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

APPLICATION OF TAP ROCK OPERATING, LLC TO AMEND ORDER NO. R-21787, EDDY COUNTY, NEW MEXICO. CASE NO. ORDER NO. R-21787 (Re-open)

APPLICATION

Tap Rock Operating, LLC ("TRO") (OGRID No. 372043) files this application requesting the Oil Conservation Division ("Division") amend Order No. R-21787 ("Order") to: (1) add two additional initial wells to the horizontal spacing unit established by the Order, and (2) pool additional mineral interests under the terms of the Order. In support of its application, TRO states the following.

- 1. Division Order No. R-21787 was issued in Case No. 21612 on July 16, 2021, which: pooled all uncommitted mineral interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the E/2 of Sections 9 and 16, Township 25 South, Range 26 East, NMPM, Eddy County; dedicated the Unit to the **Schlitz Fed Com 204H** well to be drilled from a surface hole location in Unit P of Section 16 to a bottom hole location in Unit P of Section 9, and the **Schlitz Fed Com 213H** well to be drilled from a surface hole location in Unit P of Section 16 to a bottom hole location in Unit P of Section 9; and designated TRO as the operator of the Unit and the wells.
- 2. Since entry of the Order, TRO determined that additional mineral interests have not been pooled under the terms of the Order.
- 3. Further, TRO revised its development plan to add two (2) additional initial wells to the Unit established by the Order: the **Schlitz Fed Com 234H** well to be drilled from a surface hole location in Unit P of Section 16 to a bottom hole location in Unit A of Section 9, and the **Schlitz Fed**

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Com 233H well to be drilled from a surface hole location in Unit P of Section 16 to a bottom hole

location in Unit B of Section 9.

4. TRO has sought and been unable to obtain voluntary agreements from all interest

owners to participate in the drilling of the wells and therefore seeks to pool these interests under the

terms of the Order.

5. Dedicating the additional initial wells to the Unit and pooling the additional

uncommitted interests under the terms of the Order will avoid the drilling of unnecessary wells,

prevent waste, and protect correlative rights.

6. To allow TRO to obtain its just and fair share of the oil and gas underlying the subject

lands, the Order should be amended as set forth above.

WHEREFORE, TRO requests this application be set for hearing before an Examiner of the Oil

Conservation Division on June 2, 2022, and after notice and hearing, the Division enter an order

dedicating the additional initial wells to the Unit established by Order No. R-21787 and pooling all

additional uncommitted interests under the terms of Order No. R-21787.

Respectfully submitted,

TAP ROCK OPERATING, LLC

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