

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

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: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

**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

- ☐ Notice Complete
☐ 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.

 Print or Type Name

 Signature

 Date

 Phone Number

 e-mail Address



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

November 9, 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 amend Surface Commingling Order PLC-527 to add certain wells and spacing unit, and to authorize pool commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Zeus Tank Battery located in the SE/4 SE/4 (Unit P) of Section 9, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Dear Ms. Sandoval:

Under Administrative Order PLC-527, attached as **Exhibit 1**, the Division approved Tap Rock Operating, LLC's (OGRID No. 372043) ("Tap Rock") request for pool commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Zeus Tank Battery of production from the following spacing units:

- (a) The 160-acre spacing unit comprised of the E/2 E/2 of Section 9, in the WC-025 G-09 S243310P; Upper Wolfcamp Pool (98135) in the Wolfcamp formation, which is currently dedicated to the **Zeus 24S33E0909 State #228H** (API No. 30-025-44525) and the **Zeus 24S33E0909 State #204H well** (API No. 30-025-44473); and
- (b) The 160-acre spacing unit comprised of the E/2 E/2 of Section 9, in the Triple X; Bone Spring, West (Pool Code 96674) in the Bone Spring formation, which is currently dedicated to the **Zeus 24S33E0909 State #108H** (API No. 30-025-44523) and the **Zeus 24S33E0909 State #188H** (API No. 30-025-44524).

Pursuant to 19.15.12.7 NMAC, Tap Rock seeks to amend the terms of Administrative Order PLC-527 to add to the terms of the order production from *all existing and future infill wells drilled in the following spacing unit*:

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

November 9, 2020

Page 2

(a) The 160-acre, more or less, spacing unit in the Triple X; Bone Spring, West (Pool Code 96674) underlying the W/2 E/2 of Section 9. The spacing unit is currently dedicated to the **Zeus State #106H well** (API No. 30-025-45843), the **Zeus State #144H well** (API No. 30-025-46623), the **Zeus State #173H well** (API No. 30-025-45844), and the **Zeus State #186H well** (API No. 30-025-45845); and

(b) 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 the future spacing units.

Oil and gas production from these “spacing units” will be commingled and sold at the Zeus Tank Battery located in the SE/4 SE/4 of Section 9. Prior to commingling, gas production from each “spacing unit” will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each “spacing unit” will also be separately metered using turbine meters.

Exhibit 2 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 3 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 4 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 New Mexico State Land Office since state lands are involved.

Finally, there are no communitization agreements for the acreage subject to this application because the subject spacing units are located on a single state lease.

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

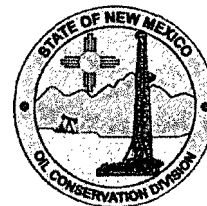
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



November 28, 2018

Surface Commingling Order PLC-527

TAP ROCK OPERATING, LLC
Attention: Ms. Jordan Kessler

Pursuant to your application received on October 29, 2018, Tap Rock Operating, LLC (OGRID 372043) is hereby authorized to surface commingle oil and gas production and off lease-measure from the following pools located in Section 9, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico;

TRIPLE X; BONE SPRING, WEST (OIL)	(96674)
WILDCAT; WOLFCAMP (OIL)	(98135)

and from the following diversely owned state wells and leases in said Section, Township, and Range in Lea County, New Mexico.

Lease:	Zeus 24S33E0909 State Well No. 204H Lease	
Description:	E/2 E/2 of Section 9	
Wells:	Zeus 24S33E0909 State Well No. 204H	API 30-025-44473
	Zeus 24S33E0909 State Well No. 228H	API 30-025-44525
Pool:	Wildcat; Wolfcamp (Oil)	

Lease:	Zeus 24S33E0909 State Well No. 108H Lease	
Description:	E/2 E/2 of Section 9	
Wells:	Zeus 24S33E0909 State Well No. 108H	API 30-025-44523
	Zeus 24S33E0909 State Well No. 188H	API 30-025-44524
Pool:	Triple X; Bone Spring, West	

The commingled oil and gas production from the wells shall be measured and sold at the Zeus Facility Central Tank Battery (CTB), located in Unit P of Section 9, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

Administrative Order PLC-527
Tap Rock Operating, LLC
November 28, 2018
Page 2 of 2

The allocation meters shall be calibrated quarterly in accordance with Division Rule 19.15.12.10.C (2) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

The Operator shall notify the transporter of this commingling authority and the Hobbs District Office prior to implementation of commingling operations.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.



HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals

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 2

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 30-025-45843	² Pool Code 96674	³ Pool Name TRIPLE X, BONE SPRING, WEST
⁴ Property Code 325171	⁵ Property Name ZEUS STATE	⁶ Well Number 106H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3617'

¹⁰Surface Location

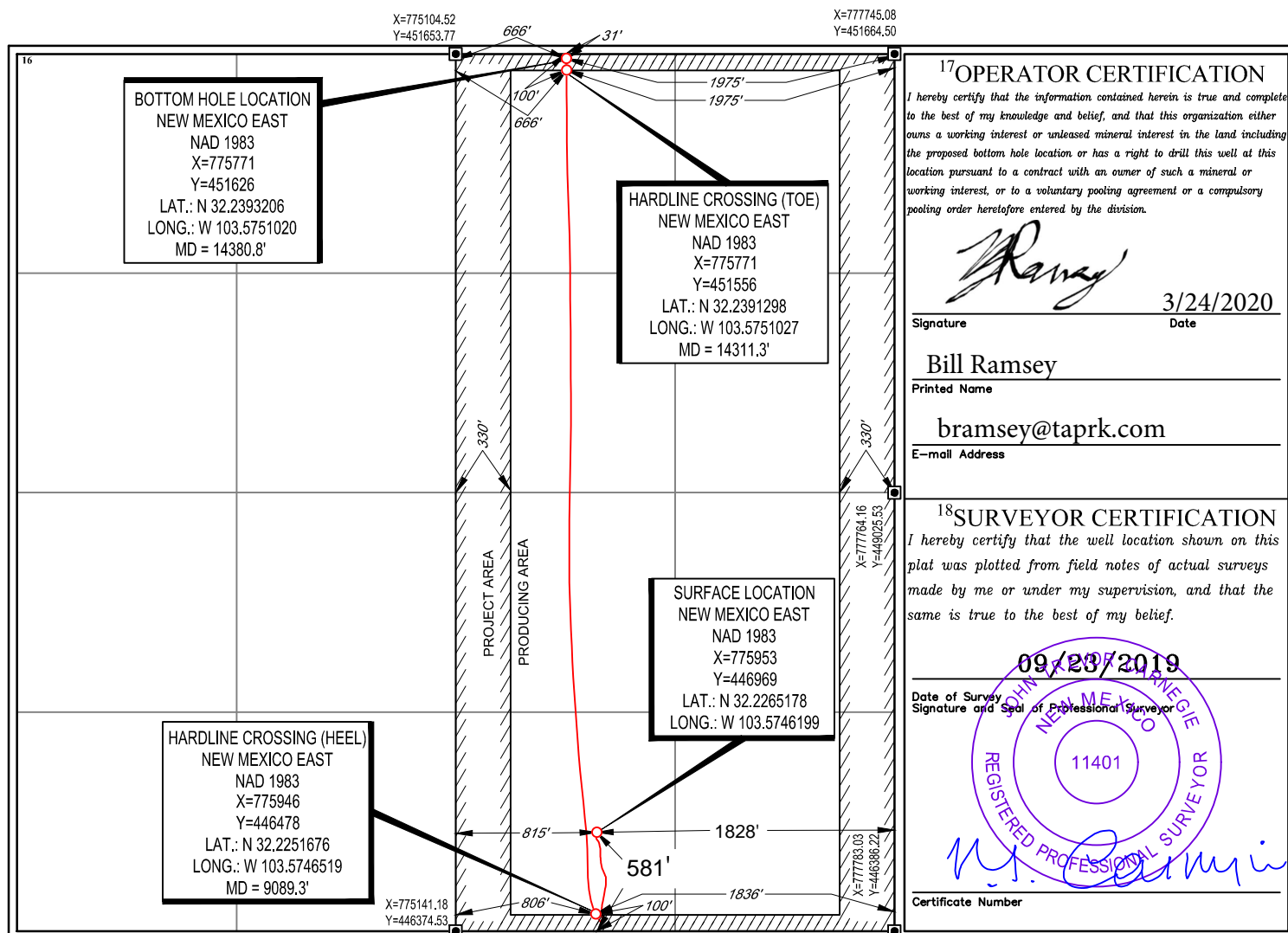
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	24-S	33-E	-	581'	SOUTH	1828'	EAST	LEA

