# NSL

# Initial

# Application

Received: 08/05/20

P.O. No. V5KSK-200805-NSL000

Signature

Revised March 23, 2017

RECEIVED: 08/05/20	REVIEWER: LRL	NSL NSL	APP NO: pLEL2021955452
	ABOV	ETHIS TABLE FOR OCD DIVISION USE O	NLY



NEW MEXICO OIL CONSE	RVATION DIVISION
- Geological & Engineer	
1220 South St. Francis Drive, Sc	anta Fe, NM 87505
ADMINISTRATIVE APPLICATION APP	ATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APP REGULATIONS WHICH REQUIRE PROCESSING AT	
Applicant: Tap Rock Operating, LLC	OGRID Number: 372043
Well Name: Nailed It Fed Com #224H Well Pool: Purple Sage; Wolfcamp	API: 30-015-46883
POOI: rutple Sage, worksamp	Pool Code: 98220
SUBMIT ACCURATE AND COMPLETE INFORMATION REC	
1) TYPE OF APPLICATION: Check those which apply for	r[A]
A. Location – Spacing Unit – Simultaneous Dedica	
	NSP (PRORATION UNIT) SD
B. Check one only for [1] or [1]	
[1] Commingling – Storage – Measurement □DHC □CTB □PLC □PC [	7ols □olm
[ II ] Injection - Disposal - Pressure Increase - E	
	TEOR TPPR
	FOR OCD ONLY
2) NOTIFICATION REQUIRED TO: Check those which ap	ply. Notice Complete
A. Offset operators or lease holders	
<ul><li>B.  Royalty, overriding royalty owners, revenue</li><li>C. Application requires published notice</li></ul>	Application
D. ☐ Notification and/or concurrent approval by	(SLO Content
E. Notification and/or concurrent approval by	
F. Surface owner	
G. For all of the above, proof of notification or	publication is attached, and/or,
H. No notice required	
3) <b>CERTIFICATION:</b> I hereby certify that the information	submitted with this application for
administrative approval is accurate and complete	
understand that <b>no action</b> will be taken on this app	
notifications are submitted to the Division.	
Note: Statement must be completed by an individual	with managerial and/or supervisory capacity.
	08/05/2020
Kaitlyn A. Luck	Date
Print or Type Name	
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	505-954-7286
10. 1 1 0 0	Phone Number
ANNO ALL	lustrate@hallandhart.co
	kaluck@hollandhart.com

e-mail Address



Kaitlyn A. Luck Phone (505) 954-7286 KALuck@hollandhart.com

August 05, 2020

#### VIA ONLINE FILING

Adrienne Sandoval, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Nailed It Fed Com #224H Well in the SE/4 of Section 25 and the E/2 of irregular Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval of an unorthodox well location for its Nailed It Fed Com #224H Well (API No. 30-015-46883) to be completed within the Purple Sage; Wolfcamp Pool (98220) underlying the SE/4 of Section 25 and the E/2 of irregular Section 36, Township 26 South, Range 30 East, Township South, Range East, N.M.P.M., Eddy County, New Mexico. The unorthodox location in this application encroaches on the state line of New Mexico and Texas.

This well will be drilled from a surface location 766 feet from the south line and 668 feet from the east line (Lot 1) of Section 36 to a bottom hole location 2466 feet from the south line and 800 feet from the east line (Unit I) of Section 25. The first take point will be located 100 feet from the south line and 800 feet from the east line (Lot 1) of Section 36 and the last take point will be 2336 feet from the south line and 800 feet from the east line (Unit I) of Section 25.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool which provide for wells in the Wolfcamp formation in Eddy County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the Nailed It Fed Com #224H Well will be unorthodox because it is closer than 330 feet to the southern boundary of the horizontal spacing unit. Approval of the unorthodox completed interval will allow Tap Rock to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

**Exhibit A** is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Nailed It Fed Com #224H Well** encroaches on the tracts to the south.

**Exhibit B** is a land plat for Sections 25 and 36 that shows the proposed **Nailed It Fed Com** #224H Well in relation to the adjoining tracts to the south in the Section 2, Block 56, Township 1 North (Loving County, Texas).

Ownership is diverse between the subject spacing unit and the tracts to the south. Since this application involves an encroachment only on the state line of Texas, Tap Rock understands the Division does not require a 20-day waiting period for approval of the unorthodox location. However, a copy of this application with all attachments has been sent by certified mail to each affected person, under the rules. **Exhibit C** is a list of the parties affected by the encroachment to the south together with the tracking information reflecting notice has been provided.

