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

APPLICATION OF TAP ROCK OPERATING, LLC FOR APPROVAL TO COMPULSORY POOL ADDITIONAL INTEREST OWNERS UNDER ORDER R-23945, EDDY COUNTY, NEW MEXICO

CASE NO. 25710

NOTICE OF REVISED EXHIBITS

Tap Rock Operating, LLC ("Tap Rock"), applicant in the above referenced case, provides notice that it is filing the attached revised exhibits for acceptance into the record.

- **Tap Rock Revised Exhibit C** is a revised self-affirmed statement from Erica Shewmaker discussing the changes made to Tap Rock Exhibits C-3 through C-6.
- Tap Rock Revised Exhibit C-3 is an updated pooling exhibit which includes a new Tract 7 and the new uncommitted and unleased mineral interest owner.
- Tap Rock Revised Exhibit C-4 is an updated interest calculation for the Wolfcamp spacing unit from Original Case No. 25317, which reflects the inclusion of the new Tract 7 and new uncommitted and unleased mineral interest owner.
- Tap Rock Revised Exhibit C-5 contains a copy of the well proposal letters sent in August of 2025 to the additional uncommitted and unleased mineral interest owner.
- **Tap Rock Revised Exhibit C-6** sets forth a chronology of contact with the new uncommitted and unleased owner Tap Rock seeks to pool under this amendment.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

Miguel A. Suazo

James P. Parrot

Jacob L. Everhart

Ryan McKee

Beatty & Wozniak, P.C.

500 Don Gaspar Ave.,

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jeverhart@bwenergylaw.com

rmckee@bwenergylaw.com

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING DECEMBER 4, 2025

Case No. 25710

Beer 30 – Order R-23945 Amendment

Eddy County, New Mexico



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

APPLICATION OF TAP ROCK OPERATING, LLC FOR APPROVAL TO COMPULSORY POOL ADDITIONAL INTEREST OWNERS UNDER ORDER R-23945, EDDY COUNTY, NEW MEXICO

CASE NO. 25710

HEARING PACKAGE TABLE OF CONTENTS

Tap Rock Exhibit A: Application to Pool Additional Parties

Tap Rock Exhibit B: Original Pooling Order

Tap Rock Exhibit C: Self-Affirmed Statement of Erica Shewmaker, Landman

• Tap Rock Exhibit C-1: Updated Plats of Tracts, Tract Ownership, Lease Numbers

• Tap Rock Exhibit C-2: Updated Interest Calculations for Wolfcamp Spacing Unit

• Tap Rock Exhibit C-3: Sample Well Proposal Letter & AFEs

• Tap Rock Exhibit C-4: Detailed Summary of Chronology of Contact

Tap Rock Exhibit D: Notice Affidavit

• Tap Rock Exhibit D-1: Sample Notice Letter to All Interested Parties

• Tap Rock Exhibit D-2: Chart of Notice to All Interested Parties

• Tap Rock Exhibit D-3: Copies of Certified Mail Receipts and Returns

• Tap Rock Exhibit D-4: Affidavit of Publication for October 30, 2025

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

APPLICATION OF TAP ROCK OPERATING, LLC FOR APPROVAL TO COMPULSORY POOL ADDITIONAL INTEREST OWNERS UNDER ORDER R-23945, EDDY COUNTY, NEW MEXICO

| CASE NO. | |
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| | |

APPLICATION

Tap Rock Operating, LLC, OGRID No. 372043 ("Tap Rock" or "Applicant"), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") for an order pooling additional uncommitted mineral interest owners under Division Order R-23945. In support of this application, Tap Rock states the following:

- 1. Order No. R-23945 pooled uncommitted mineral interest owners in the Purple-Sage; Wolfcamp formation [Pool Code: 98220] ("Wolfcamp Formation") underlying a standard horizontal spacing unit comprised of all of Sections 3 and 4, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico (the "Unit").
 - 2. The following wells (the "Wells") are dedicated to the Unit:
 - a. Beer 30 Fed Com 202H (API No. 30-015-57254), Beer 30 Fed Com 204H (API No. 30-015-57256), Beer 30 Fed Com 211H (API No. 30-015-57255), and Beer 30 Fed Com 213H (API No. 30-015-57257).
 - 3. Order No. R-23945 designated Tap Rock as the operator of the Unit and the Wells.
- 4. Tap Rock has determined that that are additional uncommitted and unleased mineral interest owners in the Unit who were not pooled by Order No. R-23945. The New Mexico Department of Transportation (NMDOT) owns a small, unleased mineral interest in the Unit.

Therefore, NMDOT, as a non-participant interest owner, is specifically provided notice herein as it relates to its unleased and uncommitted minerals in the Unit.¹

- 5. Tap Rock has made good-faith efforts to obtain voluntary agreements and joinder from all interest owners in the Wolfcamp formation underlying the proposed spacing Unit, but has been unable to secure agreement from all parties to participate in the drilling of the Wells or otherwise commit their interests. Therefore, Tap Rock seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.
- 1. The pooling of all interests in the Wolfcamp formation within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Tap Rock requests this Application be set for hearing on November 13, 2025, or as soon as practicable thereafter, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit under Order R-23945;
- B. Authorizing Tap Rock to recover its costs of drilling, completing, and equipping the Wells, and allocating the cost thereof among the working interest owners;
- C. 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

¹ EMNRD OCD Case No. 13347 (Apr. 7, 2005) (Approving a pooling order application when applicant provided testimony that NMDOT routinely remains unresponsive or takes a non-participative role in compulsory pooling applications where it owns unleased and/or uncommitted mineral interests and when notice was properly provided to NMDOT); *see also* EMNRD OCD Case No. 13916 (May 10, 2007).

D. Imposing a 200% charge for the risk assumed by Tap Rock in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:

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Jacob L. Everhart

Ryan McKee

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Attorneys for Tap Rock Operating LLC

Application of Tap Rock Operating, LLC for approval to compulsory pool additional interest owners under Order R-23945, Eddy County, New Mexico. Tap Rock in the above-styled cause seeks an order from the Division pooling additional mineral interest owners under Order No. R-23945. The order pooled uncommitted mineral interest owners in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of all of Sections 3 and 4 Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. Tap Rock has determined that that are additional uncommitted and unleased mineral interest owners in the Unit who were not pooled by Order No. R-23945, including the New Mexico Department of Transportation. Tap Rock is the designated operator under the pooling order. Order R-23945 dedicated the Unit to the proposed initial wells including: Beer 30 Fed Com 202H (API No. 30-015-57254), Beer 30 Fed Com 204H (API No. 30-015-57256), Beer 30 Fed Com 211H (API No. 30-015-57255), and Beer 30 Fed Com 213H (API No. 30-015-57257). The wells and lands are located approximately 1 mile southeast of Whites City, New Mexico.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY TAP ROCK OPERATING, LLC

CASE NO. 25317 ORDER NO. R-23945

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on May 8, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

- 1. Tap Rock Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
- 20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing.
- 22. Operator may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.

CASE NO. 25317 ORDER NO. R-23945

Page 2 of 8

- 23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 24. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 25. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 26. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 27. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 28. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 29. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall

CASE NO. 25317 ORDER NO. R-23945

Page 3 of 8

be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- 30. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 31. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 32. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 33. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 34. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 35. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 36. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 37. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

CASE NO. 25317 ORDER NO. R-23945 STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Date: 8/16/2025

Albert Clang
ALBERT CHANG
DIRECTOR

AC/jag

CASE NO. 25317 ORDER NO. R-23945

Exhibit A

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Page 3 of 54

| COMPULSORY POOLING APPLICATION CHECKLIST | | | | |
|--|---|--|--|--|
| ALL INFORMATION IN THE APPLICATION MUST BE | SUPPORTED BY SIGNED AFFIDAVITS | | | |
| Case: 25317 APPLICANT'S RESPONSE | | | | |
| Date | | | | |
| Applicant | Tap Rock Operating, LLC | | | |
| Designated Operator & OGRID (affiliation if applicable) | 372043 | | | |
| Applicant's Counsel: | Miguel Suazo, Beatty & Wozniak, P.C. | | | |
| Case Title: | Application of Tap Rock Operating, LLC for Approval of Standard Horizontal Spacing Unit And Compulsory Pooling, Eddy County, New Mexico | | | |
| Entries of Appearance/Intervenors: | EOG Resources, Inc. | | | |
| Well Family | Beer 30 Fed Com | | | |
| Formation/Pool | | | | |
| Formation Name(s) or Vertical Extent: | Wolfcamp | | | |
| Primary Product (Oil or Gas): | Gas | | | |
| Pooling this vertical extent: | The top of the Wolfcamp formation to the base of the Wolfcamp formation | | | |
| Pool Name and Pool Code: | Purple Sage; Wolfcamp (98220) | | | |
| Well Location Setback Rules: | Order No. R-14262 | | | |
| Spacing Unit | | | | |
| Type (Horizontal/Vertical) | Horizontal | | | |
| Size (Acres) | 1,283.04-acres, more or less | | | |
| Building Blocks: | 320.00-acres | | | |
| Orientation: | East-West | | | |
| Description: TRS/County | All of Sections 3 and 4, T-25-S, R-25-E, Eddy County, NM | | | |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application? | Yes | | | |
| Other Situations | | | | |
| Depth Severance: Y/N. If yes, description | No | | | |
| Proximity Tracts: If yes, description | No | | | |
| Proximity Defining Well: if yes, description | Yes, Beer 30 Fed Com #213H | | | |
| Applicant's Ownership in Each Tract | Exhibits C-3 and C-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 | | | |

Case No. 25317 Tap Rock Operating, LLC- Exhibit A

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CASE NO. 25317 ORDER NO. R-23945

Page 6 of 8

Page 4 of 54

| Received by OCD: 5/1/2025 4:56:52 PM | |
|--|---|
| Well #1 | Beer 30 Fed Com #202H (API No. Pending) |
| | SHL: NE/4 NE/4 (Lot 1) of Section 3, Township 25 |
| | South, Range 25 East, N.M.P.M. BHL: SW/4 NW/4 (Unit E) of Section 4, Township 25 |
| | South, Range 25 East, N.M.P.M. |
| | Completion Target: Purple Sage; Wolfcamp Gas Pool |
| | Well Orientation: East-West |
| | Completion Location: Standard |
| Well #2 | Beer 30 Fed Com #204H (API No. Pending) |
| | SHL: NE/4 SE/4 (Unit I) of Section 3, Township 25 |
| | South, Range 25 East, N.M.P.M. |
| | BHL: SW/4 SW/4 (Unit M) of Section 4, Township 25 South, Range 25 East, N.M.P.M. |
| | |
| | Completion Target: Purple Sage; Wolfcamp Gas Pool Well Orientation: East-West |
| | Completion Location: Standard |
| Well #3 | Beer 30 Fed Com #211H (API No. Pending) |
| VVOII.115 | SHL: NE/4 NE/4 (Lot 1) of Section 3, Township 25 |
| | South, Range 25 East, N.M.P.M. |
| | BHL: NW/4 NW/4 (Lot 4) of Section 4, Township 25 |
| | South, Range 25 East, N.M.P.M. |
| | Completion Target: Purple Sage; Wolfcamp Gas Pool |
| | Well Orientation: East-West |
| | Completion Location: Standard |
| Well #4 | Beer 30 Fed Com #213H (API No. Pending) |
| | SHL: NE/4 SE/4 (Unit I) of Section 3, Township 25 |
| | South, Range 25 East, N.M.P.M. |
| | BHL: NW/4 SW/4 (Unit L) of Section 4, Township 25 |
| | South, Range 25 East, N.M.P.M. |
| | Completion Target: Purple Sage; Wolfcamp Gas Pool |
| | Well Orientation: East-West |
| | Completion Location: Standard |
| Horizontal Well First and Last Take Points | Exhibit C-2 |
| | |
| Completion Target (Formation, TVD and MD) | Exhibits C-5 and D-3 |
| | |
| AFE Capex and Operating Costs | |
| | Exhibit C |
| Drilling Supervision/Month \$ | \$8000 |
| Production Supervision (Month & | Exhibit C |
| Production Supervision/Month \$ Justification for Supervision Costs | \$800 Exhibit C-5 |
| Requested Risk Charge | 2000 |
| Riddice didieming: 5/1/2025 4:57:44 PM | Zose No. 25317 Tap Rock Operating, LLC- Exhibit A |
| | |

