

ILTBP-200814-C-107B PLC-699

Revised March 23, 2017

RECEIVED: 8/14/20	REVIEWER: DM	TYPE: PLC	APP NO: pDM2023151977
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Tap Rock Operating, LLC **OGRID Number:** 372043
Well Name: Gipple Fed Com #134H, #138H, #214H, #218H **API:** 30-025-46669, 46670, 46671, 46672
Pool: WC-025 G-07 S243517D; Middle Bone Spring; WC-025 G-09 S243532M; Wolfbone **Pool Code:** 98294; 98098

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
 B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kaitlyn A. Luck _____
Date

Print or Type Name


Signature

08/14/2020
Date

505-954-7286
Phone Number

kaluck@hollandhart.com
e-mail Address



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

August 14, 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, to authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Gipple Tank Battery located in the SE/4 SE/4 of Section 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Ms. Sandoval:

Pursuant to 19.15.12.7 NMAC, individual spacing units are considered separate “leases” for surface commingling purposes. Accordingly, **Tap Rock Operating, LLC** (OGRID No. 372043) seeks administrative approval for pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Gipple Central Tank Battery of production from the WC-025 S243517D; Middle Bone Spring (98294); and the WC-025 G-09 S243532M; Wolfbone (98098) pools from *all existing and future wells drilled in the following “leases”/spacing units:*

(a) The 320-acre, more or less, spacing unit in the WC-025 S243517D; Middle Bone Spring pool (98294) underlying the E/2 E/2 of Sections 28 and 33. The spacing unit is currently dedicated to the **Gipple Fed Com #138H well** (API No. 30-025-46669), and the **Gipple Fed Com #138H well** (API No. 30-025-46670);

(b) The 320-acre, more or less, spacing unit in the WC-025 G-09 S243532M; Wolfbone pool (98098) underlying the E/2 E/2 of Sections 28 and 33. The spacing unit is currently dedicated to the **Gipple Fed Com #214H well** (API No. 30-025-46671), and the **Gipple Fed Com #218H well** (API No. 30-025-46672); and

(c) Pursuant to 19.15.12.10.C(4)(g), *future spacing units connected to this central tank battery with notice provided only to the interest owners within these future “leases”/spacing units.*

August 11, 2020

Page 2

Oil and gas production from these “leases” will be commingled and sold at the Gipple Tank Battery located in the SE/4 SE/4 of Section 33. Prior to commingling, gas production from each “lease” will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each “lease” will also be separately metered using turbine meters.

Exhibit 1 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units. There are no available production reports for the wells.

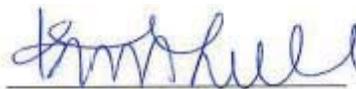
Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Bill Ramsey, Regulatory Analyst with Tap Rock, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Exhibit 3 is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the Bureau of Land Management since federal lands are involved.

Finally, the proposed communitization agreements for the acreage subject to this application are attached as **Exhibit 4**.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

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

EXHIBIT 1

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

AMENDED REPORT
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46669		² Pool Code 98294		³ Pool Name WC-025 G-07 S243517D; Middle Bone Spring		
⁴ Property Code 326772		⁵ Property Name GIPPLE FED COM			⁶ Well Number 134H	
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3284'	

¹⁰Surface Location

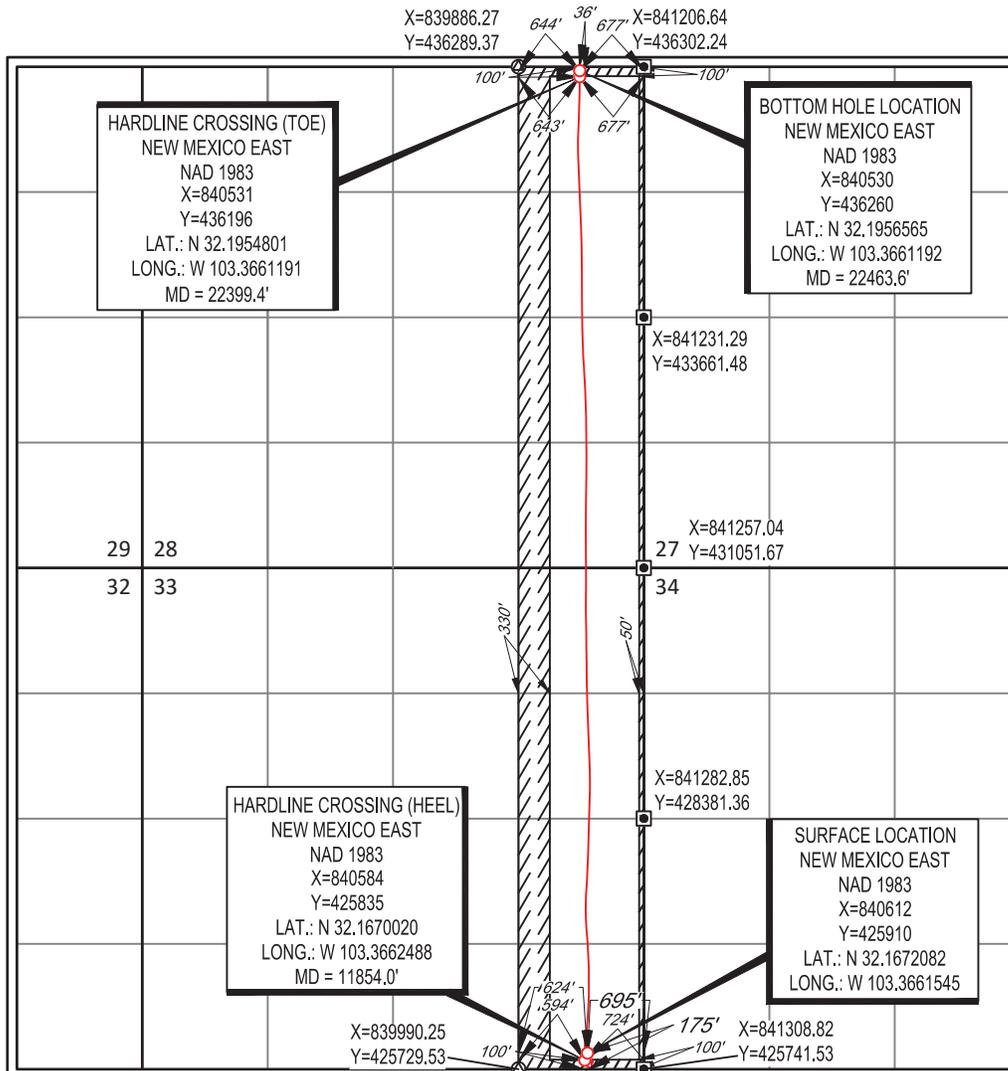
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	24-S	35-E	-	175'	SOUTH	695'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	28	24-S	35-E	-	36'	NORTH	677'	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Bill Ramsey 6/1/2020
Signature Date

Bill Ramsey
Printed Name

bramsey@taprk.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

12/05/2018
Date of Survey

Angel M. Baeza
Signature and Seal of Professional Surveyor

ANGEL M. BAEZA
NEW MEXICO
25116
PROFESSIONAL SURVEYOR

Certificate Number

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
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46670		² Pool Code 98294		³ Pool Name WC-025 G-07 S243517D; MIDDLE BONE SPRING		
⁴ Property Code 326772		⁵ Property Name GIPPLE FED COM			⁶ Well Number 138H	
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3284'	

