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

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

CASE NOS. 22933, 22934

CONSOLIDATED PRE-HEARING STATEMENT

Tap Rock Operating, LLC ("TRO" or "Applicant"), the applicant in the above referenced matters, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT: ATTORNEYS:

Tap Rock Operating, LLC Michael Rodriguez

> 523 Park Point Drive Golden, CO 80401

(720) 245-2606

mdrodriguez@taprk.com

INTERESTED PARTIES: ATTORNEYS:

EOG Resources, Inc. Michael H. Feldewert Adam G. Rankin

Julia Broggi

Paula M. Vance

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com pmvance@hollandhart.com

STATEMENT OF THE CASE

In Case No. 22933, Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the E/2 of Sections 11 and 14, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously:

- Double Stamp Fed Com #113H, #123H, #126H, #133H, #153H and #173H to be horizontally drilled from a surface hole location in the SW/4SE/4 of Section 14 to a bottom hole location in the NW/4NE/4 of Section 11, and
- Double Stamp Fed Com #114H, #116H, #124H, #128H, #134H, #136H, #154H and #174H to be horizontally drilled from a surface hole location in the SW/4SE/4 of Section 14 to a bottom hole location in the NE/4NE/4 of Section 11.

The completed interval for the Double Stamp Fed Com #116H will be within 330' of the quarter-quarter line separating the W/2E/2 from the E/2E/2 of Sections 11 and 14 to allow the inclusion of this acreage into a standard horizontal spacing unit.

In Case No. 22934, Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 of Sections 11 and 14, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously:

- Double Stamp Fed Com #111H, Double Stamp Fed Com #115H, Double Stamp Fed Com #121H, Double Stamp Fed Com #125H, Double Stamp Fed Com #131H, Double Stamp Fed Com #135H, Double Stamp Fed Com #151H, and Double Stamp Fed Com #171H to be horizontally drilled from a surface hole location in the SE/4SW/4 of Section 14 to a bottom hole location in the NW/4NW/4 of Section 11, and
- Double Stamp Fed Com #112H, Double Stamp Fed Com #122H, Double Stamp Fed Com #127H, Double Stamp Fed Com #132H, Double Stamp Fed Com #152H, and Double Stamp Fed Com #172H to be horizontally drilled from a surface hole location in the SE/4SW/4 of Section 14 to a bottom hole location in the NE/4NW/4 of Section 11.

The completed interval for the Double Stamp Fed Com #115H will be within 330' of the quarter-quarter line separating the W/2W/2 from the E/2W/2 of Sections 11 and 14 to allow the inclusion of this acreage into a standard horizontal spacing unit.

Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Tap Rock Operating, LLC as operator of the Unit and Wells, and a 200% charge for risk involved in drilling and completing the Wells. The Units are located approximately 35 miles southwest of Hobbs, New Mexico.

PROPOSED EVIDENCE

| WITNESS | ESTIMATED TIME | ESTIMATED EXHIBITS |
|--------------------------|-------------------|-----------------------|
| Erica Shewmaker, Landman | Via Affidavit | 7 |
| Eli DenBesten, Geologist | Via Affidavit | 4 |

PROCEDURAL MATTERS

Applicant requests the subject cases be consolidated. Applicant will present the subject cases by affidavit if there is no opposition to its applications.

Respectfully submitted,

TAP ROCK OPERATING, LLC

/s/ Michael Rodriguez

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

CERTIFICATE OF SERVICE

I hereby certify that on November 10, 2022, I caused a true and correct copy of this document to be electronically served on the following:

Michael H. Feldewert Adam G. Rankin Julia Broggi Paula M. Vance mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com pmvance@hollandhart.com

/s/ Michael Rodriguez

Michael Rodriguez

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

QUESTIONS

Action 157704

QUESTIONS

| Operator: | OGRID: |
|-------------------------|--|
| TAP ROCK OPERATING, LLC | 372043 |
| 523 Park Point Drive | Action Number: |
| Golden, CO 80401 | 157704 |
| | Action Type: |
| | [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

| Testimony | | |
|---|---|--|
| Please assist us by provide the following information about your testimony. | | |
| Number of witnesses | 2 | |
| Testimony time (in minutes) | 0 | |