**Exhibit D** is a statement from Tap Rock's petroleum engineer confirming that Tap Rock's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR TAP ROCK OPERATING, LLC

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 Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

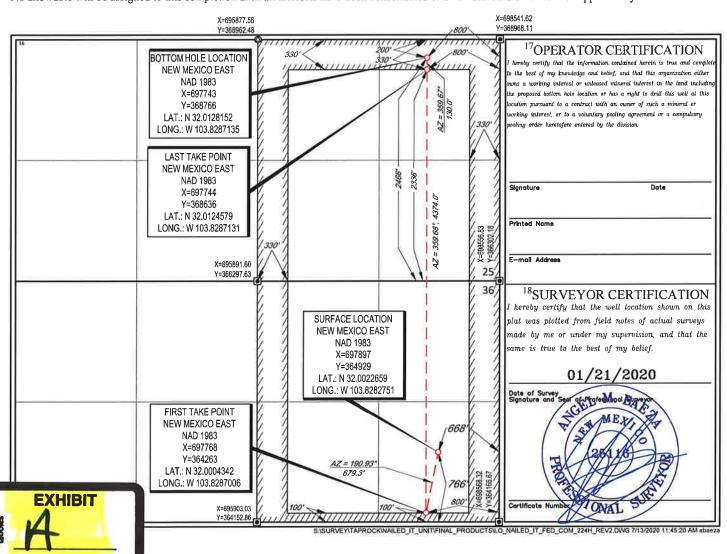
FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

\_\_\_ AMENDED REPORT

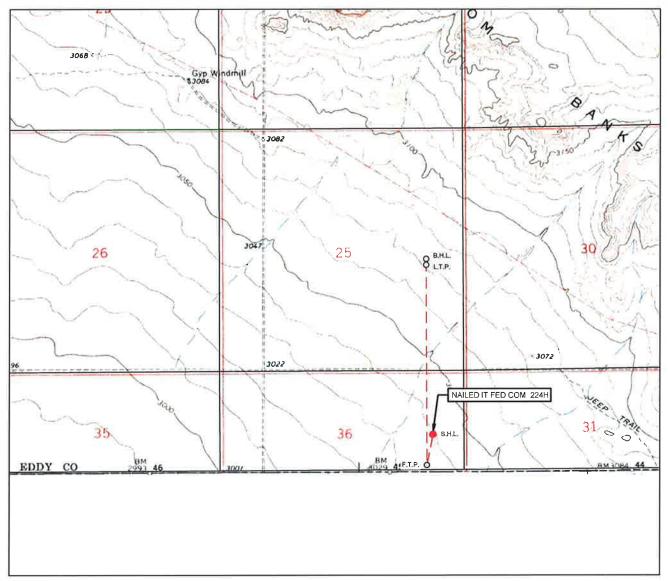
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number	r		<sup>z</sup> Pool Code			<sup>3</sup> Pool Na	ıme		
*Property C	ode				<sup>5</sup> Property N	lame			· /	Vell Number
				N.	AILED IT F	ED COM				224H
OGRID N	io.				*Operator I	Name				<sup>9</sup> Elevation
			TAP ROCK OPERATING, LLC.			3045'				
					<sup>10</sup> Surface L	ocation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County
1	36	26-S	30-E	-	766'	SOUTH	668'	EAS	ST	EDDY
			11]	Bottom Ho	le Location If D	Different From Su	rface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County
I	25	26-S	30-E	-	2466'	SOUTH	800'	EAS	T	EDDY
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or 1	Infill 14 Cor	solidation Co	de <sup>15</sup> Ord	er No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



#### **LOCATION & ELEVATION VERIFICATION MAP**





LEASE NAME & WELL NO.:

NAILED IT FED COM 224H

SECTION 36 TWP 26-S RGE 30-E SURVEY N.M.P.M. COUNTY \_\_\_\_ EDDY \_\_\_ STATE \_\_\_ NM \_\_ ELEVATION \_\_ 3045' 766' FSL & 668' FEL DESCRIPTION \_