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
B	9	24-S	33-E	-	31'	NORTH	1975'	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.



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
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46623	² Pool Code 96674	³ Pool Name TRIPLE X, BONE SPRING, WEST
⁴ Property Code 325171	⁵ Property Name ZEUS STATE	⁶ Well Number 144H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3615'

¹⁰Surface Location

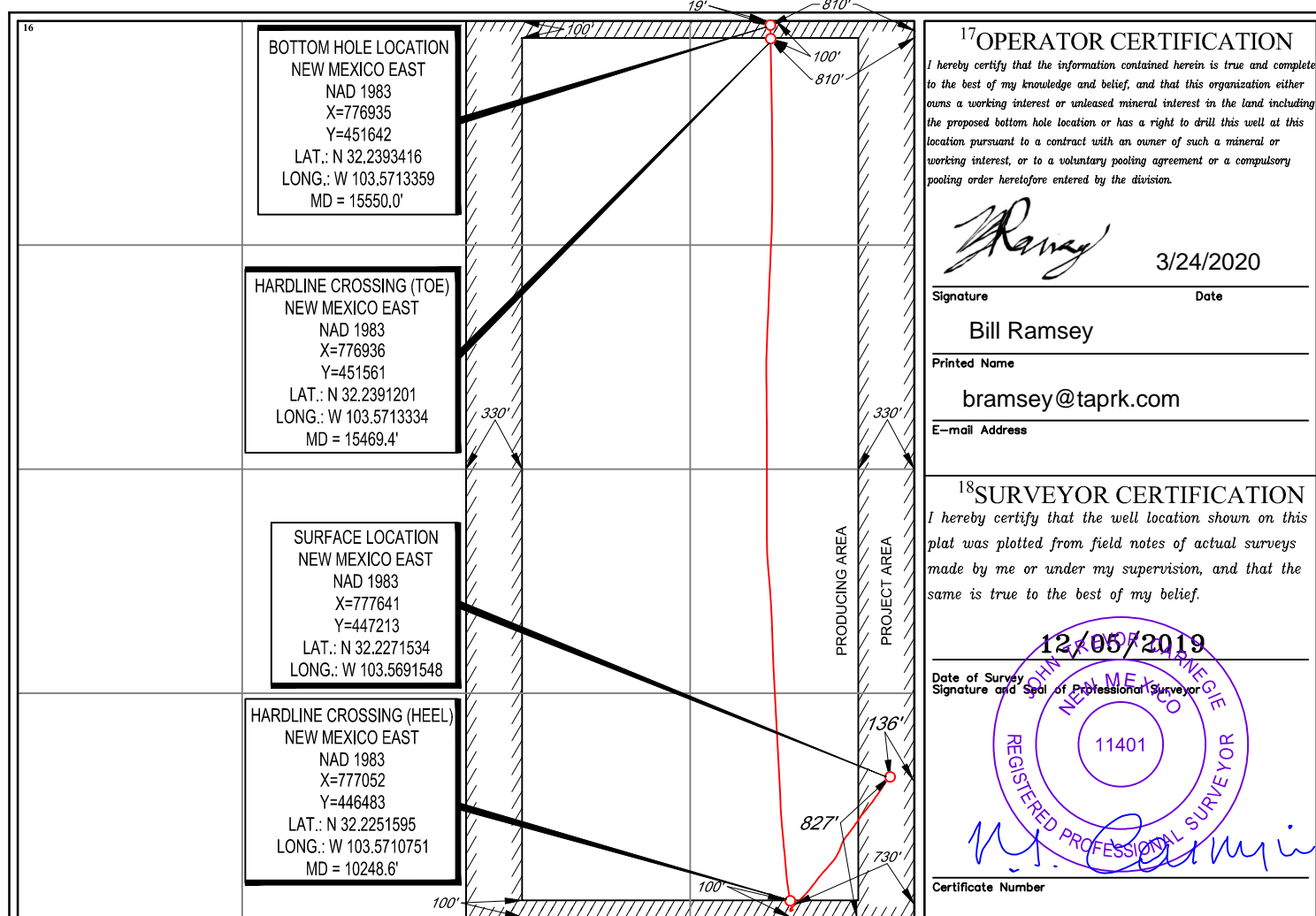
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	24-S	33-E	-	827'	SOUTH	136'	EAST	LEA

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	9	24-S	33-E	-	19'	NORTH	810'	EAST	LEA

¹² Dedicated Acres 320.00	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.