CASE NO. 25317 ORDER NO. R-23945

Page 7 of 8

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|---|---|
| Proposed Notice of Hearing | Exhibits B and E-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E-3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E-4 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibits C-3 and C-4 |
| Tract List (including lease numbers and owners) | Exhibits C-3 and C-4 |
| If approval of Non-Standard Spacing Unit is requested, Tract Lis (including lease numbers and owners) of Tracts subject to notic | |
| requirements. | N/A |
| Pooled Parties (including ownership type) | Exhibit C-4 |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above & | |
| below) | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit C-5 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibits C-3 and C-4 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit C-6 |
| Overhead Rates In Proposal Letter | Exhibit C-5 |
| Cost Estimate to Drill and Complete | Exhibit C-5 |
| Cost Estimate to Equip Well | Exhibit C-5 |
| Cost Estimate for Production Facilities | Exhibit C-5 |
| Geology | |
| Summary (including special considerations) | Exhibit D |
| Spacing Unit Schematic | Exhibit D-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit D-4 |
| Well Orientation (with rationale) | Exhibits D and D-2 |
| Target Formation | Exhibits D-3 and D-4 |
| HSU Cross Section | Exhibits D-3 and D-4 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit C-2 |
| Tracts | Exhibits C-3 and C-4 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibits C-3 and C-4 |
| General Location Map (including basin) | Exhibit C-1 |
| Well Bore Location Map | Exhibits C-1 and D-1 |
| Structure Contour Map - Subsea Depth | Exhibit D-2 |
| Cross Section Location Map (including wells) | Exhibits D-3 and D-4 |
| Cross Section (including Landing Zone) | Exhibits D-3 and D-4 |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provide | led in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative): | Miguel Suazo |
| Signed Name (Attorney or Party Representative): | Case No. 25 |
| R 3 c c c c c c c c c c c c c c c c c c | 5/1/2025 Tap Rock Operating, LLC- Exh b |

CASE NO. 25317 ORDER NO. R-23945

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

APPLICATION OF TAP ROCK OPERATING LLC FOR APPROVAL TO COMPULSORY POOL ADDITIONAL INTEREST OWNERS UNDER ORDER NO. R-23945, EDDY COUNTY, NEW MEXICO

CASE NO. 25710

SELF-AFFIRMED STATEMENT OF ERICA SHEWMAKER

Erica Shewmaker, being first duly sworn upon oath, deposes and states as follows:

- My name is Erica Shewmaker, and I am employed by Tap Rock Operating, LLC
 ("Tap Rock") as Senior Landman.
- 2. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my qualifications as an expert in petroleum land matters were accepted and made a matter of record. I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of this matter.
- 3. I am familiar with the application filed by Tap Rock in the above-referenced case and the status of the subject lands.
- 4. None of the uncommitted parties in this case have indicated opposition to proceeding by self-affirmed statement, and therefore I do not expect any opposition at the hearing.
- 5. Under Case No. 25710, Tap Rock seeks to amend Division Order No. R-23945 (the "Order"), entered on August 16, 2025, in Case No. 25317 created a standard 1,283.04 acre, more or less, horizontal well spacing unit composed of All of Sections 3 and 4, Township 25 South, Range 25 East, Eddy County, New Mexico (the "Unit"), and designated Tap Rock Operating, LLC as operator of the unit. Order No. R-23945 further pooled the uncommitted interests in the

Wolfcamp formation (Purple-Sage Wolfcamp Pool Code: 98220) in the Unit and dedicated the Unit to the proposed initial **Beer 30 Fed Com #202H** (API No. 30-15-57254), **Beer 30 Fed Com #204H** (API No. 30-15-57256), **Beer 30 Fed Com #211H** (API No. 30-05-57255), **Beer 30 Fed Com #213H** (API No. 30-15-57257).

- 6. It has been determined that there was an additional uncommitted and unleased mineral interest owner, the New Mexico Department of Transportation ("NMDOT"), in the Unit who was not pooled by Order No. R-23945.
- 7. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.
- 8. **Tap Rock Exhibit C-3** is an updated copy of the plat identifying ownership by tract, which includes a new Tract 7 and the new uncommitted and unleased mineral interest owner in the Unit exhibit (originally C-3 from original Case No. 25317).
- 9. **Tap Rock Exhibit C-4** is an updated interest calculation for the Wolfcamp spacing unit from Original Case No. 25317, setting forth the ownership and working interest percentages (as noted as Previously Pooled or Voluntary Joinder), and the additional party, whose entry is highlighted in yellow and noted to Compulsory Pool.
- 10. **Tap Rock Exhibit C-5** contains a copy of the well proposal letter sent in August of 2025 to the additional uncommitted and unleased mineral interest owner, which included AFEs for each well.
- 11. **Tap Rock Exhibit C-6** sets forth a chronology of contact with the uncommitted and unleased owner Tap Rock seeks to pool under this amendment. Tap Rock has made a good faith effort to obtain voluntary joinder of the interest owner in the wells.

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12. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of page left intentionally blank]



FURTHER AFFIANT SAYETH NOT.

Dated this <u>25</u> day of November, 2025.

Erica Sheumala

Tap Rock Operating, LLC

STATE OF COLORADO

) ss.

COUNTY OF

The foregoing instrument was subscribed and sworn to before me this 25th day of November, 2025, by Erica Shewmaker, Senior Landman for Tap Rock Operating, LLC.

Witness my hand and official seal.

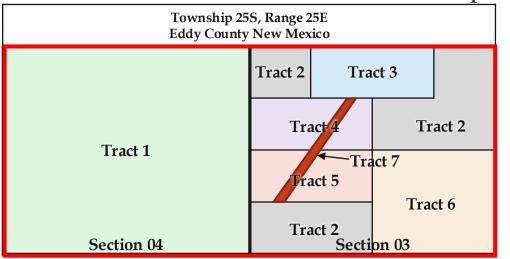
My commission expires: 03 15 2027

JOAN SADIE LUCERO
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20234010005
MY COMMISSION EXPIRES 03-15-2027

Joan Sadie Lucero

Exhibit C-31712 615 Tracts, Tract Ownership, Applicable Lease Numbers





| Tract No. | Lease Type | Lease No. |
|-----------|------------|------------------|
| 1 & 2 | FED | BLM Lease 062171 |
| 3 & 6 | FED | BLM Lease 116017 |
| 4 | FEE | |
| 5 | FEE | |
| 7 | FEE | |

Beer 30 Fed Com Unit

| Tract 1 - Sec 4 All | Tract WI % |
|------------------------------------|------------|
| Balog Family Trust dated 8/15/2002 | 0.290579 |
| COG Operating LLC | 38.764819 |
| Concho Oil & Gas LLC | 2.040254 |
| EOG Resources Inc | 21.054059 |
| JKM Energy LLC | 0.598906 |
| OXY Y-1 Company | 5.267463 |
| Powderhorn Nominee Corp | 8.000000 |
| Sydhan, LP | 2.000000 |
| Tap Rock Resources III, LLC | 16.983920 |
| Vision Energy Inc | 5.000000 |
| Total | 100.000000 |
| · | |

| Tract 2 – Sec 3 NWNW, NENE, S2NE, S2SW | Tract WI % |
|--|------------|
| Balog Family Trust dated 8/15/2002 | 0.290579 |
| Big Three Energy Group LLC | .076850 |
| COG Operating LLC | 38.764819 |
| Concho Oil & Gas LLC | 2.040254 |
| EOG Resources Inc | 21.054059 |
| Featherstone Development Corporation | 0.153701 |
| JKM Energy LLC | 0.598906 |
| OXY Y-1 Company | 5.267463 |
| Parrot Head Properties LLC | 0.153701 |
| Powderhorn Nominee Corp | 8.000000 |
| Prospector LLC | 0.768504 |
| Sydhan LP | 2.000000 |
| Tap Rock Resources III LLC | 15.831164 |
| Vision Energy Inc | 5.000000 |
| Total | 100.000000 |

| Tract 3 – Sec 3 NWNE, NENW | Tract WI % |
|--------------------------------------|------------|
| Tap Rock Resources III, LLC | 11.538763 |
| COG Operating LLC | 49.086500 |
| Concho Oil & Gas LLC | 2.583500 |
| EOG Resources Inc | 26.660000 |
| OXY Y-1 Company | 6.670000 |
| Featherstone Development Corporation | 0.461498 |
| Parrot Head Properties LLC | 0.461498 |
| Prospector LLC | 2.307492 |
| Big Three Energy Group LLC | 0.230749 |
| Total | 100.000000 |

| Tract 4 - Sec 3 S2NW + 1 Ac in N2SW | Tract WI % |
|---|------------|
| Cimarex Energy Co, a subsidiary of Coterra Energy Operating Co. | 30.560613 |

Tap Rock Resources III LLC

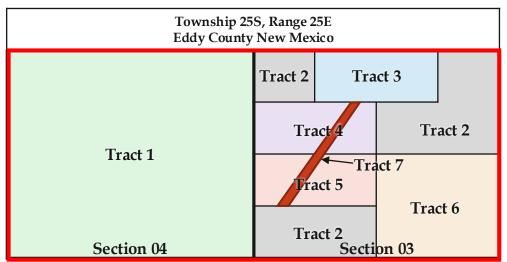
Total

Case No. 25710

69.439387 **100.000000**

Exhibit C=31/C021tinided





| Tract No. | Lease Type | Lease No. |
|-----------|------------|------------------|
| 1 & 2 | FED | BLM Lease 062171 |
| 3 & 6 | FED | BLM Lease 116017 |
| 4 | FEE | |
| 5 | FEE | |
| 7 | FEE | |

| Beer 30 Fed Com U | Unit |
|-------------------|------|
|-------------------|------|

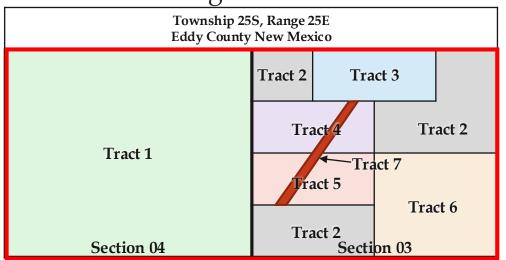
| Tract 5 - Sec 3 N2SW | Tract WI % |
|-----------------------------|------------|
| Berdan Living Trust | 1.041667 |
| Fandango, LLC | 2.083333 |
| Estate of Betty Cole Drake | 4.166667 |
| Estate of Frances Jane Owen | 2.083333 |
| Estate of Robert E Humphus | 4.166667 |
| Karen Dianne Farrell | 6.250000 |
| Powderhorn Asset Co | 8.333333 |
| Tap Rock Resources III LLC | 71.875000 |
| Total | 100.000000 |

| Tract 6 – Sec 3 SE4 | Tract WI % |
|--------------------------------------|------------|
| Tap Rock Resources III, LLC | 11.538763 |
| COG Operating LLC | 49.086500 |
| Concho Oil & Gas LLC | 2.583500 |
| EOG Resources Inc | 26.660000 |
| OXY Y-1 Company | 6.670000 |
| Featherstone Development Corporation | 0.461498 |
| Parrot Head Properties LLC | 0.461498 |
| Prospector LLC | 2.307492 |
| Big Three Energy Group LLC | 0.230749 |
| Total | 100.000000 |

| Tract 7 - Sec 3 Various Metes & Bounds | Tract WI % |
|--|------------|
| New Mexico Department of Transportation | 100.000000 |
| Total | 100.000000 |