LATITUDE N 32.0022659

LONGITUDE \_\_\_\_\_W 103.8282751



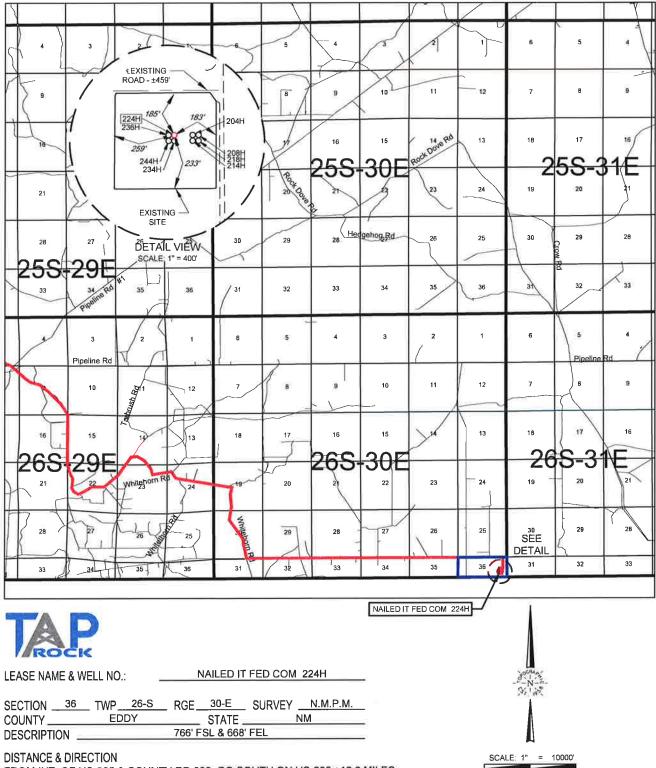
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC, THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



TELEPHONE: (817) 744-7512 - FAX (817) 744-7554
2903 NORTH BIG SPRING - MIDLAND, TEXAS 76705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 - FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

## EXHIBIT 2 VICINITY MAP



FROM INT. OF US-285 & COUNTY RD 396, GO SOUTH ON US-285 ±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON WHITEHORN RD. ±3.3 MILES, THENCE WEST (RIGHT) ON PROPOSED RD. ±3.0 MILES, THENCE EAST (LEFT) ON STATE LINE RD. ±7.0 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.2 MILES, THENCE WEST (RIGHT) ON PROPOSED RD. ±226 FEET TO A POINT ±195 FEET NORTHEAST OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

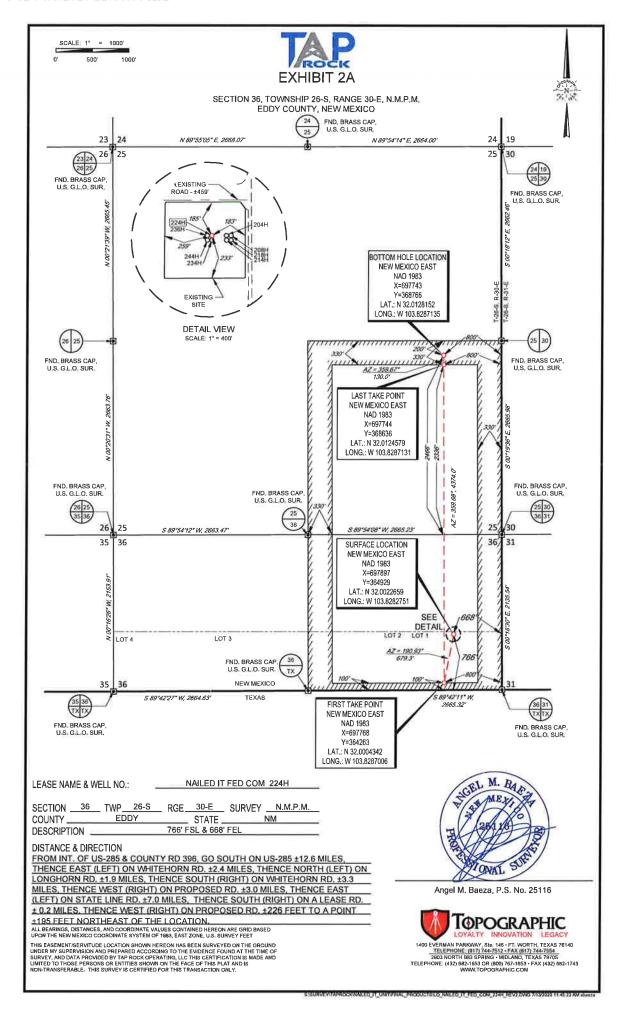
ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