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
AS-Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-45844	² Pool Code 96674	³ Pool Name TRIPLE X; BONE SPRING, WEST
⁴ Property Code 325171	⁵ Property Name ZEUS STATE	⁶ Well Number 173H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3617'

¹⁰Surface Location

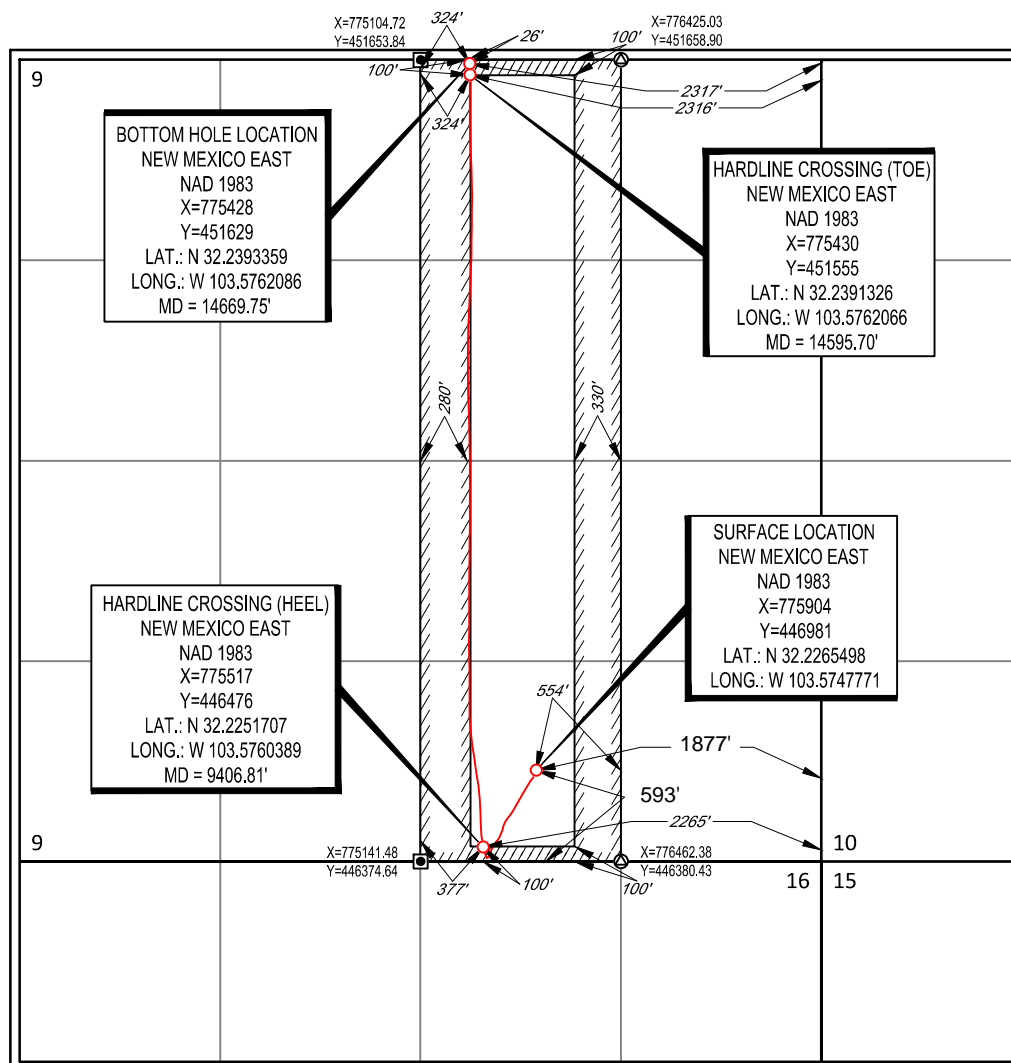
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	24-S	33-E	-	593'	SOUTH	1877'	EAST	LEA

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
B	9	24-S	33-E	-	26'	NORTH	2317'	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.

Ramsey

3/24/2020

Signature

Date

Bill Ramsey

Printed Name

bramsey@taprk.com

E-mail Address

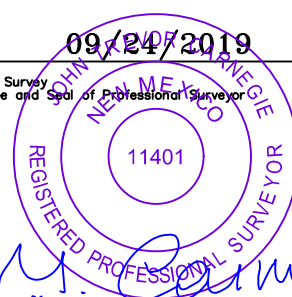
¹⁸SURVEYOR CERTIFICATION

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.

09/24/2019

Date of Survey

Signature and Seal of 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
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
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-45845	² Pool Code 96674	³ Pool Name TRIPLE X, BONE SPRING, WEST
⁴ Property Code 325171	⁵ Property Name ZEUS STATE	⁶ Well Number 186H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3617'

¹⁰Surface Location

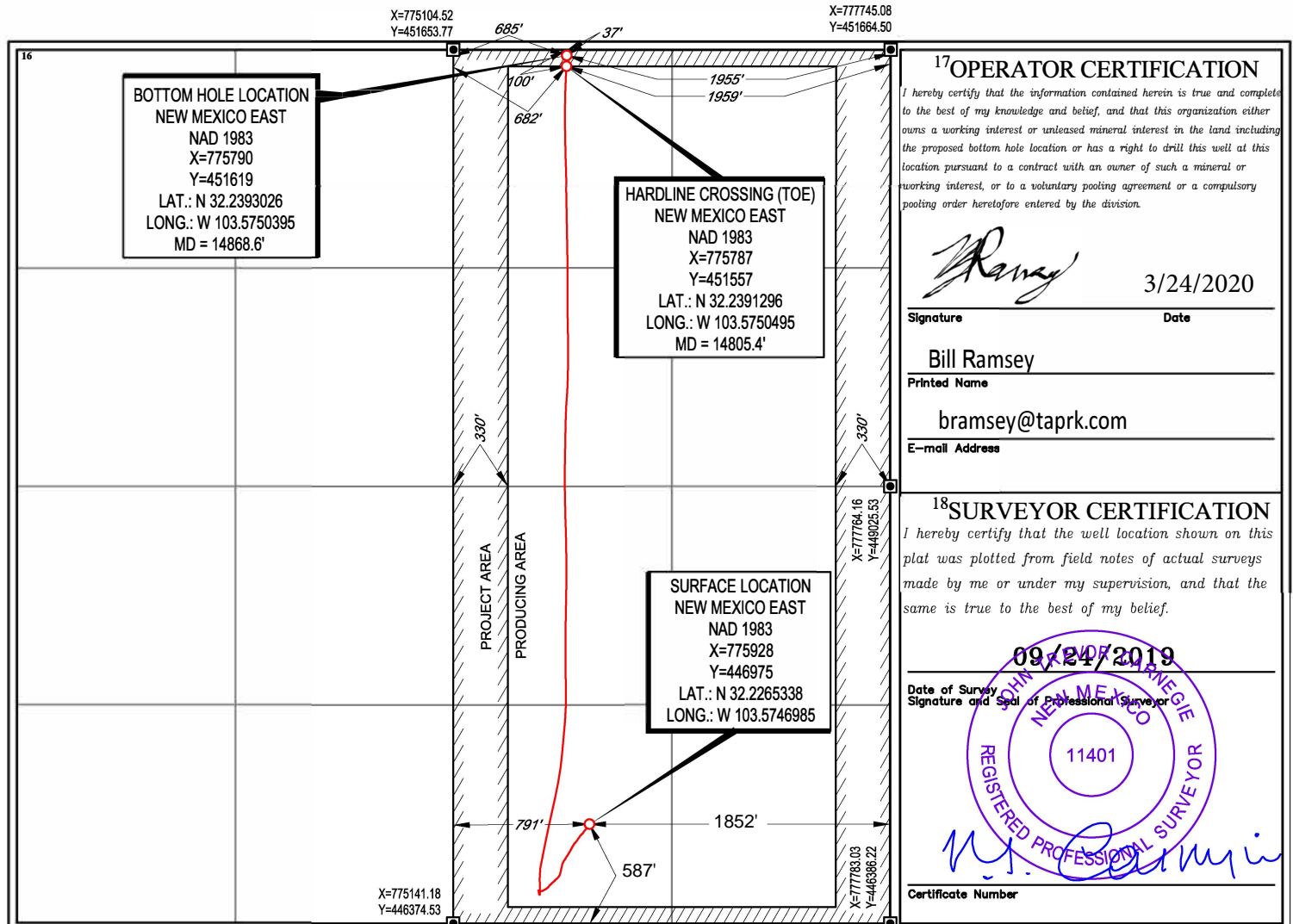
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	24-S	33-E	-	587'	SOUTH	1852'	EAST	LEA