Exhibit C-4 Working Interest in Beer 30 Unit



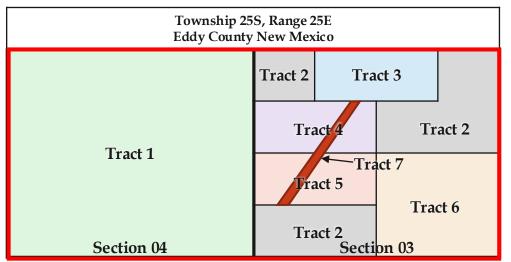




| Working Interest Owner | DSU Working Interest % | Net Acres | Tract No. | Status | Type of Interest |
|--|---------------------------|------------|---------------------|-------------------|------------------|
| Tap Rock Resources III, LLC | 22.283127 | 285.901433 | 1, 2, 3, 4, 5, 6 | Operator | Working Interest |
| COG Operating LLC | 35.865772 | 460.172198 | 1, 2, 3, 6 | Voluntary Joinder | Working Interest |
| Concho Oil & Gas LLC | 1.887672 | 24.219589 | 1, 2, 3, 6 | Voluntary Joinder | Working Interest |
| Cimarex Energy Co, a subsidiary of Coterra Energy Operating Co. | 1.895747 | 24.323192 | 4 | Voluntary Joinder | Working Interest |
| Fandango, LLC | 0.125989 | 1.616493 | 5 | Voluntary Joinder | Working Interest |
| EOG Resources Inc | 19.479520 | 249.930037 | 1, 2, 3, 6 | Previously Pooled | Working Interest |
| Powderhorn Nominee Corp | 5.502556 | 70.600000 | 1, 2 | Previously Pooled | Working Interest |
| OXY Y-1 Company | 4.873533 | 62.529383 | 1, 2, 3, 6 | Previously Pooled | Working Interest |
| Vision Energy Inc | 3.439098 | 44.125000 | 1, 2 | Previously Pooled | Working Interest |
| Sydhan LP | 1.375639 | 17.650000 | 1, 2 | Previously Pooled | Working Interest |

Exhibit C-41/Continued





Beer 30 Fed Com Unit

| WI Owner | WI | Net Acres | Tract No | Status | Type of Interest |
|--|------------|-------------|----------|-------------------|------------------|
| Prospector LLC | 0.576677 | 7.399001 | 2, 3, 6 | Previously Pooled | Working Interest |
| Powderhorn Asset Co | 0.503957 | 6.465975 | 5 | Previously Pooled | Working Interest |
| JKM Energy LLC | 0.411939 | 5.285345 | 1, 2 | Previously Pooled | Working Interest |
| Karen Dianne Farrell | 0.377968 | 4.849481 | 5 | Previously Pooled | Working Interest |
| Estate of Betty Drake Cole | 0.251979 | 3.232988 | 5 | Previously Pooled | Working Interest |
| Estate of Robert Humphus | 0.251979 | 3.232988 | 5 | Previously Pooled | Working Interest |
| State of New Mexico, ex rel., New Mexico Department of Transportation | 0.219658 | 2.818300 | 7 | Compulsory Pool | Working Interest |
| Balog Family Trust dated 8/15/2002 | 0.199866 | 2.564359 | 1, 2 | Previously Pooled | Working Interest |
| Estate of Frances Jane Owen | 0.125989 | 1.616494 | 5 | Previously Pooled | Working Interest |
| Featherstone Development Corporation | 0.115335 | 1.479800 | 2, 3, 6 | Previously Pooled | Working Interest |
| Parrot Head Properties LLC | 0.115335 | 1.479800 | 2, 3, 6 | Previously Pooled | Working Interest |
| Berdan Living Trust | 0.062995 | 0.808247 | 5 | Previously Pooled | Working Interest |
| Big Three Energy Group LLC | 0.057668 | 0.739900 | 2, 3, 6 | Previously Pooled | Working Interest |
| Total | 100.000000 | 1283.040003 | | | |



August 26, 2025

Via Certified Mail

NEW MEXICO DEPARTMENT OF TRANSPORTATION

1120 Cerrillos Road Santa Fe, NM 87505

Re: Well Proposals

- BEER 30 FEDERAL COM #202H

- BEER 30 FEDERAL COM #204H

- BEER 30 FEDERAL COM #211H

- BEER 30 FEDERAL COM #213H

Township 25 South, Range 25 East Section 3: All & Section 4: All

Eddy County, New Mexico

To Whom It May Concern:

Tap Rock Operating, LLC ("Tap Rock"), as Operator, hereby proposes to drill and complete the following wells (the "Wells") at the following approximate locations:

| Well Name | Surface Hole Location (SHL) | Bottom Hole Location (BHL) | Formation | True Vertical Depth | Measured Depth |
|---------------------------|---|---|------------|---------------------------|-------------------|
| BEER 30 FEDERAL COM #202H | NE/4NE/4 of Section 3 | 5' FWL of Section 4 & 1,650' FNL of Section 4 | Wolfcamp A | 8,450' | 18,650' |
| BEER 30 FEDERAL COM #204H | NE/4SE/4 of Section 3 | 5' FWL of Section 4 & 990' FSL of Section 4 | Wolfcamp A | 8,450' | 18,650' |
| BEER 30 FEDERAL COM #211H | NE/4NE/4 of Section 3 5' FWL of Section 4 & 334' FNL of Section 4 | | Wolfcamp A | 8,450' | 18,650' |
| BEER 30 FEDERAL COM #213H | NE/4SE/4 of Section 3 | 5' FWL of Section 4 & 2,360' FSL of Section 4 | Wolfcamp A | 8,450' | 18,650' |

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered.

An itemized schedule of the total estimated cost to drill and complete each of the Wells is provided in the enclosed AFEs. Tap Rock also estimates an additional \$1,283,000.00 per well for a central tank battery. Your election to participate in the drilling and completion of the Wells will also be considered an election to participate in the construction of the production facility. Tap Rock is proposing to drill the Wells under the modified terms of the enclosed AAPL Form 610-1989 Operating Agreement.

Case No. 25710 Tap Rock Operating, LLC - Exhibit C-5



Please indicate your election to participate by signing a copy of this letter and AFEs and return to me via Email or mail within thirty (30) days. If you do not wish to participate in the operation, Tap Rock would like to offer the following terms, subject to approval of Tap Rock's board and verification of title:

- For leased working interest parties, a three-year Term Assignment, \$500 per net acre bonus consideration.
- For unleased mineral owners, a three-year primary term lease with a royalty equal to the difference between existing burdens and 20%, \$500 per net acre bonus consideration.

Additionally, Tap Rock 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 thirty (30) days of your receipt of this letter, Tap Rock will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed Wells to allow Tap Rock to move forward with planning and drilling the Wells.

Thank you for your time and consideration. If you have any questions regarding the above, please feel free to contact me at 720-459-3724 or by email at mphillips@taprk.com.

Sincerely,

TAP ROCK OPERATING, LLC

Matthew C. Phillips

Land Manager

NEW MEXICO DEPARTMENT OF TRANSPORTATION hereby elects to:

| | participate in the drilling, completion and equipping of the BEER 30 FEDERAL COM #202H non-consent the BEER 30 FEDERAL COM #202H |
|------|--|
| | participate in the drilling, completion and equipping of the BEER 30 FEDERAL COM #204H non-consent the BEER 30 FEDERAL COM #204H |
| | participate in the drilling, completion and equipping of the BEER 30 FEDERAL COM #211H non-consent the BEER 30 FEDERAL COM #211H |
| | participate in the drilling, completion and equipping of the BEER 30 FEDERAL COM #213H non-consent the BEER 30 FEDERAL COM #213H |
| Ву: | |
| | |
| | |
| Data | |



August 26, 2025

Via Certified Mail

NEW MEXICO DEPARTMENT OF TRANSPORTATION PO BOX 1149 SANTA FE, NM 87504-1149

Re: Well Proposals

- BEER 30 FEDERAL COM #202H
- BEER 30 FEDERAL COM #204H
- BEER 30 FEDERAL COM #211H
- BEER 30 FEDERAL COM #213H

Township 25 South, Range 25 East Section 3: All & Section 4: All Eddy County, New Mexico

To Whom It May Concern:

Tap Rock Operating, LLC ("Tap Rock"), as Operator, hereby proposes to drill and complete the following wells (the "Wells") at the following approximate locations:

| Well Name | Surface Hole Location (SHL) | Bottom Hole Location (BHL) | Formation | True Vertical Depth | Measured Depth | |
|---------------------------|--------------------------------|---|------------|---------------------------|-------------------|--|
| BEER 30 FEDERAL COM #202H | NE/4NE/4 of Section 3 | 5' FWL of Section 4 & 1,650' FNL of Section 4 | Wolfcamp A | 8,450' | 18,650' | |
| BEER 30 FEDERAL COM #204H | NE/4SE/4 of Section 3 | 5' FWL of Section 4 & 990' FSL of Section 4 | Wolfcamp A | 8,450' | 18,650' | |
| BEER 30 FEDERAL COM #211H | NE/4NE/4 of Section 3 | 5' FWL of Section 4 & 334' FNL of Section 4 | Wolfcamp A | 8,450' | 18,650' | |
| BEER 30 FEDERAL COM #213H | NE/4SE/4 of Section 3 | 5' FWL of Section 4 & 2,360' FSL of Section 4 | Wolfcamp A | 8,450' | 18,650' | |

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered.

An itemized schedule of the total estimated cost to drill and complete each of the Wells is provided in the enclosed AFEs. Tap Rock also estimates an additional \$1,283,000.00 per well for a central tank battery. Your election to participate in the drilling and completion of the Wells will also be considered an election to participate in the construction of the production facility. Tap Rock is proposing to drill the Wells under the modified terms of the enclosed AAPL Form 610-1989 Operating Agreement.

Case No. 25710 Tap Rock Operating, LLC - Exhibit C-5



Please indicate your election to participate by signing a copy of this letter and AFEs and return to me via Email or mail within thirty (30) days. If you do not wish to participate in the operation, Tap Rock would like to offer the following terms, subject to approval of Tap Rock's board and verification of title:

- For leased working interest parties, a three-year Term Assignment, \$500 per net acre bonus consideration.
- For unleased mineral owners, a three-year primary term lease with a royalty equal to the difference between existing burdens and 20%, \$500 per net acre bonus consideration.

Additionally, Tap Rock 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 thirty (30) days of your receipt of this letter, Tap Rock will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed Wells to allow Tap Rock to move forward with planning and drilling the Wells.

Thank you for your time and consideration. If you have any questions regarding the above, please feel free to contact me at 720-459-3724 or by email at mphillips@taprk.com.

Sincerely,

TAP ROCK OPERATING, LLC

Matthew C. Phillips

Land Manager

| NEW MEXICO DEPARTMENT OF TRANSPORTATION hereby ele | ects to | e | οv | ereb | h | N | \mathbf{O} | I | T | A | $\mathbf{\Gamma}_{A}$ | \mathbf{R}' |)[| P(| SI | NS | 4] | R | \mathbf{T} | Ŧ | \mathbf{O} | Γ | II | CN | IF | ľ | Ľ | R | Ά | P | \mathbf{E} | D |) | 20 | | X] | $\mathbf{E} \mathbf{X}$ | \mathbf{I} | / I | W | NE | |
|--|---------|---|----|------|---|---|--------------|---|---|---|-----------------------|---------------|----|----|----|----|----|---|--------------|---|--------------|----------|----|----|----|---|---|---|---|---|--------------|---|---|----|--|----|-------------------------|--------------|-----|---|----|--|
|--|---------|---|----|------|---|---|--------------|---|---|---|-----------------------|---------------|----|----|----|----|----|---|--------------|---|--------------|----------|----|----|----|---|---|---|---|---|--------------|---|---|----|--|----|-------------------------|--------------|-----|---|----|--|

| | participate in the drilling, completion and equipping of the BEER 30 FEDERAL COM #202H non-consent the BEER 30 FEDERAL COM #202H |
|-------|--|
| | participate in the drilling, completion and equipping of the BEER 30 FEDERAL COM #204H non-consent the BEER 30 FEDERAL COM #204H |
| | participate in the drilling, completion and equipping of the BEER 30 FEDERAL COM #211H non-consent the BEER 30 FEDERAL COM #211H |
| | participate in the drilling, completion and equipping of the BEER 30 FEDERAL COM #213H non-consent the BEER 30 FEDERAL COM #213H |
| Ву: | |
| | |
| | |
| Data: | |

1700 Lincoln St Ste 4700 Denver CO 80203 Authorization For Expenditure

Name: Beer 30 Fed Com #202H

Name: Beer 30 AFE #: 0 County: Eddy State: NM Date: January 28, 2025 MD/TVD: 18650 / 8450 Lateral Length: 9750 Geologic Target: Wolfcamp A

