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

APPLICATION OF TAP ROCK OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS UNDER ORDER NO. R-22603, LEA COUNTY, NEW MEXICO.

**CASE NO. 24007** 

#### **HEARING EXHIBITS**

Exhibit A	Land Testimony			
A-1	Application and Proposed Notice			
A-2	Current Order			
Exhibit B	Legal Testimony			
B-1	Sample Notice of Hearing Letter & Tracking Log			
B-2	Affidavit of Publication			



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

APPLICATION OF TAP ROCK OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS UNDER ORDER NO. R-22603, LEA COUNTY, NEW MEXICO.

**CASE NO. 24007** 

#### **SELF-AFFIRMED STATEMENT OF CHAD MATNEY**

- 1. I am a landman at Tap Rock Operating, LLC ("TRO"). I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as a petroleum landman have been accepted and made a matter of record.
- 2. I am familiar with the land matters involved in the above-referenced case. Copies of TRO's application and proposed hearing notice are attached as **Exhibit A-1**.
  - 3. On March 30, 2023, the Division issued the Order in Case No. 22933, which:
    - a. pooled 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;
    - b. dedicated the Unit to the Double Stamp Fed Com #113H, #123H, #126H, #133H, #153H, #114H, #116H, #124H, #128H, #134H, #136H, #154H and #174H wells ("Wells"); and
    - c. designated TRO as operator of the Unit and Wells.

- 4. Paragraph 19 of the Order requires TRO to commence drilling the Wells within one
- (1) year of the date of the Order unless TRO obtains a time extension from the Division Director

for good cause shown.

5. Good cause exists for a time extension since TRO's ability to commence drilling

the Wells has been impacted by federal permitting delays.

6. Accordingly, TRO requests the Division extend the deadline to commence drilling

the Wells under the Order until March 31, 2025.

- 7. TRO further requests the other provisions of the Order remain in force and effect.
- 8. TRO is in good standing under the statewide rules and regulations.
- 9. In my opinion, granting TRO's applications will serve the interests of conservation,

the protection of correlative rights, and the prevention of waste.

10. The attached exhibits were either prepared by me or compiled under my direction

and supervision.

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

subject cases. I affirm that my testimony in paragraphs 1 through 10 above is true and correct and

is made under penalty of perjury under the laws of the State of New Mexico. My testimony is

made as of the date handwritten next to my signature below.

Chad Matney

12/4/23 Date

### Exhibit A-1

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

APPLICATION OF TAP ROCK OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS UNDER ORDER NO. R-22603, LEA COUNTY, NEW MEXICO.

**CASE NO. 24007** 

#### **APPLICATION**

Tap Rock Operating, LLC ("TRO") (OGRID No. 372043) files this application with the Oil Conservation Division ("OCD") to extend the time to commence drilling operations under Order No. R-22603 (the "Order"). In support of its application, TRO states:

- 1. On March 30, 2023, the OCD issued the Order in Case No. 22933, which:
  - a. pooled 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;
  - b. dedicated the Unit to the Double Stamp Fed Com #113H, #123H, #126H, #133H, #153H, #114H, #116H, #124H, #128H, #134H, #136H, #154H and #174H wells ("Wells"); and
  - c. designated TRO as operator of the Unit and Wells.
- 2. Paragraph 19 of the Order requires TRO to commence drilling the Wells within one (1) year of the date of the Order unless TRO obtains a time extension from the OCD Director for good cause shown.
- 3. Good cause exists for a time extension since TRO's ability to commence drilling the Wells has been impacted by federal permitting delays.

WHEREFORE, TRO requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023, and after notice and hearing, the Division enter an order to extend the deadline to commence drilling the Wells under the Order until March 31, 2025.

Respectfully submitted,

TAP ROCK OPERATING, LLC

/s/ Michael Rodriguez

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

Application of Tap Rock Operating, LLC to Extend Time to Commence Drilling Operations under Order No. R-22603, Lea County, New Mexico. Tap Rock Operating, LLC ("TRO") (OGRID No. 372043) files this application with the Oil Conservation Division ("OCD") to extend the time to commence drilling operations under Order No. R-22603 (the "Order"). On March 30, 2023, the OCD issued the Order in Case No. 22933, which: a. pooled 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; b. dedicated the Unit to the Double Stamp Fed Com #113H, #123H, #126H, #133H, #153H, #114H, #116H, #124H, #128H, #134H, #136H, #154H and #174H wells ("Wells"); and c. designated TRO as operator of the Unit and Wells. Paragraph 19 of the Order requires TRO to commence drilling the Wells within one (1) year of the date of the Order unless TRO obtains a time extension from the OCD Director for good cause shown. TRO requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023, and after notice and hearing, the Division enter an order to extend the deadline to commence drilling the Wells under the Order until March 31, 2025. The Wells are located approximately 35 miles southwest of Hobbs, New Mexico.