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
B	9	24-S	33-E	-	37'	NORTH	1955'	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.



District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
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. PLC-527
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: 10.19.20

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

E-MAIL ADDRESS: bramsey@taprk.com

EXHIBIT 3

TAP ROCK RESOURCES, LLC

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



October 21, 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 of additional wells to surface commingle (pool commingle) oil and gas production from the spacing units comprised of Section 9, Township 24S, Range 33E LEA County, New Mexico (the "Lands")

To Whom This May Concern,

Tap Rock Operating, LLC ("Tap Rock"), OGRID No. 372043, requests the addition 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. The additional 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 one producing well on the Lands at **Exhibit B**. (If available)

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 comingled 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,

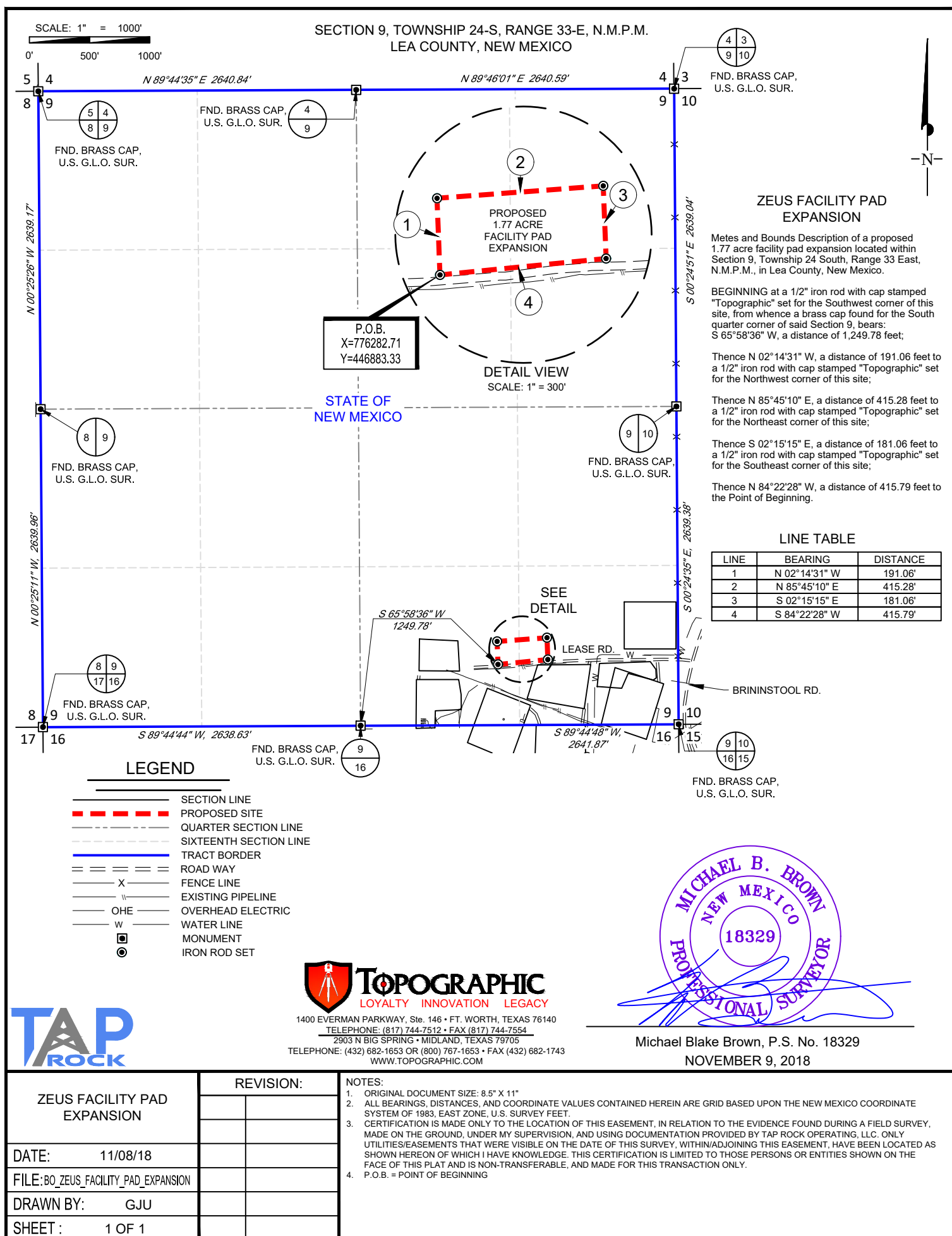
TAP ROCK OPERATING, LLC

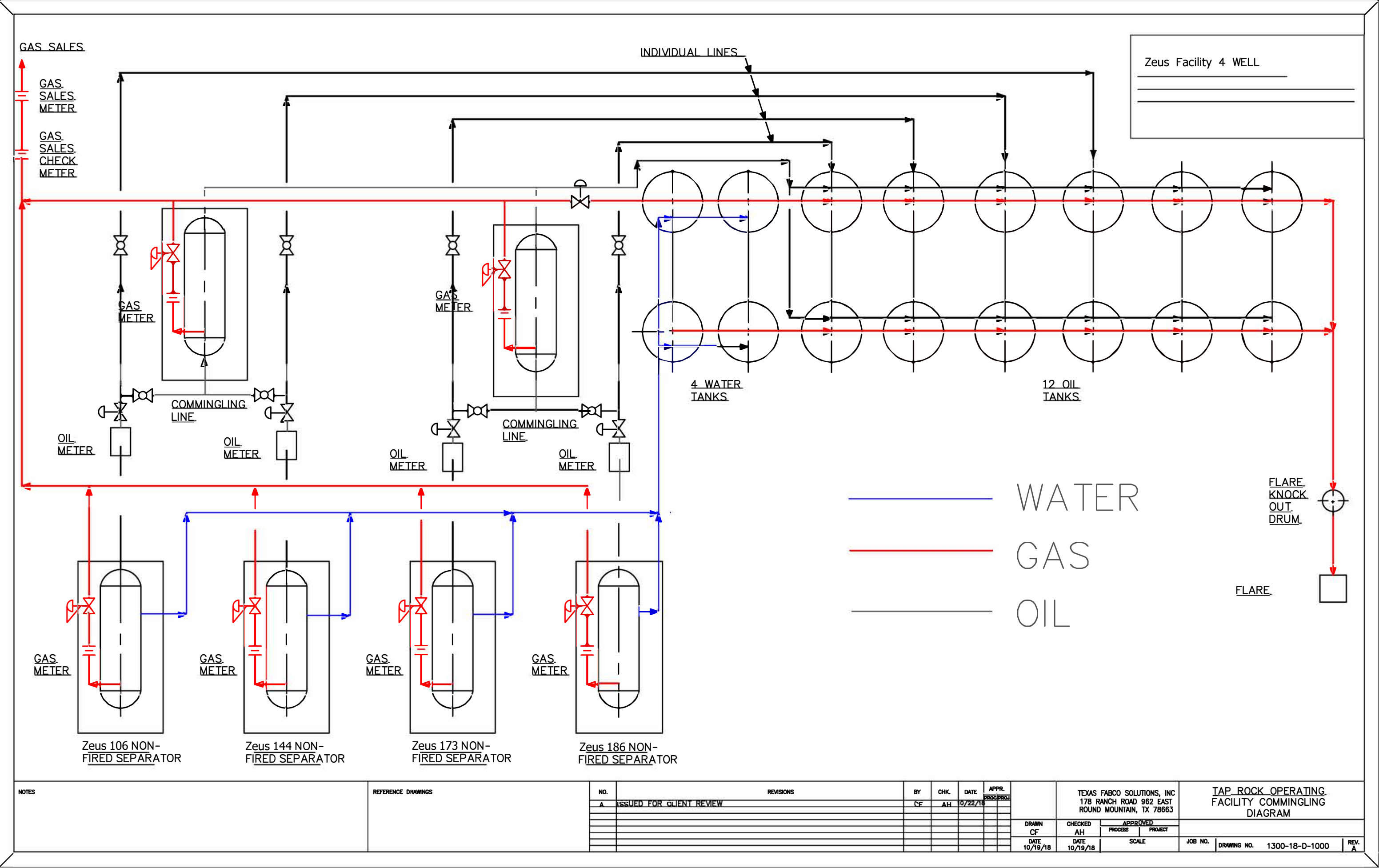
A handwritten signature in black ink, appearing to read "Ramsey", written in a cursive style.

Bill Ramsey
Regulatory Analyst

APPLICATION FOR ADDITION OF WELLS TO POOL COMMINGLE, STORAGE AND SALES FOR OIL AND GAS PRODUCTION AT ZEUS CTB

Well Name	API	Surface Location	Pool		Date Online	Oil (MBOD)	Gas (MCFD)	Gravity	BTU/cf
Zeus State 106H	30-025-45873	P-09-24S-33E	96674	TRIPLE X; BONE SPRING, WEST	3.7.20	270	1670	50	1122
Zeus State 144H	30-025-46623	P-09-24S-33E	96674	TRIPLE X; BONE SPRING, WEST	3.10.20	345	550	46	1228
Zeus State 173H	30-025-45844	P-09-24S-33E	96674	TRIPLE X; BONE SPRING, WEST	3.8.20	540	3377	51	1165
Zeus State 186H	30-025-45845	P-09-24S-33E	96674	TRIPLE X; BONE SPRING, WEST	3.7.20	305	2713	49	1143
* Estimated 6 mo. avg. production & est. oil and gas properties based on off sets									





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

Inficon Micro GC Fusion F08904 R03RR2

	Sample Information
Sample Name	Taprock__Zeus 108H Lift Gas__GC1-91819-15
Station Number	7060079
Lease Name	Zeus 108H Lift Gas
Analysis For	Taprock Operating
Producer	Taprock Operating
Field Name	Diamond