¹⁰Surface Location

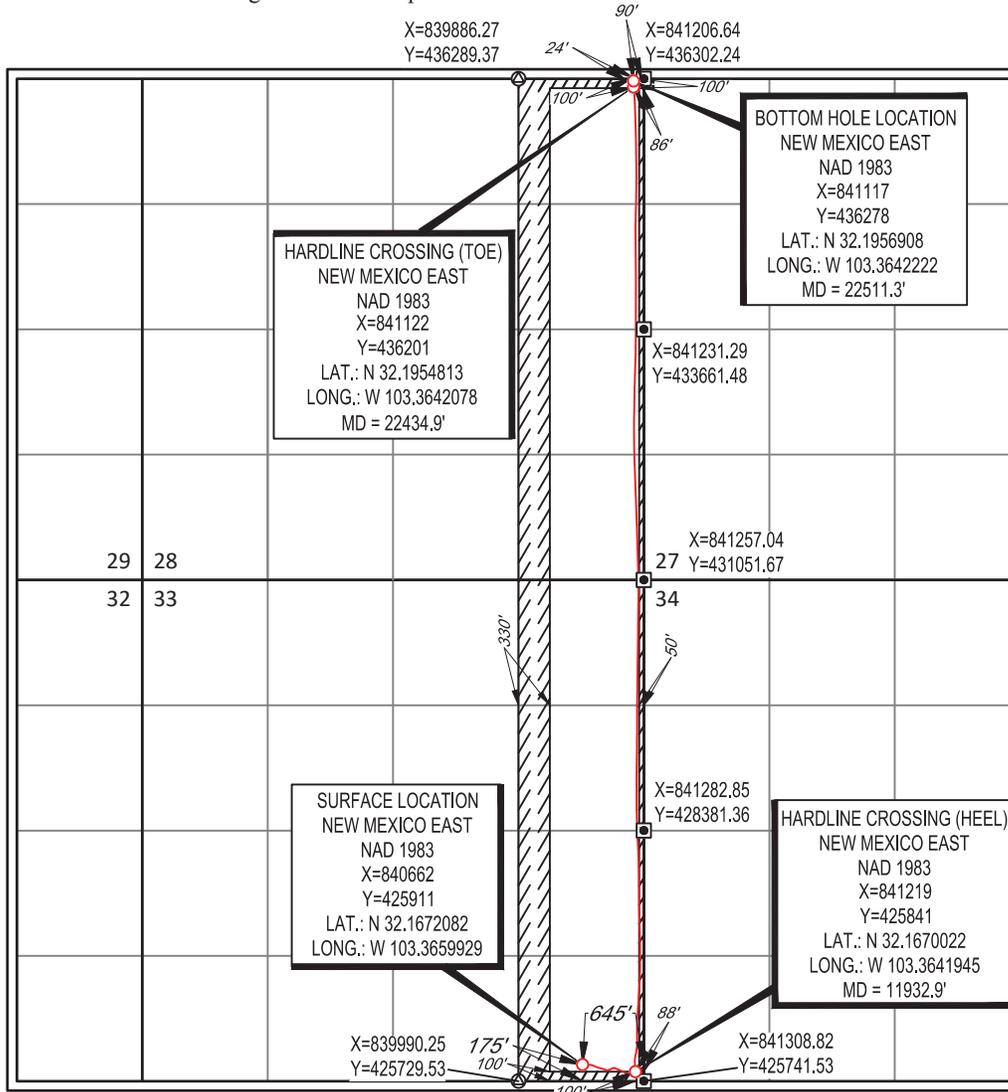
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	24-S	35-E	-	175'	SOUTH	645'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	28	24-S	35-E	-	24'	NORTH	90'	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.



¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Bill Ramsey 6/1/2020
Signature Date
Bill Ramsey
Printed Name
bramsey@taprk.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION
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Date of Survey
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FORM C-102
Revised August 1, 2011
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AMENDED REPORT
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46671		² Pool Code 98098		³ Pool Name WC-025 G-09 S243532M; WOLFBONE	
⁴ Property Code 326772		⁵ Property Name GIPPLE FED COM			⁶ Well Number 214H
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3284'

¹⁰Surface Location

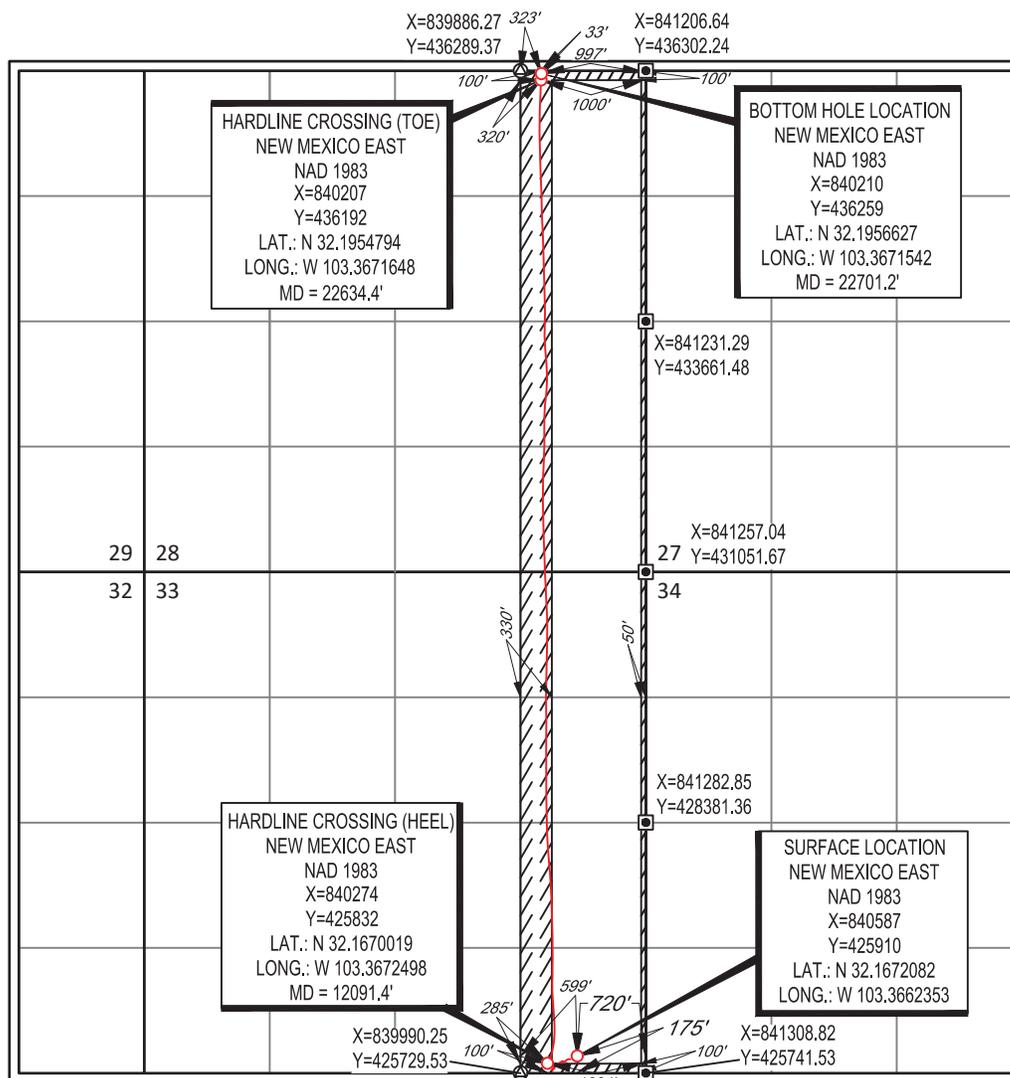
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	24-S	35-E	-	175'	SOUTH	720'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	28	24-S	35-E	-	33'	NORTH	997'	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Bill Ramsey 6/1/2020
Signature Date