### Exhibit A-2

#### 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. 22933 **ORDER NO. R-22603** 

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on December 15, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

#### FINDINGS OF FACT

- Tap Rock Operating, LLC ("Operator") submitted an application ("Application") 1. to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit. 2.
- 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.
- Operator is the owner of an oil and gas working interest within the Unit. 7.
- 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.
- Operator has the right to drill the Well(s) to a common source of supply at the 10.

- 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. 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.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. 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").
- 23. 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

CASE NO. 22933 ORDER NO. R-22603

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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."

- 24. 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.
- 25. 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.
- 26. 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."
- 27. 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 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.
- 28. 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.
- 29. 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.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. 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.
- 32. 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.
- 33. 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.*
- 34. 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.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAN MEUGE DIRECTOR (ACTING)

DMF/jrh

Date:  $\frac{3/30/23}{}$ 

#### Exhibit A

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COMPULSORY POOLING	APPLICATION CHECKLIST					
ALL INFORMATION IN THE APPLICATI	ON MUST BE SUPPORTED BY SIGNED AFFIDAVITS					
Case No.: 22933						
Hearing Date:	12/15/2022					
Applicant	Tap Rock Operating, LLC					
Designated Operator & OGRID	372043					
Applicant's Counsel	Michael Rodriguez					
Case Title	APPLICATION OF TAP ROCK OPERATING, LLC FOR COMPULSORY POOLING, LEA					
	COUNTY, NEW MEXICO					
Entries of Appearance/Intervenors	EOG Resources, Inc.					
Well Family	Double Stamp					
Formation/Pool						
Formation Name(s) or Vertical Extent	Bone Spring					
Primary Product (Oil or Gas)	Oil					
Pooling this vertical extent	Bone Spring					
Pool Name and Pool Code	SALT LAKE;BONE SPRING [53560]					
Well Location Setback Rules	Statewide rules					
Spacing Unit Size (acres)	640					
Spacing Unit	040					
Type (Horizontal/Vertical)	Havisantal					
	Horizontal					
Size (Acres)	640					
Building Blocks	quarter-quarter					
Orientation	Standup					
Description: TRS/County	E/2 of Sections 11 and 14, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico					
Standard Horizontal Well Spacing Unit (Y/N), If	Yes					
No, describe						
Other Situations						
Depth Severance: Y/N. If yes, description	No					
Proximity Tracts: If yes, description	Yes					
Proximity Defining Well: if yes, description	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					
Well Name (API No)	Surface Hole Location					
• "	Bottom Hole Location					
	Completion Target (Approx. TVD)					
TO ANY LOSS A VIOLENCE CONTRACTOR ANY ANY	Completion status (Standard / Non-standard)					
Double Stamp Fed Com #113H (Pending)	246 FNL and 2512 FEL of Section 23					
	5 FNL and 2178 FEL of Section 11					
	Bone Spring (9000')					
Double Stamp Fed Com #114H (Pending)	Standard 247 FNL and 2382 FEL of Section 23					
boable stamp rea com mili m (n enamb)	5 FNL and 331 FEL of Section 11					
	Bone Spring (9000')					
	Standard					
Double Stamp Fed Com #116H (Pending)	246 FNL and 2487 FEL of Section 23					
	5 FNL and 1254 FEL of Section 11					
	Bone Spring (9000')					
Dealth Communication (Communication)	Standard					
Double Stamp Fed Com #123H (Pending)	271 FNL and 2512 FEL of Section 23					
	5 FNL and 2303 FEL of Section 11					
	Bone Spring (9700') Standard					