Well Description: Drill, complete, and produce a horizontal Wolfcamp A well with a 9750 foot lateral.

| OST | CODES | DESCRIPTION | AMOUNT |
|--------|-------|--------------------------------------|---------|
| | 1 | Land - Legal | 40,000 |
| | 2 | Land - Regulatory | 14,000 |
| | 3 | Land - Surface Damages | 50,000 |
| | 4 | Land - Survey | 10,000 |
| | 5 | Location/Pit Construction | 59,000 |
| . | 6 | Remedial Dirtwork | 0 |
| . | 7 | Reserve/Frac Pit Closing | 0 |
| . [| 8 | Drilling - Contractor | 534,378 |
| . [| 9 | Mob/Rig Up - Contractor/Trucking | 50,000 |
| . [| 10 | Cementing Services | 141,000 |
| | 11 | Cementing Equipment | 30,000 |
| | 12 | Bits/Drill Out Assemblies | 63,500 |
| T | 13 | Fluid Circulation Equipment/Services | 60,196 |
| | 14 | Fluids/Chemicals | 102,577 |
| Ť | 15 | WBM Cuttings/Wastewater Disposal | 74,600 |
| Ť | 16 | OBM Cuttings/Chemical Disposal | 0 |
| + | 17 | Fuel/Power | 56,520 |
| | 18 | Water | 35,768 |
| Ť | 19 | Directional Drilling | 188,401 |
| t | 20 | Mud Logging | 23,113 |
| t | 21 | Open/Cased/Production Hole Logs | 23,113 |
| + | 22 | | 0 |
| + | | Contagio Suponision | |
| $^{+}$ | 23 | Geologic Supervision | 0 |
| $^{+}$ | 24 | Engineering Supervision | 0 0000 |
| + | 25 | Consultant Supervision | 96,096 |
| + | 26 | Freight/Transportation | 9,000 |
| + | 27 | Labor | 98,500 |
| + | 28 | Supplies - Surface | 2,500 |
| + | 29 | Supplies - Living Quarters | 1,000 |
| + | 30 | Rentals - Surface | 53,103 |
| 4 | 31 | Rentals - Living Quarters | 34,076 |
| 1 | 32 | Rentals - Downhole | 2,000 |
| 4 | 33 | Rentals - Pipe & Handling Tools | 58,404 |
| 1 | 34 | Rentals - Frac Stack | |
| 1 | 35 | Rentals - Frac Tanks | 5,652 |
| 1 | 36 | Coil Tubing Unit/Workover Rig | |
| 4 | 37 | Wireline/Slickline/Perforating | |
| 1 | 38 | Temporary Packers/Plugs | |
| 1 | 39 | High Pressure Pump Truck | |
| 1 | 40 | Stimulation | |
| 1 | 41 | Rentals - Pressure Control | |
| | 42 | Flowback Services | |
| | 43 | Water Transfer Services | |
| | 44 | Flowback Water Trucking & Disposal | |
| . | 45 | Permanent Equipment Installation | |
| | 46 | Pipeline Tapping Services | |
| | 47 | Plugging & Abandonment | 0 |
| | 53 | Overhead | 0 |
| Ť | 54 | Insurance | 20,000 |
| T | 55 | Contingency | 382,677 |

| | T CODES | INTANGIBLE COMPLETION COSTS DESCRIPTION | AMOUNT |
|----|---------|--|-------------|
| 2 | 1 | | AMOUNT |
| F- | | Land - Legal | |
| 2 | 2 | Land - Regulatory | |
| 2 | 3 | Land - Surface Damages | |
| 2 | 4 | Land - Survey | |
| 2 | 5 | Location/Pit Construction | |
| 2 | 6 | Remedial Dirtwork | |
| 2 | 7 | Reserve/Frac Pit Closing | |
| 2 | 8 | Drilling - Contractor | |
| 2 | 9 | Mob/Rig Up - Contractor/Trucking | |
| 2 | 10 | Cementing Services | |
| 2 | 11 | Cementing Equipment | |
| 2 | 12 | Bits/Drill Out Assemblies | 65,261 |
| 2 | 13 | Fluid Circulation Equipment/Services | |
| 2 | 14 | Fluids/Chemicals | 43,482 |
| 2 | 15 | WBM Cuttings/Wastewater Disposal | |
| 2 | 16 | OBM Cuttings/Chemical Disposal | |
| 2 | 17 | Fuel/Power | 479,385 |
| 2 | 18 | Water | 602,610 |
| 2 | 19 | Directional Drilling | 002,010 |
| 2 | 20 | Mud Logging | |
| | | | 0.603 |
| 2 | 21 | Open/Cased/Production Hole Logs | 8,692 |
| 2 | 22 | Coring | |
| 2 | 23 | Geologic Supervision | |
| 2 | 24 | Engineering Supervision | |
| 2 | 25 | Consultant Supervision | 80,560 |
| 2 | 26 | Freight/Transportation | 2,000 |
| 2 | 27 | Labor | 2,532 |
| 2 | 28 | Supplies - Surface | 2,000 |
| 2 | 29 | Supplies - Living Quarters | 2,000 |
| 2 | 30 | Rentals - Surface | 14,763 |
| 2 | 31 | Rentals - Living Quarters | 15,630 |
| 2 | 32 | Rentals - Downhole | 0 |
| 2 | 33 | Rentals - Pipe & Handling Tools | 0 |
| 2 | 34 | Rentals - Frac Stack | 84,307 |
| 2 | 35 | Rentals - Frac Tanks | 29,562 |
| 2 | 36 | Coil Tubing Unit/Workover Rig | 132,744 |
| 2 | 37 | Wireline/Slickline/Perforating | 261,608 |
| 2 | 38 | Temporary Packers/Plugs | 48,045 |
| | 39 | High Pressure Pump Truck | |
| 2 | 40 | - | 53,795 |
| 2 | | Stimulation | 1,760,226 |
| 2 | 41 | Rentals - Pressure Control | |
| 2 | 42 | Flowback Services | 54,103 |
| 2 | 43 | Water Transfer Services | 55,650 |
| 2 | 44 | Flowback Water Trucking & Disposal | 9,446 |
| 2 | 45 | Permanent Equipment Installation | |
| 2 | 46 | Pipeline Tapping Services | |
| 2 | 47 | Plugging & Abandonment | |
| 2 | 53 | Overhead | 13,715 |
| 2 | 54 | Insurance | |
| 2 | 55 | Contingency | 441,301 |
| | | TOTAL INTANGIBLE COMPLETION COSTS: | \$4.263.416 |

| COST | CODES | DESCRIPTION | AMOUNT |
|------|-------|--------------------------------------|--------|
| 3 | 1 | Land - Legal | |
| 3 | 2 | Land - Regulatory | |
| 3 | 3 | Land - Surface Damages | |
| 3 | 4 | Land - Survey | |
| 3 | 5 | Location/Pit Construction | 5,000 |
| 3 | 6 | Remedial Dirtwork | |
| 3 | 7 | Reserve/Frac Pit Closing | |
| 3 | 8 | Drilling - Contractor | |
| 3 | 9 | Mob/Rig Up - Contractor/Trucking | |
| 3 | 10 | Cementing Services | |
| 3 | 11 | Cementing Equipment | |
| 3 | 12 | Bits/Drill Out Assemblies | |
| 3 | 13 | Fluid Circulation Equipment/Services | |
| 3 | 14 | Fluids/Chemicals | |
| 3 | 15 | WBM Cuttings/Wastewater Disposal | |
| 3 | 16 | OBM Cuttings/Chemical Disposal | |
| 3 | 17 | Fuel/Power | |
| 3 | 18 | Water | |
| 3 | 19 | Directional Drilling | |
| 3 | 20 | Mud Logging | |
| 3 | 21 | Open/Cased/Production Hole Logs | |
| 3 | 22 | Coring | |
| 3 | 23 | Geologic Supervision | |
| 3 | 24 | Engineering Supervision | |
| 3 | 25 | | 22.50 |
| 3 | 26 | Consultant Supervision | 23,500 |
| | | Freight/Transportation | 10,000 |
| 3 | 27 | Labor | 12,91 |
| 3 | 28 | Supplies - Surface | |
| 3 | 29 | Supplies - Living Quarters | 22.55 |
| 3 | 30 | Rentals - Surface | 23,66 |
| 3 | 31 | Rentals - Living Quarters | |
| 3 | 32 | Rentals - Downhole | |
| 3 | 33 | Rentals - Pipe & Handling Tools | |
| 3 | 34 | Rentals - Frac Stack | (|
| 3 | 35 | Rentals - Frac Tanks | 900 |
| 3 | 36 | Coil Tubing Unit/Workover Rig | 26,500 |
| 3 | 37 | Wireline/Slickline/Perforating | 12,000 |
| 3 | 38 | Temporary Packers/Plugs | |
| 3 | 39 | High Pressure Pump Truck | |
| 3 | 40 | Stimulation | |
| 3 | 41 | Rentals - Pressure Control | |
| 3 | 42 | Flowback Services | 67,16 |
| 3 | 43 | Water Transfer Services | |
| 3 | 44 | Flowback Water Trucking & Disposal | 65,000 |
| 3 | 45 | Permanent Equipment Installation | |
| 3 | 46 | Pipeline Tapping Services | |
| 3 | 47 | Plugging & Abandonment | |
| 3 | 53 | Overhead | (|
| 3 | 54 | Insurance | |
| 3 | 55 | Contingency | 46,930 |

TOTAL INTANGIBLE DRILLING COSTS: \$2,296,060

TANGIBLE COMPLETION COSTS

DESCRIPTION

COST CODES

| TANGIBLE PRODUCTION COSTS |
|---------------------------|
| DESCRIPTION |

AMOUNT

COST CODES

| COST | CODES | DESCRIPTION | AMOUNT |
|------|-------|---------------------------------------|-----------|
| 4 | 60 | Conductor Casing | 30,000 |
| 4 | 61 | Surface Casing | 15,652 |
| 4 | 62 | 1st Intermediate Casing | 46,620 |
| 4 | 63 | 2nd Intermediate Casing | 0 |
| 4 | 64 | Production Casing | 454,128 |
| 4 | 65 | Tubing | |
| 4 | 66 | Wellhead | 78,000 |
| 4 | 67 | Permanent Packers/Hangers/Plugs | |
| 4 | 68 | Tanks | |
| 4 | 69 | Production Vessels | |
| 4 | 70 | Compressors | |
| 4 | 71 | Surface Flowlines | |
| 4 | 72 | Gathering Lines | |
| 4 | 73 | Valves & Controllers | |
| 4 | 74 | Artificial Lift Equipment | |
| 4 | 75 | Instrumentation & Measurement | |
| 4 | 76 | Electrical Grounding/Safety Equipment | |
| 4 | 77 | Permanent Equipment Installation | |
| 4 | 80 | Other - Surface | |
| 4 | 81 | Other - Downhole | 15,000 |
| | | TOTAL TANGIBLE DRILLING COSTS: | \$639,400 |

| 5 | 60 | Conductor Casing | |
|---|----|---------------------------------------|-------------|
| 5 | 61 | Surface Casing | |
| 5 | 62 | 1st Intermediate Casing | |
| 5 | 63 | 2nd Intermediate Casing | |
| 5 | 64 | Production Casing | 0 |
| 5 | 65 | Tubing | |
| 5 | 66 | Wellhead | 0 |
| 5 | 67 | Permanent Packers/Hangers/Plugs | |
| 5 | 68 | Tanks | |
| 5 | 69 | Production Vessels | |
| 5 | 70 | Compressors | |
| 5 | 71 | Surface Flowlines | |
| 5 | 72 | Gathering Lines | |
| 5 | 73 | Valves & Controllers | |
| 5 | 74 | Artificial Lift Equipment | |
| 5 | 75 | Instrumentation & Measurement | |
| 5 | 76 | Electrical Grounding/Safety Equipment | |
| 5 | 77 | Permanent Equipment Installation | |
| 5 | 80 | Other - Surface | |
| 5 | 81 | Other - Downhole | |
| | | TOTAL TANGIBLE COMPLETION COSTS: | \$0 |
| | | TOTAL COMPLETION COSTS: | \$4,263,416 |

| COS | II CODES | DESCRIPTION | AIVIOUITI |
|-----|----------|---------------------------------------|-----------|
| 6 | 60 | Conductor Casing | |
| 6 | 61 | Surface Casing | |
| 6 | 62 | 1st Intermediate Casing | |
| 6 | 63 | 2nd Intermediate Casing | |
| 6 | 64 | Production Casing | |
| 6 | 65 | Tubing | 51,783 |
| 6 | 66 | Wellhead | 29,610 |
| 6 | 67 | Permanent Packers/Hangers/Plugs | 0 |
| 6 | 68 | Tanks | |
| 6 | 69 | Production Vessels | 311,225 |
| 6 | 70 | Compressors | |
| 6 | 71 | Surface Flowlines | 358,700 |
| 6 | 72 | Gathering Lines | 0 |
| 6 | 73 | Valves & Controllers | 0 |
| 6 | 74 | Artificial Lift Equipment | 79,000 |
| 6 | 75 | Instrumentation & Measurement | |
| 6 | 76 | Electrical Grounding/Safety Equipment | |
| 6 | 77 | Permanent Equipment Installation | 6,250 |
| 6 | 80 | Other - Surface | |
| 6 | 81 | Other - Downhole | |
| | | TOTAL TANGIBLE PRODUCTION COSTS: | \$836,568 |
| | | | |

