

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

**APPLICATION OF TAP ROCK OPERATING,
TO AMEND ORDER R-21787
EDDY COUNTY, NEW MEXICO**

**CASE NO. 22856
ORDER NO. R-21787-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 16, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. On July 16, 2021, OCD issued Order R-21787 to Tap Rock Resources, LLC (“Operator”) to pool the uncommitted oil and gas interests within the specified spacing unit (“Unit”).
2. Subsequent to the issuance of Order R-21787, Operator discovered previously unidentified interest owner(s) in the Unit.
3. Subsequent to the issuance of Order R-21787, Operator decided to add the Schlitz Federal Com No. 233H and the Schlitz Federal Com No. 234H Wells (“Wells”) to the Unit as described in Exhibit A.
4. On May 4, 2022, Operator filed an application (“Application”) with the OCD to amend Order R-21787 to pool additional interest owner(s) and add additional wells to the Unit.
5. Operator provided evidence that it gave notice of the Application and the hearing to the previously pooled interest owners.
6. 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

7. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
8. Operator is the owner of an oil and gas working interest within the Unit.
9. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
10. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

11. The previously unidentified interest owner has not agreed to commit its interest to the Unit.
12. The pooling of the previously unidentified uncommitted interest in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
13. This Order affords to the previously unidentified interest owner the opportunity to produce its just and equitable share of the oil or gas in the pool.
14. Operator has the right to drill the Well(s) to a common source of supply at the depth and location in the Unit described in Exhibit A.
15. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

16. The previously unidentified uncommitted interest in the Unit is hereby pooled in the Unit.
17. Exhibit A attached to Order R-21787 is replaced by Exhibit A attached to this Order
18. The Well(s) will now be dedicated to the Unit established by Order R-21787.
19. If the location of the 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.
20. Order R-21787 shall remain in full force and effect.
21. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**
AES/jag

Date: 10/20/2022

Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case No.:	22856
Hearing Date:	6/2/2022
Applicant	Tap Rock Operating, LLC
Designated Operator & OGRID	372043
Applicant's Counsel	Michael Rodriguez
Case Title	APPLICATION OF TAP ROCK OPERATING, LLC TO AMEND ORDER NO. R-21787, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors	-
Well Family	Schlitz
Formation/Pool	
Formation Name(s) or Vertical Extent	Wolfcamp
Primary Product (Oil or Gas)	Gas
Pooling this vertical extent	Wolfcamp
Pool Name and Pool Code	Purple Sage (Gas) Pool [98220]
Well Location Setback Rules	Special Pool Rules for Pool Code 98220
Spacing Unit Size (acres)	640
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640
Building Blocks	quarter
Orientation	Standup
Description: TRS/County	E/2 of Sections 9 and 16, Township 25 South, Range 26 East, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	-
Well Name (API No)	Surface Hole Location Bottom Hole Location Completion Target (Approx. TVD) Completion status (Standard / Non-standard)
SCHLITZ FEDERAL COM #204H (30-015-49023)	672' FSL and 913' FEL of Section 16 200' FNL and 660' FEL of Section 9 Wolfcamp (8570') Standard
SCHLITZ FEDERAL COM #213H (30-015-49024)	647' FSL and 913' FEL of Section 16 200' FNL and 1980' FEL of Section 9 Wolfcamp (8745') Standard
SCHLITZ FEDERAL COM #233H (30-015-49027)	669' FSL and 993' FEL of Section 16 200' FNL and 2030' FEL of Section 9 Wolfcamp (9355') Standard
SCHLITZ FEDERAL COM #234H (30-015-49028)	644' FSL and 993' FEL of Section 16 200' FNL and 710' FEL of Section 9 Wolfcamp (9315') Standard
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	

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Drilling Supervision/Month \$	\$7,000.00
Production Supervision/Month \$	\$700.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-9
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-4
Tract List (including lease numbers & owners)	Exhibit A-4
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	Exhibit A
Ownership Depth Severance (including percentage above & below)	-
Joinder	
Sample Copy of Proposal Letter	A-5, A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined WI	Exhibit A-7
Overhead Rates In Proposal Letter	-
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Case No. 21612 - Exhibit C
Spacing Unit Schematic	Case No. 21612 - Exhibit C-7
Gunbarrel/Lateral Trajectory Schematic	Case No. 21612 - Exhibit C-8
Well Orientation (with rationale)	Case No. 21612 - Exhibit C
Target Formation	Case No. 21612 - Exhibit C
HSU Cross Section	Case No. 21612 - Exhibit C-8
Depth Severance Discussion	-
Forms, Figures and Tables	
C-102	Exhibit A-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation	Exhibit A-4
General Location Map (including basin)	Case No. 21612 - Exhibit C-7
Well Bore Location Map	Case No. 21612 - Exhibit C-8
Structure Contour Map - Subsea Depth	Case No. 21612 - Exhibit C-9
Cross Section Location Map (including wells)	Case No. 21612 - Exhibit C-10
Cross Section (including Landing Zone)	Case No. 21612 - Exhibit C-10
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Rodriguez
Signed Name (Attorney or Party Representative):	/s/ Michael Rodriguez
Date:	9/29/2022