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Double Stamp Fed Com #124H (Pending)	272 FNL and 2407 FEL of Section 23			
	5 FNL and 990 FEL of Section 11			
	Bone Spring (9700')			
D. 11 C 5 1 C	Standard			
Double Stamp Fed Com #126H (Pending)	271 FNL and 2487 FEL of Section 23			
	5 FNL and 1650 FEL of Section 11			
	Bone Spring (9700')			
Double Stamp Fed Com #128H (Pending)	Standard 272 FNL and 2382 FEL of Section 23			
bouble stamp rea com #12017 (1 chaing)	5 FNL and 331 FEL of Section 11			
	Bone Spring (9700')			
	Standard			
Double Stamp Fed Com #133H (Pending)	413 FNL and 2178 FEL of Section 23			
	5 FNL and 2178 FEL of Section 11			
	Bone Spring (10350')			
THE ANN THE SE PARTY THE SECOND SECON	Standard			
Double Stamp Fed Com #134H (Pending)	413 FNL and 2128 FEL of Section 23			
	5 FNL and 331 FEL of Section 11			
	Bone Spring (10350')			
Double Stamp Fed Com #136H (Pending)	Standard 388 FNL and 2153 FEL of Section 23			
bouble stamp red com #15011 (1 ending)	5 FNL and 1254 FEL of Section 11			
	Bone Spring (10350')			
	Standard			
Double Stamp Fed Com #153H (Pending)	388 FNL and 2178 FEL of Section 23			
10 40229	5 FNL and 1650 FEL of Section 11			
	Bone Spring (10350')			
	Standard			
Double Stamp Fed Com #154H (Pending)	388 FNL and 2128 FEL of Section 23			
	5 FNL and 594 FEL of Section 11			
	Bone Spring (10350')			
Double Stamp Fed Com #173H (Pending)	Standard 247 FNL and 2302 FEL of Section 23			
bouble Stamp Fed Com #17511 (Fending)	5 FNL and 1980 FEL of Section 11			
	Bone Spring (8300')			
	Standard			
Double Stamp Fed Com #174H (Pending)	272 FNL and 2302 FEL of Section 23			
	5 FNL and 660 FEL of Section 11			
	Bone Spring (8300')			
	Standard			
Horizontal Well First and Last Take Points	Exhibit A-2			
Completion Target (Formation, TVD and MD)	Exhibit A-4			
AFE Capex and Operating Costs				
Drilling Supervision/Month \$	\$8,000.00			
Production Supervision/Month \$	\$800.00			
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	Exhibit C-1			
before hearing)	LAMBIT C-1			
Proof of Published Notice of Hearing (10 days	Exhibit C-2			
before hearing)				
Ownership Determination				
Land Ownership Schematic of Spacing Unit	Exhibit A-3			
Tract List (including lease numbers & owners)	Exhibit A-3			
Pooled Parties (including ownership type)	Exhibit A-3			

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Unlocatable Parties to be Pooled	Exhibit A				
Ownership Depth Severance (including	N/A				
percentage above & below)	IN/A				
Joinder					
Sample Copy of Proposal Letter	Exhibit A-4				
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3				
Chronology of Contact with Non-Joined WI	Exhibit A-5				
Overhead Rates In Proposal Letter	-				
Cost Estimate to Drill and Complete	Exhibit A-4				
Cost Estimate to Equip Well	Exhibit A-4				
Cost Estimate for Production Facilities	Exhibit A-4				
Geology					
Summary (including special considerations)	Exhibit B				
Spacing Unit Schematic	Exhibit B-1				
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2				
Well Orientation (with rationale)	Exhibit B				
Target Formation	Exhibit B				
HSU Cross Section	Exhibit B-4				
Depth Severance Discussion	-				
Forms, Figures and Tables					
C-102	Exhibit A-2				
Tracts	Exhibit A-3				
Summary of Interests, Unit Recapitulation	Exhibit A-3				
General Location Map (including basin)	Exhibit B-1				
Well Bore Location Map	Exhibit B-1				
Structure Contour Map - Subsea Depth	Exhibit B-3				
Cross Section Location Map (including wells)	Exhibit B-3				
Cross Section (including Landing Zone)	Exhibit B-4				
Additional Information					
CERTIFICATION: I hereby certify that the					
information					
provided in this checklist is complete and					
accurate.					
Printed Name (Attorney or Party	Michael Rodriguez				
Representative):					
Signed Name (Attorney or Party	/s/ Michael Rodriguez				
Representative):					

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Exhibit B

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

APPLICATION OF TAP ROCK OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS UNDER ORDER NO. R-22603, LEA COUNTY, NEW MEXICO.