County/State	N/A
Frequency/Spot Sample	Spot
Sampling Method	Fill Empty
Sample Deg F	114
Atmos Deg F	92
Flow Rate	534.3379
Line PSIG	1011
Date/Time Sampled	9-12-19
Cylinder Number	N/A
Cylinder Clean Date	N/A
Sampled By	Alex Urias
Analysis By	Pat Silvas
Verified/Calibration Date	9-16-19
Report Date	2019-09-18 10:27:33

Component Results

Component Name	Ret. Time	Peak Area	Norm%	PPMV	GPM (Dry) (Gal. / 1000 cu.ft.)
Nitrogen	22.860	7081.5	1.38642	13864.200	0.000
H2S	46.000	0.0	0.00025	2.500	0.000
Methane	23.640	308057.1	77.55138	775513.800	0.000
Carbon Dioxide	27.840	15817.8	2.59491	25949.100	0.000
Ethane	37.340	74157.8	11.16407	111640.700	2.995
Propane	78.980	43498.6	4.87844	48784.400	1.348
i-butane	28.860	39315.6	0.57323	5732.300	0.188
n-Butane	30.460	87571.4	1.23020	12302.000	0.389
i-pentane	35.520	19553.5	0.23303	2330.300	0.085
n-Pentane	37.620	19716.8	0.22872	2287.200	0.083
Hexanes Plus	120.000	14016.0	0.15935	1593.500	0.069
Total:			100.00000	1000000.000	5.159

Results Summary

Result	Dry	Sat. (Base)
Total Raw Mole% (Dry)	100.53411	
Pressure Base (psia)	14.730	
Temperature Base	60.00	
Gross Heating Value (BTU / Ideal cu.ft.)	1191.8	1171.0
Gross Heating Value (BTU / Real cu.ft.)	1195.8	1175.5
Relative Density (G), Ideal	0.7254	0.7236
Relative Density (G), Real	0.7275	0.7260
Compressibility (Z) Factor	0.9966	0.9962

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5
JD Murchison Interests Inc	7250 Dallas Pkwy Ste 1400	Plano	TX	75024
Delaware Hops	50 Kennedy Plaza 18th Floor	Providence	RI	2903
Delaware Barley	Harborside Plaza 10 2 Second St.	New Jersey	NJ	7302
Commissioner of Public Lands	PO Box 1148	Santa Fe	NM	87504-1148
Devon Production Company	LP 1500 Mid-America Tower 20 North Broadway	Oklahoma City	OK	73102
Murchison Oil and Gas, Inc.	7250 Dallas Pkwy Ste 1400	Plano	TX	75024
MEC Petroleum Corp.	414 W. Texas Ave. #410	Midland	TX	79701
Mesa Southwest Energy, LLC	8117 Preston Road, Suite 260W	Dallas	TX	75225

EXHIBIT 4



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

November 9, 2020

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Tap Rock Operating, LLC, to amend Surface Commingling Order PLC-527 to add certain wells and spacing unit, and to authorize pool commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Zeus Tank Battery located in the SE/4 SE/4 (Unit P) of Section 9, Township 24 South, Range 33 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.