Bill Ramsey
Printed Name

bramsey@taprk.com
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Santa Fe, NM 87505

FORM C-102
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Submit one copy to appropriate
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AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46672		² Pool Code 98098		³ Pool Name WC-025 G-09 S243532M; WOLFBONE	
⁴ Property Code 326772		⁵ Property Name GIPPLE FED COM		⁶ Well Number 218H	
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.		⁹ Elevation 3284'	

¹⁰Surface Location

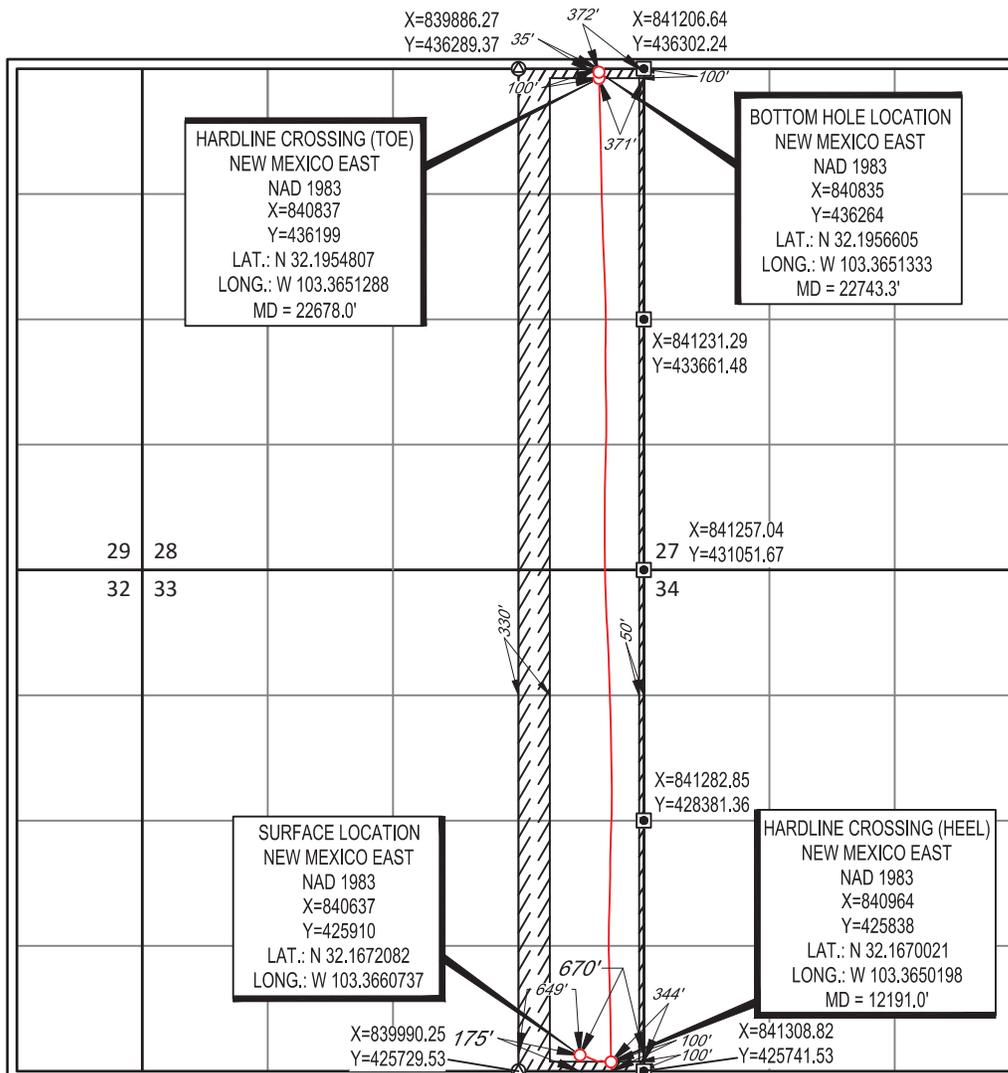
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	24-S	35-E	-	175'	SOUTH	670'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	28	24-S	35-E	-	35'	NORTH	372'	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.



¹⁷OPERATOR CERTIFICATION

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Bill Ramsey 6/1/2020
Signature Date

Bill Ramsey
Printed Name

bramsey@taprk.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

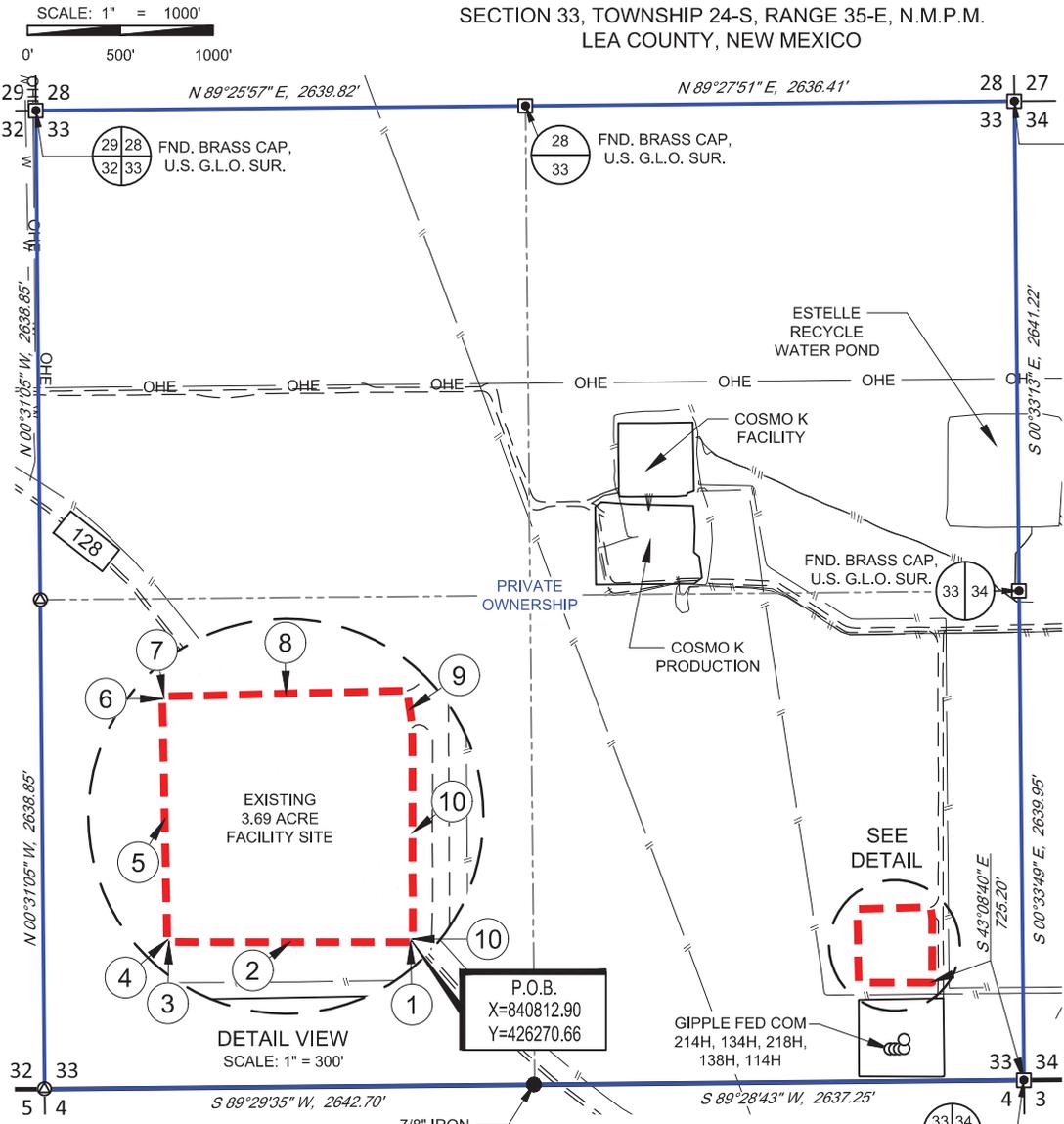
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