**CASE NO. 24007** 

### SELF-AFFIRMED STATEMENT OF MICHAEL RODRIGUEZ

- 1. I am attorney in fact and authorized representative of Tap Rock Operating, LLC, the Applicant herein.
- 2. On November 16, 2023, I caused notice of the application for the captioned case to be sent by certified mail through the United States Postal Service to all interest owners entitled to receive notice of the application filed herein.
- 3. The notice letter attached as **Exhibit B-1** and the above-referenced application were sent to the uncommitted interest owners. This exhibit also contains a tracking sheet that identifies the parties and addresses that notice was sent to and the status of receipt.
- 4. On November 17, 2023, notice was also directed to all interested parties by publication in the Hobbs News-Sun. An Affidavit of Publication and a copy of the notice publication are attached as **Exhibit B-2**.
- 5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

NVWOR	12/1/2023
Michael Rodriguez	Date

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

TAP ROCK OPERATING, LLC

MICHAEL RODRIGUEZ - ATTORNEY MDRODRIGUEZ@TAPRK.COM



November 16, 2023

#### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED



TO: ALL INTERESTED PARTIES SUBJECT TO NOTICE

Re: Case Nos. <u>24007</u>, <u>24008</u> - Applications of Tap Rock Operating, LLC to Extend Time to Commence Drilling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on December 7, 2023, beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: https://www.emrrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter later. Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. MST, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (https://wwwapps.emrrd.state.nm.us/ocd/ocdpermitting/) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about the subject applications, please contact the following:

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

Thank you,

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

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TrackingNo	ToName	DeliveryAddress	City	State	Zip	MailDate	USPS_Status
							Your item was picked up at a postal facility at 8:32 am on November 21, 2023 in
9414811898765497607293	EOG Resources, Inc.	5509 Champions Dr	Midland	TX	79706-2843	11/16/2023	MIDLAND, TX 79702.
							Your item was delivered to an individual at the address at 3:24 pm on November
9414811898765497607286	Colgate Royalties, LP	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	11/16/2023	20, 2023 in MIDLAND, TX 79701.
							Your package will arrive later than expected, but is still on its way. It is currently
9414811898765497607811	Anadarko Petroleum Corporation	1201 Lake Robbins Dr	The Woodlands	TX	77380-1181	11/16/2023	in transit to the next facility.
							Your item was delivered to the front desk, reception area, or mail room at $11:45$
9414811898765497607866	Bureau of Land Management	PO Box 27115	Santa Fe	NM	87502-0115	11/16/2023	am on November 22, 2023 in SANTA FE, NM 87508.

### **Affidavit of Publication**

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated November 17, 2023 and ending with the issue dated November 17, 2023.

Publisher

Sworn and subscribed to before me this 17th day of November 2023.

Business Manager

My commission expires

J<u>anuary 29, 2027</u>

(Seal) STATE OF NEW MEXICO

NOTARY PUBLIC

GUSSIE RUTH BLACK

COMMISSION # 1087526

COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

Exhibit B-2

LEGAL NOTICE November 17, 2023

To all interested parties subject to notice including: EOG Resources, Inc.; Colgate Royalties, LP; Anadarko E&P Onshore LLC; Anadarko Petroleum Corporation; Bureau of Land Management; and their successors or assigns. On December 7, 2023, the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Tap Rock Operating, LLC in Case No. 24007. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD H e a r in g s w e b s i t e; https://www.emnrd.nm.gov/ocd/hearing-info/. Tap Rock Operating, LLC ("TRO") (OGRID No. 372043) files this application with the Oil Conservation Division ("OCD") to extend the time to commence drilling operations under Order No. R-22603 (the "Order"). On March 30, 2023, the OCD issued the Order in Case No. 22933, which: a. pooled 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; b. dedicated the Unit to the Double Stamp Fed Com #113H, #124H, #126H, #133H, #153H, #154H and #174H wells ("Wells"); and c. designated TRO as operator of the Unit and Wells. Paragraph 19 of the Order requires TRO to commence drilling the Wells within one (1) year of the date of the Order unless TRO obtains a time extension from the OCD Director for good cause shown. TRO requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023, and after notice and hearing, the Division enter an order to extend the deadline to commence drilling the Wells under the Order until March 31, 2025. The Wells are located approximately 35 miles southwest of Hobbs, New Mexico.

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