TOTAL PRODUCTION COSTS: \$1,130,148

TOTAL WELL COST: \$8,329,023

TAP ROCK RESOURCES COMPANY APPROVAL:

TOTAL DRILLING COSTS: \$2,935,460

| CEO | V | P - EXPLORATION _ | |
|-------------------|---------|-------------------|--|
| CFO _ | <u></u> | VP - OPERATIONS _ | |
| VP - LAND & LEGAL | SE | NIOR GEOLOGIST _ | |
| | | | |

| COMPANY NAME: | |
|-----------------------|-----------|
| SIGNED BY: | TITLE: |
| WORKING INTEREST (%): | DATE: |
| TAX ID: | APPROVAL: |

1700 Lincoln St Ste 4700 Denver CO 80203 Authorization For Expenditure

Beer 30 Fed Com #204H

Date: January 28, 2025 MD/TVD: 18650 / 8450 Lateral Length: 9750 Geologic Target: Wolfcamp A Name: AFE #: County: State: 0 Eddy NM

Well Description:

Drill, complete, and produce a horizontal Wolfcamp A well with a 9750 foot lateral.

| COST CODES | INTANGIBLE DRILLING COSTS DESCRIPTION | AMOUNT | cos | T CODES | INTANGIBLE COMPLETION COSTS DESCRIPTION | AMOUNT | cos | T CODE | INTANGIBLE PRODUCTION COSTS DESCRIPTION | AMOUNT |
|------------|---|--|-----|---------|--|-----------|-----|--------|--|--------|
| 1 1 | Land - Legal | 40,000 | 2 | 1 | Land - Legal | 7 | 3 | 1 | Land - Legal | AMOUNT |
| 1 2 | Land - Regulatory | 14,000 | 2 | 2 | Land - Regulatory | | 3 | 2 | Land - Regulatory | |
| 1 3 | Land - Surface Damages | 50,000 | 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 | 3,000 |
| 1 7 | Reserve/Frac Pit Closing | 0 | 2 | 7 | Reserve/Frac Pit Closing | | 3 | 7 | Reserve/Frac Pit Closing | |
| 1 8 | Drilling - Contractor | 534.378 | 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 Services Cementing Equipment | 30,000 | 2 | 11 | Cementing Services Cementing Equipment | | 3 | 11 | Cementing Services Cementing Equipment | |
| | Bits/Drill Out Assemblies | 63,500 | 2 | 12 | Bits/Drill Out Assemblies | 65,261 | 3 | 12 | Bits/Drill Out Assemblies | |
| 1 13 | Fluid Circulation Equipment/Services | 60,196 | 2 | 13 | Fluid Circulation Equipment/Services | 03,201 | 3 | 13 | Fluid Circulation Equipment/Services | |
| 1 14 | Fluids/Chemicals | 102,577 | 2 | 14 | Fluids/Chemicals | 43,482 | 3 | 14 | Fluids/Chemicals | |
| 1 15 | WBM Cuttings/Wastewater Disposal | 74,600 | 2 | 15 | WBM Cuttings/Wastewater Disposal | 43,462 | 3 | 15 | WBM Cuttings/Wastewater Disposal | |
| 1 16 | OBM Cuttings/Wastewater Disposal | 74,600 | 2 | 16 | OBM Cuttings/Wastewater Disposal | | 3 | 16 | OBM Cuttings/Wastewater Disposal | |
| 1 17 | Fuel/Power | | 2 | 17 | Fuel/Power | 479,385 | 3 | 17 | Fuel/Power | |
| | Water | 56,520 | 2 | 18 | | | 3 | 18 | Water | |
| | | 35,768 | 2 | 18 | Water | 602,610 | 3 | 18 | 111 | |
| | Directional Drilling | 188,401 | | | Directional Drilling | | | | Directional Drilling | |
| 20 | Mud Logging | 23,113 | 2 | 20 | Mud Logging | | 3 | 20 | Mud Logging | |
| 21 | Open/Cased/Production Hole Logs | 0 | 2 | 21 | Open/Cased/Production Hole Logs | 8,692 | 3 | 21 | Open/Cased/Production Hole Logs | |
| . 22 | Coring | 0 | 2 | 22 | Coring | | 3 | 22 | Coring | |
| 23 | Geologic Supervision | 0 | 2 | 23 | Geologic Supervision | | 3 | 23 | Geologic Supervision | |
| 24 | Engineering Supervision | 0 | 2 | 24 | Engineering Supervision | | 3 | 24 | Engineering Supervision | |
| 25 | Consultant Supervision | 96,096 | 2 | 25 | Consultant Supervision | 80,560 | 3 | 25 | Consultant Supervision | 23,50 |
| 26 | Freight/Transportation | 9,000 | 2 | 26 | Freight/Transportation | 2,000 | 3 | 26 | Freight/Transportation | 10,00 |
| 27 | Labor | 98,500 | 2 | 27 | Labor | 2,532 | 3 | 27 | Labor | 12,91 |
| L 28 | Supplies - Surface | 2,500 | 2 | 28 | Supplies - Surface | 2,000 | 3 | 28 | Supplies - Surface | |
| 29 | Supplies - Living Quarters | 1,000 | 2 | 29 | Supplies - Living Quarters | 2,000 | 3 | 29 | Supplies - Living Quarters | |
| 30 | Rentals - Surface | 53,103 | 2 | 30 | Rentals - Surface | 14,763 | 3 | 30 | Rentals - Surface | 23,66 |
| 31 | Rentals - Living Quarters | 34,076 | 2 | 31 | Rentals - Living Quarters | 15,630 | 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 | 58,404 | 2 | 33 | Rentals - Pipe & Handling Tools | 0 | 3 | 33 | Rentals - Pipe & Handling Tools | |
| . 34 | Rentals - Frac Stack | | 2 | 34 | Rentals - Frac Stack | 84,307 | 3 | 34 | Rentals - Frac Stack | |
| 1 35 | Rentals - Frac Tanks | 5,652 | 2 | 35 | Rentals - Frac Tanks | 29,562 | 3 | 35 | Rentals - Frac Tanks | 90 |
| 36 | Coil Tubing Unit/Workover Rig | | 2 | 36 | Coil Tubing Unit/Workover Rig | 132,744 | 3 | 36 | Coil Tubing Unit/Workover Rig | 26,50 |
| 37 | Wireline/Slickline/Perforating | | 2 | 37 | Wireline/Slickline/Perforating | 261,608 | 3 | 37 | Wireline/Slickline/Perforating | 12,00 |
| 38 | Temporary Packers/Plugs | | 2 | 38 | Temporary Packers/Plugs | 48,045 | 3 | 38 | Temporary Packers/Plugs | |
| 39 | High Pressure Pump Truck | | 2 | 39 | High Pressure Pump Truck | 53,795 | 3 | 39 | High Pressure Pump Truck | |
| 40 | Stimulation | | 2 | 40 | Stimulation | 1,760,226 | 3 | 40 | Stimulation | |
| 41 | Rentals - Pressure Control | | 2 | 41 | Rentals - Pressure Control | | 3 | 41 | Rentals - Pressure Control | |
| 42 | Flowback Services | | 2 | 42 | Flowback Services | 54,103 | 3 | 42 | Flowback Services | 67,16 |
| 43 | Water Transfer Services | | 2 | 43 | Water Transfer Services | 55,650 | 3 | 43 | Water Transfer Services | |
| 44 | Flowback Water Trucking & Disposal | | 2 | 44 | Flowback Water Trucking & Disposal | 9,446 | 3 | 44 | Flowback Water Trucking & Disposal | 65,00 |
| 45 | Permanent Equipment Installation | | 2 | 45 | Permanent Equipment Installation | 2,110 | 3 | 45 | Permanent Equipment Installation | 23,00 |
| 46 | Pipeline Tapping Services | | 2 | 46 | Pipeline Tapping Services | | 3 | 46 | Pipeline Tapping Services | |
| 47 | Plugging & Abandonment | 0 | 2 | 47 | Plugging & Abandonment | | 3 | 47 | Plugging & Abandonment | |
| 53 | Overhead | 0 | 2 | 53 | Overhead | 13,715 | 3 | 53 | Overhead | |
| 54 | Insurance | 20,000 | 2 | 54 | Insurance | 15,/15 | 3 | 54 | Insurance | |
| . 54 | | - // | 2 | 55 | | 441,301 | 3 | 55 | | 46,93 |
| . 55 | Contingency | 382,677 | | 55 | Contingency | 441,301 | 3 | 55 | Contingency | 46,93 |

TANGIBLE DRILLING COSTS

TANGIRI E COMPLETION COSTS

TANGIRI E PRODITCTION COSTS

| TANGIBLE DRILLING COSTS | | | | | TANGIBLE COMPLETION COSTS | | | | TANGIBLE PRODUCTION COSTS | | | |
|-------------------------|-------|---------------------------------------|-------------|----|---------------------------|---------------------------------------|-------------|-----|---------------------------|-------|---------------------------------------|-------------|
| cos | CODES | DESCRIPTION | AMOUNT | co | ST 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 | 15,652 | 5 | 61 | Surface Casing | | | 6 | 61 | Surface Casing | |
| 4 | 62 | 1st Intermediate Casing | 46,620 | 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 | 454,128 | 5 | 64 | Production Casing | 0 | | 6 | 64 | Production Casing | |
| 4 | 65 | Tubing | | 5 | 65 | Tubing | | | 6 | 65 | Tubing | 51,783 |
| 4 | 66 | Wellhead | 78,000 | 5 | 66 | Wellhead | 0 | | 6 | 66 | Wellhead | 29,610 |
| 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 | 311,225 |
| 4 | 70 | Compressors | | 5 | 70 | Compressors | | | 6 | 70 | Compressors | |
| 4 | 71 | Surface Flowlines | | 5 | 71 | Surface Flowlines | | | 6 | 71 | Surface Flowlines | 358,700 |
| 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 | 79,000 |
| 4 | 75 | Instrumentation & Measurement | | 5 | 75 | Instrumentation & Measurement | | | 6 | 75 | Instrumentation & Measurement | |
| 4 | 76 | Electrical Grounding/Safety Equipment | | 5 | 76 | Electrical Grounding/Safety Equipment | | | 6 | 76 | Electrical Grounding/Safety Equipment | |
| 4 | 77 | Permanent Equipment Installation | | 5 | 77 | Permanent Equipment Installation | | | 6 | 77 | Permanent Equipment Installation | 6,250 |
| 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: | \$639,400 | | | TOTAL TANGIBLE COMPLETION COSTS: | \$0 | | | | TOTAL TANGIBLE PRODUCTION COSTS: | \$836,568 |
| | | TOTAL DRILLING COSTS: | \$2 935 460 | | | TOTAL COMPLETION COSTS: | \$4 263 416 | | | | TOTAL PRODUCTION COSTS: | \$1 130 148 |