12/05/2018
Date of Survey

Signature and Seal of Professional Surveyor
Angel M. Baeza
ANGEL M. BAEZA
NEW MEXICO
25116
PROFESSIONAL SURVEYOR

Certificate Number

SECTION 33, TOWNSHIP 24-S, RANGE 35-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



**GIPPLE FACILITY SITE
AS-BUILT**

Metes and Bounds Description of an as-built 3.69 acre facility pad site located within Section 33, Township 24 South, Range 35 East, N.M.P.M., in Lea County, New Mexico.

BEGINNING at the Southeast corner of this site, from whence a brass cap found for the Southeast corner of said Section 33, bears: S 43°08'40" E, a distance of 725.20 feet;

Thence S 53°21'20" W, a distance of 4.57 feet to the most Southerly Southeast corner of this site;

Thence N 89°56'59" W, a distance of 386.95 feet to the most Southerly Southwest corner of this site;

Thence N 70°35'55" W, a distance of 4.12 feet to the Southwest corner of this site;

Thence N 13°21'23" W, a distance of 3.68 feet to the most Northerly Southwest corner of this site;

Thence N 01°09'25" W, a distance of 387.27 feet to the most Southerly Northwest corner of this site;

Thence N 20°25'02" E, a distance of 3.38 feet to the Northwest corner of this site;

Thence N 56°12'34" E, a distance of 3.16 feet to the most Northerly Northwest corner of this site;

Thence N 88°36'58" E, a distance of 392.10 feet to the Northeast corner of this site;

Thence S 07°46'21" E, a distance of 60.49 feet to a point on the East line of this site;

Thence S 00°07'29" E, a distance of 339.72 feet to the most Northerly Southeast corner of this site;

Thence S 18°53'32" W, a distance of 4.76 feet to the Point of Beginning.

LEGEND

- SECTION LINE
- TOWNSHIP LINE
- QUARTER SECTION LINE
- PROPOSED SITE
- TRACT BORDER
- ROAD WAY
- EXISTING PIPELINE
- OVERHEAD ELECTRIC
- WATER LINE
- MONUMENT
- CALCULATED CORNER

LINE TABLE

LINE	BEARING	DISTANCE
1	S 53°21'20" W	4.57'
2	N 89°56'59" W	386.95'
3	N 70°35'55" W	4.12'
4	N 13°21'23" W	3.68'
5	N 01°09'25" W	387.27'
6	N 20°25'02" E	3.38'
7	N 56°12'34" E	3.16'
8	N 88°36'58" E	392.10'
9	S 07°46'21" E	60.49'
10	S 00°07'29" E	339.72'
11	S 18°53'32" W	4.76'

FND. BRASS CAP,
U.S. G.L.O. SUR.

P.O.B.
X=840812.90
Y=426270.66

DETAIL VIEW
SCALE: 1" = 300'



1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM



John Trevor Carnegie, P.S. No. 11401
JANUARY 21, 2020



GIPPLE FACILITY SITE AS-BUILT	
DATE:	01/21/20
FILE:	BO_GIPPLE_FACILITY_SITE_AB
DRAWN BY:	MML
SHEET:	1 OF 1

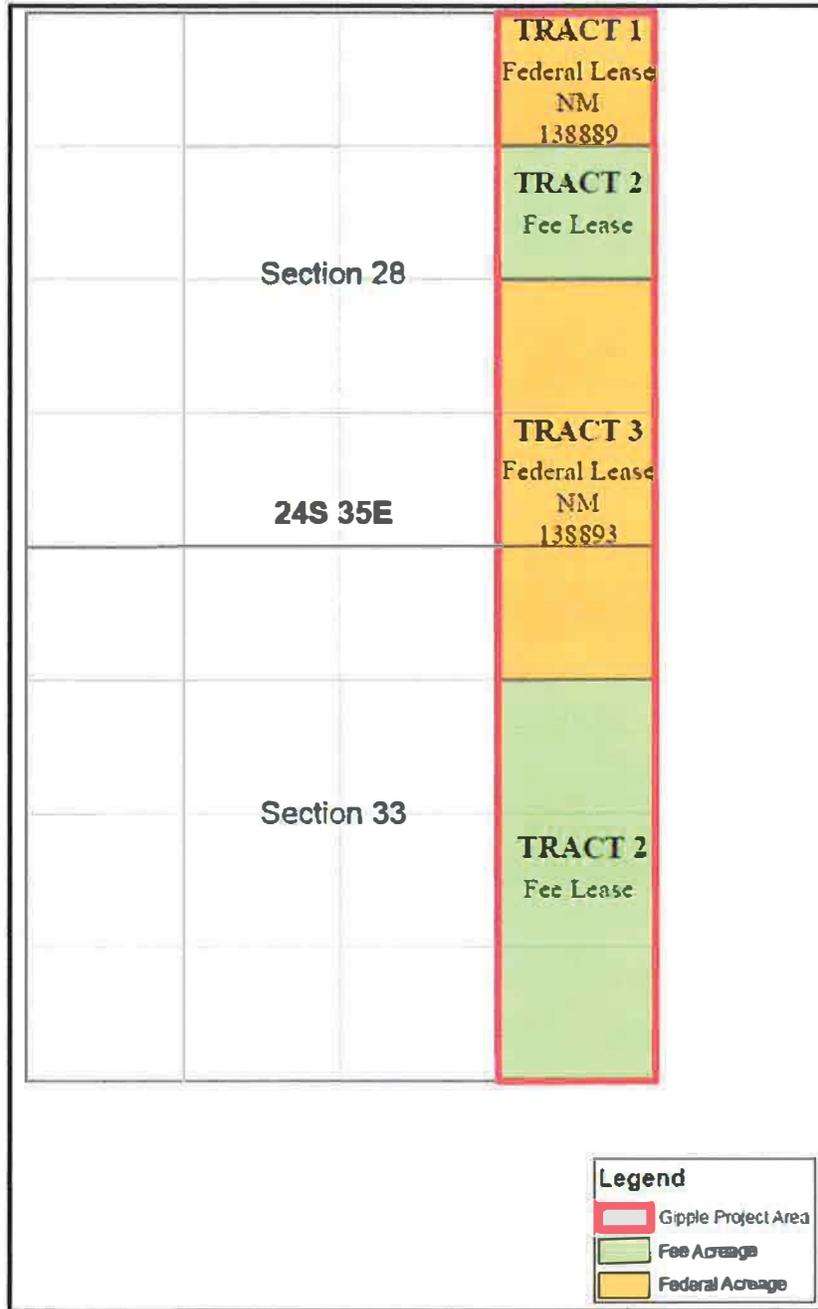
REVISION:	
INT	DATE

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 11"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY TAP ROCK OPERATING, LLC. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
5. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.