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.

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

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

ParentID	MailDate	Name	DeliveryAddress	City	ST	Zip	Mail Service	USPS #	Label Ref.
31309	11/09/2020	JD Murchison Interests Inc	7250 Dallas Pkwy Ste 1400	Plano	TX	75024-5002	Certified with Return Receipt (Signature)	9414811898765 826724660	69638 - Tap Rock - Zeus PLC-527 amended - notice list - 1
31309	11/09/2020	Delaware Hops	50 Kennedy Plz Fl 18	Providence	RI	02903-2393	Certified with Return Receipt (Signature)	9414811898765 826724622	69638 - Tap Rock - Zeus PLC-527 amended - notice list - 2
31309	11/09/2020	Delaware Barley	Harborside Plaza 10 2 Second St.	New Jersey	NJ	07302	Certified with Return Receipt (Signature)	9414811898765 826724608	69638 - Tap Rock - Zeus PLC-527 amended - notice list - 3
31309	11/09/2020	Commissioner of Public Lands	PO Box 1148	Santa Fe	NM	87504-1148	Certified with Return Receipt (Signature)	9414811898765 826724691	69638 - Tap Rock - Zeus PLC-527 amended - notice list - 4
31309	11/09/2020	Devon Production Company	20 N Broadway Lp 1500 Mid - America Tower	Oklahoma City	OK	73102-9213	Certified with Return Receipt (Signature)	9414811898765 826724646	69638 - Tap Rock - Zeus PLC-527 amended - notice list - 5
31309	11/09/2020	Murchison Oil and Gas, Inc.	7250 Dallas Pkwy Ste 1400	Plano	TX	75024-5002	Certified with Return Receipt (Signature)	9414811898765 826724684	69638 - Tap Rock - Zeus PLC-527 amended - notice list - 6
31309	11/09/2020	MEC Petroleum Corp.	414 W Texas Ave Ste 410	Midland	TX	79701-4415	Certified with Return Receipt (Signature)	9414811898765 826724639	69638 - Tap Rock - Zeus PLC-527 amended - notice list - 7
31309	11/09/2020	Mesa Southwest Energy, LLC	8117 Preston Rd Ste 260W	Dallas	TX	75225-6420	Certified with Return Receipt (Signature)	9414811898765 826724677	69638 - Tap Rock - Zeus PLC-527 amended - notice list - 8



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.

Tap Rock - Zeus amended PLC-527 and Hyperion amended PLC-695
CM# 93477.0001

Shipment Date: 12/21/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	4
First-Class Package Service®	
Returns	
International*	
Other	0
Total	4

*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.

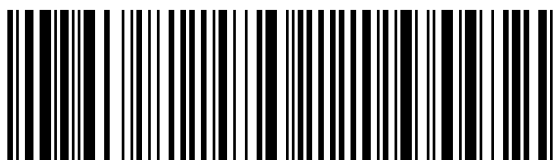
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. 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 0025 9580 95



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Affix Stamp Here <i>(for additional copies of this receipt).</i> Postmark with Date of Receipt.												
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee		
1. 9202 8901 9403 8328 1370 65	C D MARTIN PO BOX 12 MIDLAND TX 79702-0012	7.75	3.55	Handling Charge - if Registered and over \$50,000 in value							1.70					
2. 9202 8901 9403 8328 1370 72	DAVENPORT CONGER PROPERTIES LP PO BOX 35 MIDLAND TX 79702-0035	7.75	3.55									1.70				
3. 9202 8901 9403 8328 1371 64	DELAWARE HOPS 50 KENNEDY PLZ FL 18 PROVIDENCE RI 02903-2393	7.75	3.55									1.70				
4. 9202 8901 9403 8328 1372 49	DELAWARE BARLEY HARBORSIDE PLAZA 10 2 2ND ST JERSEY CITY NJ 07302-3096	7.75	3.55								1.70					
Total Number of Pieces Listed by Sender 4	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)														

Tap Rock - Zeus PLC-527 amended 12-22-20 mailing
Postal Delivery Report dated 1-08-21

Tracking Number	Recipient	Status
9214890194038328280506	C D Martin PO BOX 12 Midland TX 79702-0012	In-Transit
9214890194038328280513	Davenport Conger Properties LP PO BOX 3511 Midland TX 79702	In-Transit

ALERT: USPS IS EXPERIENCING UNPRECEDENTED VOLUME INCREASES AND LIM...

USPS Tracking®

FAQs >

Track Another Package +

Tracking Number: 9214890194038328280506

Remove X

This is a reminder to arrange for redelivery of your item before January 10, 2021 or your item will be returned on January 11, 2021. You may arrange redelivery by using the Schedule a Redelivery feature on this page or may pick up the item at the Post Office indicated on the notice.

Feedback

Delivery Attempt: Action Needed

Reminder to Schedule Redelivery of your item before January 10, 2021

Schedule Redelivery ▾

Text & Email Updates	▾
Schedule Redelivery	▾
Return Receipt Electronic	▾
Tracking History	▴

Reminder to Schedule Redelivery of your item before January 10, 2021

This is a reminder to arrange for redelivery of your item before January 10, 2021 or your item will be returned on January 11, 2021. You may arrange redelivery by using the Schedule a Redelivery feature on this page or may pick up the item at the Post Office indicated on the notice.

December 27, 2020, 5:35 am

Available for Pickup
MIDLAND, TX 79702

December 27, 2020, 5:33 am

Arrived at Hub
MIDLAND, TX 79701

December 26, 2020

In Transit to Next Facility

December 24, 2020, 11:39 pm

Departed USPS Regional Destination Facility
MIDLAND TX DISTRIBUTION CENTER

December 24, 2020, 7:02 pm

Arrived at USPS Regional Destination Facility
MIDLAND TX DISTRIBUTION CENTER

December 22, 2020, 9:23 pm

Departed USPS Facility
ALBUQUERQUE, NM 87101

December 22, 2020, 8:31 pm

Arrived at USPS Origin Facility
ALBUQUERQUE, NM 87101

December 22, 2020, 7:16 pm

Accepted at USPS Origin Facility
SANTA FE, NM 87501

Feedback

December 22, 2020
Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Product Information



See Less ^

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs

Feedback

ALERT: USPS IS EXPERIENCING UNPRECEDENTED VOLUME INCREASES AND LIM...