TOTAL WELL COST: \$8,329,023

TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO _ | VP - EXI | PLORATION | |
|-------------------|----------|-----------|--|
| CFO _ | VP - C | PERATIONS | |
| VP - LAND & LEGAL | SENIOR | GEOLOGIST | |
| | | | |

| COMPANY NAME: | |
|-----------------------|-----------|
| SIGNED BY: | TITLE: |
| WORKING INTEREST (%): | DATE: |
| TAX ID: | APPROVAL: |

1700 Lincoln St Ste 4700 Denver CO 80203 Authorization For Expenditure

Beer 30 Fed Com #211H

Name: AFE #: County: State: 0 Eddy NM

Well Description:

Date: January 28, 2025 MD/TVD: 18650 / 8450 Lateral Length: 9750 Geologic Target: Wolfcamp A

Drill, complete, and produce a horizontal Wolfcamp A well with a 9750 foot lateral.

| os | T CODES | DESCRIPTION | AMOUNT |
|----|---------|--------------------------------------|--------|
| 1 | 1 | Land - Legal | 40,00 |
| 1 | 2 | Land - Regulatory | 14,00 |
| 1 | 3 | Land - Surface Damages | 50,00 |
| 1 | 4 | Land - Survey | 10,00 |
| 1 | 5 | Location/Pit Construction | 59,00 |
| 1 | 6 | Remedial Dirtwork | |
| 1 | 7 | Reserve/Frac Pit Closing | |
| 1 | 8 | Drilling - Contractor | 534,37 |
| 1 | 9 | Mob/Rig Up - Contractor/Trucking | 50,00 |
| 1 | 10 | Cementing Services | 141,00 |
| 1 | 11 | Cementing Equipment | 30,00 |
| 1 | 12 | Bits/Drill Out Assemblies | 63,50 |
| 1 | 13 | Fluid Circulation Equipment/Services | 60,19 |
| 1 | 14 | Fluids/Chemicals | 102,57 |
| 1 | 15 | WBM Cuttings/Wastewater Disposal | 74,60 |
| 1 | 16 | OBM Cuttings/Chemical Disposal | |
| 1 | 17 | Fuel/Power | 56,52 |
| 1 | 18 | Water | 35,76 |
| 1 | 19 | Directional Drilling | 188,40 |
| 1 | 20 | Mud Logging | 23,11 |
| 1 | 21 | Open/Cased/Production Hole Logs | |
| 1 | 22 | Coring | |
| 1 | 23 | Geologic Supervision | |
| 1 | 24 | Engineering Supervision | |
| 1 | 25 | Consultant Supervision | 96,09 |
| 1 | 26 | Freight/Transportation | 9,00 |
| 1 | 27 | Labor | 98,50 |
| 1 | 28 | Supplies - Surface | 2,50 |
| 1 | 29 | Supplies - Living Quarters | 1,00 |
| 1 | 30 | Rentals - Surface | 53,10 |
| 1 | 31 | Rentals - Living Quarters | 34,07 |
| 1 | 32 | Rentals - Downhole | 2,00 |
| 1 | 33 | Rentals - Pipe & Handling Tools | |
| 1 | 34 | Rentals - Frac Stack | 58,40 |
| 1 | | | F. CF |
| 1 | 35 | Rentals - Frac Tanks | 5,65 |
| | 36 | Coil Tubing Unit/Workover Rig | |
| 1 | 37 | Wireline/Slickline/Perforating | |
| 1 | 38 | Temporary Packers/Plugs | |
| 1 | 39 | High Pressure Pump Truck | + |
| 1 | 40 | Stimulation | + |
| 1 | 41 | Rentals - Pressure Control | |
| 1 | 42 | Flowback Services | |
| 1 | 43 | Water Transfer Services | |
| 1 | 44 | Flowback Water Trucking & Disposal | |
| 1 | 45 | Permanent Equipment Installation | |
| 1 | 46 | Pipeline Tapping Services | |
| 1 | 47 | Plugging & Abandonment | |
| 1 | 53 | Overhead | |
| | 54 | Insurance | 20,00 |

| | T CODES | INTANGIBLE COMPLETION COSTS DESCRIPTION | AMOUNT |
|----|---------|--|-------------|
| 2 | 1 | | AMOUNT |
| F- | | Land - Legal | |
| 2 | 2 | Land - Regulatory | |
| 2 | 3 | Land - Surface Damages | |
| 2 | 4 | Land - Survey | |
| 2 | 5 | Location/Pit Construction | |
| 2 | 6 | Remedial Dirtwork | |
| 2 | 7 | Reserve/Frac Pit Closing | |
| 2 | 8 | Drilling - Contractor | |
| 2 | 9 | Mob/Rig Up - Contractor/Trucking | |
| 2 | 10 | Cementing Services | |
| 2 | 11 | Cementing Equipment | |
| 2 | 12 | Bits/Drill Out Assemblies | 65,261 |
| 2 | 13 | Fluid Circulation Equipment/Services | |
| 2 | 14 | Fluids/Chemicals | 43,482 |
| 2 | 15 | WBM Cuttings/Wastewater Disposal | |
| 2 | 16 | OBM Cuttings/Chemical Disposal | |
| 2 | 17 | Fuel/Power | 479,385 |
| 2 | 18 | Water | 602,610 |
| 2 | 19 | Directional Drilling | 002,010 |
| 2 | 20 | Mud Logging | |
| | | | 0.603 |
| 2 | 21 | Open/Cased/Production Hole Logs | 8,692 |
| 2 | 22 | Coring | |
| 2 | 23 | Geologic Supervision | |
| 2 | 24 | Engineering Supervision | |
| 2 | 25 | Consultant Supervision | 80,560 |
| 2 | 26 | Freight/Transportation | 2,000 |
| 2 | 27 | Labor | 2,532 |
| 2 | 28 | Supplies - Surface | 2,000 |
| 2 | 29 | Supplies - Living Quarters | 2,000 |
| 2 | 30 | Rentals - Surface | 14,763 |
| 2 | 31 | Rentals - Living Quarters | 15,630 |
| 2 | 32 | Rentals - Downhole | 0 |
| 2 | 33 | Rentals - Pipe & Handling Tools | 0 |
| 2 | 34 | Rentals - Frac Stack | 84,307 |
| 2 | 35 | Rentals - Frac Tanks | 29,562 |
| 2 | 36 | Coil Tubing Unit/Workover Rig | 132,744 |
| 2 | 37 | Wireline/Slickline/Perforating | 261,608 |
| 2 | 38 | Temporary Packers/Plugs | 48,045 |
| | 39 | High Pressure Pump Truck | |
| 2 | 40 | - | 53,795 |
| 2 | | Stimulation | 1,760,226 |
| 2 | 41 | Rentals - Pressure Control | |
| 2 | 42 | Flowback Services | 54,103 |
| 2 | 43 | Water Transfer Services | 55,650 |
| 2 | 44 | Flowback Water Trucking & Disposal | 9,446 |
| 2 | 45 | Permanent Equipment Installation | |
| 2 | 46 | Pipeline Tapping Services | |
| 2 | 47 | Plugging & Abandonment | |
| 2 | 53 | Overhead | 13,715 |
| 2 | 54 | Insurance | |
| 2 | 55 | Contingency | 441,301 |
| | | TOTAL INTANGIBLE COMPLETION COSTS: | \$4.263.416 |

| cos | T CODES | DESCRIPTION | AMOUNT |
|-----|----------|--------------------------------------|--------|
| 3 | 1 | Land - Legal | |
| 3 | 2 | Land - Regulatory | |
| 3 | 3 | Land - Surface Damages | |
| 3 | 4 | Land - Survey | |
| 3 | 5 | Location/Pit Construction | 5,000 |
| 3 | 6 | Remedial Dirtwork | |
| 3 | 7 | Reserve/Frac Pit Closing | |
| 3 | 8 | Drilling - Contractor | |
| 3 | 9 | Mob/Rig Up - Contractor/Trucking | |
| 3 | 10 | Cementing Services | |
| 3 | 11 | Cementing Equipment | |
| 3 | 12 | Bits/Drill Out Assemblies | |
| 3 | 13 | Fluid Circulation Equipment/Services | |
| 3 | 14 | Fluids/Chemicals | |
| 3 | 15 | WBM Cuttings/Wastewater Disposal | |
| 3 | 16 | OBM Cuttings/Chemical Disposal | |
| 3 | 17 | Fuel/Power | |
| 3 | 18 | Water | |
| 3 | 19 | Directional Drilling | |
| 3 | 20 | Mud Logging | |
| 3 | 21 | Open/Cased/Production Hole Logs | |
| 3 | 22 | Coring | |
| 3 | 23 | Geologic Supervision | |
| 3 | 24 | Engineering Supervision | |
| 3 | 25 | Consultant Supervision | 23,500 |
| 3 | 26 | Freight/Transportation | 10,000 |
| 3 | 27 | Labor | 12,917 |
| 3 | 28 | Supplies - Surface | |
| 3 | 29 | Supplies - Living Quarters | |
| 3 | 30 | Rentals - Surface | 23,667 |
| 3 | 31 | Rentals - Living Quarters | -5/55. |
| 3 | 32 | Rentals - Downhole | |
| 3 | 33 | Rentals - Pipe & Handling Tools | |
| 3 | 34 | Rentals - Frac Stack | 0 |
| 3 | 35 | Rentals - Frac Tanks | 900 |
| 3 | 36 | Coil Tubing Unit/Workover Rig | 26,500 |
| 3 | 37 | Wireline/Slickline/Perforating | 12,000 |
| 3 | 38 | Temporary Packers/Plugs | 12,000 |
| 3 | 39 | High Pressure Pump Truck | |
| 3 | 40 | Stimulation | |
| 3 | 41 | Rentals - Pressure Control | |
| 3 | 42 | Flowback Services | 67,167 |
| 3 | 43 | Water Transfer Services | 57,107 |
| 3 | 44 | Flowback Water Trucking & Disposal | 65,000 |
| 3 | 45 | Permanent Equipment Installation | 05,000 |
| | | | |
| 3 | 46 | Pipeline Tapping Services | |
| 3 | 47 | Plugging & Abandonment | |
| 3 | 53 | Overhead | 0 |
| 3 | 54 55 | Insurance Contingency | 46,930 |
| 3 | | | |

TOTAL INTANGIBLE DRILLING COSTS: \$2,296,060

TANGIBLE COMPLETION COSTS

DESCRIPTION

COST CODES

| TANGIBLE | PRODUCTION | COSTS |
|----------|-------------------|-------|

COST CODES

| cos | T CODES | DESCRIPTION | AMOUNT |
|-----|---------|---------------------------------------|-----------|
| 4 | 60 | Conductor Casing | 30,000 |
| 4 | 61 | Surface Casing | 15,652 |
| 4 | 62 | 1st Intermediate Casing | 46,620 |
| 4 | 63 | 2nd Intermediate Casing | 0 |
| 4 | 64 | Production Casing | 454,128 |
| 4 | 65 | Tubing | |
| 4 | 66 | Wellhead | 78,000 |
| 4 | 67 | Permanent Packers/Hangers/Plugs | |
| 4 | 68 | Tanks | |
| 4 | 69 | Production Vessels | |
| 4 | 70 | Compressors | |
| 4 | 71 | Surface Flowlines | |
| 4 | 72 | Gathering Lines | |
| 4 | 73 | Valves & Controllers | |
| 4 | 74 | Artificial Lift Equipment | |
| 4 | 75 | Instrumentation & Measurement | |
| 4 | 76 | Electrical Grounding/Safety Equipment | |
| 4 | 77 | Permanent Equipment Installation | |
| 4 | 80 | Other - Surface | |
| 4 | 81 | Other - Downhole | 15,000 |
| | | TOTAL TANGIBLE DRILLING COSTS: | \$639,400 |

