

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

**APPLICATION OF TAP ROCK OPERATING,
LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

In accordance with NMSA 1978, § 70-2-17, Tap Rock Operating, LLC (“Tap Rock” or “Applicant”), through its undersigned attorney, files this application with the Oil Conservation Division (“Division”) seeking an order pooling a standard 480 acre, more or less, horizontal spacing unit in the Bone Spring formation comprised of the N2/S/2 of Section 35, Township 24 South, Range 25 East, the N2/S2 of Section 36 in Township 24 South, Range 25 East, and the N/2 S/2 of Section 31 in Township 24 South Range 26 East, NMPM, Eddy County, New Mexico. In support of this application, Tap Rock states the following.

1. Applicant (OGRID No. 372043) is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the Unit to the following proposed well (“Well”):
 - a. **Shiner Rock Fed Com 153H**, which will be drilled from a surface hole location 1618 Feet from the South Line of Section 31 and 1099 Feet from the East Line of Section 31 (Unit I) to a bottom hole located 5 Feet from the West Line in Section 35 and 2293 Feet from the South Line in Section 35 (Unit L).

3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the Unit.

4. The pooling of interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

5. To allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the proposed horizontal well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the initial well in the Unit;
- C. Designating Applicant as the operator of the Unit and the horizontal well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,


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Attorney for Tap Rock Operating, LLC

CASE _____: Application of Tap Rock Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 480 acre, more or less, horizontal well spacing unit in the Bone Spring formation comprised of N2/S2 of Section 35, Township 24 South, Range 25 East, the N2/S2 of Section 36 in Township 24 South, Range 25 East, and the N/2 S/2 of Section 31 in Township 24 South Range 26 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Shiner Rock Fed Com 153H** well to be horizontally drilled from a surface location in the NE/4SE/4 (Unit I) of Section 31, with first take points in the NE/4SE/4 (Unit I) of Section 31 and last take points in the NW/4SW/4 (Unit L) of Section 35. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 3 miles east of Whites City, New Mexico.