5000

100000

1400 EVERMAN PARKWAY, SIe. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX: (817) 744-7554
2903 NORTH BIG SPRING • MIDLAND, TEXAS 76755
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX: (432) 682-1743
WWW.TOPOGRAPHIC.COM

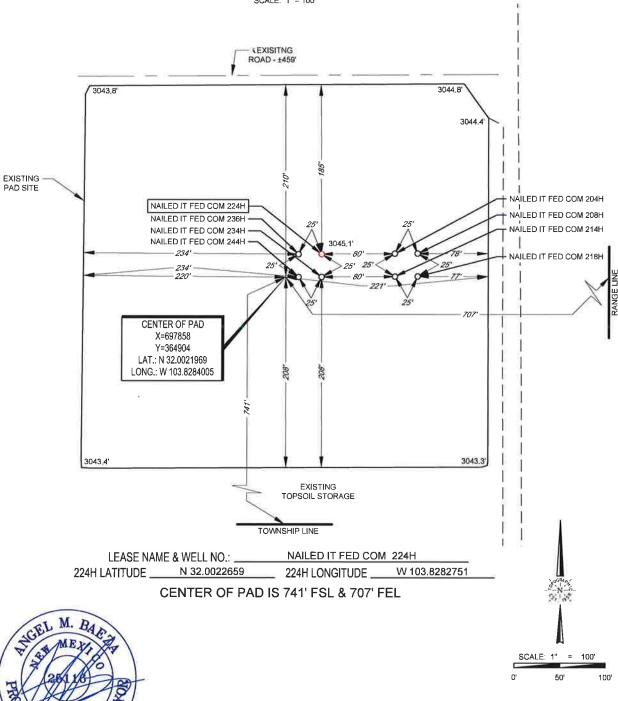


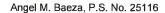
#### **EXHIBIT 2B**



SECTION 36, TOWNSHIP 26-S, RANGE 30-E, N.M.P.M. EDDY COUNTY, NEW MEXICO

DETAIL VIEW SCALE: 1" = 100'





ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION,

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC, THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



1400 EVERMAN PARKWAY, Ste. 146 • FT, WORTH, TEXAS 76140

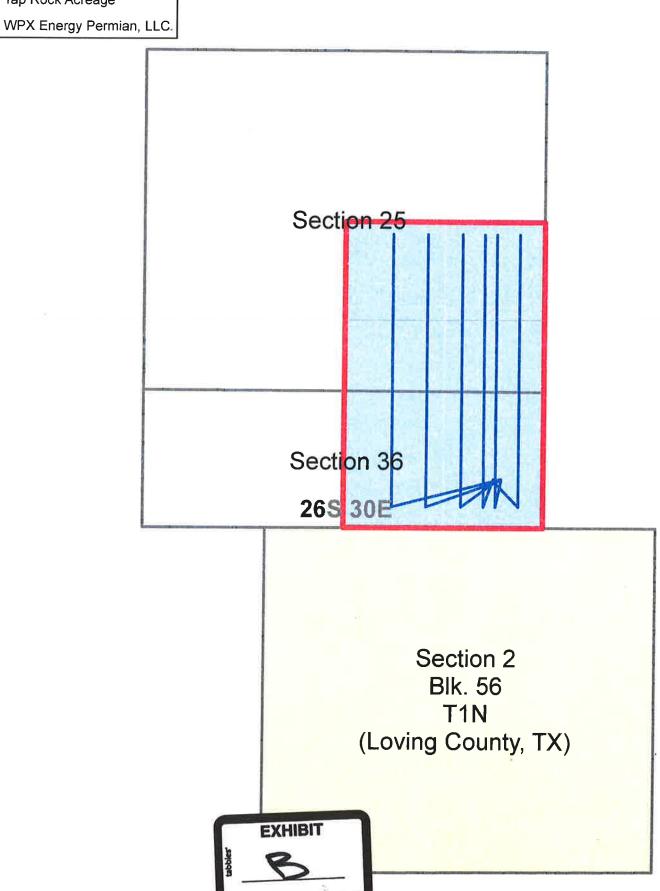
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554

2803 NORTH BIG SPRING • MIDLAND, TEXAS 78705

TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743

WWW.TOPOGRAPHIC.COM

Received by OCD: 8/5/2020 11:44:08 AM Legend | Nailed It Wells Nailed It E2 Unit **Operator** Tap Rock Acreage



#### Nailed It Fed Com #204H, #208H, #214H, #218H, #224H, #234H Notice List

N/2 Section 2, Blk. 56, Township 1 North (Loving County, Texas)

WPX Energy Permian, LLC 3500 One Williams Center Tulsa, OK 74172





Kaitlyn A. Luck Phone (505) 954-7286 KALuck@hollandhart.com

August 05, 2020

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

#### TO AFFECTED PARTIES:

Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Nailed It Fed Com #224H Well in the SE/4 of Section 25 and the E/2 of irregular Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

#### Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, and this application may be approved administratively by the Division if no objection is received.