TANGIBLE DRILLING COSTS

| | CODES | DESCRIPTION | 711100111 |
|---|-------|---------------------------------------|-------------|
| 5 | 60 | Conductor Casing | |
| 5 | 61 | Surface Casing | |
| 5 | 62 | 1st Intermediate Casing | |
| 5 | 63 | 2nd Intermediate Casing | |
| 5 | 64 | Production Casing | 0 |
| 5 | 65 | Tubing | |
| 5 | 66 | Wellhead | 0 |
| 5 | 67 | Permanent Packers/Hangers/Plugs | |
| 5 | 68 | Tanks | |
| 5 | 69 | Production Vessels | |
| 5 | 70 | Compressors | |
| 5 | 71 | Surface Flowlines | |
| 5 | 72 | Gathering Lines | |
| 5 | 73 | Valves & Controllers | |
| 5 | 74 | Artificial Lift Equipment | |
| 5 | 75 | Instrumentation & Measurement | |
| 5 | 76 | Electrical Grounding/Safety Equipment | |
| 5 | 77 | Permanent Equipment Installation | |
| 5 | 80 | Other - Surface | |
| 5 | 81 | Other - Downhole | |
| | | TOTAL TANGIBLE COMPLETION COSTS: | \$0 |
| | | TOTAL COMPLETION COSTS: | \$4,263,416 |
| | | • | • |

| 6 | 60 | Conductor Casing | |
|---|----|---------------------------------------|-----------|
| 6 | 61 | Surface Casing | |
| 6 | 62 | 1st Intermediate Casing | |
| 6 | 63 | 2nd Intermediate Casing | |
| 6 | 64 | Production Casing | |
| 6 | 65 | Tubing | 51,783 |
| 6 | 66 | Wellhead | 29,610 |
| 6 | 67 | Permanent Packers/Hangers/Plugs | 0 |
| 6 | 68 | Tanks | |
| 6 | 69 | Production Vessels | 311,225 |
| 6 | 70 | Compressors | |
| 6 | 71 | Surface Flowlines | 358,700 |
| 6 | 72 | Gathering Lines | 0 |
| 6 | 73 | Valves & Controllers | 0 |
| 6 | 74 | Artificial Lift Equipment | 79,000 |
| 6 | 75 | Instrumentation & Measurement | |
| 6 | 76 | Electrical Grounding/Safety Equipment | |
| 6 | 77 | Permanent Equipment Installation | 6,250 |
| 6 | 80 | Other - Surface | |
| 6 | 81 | Other - Downhole | |
| | | TOTAL TANGIBLE PRODUCTION COSTS: | \$836,568 |
| | | | . , |

TOTAL PRODUCTION COSTS: \$1,130,148 TOTAL WELL COST: \$8,329,023

TAP ROCK RESOURCES COMPANY APPROVAL:

TOTAL DRILLING COSTS: \$2,935,460

| CEO | VP - EXPLORATION | |
|-------------------|------------------|--|
| CFO _ | VP - OPERATIONS | |
| VP - LAND & LEGAL | SENIOR GEOLOGIST | |
| | | |

| COMPANY NAME: | |
|-----------------------|-----------|
| SIGNED BY: | TITLE: |
| WORKING INTEREST (%): | DATE: |
| TAX ID: | APPROVAL: |

1700 Lincoln St Ste 4700 Denver CO 80203 Authorization For Expenditure

 Name:
 Beer 30 Fed Com #213H
 Date: January 28, 2025

 AFE #:
 0
 MD/TVD: 18650 / 8450

 County:
 Eddy
 Lateral Length: 9750

 State:
 NM
 Geologic Target: Wolfcamp A

Well Description:

Drill, complete, and produce a horizontal Wolfcamp A well with a 9750 foot lateral.

| COST CODES | INTANGIBLE DRILLING COSTS DESCRIPTION | AMOUNT | cos | ST CODES | INTANGIBLE COMPLETION COSTS DESCRIPTION | AMOUNT | cos | T CODES | INTANGIBLE PRODUCTION COSTS DESCRIPTION | AMOUNT |
|------------|---|----------------|-----|----------|--|----------------|-----|---------|--|-----------|
| 1 1 | Land - Legal | 40,000 | 2 | 1 | Land - Legal | Amount | 3 | 1 | Land - Legal | AMOON |
| 1 2 | Land - Regulatory | 14,000 | 2 | 2 | Land - Regulatory | | 3 | 2 | Land - Regulatory | |
| 1 3 | Land - Surface Damages | 50,000 | 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 | 3,000 |
| 1 7 | Reserve/Frac Pit Closing | 0 | 2 | 7 | Reserve/Frac Pit Closing | | 3 | 7 | Reserve/Frac Pit Closing | |
| 1 8 | Drilling - Contractor | 534,378 | 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 Services Cementing Equipment | 30,000 | 2 | 11 | Cementing Services Cementing Equipment | | 3 | 11 | Cementing Services Cementing Equipment | |
| 1 12 | Bits/Drill Out Assemblies | 63,500 | 2 | 12 | Bits/Drill Out Assemblies | 65,261 | 3 | 12 | Bits/Drill Out Assemblies | |
| 1 13 | Fluid Circulation Equipment/Services | 60,196 | 2 | 13 | Fluid Circulation Equipment/Services | 03,201 | 3 | 13 | Fluid Circulation Equipment/Services | |
| 1 14 | Fluids/Chemicals | 102,577 | 2 | 14 | Fluids/Chemicals | 43,482 | 3 | 14 | Fluids/Chemicals | |
| 1 15 | WBM Cuttings/Wastewater Disposal | 74,600 | 2 | 15 | WBM Cuttings/Wastewater Disposal | 43,462 | 3 | 15 | WBM Cuttings/Wastewater Disposal | |
| 1 16 | OBM Cuttings/Chemical Disposal | 74,600 | 2 | 16 | OBM Cuttings/Wastewater Disposal | | 3 | 16 | OBM Cuttings/Wastewater Disposal | |
| 1 17 | Fuel/Power | 56,520 | 2 | 17 | Fuel/Power | 479,385 | 3 | 17 | Fuel/Power | |
| 1 18 | Water | 35,768 | 2 | 18 | Water | 602,610 | 3 | 18 | Water | |
| 1 19 | Directional Drilling | 188,401 | 2 | 19 | Directional Drilling | 602,610 | 3 | 19 | Directional Drilling | |
| | | | 2 | | - | | 3 | | | |
| | Mud Logging | 23,113 | | 20 | Mud Logging | | | 20 | Mud Logging | |
| 1 21 | Open/Cased/Production Hole Logs | 0 | 2 | 21 | Open/Cased/Production Hole Logs | 8,692 | 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 | 96,096 | 2 | 25 | Consultant Supervision | 80,560 | 3 | 25 | Consultant Supervision | 23,500 |
| 1 26 | Freight/Transportation | 9,000 | 2 | 26 | Freight/Transportation | 2,000 | 3 | 26 | Freight/Transportation | 10,000 |
| 1 27 | Labor | 98,500 | 2 | 27 | Labor | 2,532 | 3 | 27 | Labor | 12,917 |
| 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 | 53,103 | 2 | 30 | Rentals - Surface | 14,763 | 3 | 30 | Rentals - Surface | 23,667 |
| 1 31 | Rentals - Living Quarters | 34,076 | 2 | 31 | Rentals - Living Quarters | 15,630 | 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 | 58,404 | 2 | 33 | Rentals - Pipe & Handling Tools | 0 | 3 | 33 | Rentals - Pipe & Handling Tools | |
| 1 34 | Rentals - Frac Stack | | 2 | 34 | Rentals - Frac Stack | 84,307 | 3 | 34 | Rentals - Frac Stack | |
| 1 35 | Rentals - Frac Tanks | 5,652 | 2 | 35 | Rentals - Frac Tanks | 29,562 | 3 | 35 | Rentals - Frac Tanks | 900 |
| 1 36 | Coil Tubing Unit/Workover Rig | | 2 | 36 | Coil Tubing Unit/Workover Rig | 132,744 | 3 | 36 | Coil Tubing Unit/Workover Rig | 26,500 |
| 1 37 | Wireline/Slickline/Perforating | | 2 | 37 | Wireline/Slickline/Perforating | 261,608 | 3 | 37 | Wireline/Slickline/Perforating | 12,000 |
| 1 38 | Temporary Packers/Plugs | | 2 | 38 | Temporary Packers/Plugs | 48,045 | 3 | 38 | Temporary Packers/Plugs | |
| 1 39 | High Pressure Pump Truck | | 2 | 39 | High Pressure Pump Truck | 53,795 | 3 | 39 | High Pressure Pump Truck | |
| 1 40 | Stimulation | | 2 | 40 | Stimulation | 1,760,226 | 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 | 54,103 | 3 | 42 | Flowback Services | 67,167 |
| 1 43 | Water Transfer Services | | 2 | 43 | Water Transfer Services | 55,650 | 3 | 43 | Water Transfer Services | |
| 1 44 | Flowback Water Trucking & Disposal | | 2 | 44 | Flowback Water Trucking & Disposal | 9,446 | 3 | 44 | Flowback Water Trucking & Disposal | 65,000 |
| 1 45 | Permanent Equipment Installation | | 2 | 45 | Permanent Equipment Installation | | 3 | 45 | Permanent Equipment Installation | |
| 1 46 | Pipeline Tapping Services | | 2 | 46 | Pipeline Tapping Services | | 3 | 46 | Pipeline Tapping Services | |
| 1 47 | Plugging & Abandonment | 0 | 2 | 47 | Plugging & Abandonment | | 3 | 47 | Plugging & Abandonment | |
| 1 53 | Overhead | 0 | 2 | 53 | Overhead | 13,715 | 3 | 53 | Overhead | (|
| 1 54 | Insurance | 20,000 | 2 | 54 | Insurance | | 3 | 54 | Insurance | |
| 1 55 | Contingency | 382,677 | 2 | 55 | Contingency | 441,301 | 3 | 55 | Contingency | 46,930 |
| | TOTAL INTANGIBLE DRILLING COSTS | S: \$2.296.060 | | | TOTAL INTANGIBLE COMPLETION COSTS | . \$4.263.416 | | | TOTAL INTANGIBLE PRODUCTION COSTS: | \$293,580 |
| - | | | | | | . , .,=00, .10 | | | | 7200,000 |

TANGIBLE DRILLING COSTS

TANGIBLE COMPLETION COSTS

TANGIBLE PRODUCTION COSTS

| TANGIBLE DRILLING COSTS | | | TANGIBLE COMPLETION COSTS | | | TANGIBLE PRODUCTION COSTS | | | | |
|-------------------------|---------------------------------------|-------------|---------------------------|-------|---------------------------------------|---------------------------|------|-------|---------------------------------------|-------------|
| COST CODES | DESCRIPTION | AMOUNT | cos | 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 | 15,652 | 5 | 61 | Surface Casing | | 6 | 61 | Surface Casing | |
| 4 62 | 1st Intermediate Casing | 46,620 | 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 | 454,128 | 5 | 64 | Production Casing | 0 | 6 | 64 | Production Casing | |
| 4 65 | Tubing | | 5 | 65 | Tubing | | 6 | 65 | Tubing | 51,783 |
| 4 66 | Wellhead | 78,000 | 5 | 66 | Wellhead | 0 | 6 | 66 | Wellhead | 29,610 |
| 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 | 311,225 |
| 4 70 | Compressors | | 5 | 70 | Compressors | | 6 | 70 | Compressors | |
| 4 71 | Surface Flowlines | | 5 | 71 | Surface Flowlines | | 6 | 71 | Surface Flowlines | 358,700 |
| 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 | 79,000 |
| 4 75 | Instrumentation & Measurement | | 5 | 75 | Instrumentation & Measurement | | 6 | 75 | Instrumentation & Measurement | |
| 4 76 | Electrical Grounding/Safety Equipment | | 5 | 76 | Electrical Grounding/Safety Equipment | | 6 | 76 | Electrical Grounding/Safety Equipment | |
| 4 77 | Permanent Equipment Installation | | 5 | 77 | Permanent Equipment Installation | | 6 | 77 | Permanent Equipment Installation | 6,250 |
| 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: | \$639,400 | | | TOTAL TANGIBLE COMPLETION COSTS: | \$0 | | | TOTAL TANGIBLE PRODUCTION COSTS: | \$836,568 |
| | TOTAL DRILLING COSTS: | \$2,935,460 | | | TOTAL COMPLETION COSTS: | \$4,263,416 | | | TOTAL PRODUCTION COSTS: | \$1,130,148 |

