

**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 1280 acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of the W/2 of Section 17, Township 26 South, Range 26 East; the E/2 of Section 18, Township 26 South, Range 26 East; the E/2 of Section 19, Township 26 South, Range 26 East; and the W/2 of Section 20, Township 26 South, Range 26 East, N.M.P.M., 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”):
  - **Coors Fed Com #211H**, which will be drilled from a surface hole location in the NE/4NW/4 (Unit C) of Section 17 to a bottom hole located 990’ From the West Line of Section 20 (Unit M).
  - **Coors Fed Com #212H**, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 17 to a bottom hole located 2,310’ From the West Line of Section 20 (Unit N).
  - **Coors Fed Com #213H**, which will be drilled from a surface hole location in the NW/4NW/4 of Section 17 (Unit D) to a bottom hole located 1,650’ From the East Line of Section 19 (Unit O).

- **Coors Fed Com #214H**, which will be drilled from a surface hole location in the NW/4NW/4 of Section 17 (Unit D) to a bottom hole located 280' From the East Line of Section 19 (Unit P).

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 wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on the next available docket, 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 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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Jennifer L. Bradfute

**Bradfute Sayer P.C.**  
P.O. Box 90233  
Albuquerque, NM 87199  
Phone 505.264.8740  
[jennifer@bradfutelaw.com](mailto:jennifer@bradfutelaw.com)

*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 1280 acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of W/2 of Section 17, Township 26 South, Range 26 East; the E/2 of Section 18, Township 26 South, Range 26 East; the E/2 of Section 19, Township 26 South, Range 26 East; and the W/2 of Section 20, Township 26 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be initially dedicated to the proposed Coors Fed Com 211H, 212H, 213H and 214H wells to be horizontally drilled as follows:

- **Coors Fed Com #211H**, which will be drilled from a surface hole location in the NE/4NW/4 (Unit C) of Section 17 to a bottom hole located 990' From the West Line of Section 20 (Unit M).
- **Coors Fed Com #212H**, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 17 to a bottom hole located 2,310' From the West Line of Section 20 (Unit N).
- **Coors Fed Com #213H**, which will be drilled from a surface hole location in the NW/4NW/4 of Section 17 (Unit D) to a bottom hole located 1,650' From the East Line of Section 19 (Unit O).
- **Coors Fed Com #214H**, which will be drilled from a surface hole location in the NW/4NW/4 of Section 17 (Unit D) to a bottom hole located 280' From the East Line of Section 19 (Unit P).

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 9.25 miles southeast of Whites City, New Mexico.