Well Name/No.

Gipple Federal Com #214H



District I
1625 N. French Drive, Hobbs, NM 88240
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87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Tap Rock Operating
OPERATOR ADDRESS: 523 Park Point Dr. Suite 200. Golden, CO 80401

APPLICATION TYPE:
 Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See Attached					

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: *Bill Ramsey* TITLE: Regulatory Analyst DATE: 8/10/2020

TYPE OR PRINT NAME Bill Ramsey TELEPHONE NO.: 720-360-4028

E-MAIL ADDRESS: bramsey@taprk.com



TAP ROCK RESOURCES, LLC

523 PARK POINT DRIVE, SUITE 200

GOLDEN, COLORADO 80401



August 7, 2020

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Tap Rock Operating, LLC for administrative approval for approval to surface commingle (pool commingle) oil and gas production from the spacing units comprised of Section 33, Township 24S, Range 35E, Lea County, New Mexico (the "Lands")

To Whom This May Concern,

Tap Rock Operating, LLC ("Tap Rock"), OGRID No. 372043, requests to commingle current oil and gas production from four (4) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual liquid coriolis flow meters for oil and ultrasonic flow meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and ultrasonic flow meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations. We have attached a sample gas analysis from the closest producing well near the Lands at **Exhibit B** as no well on the Lands is currently producing.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an ultrasonic flow meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other well's metered gas. The gathering line is then metered by another ultrasonic flow meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter is tested and calibrated in accordance with industry specifications and

volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

Regards,

TAP ROCK OPERATING, LLC

A handwritten signature in black ink, appearing to read "Ramsey", written in a cursive style.

Bill Ramsey
Regulatory Analyst

**APPLICATION FOR POOL AND LEASE COMMINGLE, AND OFF-LEASE
MEASUREMENT, STORAGE AND SALES FOR OIL AND GAS PRODUCTION AT
CYPRESS CTB**

Well Name	API	Surface Location	Pool	Date Online	Oil (BOD)*	Gas (MCFD) *	Gravity	BTU/cf
Gipple Fed Com 134H	30-025-46669	P-33-24S-35E	WC-025 G-07 S243517D; MIDDLE BONE SPRING	Est. Aug '20	1009	1210	47	1362
Gipple Fed Com 138H	30-025-46670	P-33-24S-35E	WC-025 G-07 S243517D; MIDDLE BONE SPRING	Est. Aug '20	1009	1210	47	1362
Gipple Fed Com 214H	30-025-46671	P-33-24S-35E	WC-025 G-09 S243532M; WOLFBONE	Est. Aug '20	1262	1363	47	1258
Gipple Fed Com 218H	30-025-46672	P-33-24S-35E	WC-025 G-09 S243532M; WOLFBONE	Est. Aug '20	1262	1363	47	1258

*Based on first 6 month average

Atchafalaya Measurement, Inc.
416 East Main Street Artesia, NM 88210 575-746-3481

Exhibit B

Inficon Micro GC Fusion F08904 R03RR2

Sample Information	
Sample Name	Taprock__ Cosmo K 133__ GC2-12518-12
Station Number	N/A
Lease Name	Cosmo K 133
Analysis For	Taprock Operating
Producer	Taprock Operating
Field Name	N/A
County/State	Lea,NM
Frequency/Spot Sample	Spot
Sampling Method	Fill Empty
Sample Deg F	92
Atmos Deg F	46
Flow Rate	N/A
Line PSIG	58
Date/Time Sampled	12-3-18
Cylinder Number	N/A
Cylinder Clean Date	N/A
Sampled By	Jesus Escobedo
Analysis By	Pat Silvas
Verified/Calibration Date	12-5-18
Report Date	2018-12-05 12:43:03

Component Results

Component Name	Ret. Time	Peak Area	Norm%	PPMV	GPM (Dry) (Gal. / 1000 cu.ft.)
Nitrogen	22.840	27907.2	2.09616	20961.600	0.000
H2S	0.000	0.0	0.02987	298.700	0.000
Methane	23.640	718663.9	70.48355	704835.500	0.000
Carbon Dioxide	27.520	11065.8	0.70358	7035.800	0.000
Ethane	36.980	221886.9	13.21477	132147.700	3.549
Propane	77.360	170887.3	7.72938	77293.800	2.138
i-butane	28.560	75286.7	0.98911	9891.100	0.325
n-Butane	30.020	213608.3	2.68696	26869.600	0.851
i-pentane	34.600	57287.0	0.60248	6024.800	0.221
n-Pentane	36.320	61018.3	0.62076	6207.600	0.226
Hexanes Plus	120.000	90392.0	0.84338	8433.800	0.368
Total:			100.00000	1000000.000	7.678

Results Summary

Result	Dry	Sat. (Base)
Total Raw Mole% (Dry)	100.44701	
Pressure Base (psia)	14.730	
Temperature Base	60.00	
Gross Heating Value (BTU / Ideal cu.ft.)	1355.4	1331.8
Gross Heating Value (BTU / Real cu.ft.)	1361.5	1338.4
Relative Density (G), Ideal	0.8076	0.8044
Relative Density (G), Real	0.8109	0.8080
Compressibility (Z) Factor	0.9955	0.9951

Lease No	1	
Lessor	New Mexico Ten LLLP	
Acres in Gipple Unit	160	
Type of Interest	Owner	Address
Working Interest	Tap Rock Resources LLC	523 Park Point Drive Suite #200 Golden, Colorado 80401
Royalty Interest	Tap Rock NM10 Minerals LLC	523 Park Point Drive Suite #200 Golden, Colorado 80401

Lease No	2	
Lessor	Bureau of Land Management NMNM-138893	
Acres in Gipple Unit	120	
Type of Interest	Owner	Address
Record Title/Operating Rights	Tap Rock Resources, LLC	523 Park Point Drive Suite #200 Golden, Colorado 80401
Royalty Interest	Bureau of Land Management	301 Dinosaur Trail, Santa Fe, NM 87508
Overriding Royalty Interest	Tap Rock Minerals, LLC	523 Park Point Drive Suite #200 Golden, Colorado 80401

Lease No	3	
Lessor	Bureau of Land Management NMNM-138889	
Acres in Gipple Unit	40	
Type of Interest	Owner	Address
Record Title/Operating Rights	Franklin Mountain Energy LLC	2401 E. 2nd Avenue, Suite 300 Denver CO 80206
Royalty Interest	Bureau of Land Management	301 Dinosaur Trail, Santa Fe, NM 87508
Overriding Royalty	Franklin Mountain Royalty Investments, LLC	2401 E. 2nd Avenue, Suite 300 Denver CO 80206
Overriding Royalty	MRC Permian Company	5400 LBJ Freeway, Suite 1500 Dallas TX 75240