TOTAL WELL COST: \$8,329,023

TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO _ | VP - EXI | PLORATION | |
|-------------------|----------|-----------|--|
| CFO _ | VP - C | PERATIONS | |
| VP - LAND & LEGAL | SENIOR | GEOLOGIST | |
| | | | |

| | COMPANY NAME: | | |
|-----------------------|---------------|-----------|--|
| SIGNED BY: | | TITLE: | |
| WORKING INTEREST (%): | | DATE: | |
| TAX ID: | | APPROVAL: | |

Chronology of Contact

| Party | Address | Proposal, AFE, and JOA Certified Mail Sent Date | Tracking Information | Proposal, AFE, and JOA Certified Mail Received Date | Correspondence |
|---|--|--|--------------------------------|---|---|
| State of New Mexico, ex rel., New Mexico Department of Transportation | PO Box 1149 Santa Fe, NM 87504 | 8/26/2025 | USPS - '9589071052703172141790 | | 8/26/2025 - Mailed well proposals, AFEs, and proposed Operating Agreement 8/27/2025 - Tap Rock title brokers reach out to Ricky Mot, chief of NMDOT to discuss mineral ownership of this parcel. Follow up 2X trying to explain their ownership (and requesting confirmation from their end). No meaningful response. 9/29/2025 - Tap Rock Emailed NMDOT contacts (4 Emails we could find online and from peers). Summarized their acreage position, gave development timing, offered to lease and explained pooling process as alternative. 10/1/2025 - NMDOT responds stating they have no interest in leasing or otherwise participating in the drilling of these wells (or any wells, for that matter). |
| State of New Mexico, ex rel., New Mexico Department of Transportation | 1120 Cerillos Road Santa Fe, NM 87505 | 8/26/2025 | FedEx - '883875175374 | 8/27/2025 | IIII |

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

APPLICATION OF TAP ROCK OPERATING, LLC FOR APPROVAL TO COMPULSORY POOL ADDITIONAL INTEREST OWNERS UNDER ORDER R-23945, EDDY COUNTY, NEW MEXICO

CASE NO. 25710

| <u>AF</u> | FI. | DA | <u>VI</u> | \mathbf{T} |
|-----------|-----|----|-----------|--------------|
| | | | | |

STATE OF COLORADO) ss.
CITY AND COUNTY OF DENVER)

Rachael Ketchledge, legal assistant and authorized representative of Tap Rock Operating, LLC ("Tap Rock"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under Notice Letters dated October 9, 2025, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was delivered to the interested parties on or about October 22, 2025, as shown on certified mail receipts attached as Exhibit D-3.

Applicant also published notice of the Application in the Carlsbad Current-Argus on October 30, 2025. Proof of receipts is shown on Exhibit D-4.

Rachael Ketchledge

SUBSCRIBED AND SWORN to before me on October 30, 2025, by Rachael Ketchledge.

My commission expires:

SHANA JO PREISLER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19924009418
MY COMMISSION EXPIRES MARCH 5, 2027

NOTAKTPUBLIC

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW
500 DON GASPAR AVENUE
SANTA FE, NEW MEXICO 87505
TELEPHONE 505-983-8545
FACSIMILE 800-886-6566
www.bwenergylaw.com

COLORADO
NEW MEXICO
WYOMING

MIGUEL SUAZO

505-946-2090 MSUAZO@BWENERGYLAW.COM

October 22, 2025

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Application of Tap Rock Operating, LLC for Approval to Compulsory Pool Additional Interest Owners Under Order R-23945, Eddy County, New Mexico (Case No. 25710).

Dear Interest Owners:

This letter is to advise you that Tap Rock Operating, LLC ("Tap Rock") has filed the enclosed application, Case No. 25710, with the New Mexico Oil Conservation Division for Approval to Compulsory Pool Additional Interest Owners Under Order R-23945, Eddy County, New Mexico.

In Case No. 25710, Tap Rock seeks an Order from the Division to allow the compulsory pooling of additional uncommitted mineral interest owners under Order No. R-23945, issued in case number 25317. The Unit is a 1,283.04-acre standard horizontal well spacing unit comprised of all of Sections 3 and 4, Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

A hearing has been requested before a Division Examiner on November 13, 2025, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 9:00 a.m. Mountain Standard Time, and will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the Microsoft Teams virtual meeting platform. To view the hearing docket and to determine how to participate in the electronic hearing, visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

You are being notified as an interest owner and 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 contesting the matter at a later date.

Parties appearing in cases who intend to present evidence are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday

BEATTY & WOZNIAK, P.C.

October 22, 2025 Case No. 25710 Page 2

preceding the scheduled hearing date. This statement must be submitted through the OCD E-Permitting system (https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to ocd.hearings@emnrd.nm.gov 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. The statement must also be provided to the attorney for the applicant, Miguel Suazo at msuazo@bwenergylaw.com.

If you have any questions about this matter, please contact Erica Shewmaker at eshewmaker@taprk.com.

Sincerely,

Miguel Suazo

Attorney for Tap Rock Operating, LLC

Case No. 25710 Certified Mailing Status

| MAIL DATE | OWNER | ADDRESS | TYPE_INT | MAIL CLASS | TRACKING NUMBER |
|------------------|--|--|--------------------------|---|-----------------------------|
| October 22, 2025 | Balog Family Trust dated 8/15/2002 | 25812 South Dartford Drive Sun Lakes, Arizona 85248 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1355 18 |
| October 22, 2025 | Berdan Living Trust UTA dated November 2 2018 | 3639 Encanto Dr. Fort Worth, TX 76109 | Unleased | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1355 25 |
| October 22, 2025 | Big Three Energy Group LLC | P.O. Box 429 Roswell, NM 88202 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2418 39 |
| October 22, 2025 | Denise Price | 415 Del Rio # 56 Carlsbad, NM 88220 | Unleased | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2418 46 |
| October 22, 2025 | EOG Resources Inc | 5509 Champions Dr. Midland, TX 79702 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1353 58 |
| October 22, 2025 | Estate of Betty Cole Drake | 415 N. McKinley St. Ste. 270C Little Rock AR 72205 | Unleased | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1353 65 |
| October 22, 2025 | Estate of Frances Jane Owen | 5341 N 68th Pl Scottsdale, AZ 85253 | Unleased | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1353 72 |
| October 22, 2025 | Estate of Robert E Humphus | 304 Soper Rd Carlsbad, NM 88220 | Unleased | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1353 89 |
| October 22, 2025 | Fandango, LLC | P.O. Box 2606 Amarillo, TX 79105 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1353 96 |
| October 22, 2025 | Feathersone Development Corporation | | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1354 02 |
| October 22, 2025 | JKM Energy LLC | 26 E. Compass Road Artesia, NM 88210 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1354 19 |
| October 22, 2025 | Karen Dianne Farrell | 914 Fountain Dr. Carlsbad, NM 88220 | Unleased | Certified w/ Return Receipt (Signature) | 9589 0710 5270 2981 1354 26 |
| October 22, 2025 | Magnum Hunter Production Company Inc | Midland, TX 79706 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2417 30 |
| October 22, 2025 | OXY Y-1 Company | 5 Greenway Plaza, Ste 110 Houston, Texas 77045 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2417 47 |
| October 22, 2025 | Parrot Head Properties LLC | P.O. Box 429 Roswell, NM 88202 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2417 54 |
| October 22, 2025 | Powderhorn Asset Co, LLC | 600 N Marienfield St. Suite 1000 Midland, TX 79705 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2417 61 |
| October 22, 2025 | Powderhorn Nominee Corp | 600 N Marienfield St. Suite 1000 Midland, TX 79705 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2417 78 |
| October 22, 2025 | Prospector LLC | P.O. Box 429 Roswell, NM 88202 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2417 85 |
| October 22, 2025 | Sydhan LP | P.O. Box 92349 Austin, TX 78709 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2417 92 |
| October 22, 2025 | Vision Energy Inc | PO BOX 2459 Carlsbad, NM 88221 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2418 08 |
| October 22, 2025 | COG Operating LLC | One Concho Center 600 West Illinois Avenue Midland, TX 79701 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2418 22 |
| October 22, 2025 | Concho Oil & Gas LLC | 600 W. Illinois Avenue Midland, TX 79701 | WI | Certified w/ Return Receipt (Signature) | 9589 0710 5270 1506 7189 08 |
| October 22, 2025 | Bureau of Land Management Carlsbad Field Office | 620 East Green Street Carlsbad, NM 88220-6292 | MINERAL OWNER/ROYALTY | Certified w/ Return Receipt (Signature) | 9589 0710 5270 0916 2418 15 |

| October 22, 2025 | New Mexico Department of | 1120 Cerillos Road | Unleased | | |
|------------------|--------------------------|-------------------------|-----------|---|-----------------------------|
| October 22, 2023 | Transportation | Santa Fe, NM 87505 | Ullicased | Certified w/ Return Receipt (Signature) | 9589 0710 5270 1506 7188 85 |
| October 22, 2025 | New Mexico Department of | PO Box 1149 | I I1 | | |
| | Transportation | Santa Fe, NM 87504-1149 | Unleased | Certified w/ Return Receipt (Signature) | 9589 0710 5270 1506 7188 92 |









Received by OCB: 11/26/2025 12:35:47.PM. Alliaavit of Publication

No. 69320
State of New Mexico Publisher

County of Eddy:

Adrian Hedden

being duly sworn, sayes that he is the Publisher
of the Carlsbad Current Argus, a weekly newspaper of
general circulation, published in English at Carlsbad,
said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said
Carlsbad Current Argus, a weekly newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication

October 30, 2025

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Seventh Publication

Eighth Publication

Subscribed ans sworn before me this

30th

day of

October

2025

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires
05-12-2027

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE OCTOBER 30, 2025

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

The State of New Mexico, Energy, Minerals, and Natural Resources Department, Oil Conservation Division (Division) hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case.

The hearing will be conducted on Thursday, November 13, 2025, beginning at 9:00 A.M. MST in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the Microsoft Teams meeting platform. To view the hearing docket and to determine how to participate in the electronic hearing, visit the Divisions website at: http://www.emnrd.state.nm.us/OCD/hearing-info/ or contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov. Documents filed in the case may also be viewed at https://ocdimage.emnrd.nm.gov/imaging/CaseFileView.aspx?CaseNo=25710. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Sheila Apodaca or the New Mexico Relay Network at 1-800-659-1779, no later than November 6, 2025.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: All interested parties, including: Balog Family Trust dated 8/15/2002; Berdan Living Trust UTA dated November 2 2018; Big; Three Energy Group LLC; Denise Price; EOG Resources Inc; Estate of Betty Cole Drake; Estate of Frances Jane Owen; Estate of Robert E Humphus; Fandango, LLC; Feathersone Development Corporation; JKM Energy LLC; Karen Dianne Farrell; Magnum Hunter Production Company Inc; OXY Y-1 Company; Parrot Head Properties LLC; Powderhorn Asset Co, LLC; Powderhorn Nominee Corp; Prospector LLC; Sydhan LP; Vision Energy Inc; Bureau of Land Management; COG Operating LLC; Concho Oil & Gas LLC; New Mexico Department of Transportation.

CASE NO. 25710: Application of Tap Rock Operating, LLC for Approval to Compulsory Pool Additional Interest Owners Under Order R-23945, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling additional uncommitted mineral interest owners under Order No. R-23945. The order pooled uncommitted mineral interest owners in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of all of Sections 3 and 4 Township 25 South, Range 25 East, N.M.P.M., Eddy County, New Mexico (the Unit). Tap Rock has determined that that are additional uncommitted and unleased mineral interest owners in the Unit who were not pooled by Order No. R-23945, including the New Mexico Department of Transportation. Tap Rock is the designated operator under the pooling order. Order R-23945 dedicated the Unit to the proposed initial wells including: Beer 30 Fed Com 202H (API No. 30-015-57254), Beer 30 Fed Com 204H (API No. 30-015-57255), and Beer 30 Fed Com 213H (API No. 30-015-57255). The wells and lands are located approximately 1 mile southeast of Whites City, New Mexico.