USPS Tracking®

FAQs >

Track Another Package +

Tracking Number: 9214890194038328280513

Remove X

This is a reminder to arrange for redelivery of your item before January 10, 2021 or your item will be returned on January 11, 2021. You may arrange redelivery by using the Schedule a Redelivery feature on this page or may pick up the item at the Post Office indicated on the notice.

Feedback

Delivery Attempt: Action Needed

Reminder to Schedule Redelivery of your item before January 10, 2021

Schedule Redelivery ▾

Text & Email Updates	▾
Schedule Redelivery	▾
Return Receipt Electronic	▾
Tracking History	▴

Reminder to Schedule Redelivery of your item before January 10, 2021

This is a reminder to arrange for redelivery of your item before January 10, 2021 or your item will be returned on January 11, 2021. You may arrange redelivery by using the Schedule a Redelivery feature on this page or may pick up the item at the Post Office indicated on the notice.

December 27, 2020, 5:35 am

Available for Pickup
MIDLAND, TX 79702

December 27, 2020, 5:33 am

Arrived at Hub
MIDLAND, TX 79701

December 26, 2020

In Transit to Next Facility

December 24, 2020, 11:39 pm

Departed USPS Regional Destination Facility
MIDLAND TX DISTRIBUTION CENTER

December 24, 2020, 7:02 pm

Arrived at USPS Regional Destination Facility
MIDLAND TX DISTRIBUTION CENTER

December 22, 2020, 9:23 pm

Departed USPS Facility
ALBUQUERQUE, NM 87101

December 22, 2020, 8:31 pm

Arrived at USPS Origin Facility
ALBUQUERQUE, NM 87101

December 22, 2020, 7:16 pm

Accepted at USPS Origin Facility
SANTA FE, NM 87501

Feedback

December 22, 2020

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Product Information



See Less ^

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs

Feedback

Tap Rock - Zeus PLC-527 12-22-20 mailing
Postal Delivery Report dated 1-08-21

Tracking Number	Recipient	Status
9214890194038328279715	Delaware Hops 50 Kennedy Plaza 18th Floor Providence RI 02903	Delivered
9214890194038328279722	Delaware Barley Harborside Plaza 10 2 Second St New Jersey NJ 07302	In-Transit

ALERT: USPS IS EXPERIENCING UNPRECEDENTED VOLUME INCREASES AND LIM...

USPS Tracking®

FAQs >

Track Another Package +

Tracking Number: 9214890194038328279715

Remove X

Your item has been delivered and is available at a PO Box at 4:23 am on January 4, 2021 in PROVIDENCE, RI 02903.

✓ Delivered

January 4, 2021 at 4:23 am
Delivered, PO Box
PROVIDENCE, RI 02903

Get Updates ▾

Feedback

Text & Email Updates	▾
Return Receipt Electronic	▾
Tracking History	▴

January 4, 2021, 4:23 am
Delivered, PO Box
PROVIDENCE, RI 02903
Your item has been delivered and is available at a PO Box at 4:23 am on January 4, 2021 in PROVIDENCE, RI 02903.

January 3, 2021

In Transit to Next Facility

December 30, 2020, 10:28 pm

Departed USPS Regional Facility
PROVIDENCE RI DISTRIBUTION CENTER

December 30, 2020, 2:55 am

Arrived at USPS Regional Destination Facility
PROVIDENCE RI DISTRIBUTION CENTER

December 22, 2020, 11:51 pm

Departed USPS Origin Facility
ALBUQUERQUE, NM 87101

December 22, 2020, 8:31 pm

Arrived at USPS Origin Facility
ALBUQUERQUE, NM 87101

December 22, 2020, 7:16 pm

Accepted at USPS Origin Facility
SANTA FE, NM 87501

December 22, 2020

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Feedback

Product Information



See Less ^

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs

Feedback

ALERT: USPS IS EXPERIENCING UNPRECEDENTED VOLUME INCREASES AND LIM...

USPS Tracking®

FAQs >

Track Another Package +

Tracking Number: 9214890194038328279722

Remove X

Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

In-Transit

January 7, 2021
In Transit, Arriving Late

Get Updates ▾

- Text & Email Updates

▾
- Return Receipt Electronic

▾
- Tracking History

▴

January 7, 2021

In Transit, Arriving Late

Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

Feedback

January 5, 2021, 7:19 pm

Arrived at USPS Regional Facility
SHREWSBURY MA DISTRIBUTION CENTER

December 30, 2020, 10:46 am

Insufficient Address
JERSEY CITY, NJ 07311

December 30, 2020, 8:44 am

Out for Delivery
JERSEY CITY, NJ 07302

December 30, 2020, 8:33 am

Arrived at Unit
JERSEY CITY, NJ 07302

December 30, 2020, 4:33 am

Departed USPS Regional Destination Facility
KEARNY NJ DISTRIBUTION CENTER

December 29, 2020, 8:53 am

Arrived at USPS Regional Destination Facility
KEARNY NJ DISTRIBUTION CENTER

December 26, 2020, 7:15 pm

Departed USPS Origin Facility
ALBUQUERQUE, NM 87101

December 22, 2020, 8:31 pm

Arrived at USPS Origin Facility
ALBUQUERQUE, NM 87101

December 22, 2020, 7:16 pm

Accepted at USPS Origin Facility
SANTA FE, NM 87501

Feedback

December 22, 2020
Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Product Information



See Less ^

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs

Feedback

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA


I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
April 01, 2021
and ending with the issue dated
April 01, 2021.



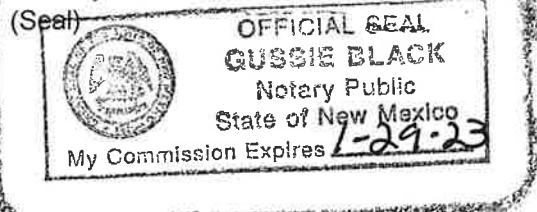
Publisher

Sworn and subscribed to before me this
1st day of April 2021.