EXHIBIT 3



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

August 14, 2020

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Tap Rock Operating, LLC, to authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Gipple Tank Battery located in the SE/4 SE/4 of Section 33, Township 24 South, Range 35 East, NMPM, Lea 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 by Tap Rock Operating, LLC (“Tap Rock”) (OGRID No. 372043). Any objection to this application must be filed in writing within twenty days from this date at the Division’s Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

This notice is to advise you that the enclosed application for pool and surface commingling is for the wells listed below in the following location:

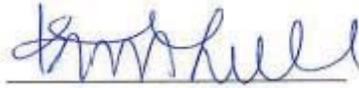
Well Name	API	Surface Location	Pool	Pool Name
Gipple Fed Com 134H	30-025-46669	P-33-24S-35E	98294	WC-025 G-07 S243517D; MIDDLE BONE SPRING
Gipple Fed Com 138H	30-025-46670	P-33-24S-35E	98294	WC-025 G-07 S243517D; MIDDLE BONE SPRING
Gipple Fed Com 214H	30-025-46671	P-33-24S-35E	98098	WC-025 G-09 S243532M; WOLFBONE
Gipple Fed Com 218H	30-025-46672	P-33-24S-35E	98098	WC-025 G-09 S243532M; WOLFBONE

In accordance with Rule 19.15.12.10(C)(4)(g) NMAC, Tap Rock requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

August 11, 2020
Page 2

For questions regarding this application, please contact **Dana Arnold, General Counsel for Tap Rock Operating, LLC**, at (720)-460-3497.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC



**Shipment Confirmation
Acceptance Notice**

A. Mailer Action

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: 08/14/2020

Shipped From:

Name _____

Address 6747 E 50th Ave

City Commerce City

State CO Zip+4® 80022

Type of Mail	Volume
Priority Mail Service®	0
Priority Mail Express Service®	0
Library Mail Service®	0
International Mail®	0
First-Class Package Service®	3
Parcel Select®	0
Other	0
Total Volume	3

*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

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

USPS SCAN AT ACCEPTANCE



9475 7112 0108 0973 6943 02

User ID	Date	Name	Delivery Address	City	State	Zip	Mail Service	USPS #	Label Ref.
31557	08/14/2020	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	9414811898765829521228	69142 - Tap Rock - Gipple - C107B Notice List - 1
31557	08/14/2020	Franklin Mountain Energy LLC	2401 E 2nd Ave Ste 300	Denver	CO	80206-4761	Certified with Return Receipt (Signature)	9414811898765829521204	69142 - Tap Rock - Gipple - C107B Notice List - 2
31557	08/14/2020	MRC Permian Company	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Certified with Return Receipt (Signature)	9414811898765829521297	69142 - Tap Rock - Gipple - C107B Notice List - 3

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of March 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

- 1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.

Section 28: E/2E/2

Section 33: E/2E/2

Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Tap Rock Operating, LLC, 523 Park Point Drive Suite 200, Golden, Colorado 80401. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

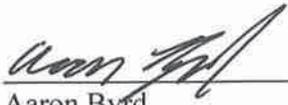
<<Remainder of page intentionally left blank, signature page to follow>>

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR:

TAP ROCK OPERATING, LLC

Date: 8-10-2020

By: 
Name: Aaron Byrd
Title: Executive Vice President of Operations

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

TAP ROCK RESOURCES, LLC

Date: 8-10-2020

By: 
Name: Aaron Byrd
Title: Executive VP of Operations

MRC PERMIAN COMPANY

Date: _____

By: _____
Name: _____
Title: _____

Date: _____

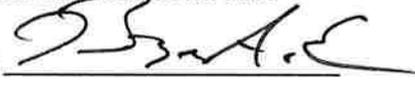
FRANKLIN MOUNTAIN ENERGY, LLC

By: _____
Name: _____
Title: _____

Date: 3.30.2020

MRC PERMIAN COMPANY

David
PDA

By: 

Name: Bryan A. Erman

Title: Senior Vice President and Co-General Counsel

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

TAP ROCK RESOURCES, LLC

Date: _____

By: _____

Name: Clayton Sporich

Title: VP Land & Legal

MRC PERMIAN COMPANY

Date: _____

By: _____

Name: _____

Title: _____

FRANKLIN MOUNTAIN ENERGY, LLC

Date: 7/25/20

By: 

Name: Branday White

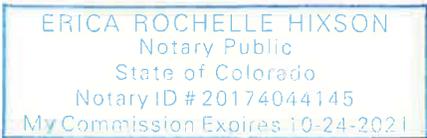
Title: Vice President

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Jefferson)

This instrument was acknowledged before me on August 10, 2020,
by Aaron Byrd as Executive Vice President of Tap Rock Operating, LLC, a Delaware
limited liability company, on behalf of same.

(SEAL)



10-24-2021
My Commission Expires

Erica Hixson
Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by Clayton Sporich as VP of Land and Legal of Tap Rock Resources, LLC, a Delaware
limited liability company, on behalf of same.

(SEAL)

My Commission Expires

Notary Public

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by Aaron Byrd as Executive Vice President of Tap Rock Operating, LLC, a Delaware
limited liability company, on behalf of same.

(SEAL)

My Commission Expires

Notary Public

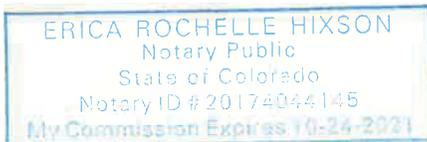
STATE OF Colorado)
) ss.
COUNTY OF Jefferson)

This instrument was acknowledged before me on August 10, 2020,
by Aaron Byrd as Executive Vice President of Tap Rock Resources, LLC, a Delaware
limited liability company, on behalf of same.

(SEAL)

10-24-2021

My Commission Expires



Erica Hixson

Notary Public

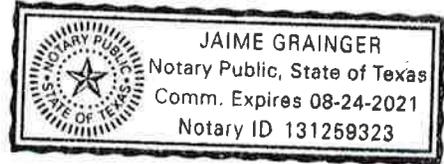
ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged BEFORE ME on the 30th day of March, 2020, by Bryan A. Erman, as Senior Vice President and Co-General Counsel of **MRC Permian Company**, a Texas corporation, on behalf of said corporation.

8.24.2021
My Commission Expires

Jaime Grainger
Notary Public



STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by _____ as _____ of
MRC Permian Company, a _____ on behalf of
same.

(SEAL)

My Commission Expires

Notary Public

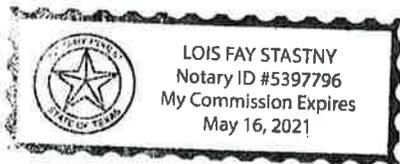
STATE OF Texas)
) ss.
COUNTY OF Harris)

This instrument was acknowledged before me on July 25, 2020,
by Brandon White as Vice President of
Franklin Mountain Energy, LLC a Delaware, LLC on
behalf of same.

