Your item was picked up at the post office at 11:14 am on April 3, 2023 in MIDLAND, TX 79701.	D
9414811898765833563672	74113 - S2 Bone Spring - 4	Julia E. Barnes	3109 Haynes Dr		Midland	TX	79705-4212	03/29/2023	Your item was delivered to an individual at the address at 11:52 am on April 1, 2023 in MIDLAND, TX 79705.	D
9414811898765833563153	74113 - S2 Bone Spring - 5	Elaine Barnes	4600 E Bankhead Hwy		Hudson Oaks	TX	76087-9598	03/29/2023	Your item was delivered to an individual at the address at 11:27 am on April 3, 2023 in WEATHERFORD, TX 76087.	D
9414811898765833563160	74113 - S2 Bone Spring - 6	Christine Barnes Motycka			Hudson Oaks	TX	76087-9598	03/29/2023	Your item was delivered to an individual at the address at 11:27 am on April 3, 2023 in WEATHERFORD, TX 76087.	D

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Tap Rock Operating, LLC

Case Nos. 23458, 23459

Exhibit C-2

Affidavit of Publication

Ad # 0005649184

This is not an invoice

TAP ROCK OPERATING, LLC
523 PARK POINT DRIVE STE 200

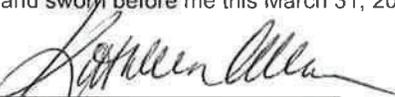
GOLDEN, CO 80401

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

03/31/2023


Legal Clerk

Subscribed and sworn before me this March 31, 2023:


State of WI, County of Brown
NOTARY PUBLIC

1-7-25
My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005649184
PO #: 0005649184
of Affidavits 1

This is not an invoice

To all interested parties subject to notice including: Raye Miller; Prospector, LLC; Parrot Head Properties, LLC; Featherstone Development Corporation; Big Three Energy Group, LLC; Sydhan, LP; OXY Y 1 Company; EOG Resources Inc; COG Operating LLC; Concho Oil & Gas, LLC; Judith A. West; Vision Energy Inc.; Peter Balog Family Trust and their successors or assigns, that the New Mexico Oil Conservation Division will conduct a hearing on the applications submitted by Tap Rock Operating, LLC in Case No. 23458 on May 4, 2023. 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/>. In Case No. 23458, Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the N/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously: High Life Federal Com #151H to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the NE/4NE/4 of Section 12, and High Life Federal Com #152H to be horizontally drilled from a surface hole location in the SE/4NE/4 of Section 10 to a bottom hole location in the SE/4NE/4 of Section 12. The completed interval for the High Life Federal Com #152H will be within 330' of the quarter-quarter line separating the N/2N/2 from the S/2N/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, 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 3 miles southeast of Whites City, New Mexico. #5649184, Current Argus, March 31, 2023

Carlsbad Current Argus.

PART OF THE LIAISON NETWORK

Affidavit of Publication

Ad # 0005649192

This is not an invoice

TAP ROCK OPERATING, LLC
523 PARK POINT DRIVE STE 200

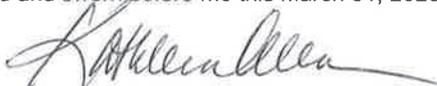
GOLDEN, CO 80401

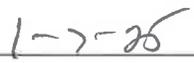
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

03/31/2023


Legal Clerk

Subscribed and sworn before me this March 31, 2023:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005649192
PO #: 0005649192
of Affidavits 1

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To all interested parties subject to notice including: Raye Miller; Prospector, LLC; Parrot Head Properties, LLC; Featherstone Development Corporation; Big Three Energy Group, LLC; Sydhan, LP; OXY Y 1 Company; EOG Resources Inc; COG Operating LLC; Concho Oil & Gas, LLC; Judith A. West; Vision Energy Inc.; Peter Balog Family Trust; John Esslinger; Louise Esslinger; TTCZ Properties, LLC; Steven C. Barnes; Julia E. Barnes; Elaine Barnes; Viola Elaine Barnes; Christine Barnes Motycka and their successors or assigns, that the New Mexico Oil Conservation Division will conduct a hearing on the applications submitted by Tap Rock Operating, LLC in Case No. 23459 on May 4, 2023. 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 Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the S/2 of Sections 11 and 12, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously: High Life Federal Com #153H to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the NE/4SE/4 of Section 12, and High Life Federal Com #154H to be horizontally drilled from a surface hole location in the NW/4SW/4 of Section 11 to a bottom hole location in the SE/4SE/4 of Section 12. The completed interval for the High Life Federal Com #153H will be within 330' of the quarter-quarter line separating the S/2S/2 from the N/2S/2 of Sections 11 and 12 to allow the inclusion of this acreage into a standard horizontal spacing unit. 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 3 miles southeast of Whites City, New Mexico.
#5649192, Current Argus,
March 31, 2023