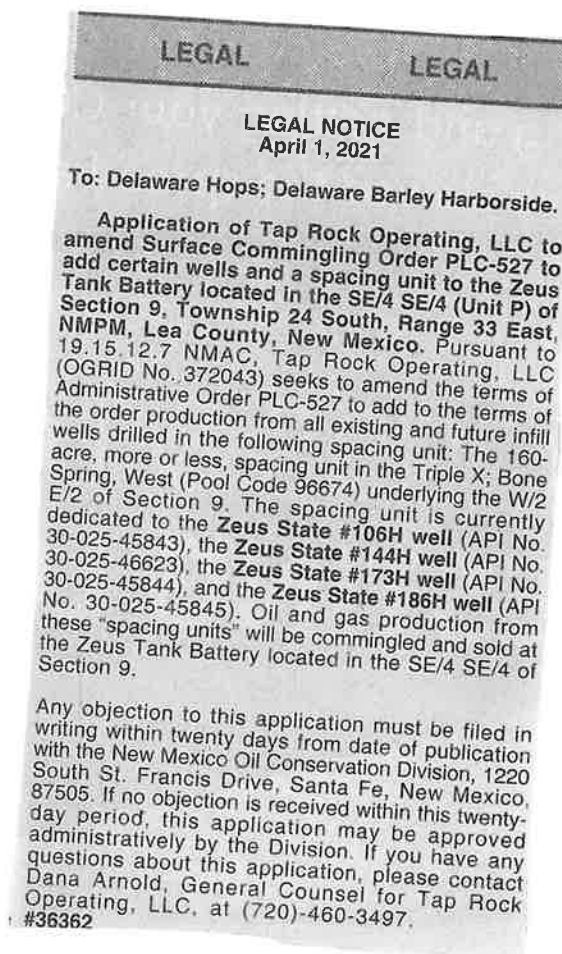


Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said



67100754

00252639

HOLLAND & HART LLC
PO BOX 2208
SANTA FE,, NM 87504-2208

From: [McClure, Dean, EMNRD](#)
To: [Kaitlyn A. Luck](#)
Cc: [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@nwbyram.com; [Holm, Anchor E.](#); [Dawson, Scott](#)
Subject: Approved Administrative Order PLC-527-A
Date: Tuesday, April 27, 2021 3:22:31 PM
Attachments: [PLC527A Order.pdf](#)

NMOCD has issued Administrative Order PLC-527-A which authorizes Tap Rock Operating, LLC (372043) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPM)	Pool Code
30-025-44525	Zeus 24S330909 State #228H	P-09-24S-33E	98135
30-025-44473	Zeus 24S330909 State #204H	P-09-24S-33E	98135
30-025-44523	Zeus 24S330909 State #108H	P-09-24S-33E	96674
30-025-44524	Zeus 24S330909 State #188H	P-09-24S-33E	96674
30-025-45843	Zeus State #106H	O-09-24S-33E	96674
30-025-46623	Zeus State #144H	P-09-24S-33E	96674
30-025-45844	Zeus State #173H	O-09-24S-33E	96674
30-025-45845	Zeus State #186H	O-09-24S-33E	96674

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: **PLC-527-A**

Operator: **Tap Rock Operating, LLC (372043)**

Publication Date: **4/1/2021**

Date Sent: **11/9/2020**

Noticed Persons

Date	Person	Certified Tracking Number	Status
11/12/2020	JD Murchison	9414811898765826724660	Delivered
11/16/2020	Delaware Hops	9414811898765826724622	In-Transit
	Delaware Barley	9414811898765826724608	Attempt
11/16/2020	Commissioner of Public Lands	9414811898765826724691	Delivered
11/12/2020	Devon Production	9414811898765826724646	Delivered
11/12/2020	Murchison Oil	9414811898765826724684	Delivered
11/12/2020	MEC Petroleum	9414811898765826724639	Delivered
11/16/2020	Mesa Southwest	9414811898765826724677	Delivered

Notice Sent on 12/21/2020

12/21/2020	C D MARTIN PO BOX 12 MIDLAND TX 79702-0012	9202 8901 9403 8328 1370 65	're-Shipmen'
12/21/2020	DAVENPORT CONGER PROPERTIES LP PO BOX 35 I	9202 8901 9403 8328 1370 72	're-Shipmen'
12/21/2020	DELAWARE HOPS 50 KENNEDY PLZ FL 18 PROVIDE	9202 8901 9403 8328 1371 64	're-Shipmen'
12/21/2020	DELAWARE BARLEY HARBORSIDE PLAZA 10 2 2ND	9202 8901 9403 8328 1372 49	're-Shipmen'

Notice sent on 12/22/2020

1/13/2021	C D MARTIN PO BOX 12 MIDLAND TX 79702-0012	9214890194038328280506	Delivered
	DAVENPORT CONGER PROPERTIES LP PO BOX 35 I	9214890194038328280513	Attempt
1/4/2021	DELAWARE HOPS 50 KENNEDY PLZ FL 18 PROVIDE	9214890194038328279715	Delivered
1/13/2021	DELAWARE BARLEY HARBORSIDE PLAZA 10 2 2ND	9214890194038328279722	Returned

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY TAP ROCK OPERATING, LLC**

ORDER NO. PLC-527-A

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Tap Rock Operating, LLC (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to surface commingle and off-lease measure, as applicable, oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

2. This Order supersedes Order PLC-527.
3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
5. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.

6. Applicant shall measure the commingled gas at a central delivery point or central tank battery described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless of whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B via the OCD Fee Portal in accordance with 19.15.12.10(C)(4)(g) NMAC.
10. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 4/27/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-527-A**

Operator: **Tap Rock Operating, LLC (372043)**

Central Tank Battery: **Zeus Facility Central Tank Battery**

Central Tank Battery Location (NMPM): **Unit P, Section 9, Township 24 South, Range 33 East**

Gas Custody Transfer Meter Location (NMPM): **Unit P, Section 9, Township 24 South, Range 33 East**

Pools

Pool Name	Pool Code
WC-025 G-09 S243310P; UPPER WOLFCAMP	98135
TRIPLE X; BONE SPRING, WEST	96674

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
VO 40962 (WC)	E/2 E/2	Sec 9-T24S-R33E
VO 40962 (BS)	E/2	Sec 9-T24S-R33E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-44525	Zeus 24S330909 State #228H	P-09-24S-33E	98135	
30-025-44473	Zeus 24S330909 State #204H	P-09-24S-33E	98135	
30-025-44523	Zeus 24S330909 State #108H	P-09-24S-33E	96674	
30-025-44524	Zeus 24S330909 State #188H	P-09-24S-33E	96674	
30-025-45843	Zeus State #106H	O-09-24S-33E	96674	
30-025-46623	Zeus State #144H	P-09-24S-33E	96674	
30-025-45844	Zeus State #173H	O-09-24S-33E	96674	
30-025-45845	Zeus State #186H	O-09-24S-33E	96674	

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 11128

CONDITIONS OF APPROVAL

Operator:		OGRID:	Action Number:	Action Type:
TAP ROCK OPERATING, LLC		372043	11128	C-107B
Suite 200 Golden, CO80401				
523 Park Point Drive				
OCD Reviewer	Condition			
dmccleure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.			