(SEAL)

5-16-2021
My Commission Expires

Lois Fay Stastny
Notary Public



OVERRIDING ROYALTY INTEREST OWNERS:

Tap Rock Minerals, LP

MRC Permian Company

Franklin Mountain Royalty Investments, LLC

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of Tap Rock Operating, LLC, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

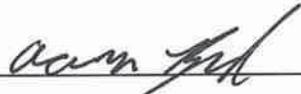
NAME: 
PRINTED: Aaron Byrd
TITLE: Executive Vice President of Operations
PHONE: 720.772.3065
EMAIL: Abyrd@taprk.com

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in Township 24 South, Range 35 East, N.M.P.M. Section 28: E/2E/2 & Section 33: E/2E/2, Lea County, New Mexico

Well Name/No.

Gipple Federal Com #214H

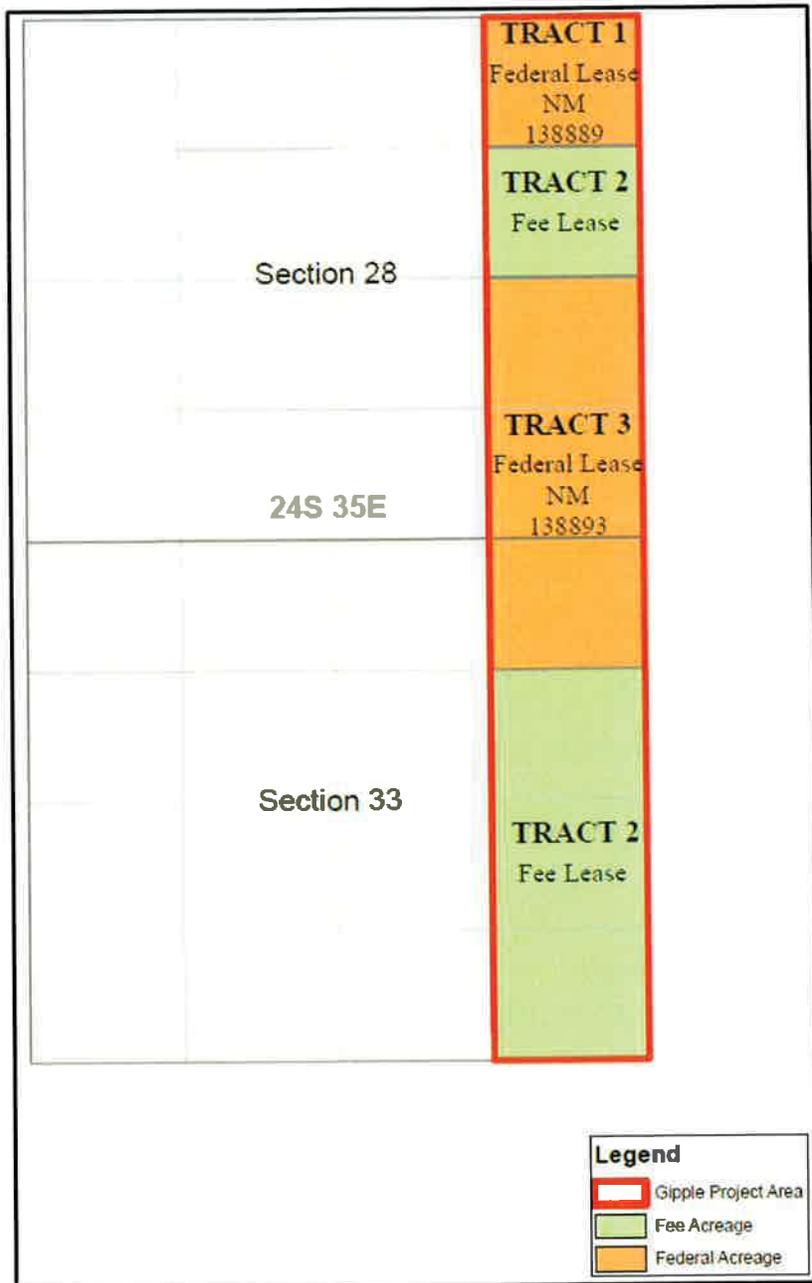


EXHIBIT "B"

To Communitization Agreement Dated March 1, 2020, embracing the following described land in Township 24 South, Range 35 East, N.M.P.M. Section 28: E/2E/2 & Section 33: E/2E/2, Lea County, New Mexico.

Operator of Communitized Area: Tap Rock Operating, LLC.

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lessor: NMNM 138889
 Date: November 1, 2018
 Recording Information: Public Record
 Legal Description: Township 24 South, Range 35 East
 Section 28: NE/4NE/4
 Number of Acres: 40 gross acres
 Working Interest: MRC Permian Company

Tract No. 2

Lessor: New Mexico Ten, LLLP
 Date: August 1, 2017
 Recording Information: Book 2120, Page 105
 Legal Description: Township 24 South, Range 35 East
 Section 28: SE/4NE/4
 Section 33: SE/4NE/4 & E/2SE/4
 Number of Acres: 160 gross acres
 Working Interest: Tap Rock Resources, LLC

Tract No. 3

Lessor: NMNM 138893
 Date: November 1, 2018
 Recording Information: Public Record
 Legal Description: Township 24 South, Range 35 East
 Section 28: E/2SE/4
 Section 33: NE/4NE/4
 Number of Acres: 120 gross acres
 Working Interest: Tap Rock Resources, LLC

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	40	12.500000%
2	160	50.000000%
3	120	37.500000%
Total	320	100.0000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of March 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.

Section 28: E/2E/2

Section 33: E/2E/2

Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Tap Rock Operating, LLC, 523 Park Point Drive Suite 200, Golden, Colorado 80401. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

<<Remainder of page intentionally left blank, signature page to follow>>

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR:

TAP ROCK OPERATING, LLC

Date: 8-10-2020

By: 
Name: Aaron Byrd
Title: Executive Vice President of Operations

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

TAP ROCK RESOURCES, LLC

Date: 8-10-2020

By: *Aaron Byrd*
Name: Aaron Byrd
Title: Executive VP of Operations

MRC PERMIAN COMPANY

Date: _____

By:
Name:
Title:

Date: _____

FRANKLIN MOUNTAIN ENERGY, LLC

By:
Name:
Title:

Date: 3.30.2020

MRC PERMIAN COMPANY

By: 

Name: Bryan A. Erman

Title: Senior Vice President and Co-General Counsel

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

TAP ROCK RESOURCES, LLC

Date: _____

By: _____

Name: Clayton Sporich

Title: VP Land & Legal

MRC PERMIAN COMPANY

Date: _____

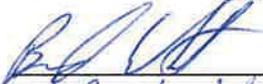
By: _____

Name: _____

Title: _____

FRANKLIN MOUNTAIN ENERGY, LLC

Date: 7/25/20

By: 

Name: Brandon White

Title: Vice President

ACKNOWLEDGEMENT

STATE OF Colorado)
COUNTY OF Jefferson) ss.

This instrument was acknowledged before me on August 10, 2020,
by Aaron Byrd as Executive Vice President of Operations of Tap Rock Operating,
LLC, a Delaware limited liability company, on behalf of same.

(SEAL)



10-24-2021

My Commission Expires

Erica Hixson

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2020,
by Clayton Sporich as VP of Land and Legal of Tap Rock Resources, LLC, a Delaware
limited liability company, on behalf of same.

(SEAL)

My Commission Expires

Notary Public

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by Aaron Byrd as Executive Vice President of Tap Rock Operating, LLC, a Delaware
limited liability company, on behalf of same.

(SEAL)

My Commission Expires

Notary Public

STATE OF Colorado)
) ss.
COUNTY OF Jefferson)

This instrument was acknowledged before me on August 10, 2020,
by Aaron Byrd as Executive Vice President of Tap Rock Resources, LLC, a Delaware
limited liability company, on behalf of same.

