

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

**APPLICATION OF TAP ROCK OPERATING,
LLC FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL SPACING UNIT AND
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 1920 acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of all of Sections 11 and 12, Township 25 South, Range 25 East, and all of Section 7 in Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. In support of this application, Tap Rock states the following.

1. Applicant (OGRID No. 372043) and/or its affiliates are 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 wells (“Wells”):
 - a. **High Life Fed Com 211H**, which will be drilled from a surface hole location the SE/4 NE/4 of Section 10, Township 25 South, Range 25 East (Unit H) to a bottom hole located 5 Feet from the East Line in Section 7 and 392 Feet from the North Line in Section 7 (Unit A), Township 25 South, Range 26 East.
 - b. **High Life Fed Com 202H**, which will be drilled from a surface hole location the SE/4 NE/4 of Section 10, Township 25 South, Range 25 East (Unit H) to a bottom hole located 5 Feet from the East Line in Section 7 and 1,600 Feet from the North Line in Section 7 (Unit H) Township 25 South, Range 26 East.
 - c. **High Life Fed Com 213H**, which will be drilled from a surface hole location the

NW/4 SW/4 of Section 11, Township 25 South, Range 25 East (Unit L) to a bottom hole located 5 Feet from the East Line in Section 7 and 2,360 Feet from the South Line in Section 7 (Unit I) Township 25 South, Range 26 East.

- d. **High Life Fed Com 204H**, which will be drilled from a surface hole location the NW/4 SW/4 of Section 11, Township 25 South, Range 25 East (Unit L) to a bottom hole located 5 Feet from the East Line in Section 7 and 990 Feet from the South Line in Section 7 (Unit P) Township 25 South, Range 26 East.

3. This horizontal well spacing unit will overlap with the following existing Wolfcamp spacing unit for the following well:

- The Wild Hog 11 Federal #001, API 30-015-31943, dedicated to a 320-acre spacing unit covering the S/2 of Section 11, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico.

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

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

6. 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 wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 22, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests in the Unit;
- B. Approving the initial wells in the Unit;

- C. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,



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Attorney for Tap Rock Operating, LLC

CASE _____: **Application of Tap Rock Operating, LLC for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 1920 acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of all of all of Sections 11 and 12, Township 25 South, Range 25 East, and all of Section 7 in Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed High Life Fed Com 211H, High Life Fed Com 202H, High Life Fed Com 213H, and High Life Fed Com 204H, each of the wells to be horizontally drilled as follows:

- **High Life Fed Com 211H**, which will be drilled from a surface hole location the SE/4 NE/4 of Section 10, Township 25 South, Range 25 East (Unit H) to a bottom hole located 5 Feet from the East Line in Section 7 and 392 Feet from the North Line in Section 7 (Unit A) Township 25 South, Range 26 East.
- **High Life Fed Com 202H**, which will be drilled from a surface hole location the SE/4 NE/4 of Section 10, Township 25 South, Range 25 East (Unit H) to a bottom hole located 5 Feet from the East Line in Section 7 and 1,600 Feet from the North Line in Section 7 (Unit H) Township 25 South, Range 26 East.
- **High Life Fed Com 213H**, which will be drilled from a surface hole location the NW/4 SW/4 of Section 11, Township 25 South, Range 25 East (Unit L) to a bottom hole located 5 Feet from the East Line in Section 7 and 2,360 Feet from the South Line in Section 7 (Unit I) Township 25 South, Range 26 East.
- **High Life Fed Com 204H**, which will be drilled from a surface hole location the NW/4 SW/4 of Section 11, Township 25 South, Range 25 East (Unit L) to a bottom hole located 5 Feet from the East Line in Section 7 and 990 Feet from the South Line in Section 7 (Unit P) Township 25 South, Range 26 East.

This horizontal spacing unit will overlap the following existing Wolfcamp spacing unit: 320-acre vertical well spacing unit covering the S/2 of Section 11, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico, dedicated to the Wild Hog 11 Federal #001 (API 30-015-31943). Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 2.1 miles east of Whites City, New Mexico.