If you have any questions about this application, please contact the following:

Matt Phillips
Tap Rock Resources
(720) 459-3724
mphillips@taprk.com

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR TAP ROCK OPERATING, LLC



#### **Shipment Confirmation Acceptance Notice**

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 08/05/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

110 N GUADALUPE ST # 1 Address:

Tap Rock - Nailed It 204H, 208H, 214H, 218H, 224H, 234H NSL CM# 93477.0001

SANTA FE City:

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

<sup>\*</sup>Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

#### **B. USPS Action**

Note to RSS Clerk:

- Home screen > Mailing/Shipping > More
   Select Shipment Confirm
   Scan or enter the barcode/label number from PS Form 5630
   Confirm the volume count message by selecting Yes or No
   Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

**USPS SCAN AT ACCEPTANCE** 

9275 0901 1935 6200 0023 3906 99

UNITED STATES	POSTAL SERVICE®
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Name and Address of Sender Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501	Check type of mail or service  Adult Signature Required Adult Signature Restricted Delivery Certified Mail Certified Mail Collect on Delivery (COD) Isignature Confirmation Insured Mail Priority Mail Restricted Delivery Rectum Receipt for Merchandise Collect on Delivery (COD) Signature Confirmation Insured Mail Restricted Delivery	·	Affix Stamp Here (for additional copies. Postmark with Date	Here copies of th Date o	Affix Stamp Here (for additional copies of this receipt). Postmark with Date of Receipt.	ď								r
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code <sup>™</sup> )	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured	Due Sender if COD	ASR	ASRD Fee	5 %	RR SC Fee Fee	SCRD e Fee	P. S. P.	
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PS Form <b>3877</b> , January 2017 (Page 1 of 1) PSN 7530-02-000-9098	Complete in Ink	vacy Noti	ce: For	more in	Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy.	on USF	S priva	cy poli	cies, vi	sit usp	s.com	/priva	ypolic	15

TAP ROCK OPERATING

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

CONNER WOOD

ASSET MANAGER

CWOOD@TAPRK.COM



July 29, 2020

Adrienne Sandoval, Director Oil Conservation Division New Mexico Department of Energy Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

RE: Non-Standard Location Request Nailed It Fed Com #204H, #208H, #214H, #218H, #224H, #234H (the "Wells")

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") hereby requests administrative approval of a non-standard location for each of the Wells referenced above by decreasing the first take point from 330 feet to 100 feet from the horizontal plane outer boundary. The Wells are located in the Purple Sage – Wolfcamp Gas Pool (Pool Code 98220). It is Tap Rock's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. Decreasing the first take point will increase the Wells effective lateral length by 230 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

TAP ROCK OPERATING, LLC

Conner Wood
Conner Wood (Jul 29, 2020 14:47 MDT)

Conner Wood

Asset Manager and Reservoir Engineer



## Engineering Affidavit - Nailed It E2E2

Final Audit Report 2020-07-29

Created:

2020-07-29

By:

Conner Wood (cwood@taprk.com)

Status:

Signed

Transaction ID:

CBJCHBCAABAAi1PWUYHkfNdlFzC9ZQiJRDYC1V1K\_JA5

### "Engineering Affidavit - Nailed It E2E2" History

- Document created by Conner Wood (cwood@taprk.com) 2020-07-29 8:45:25 PM GMT- IP address: 73.14.216.7
- Document emailed to Conner Wood (conner.wood@gmail.com) for signature 2020-07-29 8:46:01 PM GMT
- Email viewed by Conner Wood (conner.wood@gmail.com) 2020-07-29 8:46:17 PM GMT- IP address: 66.102.6.149
- Document e-signed by Conner Wood (conner.wood@gmail.com)

  Signature Date: 2020-07-29 8:47:03 PM GMT Time Source: server- IP address: 73.14.216.7
- Signed document emailed to Conner Wood (conner.wood@gmail.com) and Conner Wood (cwood@taprk.com) 2020-07-29 8:47:03 PM GMT