(SEAL)

10-24-2021

My Commission Expires



Erica Hixson

Notary Public

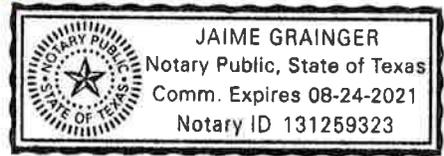
ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged BEFORE ME on the 30th day of March, 2020, by Bryan A. Erman, as Senior Vice President and Co-General Counsel of **MRC Permian Company**, a Texas corporation, on behalf of said corporation.

8.24.2021
My Commission Expires

Jaime Grainger
Notary Public



STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2020,
by _____ as _____ of
MRC Permian Company, a _____ on behalf of
same.

(SEAL)

My Commission Expires

Notary Public

STATE OF Texas)
) ss.
COUNTY OF Harris)

This instrument was acknowledged before me on July 25, 2020,
by Brandon White as Vice President of
Franklin Mountain Energy, LLC a Delaware, LLC on
behalf of same.

(SEAL)

5-16-2021
My Commission Expires

Lois Fay Stastny
Notary Public



OVERRIDING ROYALTY INTEREST OWNERS:

Tap Rock Minerals, LP

MRC Permian Company

Franklin Mountain Royalty Investments, LLC

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of Tap Rock Operating, LLC, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

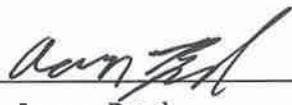
NAME: 
PRINTED: Aaron Byrd
TITLE: Executive Vice President of Operations
PHONE: 720.772.3065
EMAIL: Abyrd@taprk.com

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in Township 24 South, Range 35 East,
N.M.P.M. Section 28: E/2E/2 & Section 33: E/2E/2, Lea County, New Mexico

Well Name/No.

Gipple Federal Com #214H

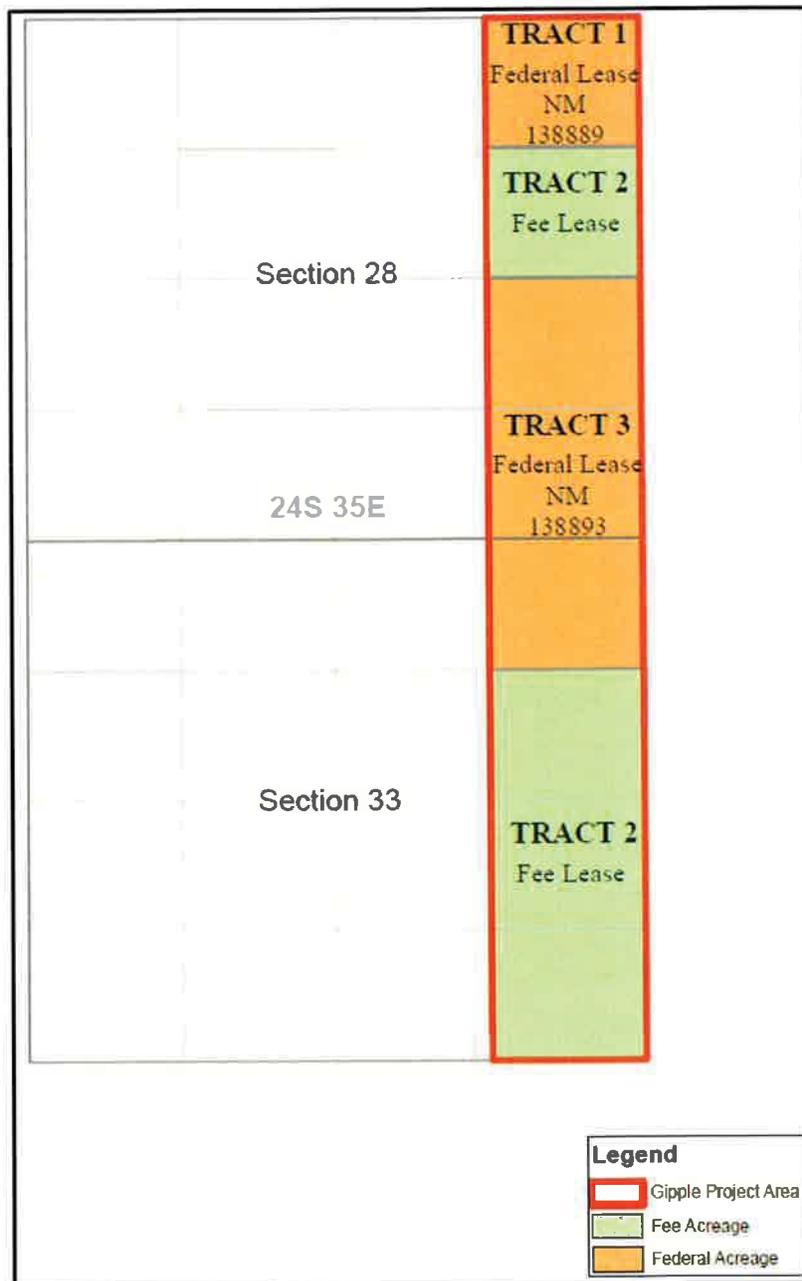


EXHIBIT "B"

To Communitization Agreement Dated March 1, 2020, embracing the following described land in Township 24 South, Range 35 East, N.M.P.M. Section 28: E/2E/2 & Section 33: E/2E/2, Lea County, New Mexico.

Operator of Communitized Area: Tap Rock Operating, LLC.

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Federal Lease No.:	NMNM 138889
Lessor:	United States of America
Date:	November 1, 2018
Recording Information:	Public Record
Legal Description:	Township 24 South, Range 35 East Section 28: NE/4NE/4
Number of Acres:	40 gross acres
Royalty Rate:	12.5%
Current Lessee of Record:	Franklin Mountain Energy, LLC
Overriding Royalty Interest:	MRC Permian Company, Franklin Mountain Royalty Investments, LLC
Record Title:	MRC Permian Company
Working Interest:	Franklin Mountain Energy, LLC

Tract No. 2

Lessor:	New Mexico Ten, LLLP
Date:	August 1, 2017
Recording Information:	Book 2120, Page 105
Legal Description:	Township 24 South, Range 35 East Section 28: SE/4NE/4 Section 33: SE/4NE/4 & E/2SE/4
Number of Acres:	160 gross acres
Royalty Rate:	25%
Current Lessee of Record:	Tap Rock Resources, LLC
Pooling Authority:	Yes
Overriding Royalty Interest:	
Interest:	N/A
Working Interest:	Tap Rock Resources, LLC

Tract No. 3

Federal Lease No.:	NMNM 138893
Lessor:	United States of America
Date:	November 1, 2018
Recording Information:	Public Record
Legal Description:	Township 24 South, Range 35 East Section 28: E/2SE/4 Section 33: NE/4NE/4
Number of Acres:	120 gross acres
Royalty Rate:	12.5%
Current Lessee of Record:	Tap Rock Resources, LLC
Overriding Royalty Interest:	Tap Rock Minerals, LP
Record Title:	Tap Rock Resources, LLC
Working Interest:	Tap Rock Resources, LLC

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	40	12.500000%
2	160	50.000000%
3	120	37.500000%
Total	320	100.0000%