





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

July 20, 2021

**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 WTG Tank Battery located in the NW/4 NW/4 (Unit D) of Section 27, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.**

Dear Ms. Sandoval:

Tap Rock Operating, LLC (OGRID No. 372043) seeks administrative approval, pursuant to 19.15.12.7 NMAC, for pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the WTG Tank Battery of production from the WC-015 G-03 S262925D; Bone Spring Pool (98211); and the Purple Sage; Wolfcamp (Gas) Pool (98220), from *all existing and future wells drilled in the following spacing units:*

(a) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the W/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the **WTG Fed Com #121H well** (API No. 30-015-47855), and the **WTG Fed Com #122H well** (API No. 30-015-47033);

(b) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the E/2 of Section 27 and the NE/4 of Section 34. The spacing unit is currently dedicated to the **WTG Fed Com #123H well** (API No. 30-015-47041), and the **WTG Fed Com #124H well** (API No. 30-015-47043);

(c) The 480-acre, more or less, spacing unit in the Purple Sage; Wolfcamp (Gas) Pool (98220) underlying the W/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the **WTG Fed Com #201H well** (API No. 30-015-46444), the **WTG Fed Com #202H well** (API No. 30-015-47029), the **WTG Fed Com #205H well** (API No. 30-015-46445), the **WTG Fed Com #211H well** (API No. 30-015-46451), the **WTG Fed Com #212H well** (API No. 30-015-47035), the **WTG Fed Com**

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](http://www.hollandhart.com)

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

July 20, 2021

Page 2

**#215H well** (API No. 30-015-46467), the **WTG Fed Com #217H well** (API No. 30-015-47039), the **WTG Fed Com #232H well** (API No. 30-015-48296), the **WTG Fed Com #235H well** (API No. 30-015-48332), the **WTG Fed Com #241H well** (API No. 30-015-48190), and the **WTG Fed Com #245H well** (API No. 30-015-48186); and

(d) 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 spacing units.

Oil and gas production from these spacing units will be commingled and sold at the WTG Tank Battery located in the NW/4 NW/4 (Unit D) of Section 27. 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 1** is a C-102 for each of the wells currently permitted or drilled within the existing spacing units, together with 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, there are no communitization agreements for the acreage subject to this application.

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

WELL NAME	API	SURFACE LOCATION	POOL	Projected Date Online	OIL (BOD)	GAS (MCF)	Gravity	BTU/cf
WTG Fed Com 121H	30-015-47855	D-27-26S-29E	[98211] WC-015 G-03 S262925D;BONE SPRING	11/20/2021	1240	3024	49.19	1350
WTG Fed Com 122H	30-015-47033	C-27-26S-29E	[98211] WC-015 G-03 S262925D;BONE SPRING	11/20/2021	1240	3024	49.19	1350
WTG Fed Com 123H	30-015-47041	A-27-26S-29E	[98211] WC-015 G-03 S262925D;BONE SPRING	11/20/2021	1240	3024	49.19	1350
WTG Fed Com 124H	30-015-47034	A-27-26S-29E	[98211] WC-015 G-03 S262925D;BONE SPRING	11/20/2021	1240	3024	49.19	1350
WTG Fed Com 201H	30-015-46444	D-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	12/1/2020	332	1303	49.19	1350
WTG Fed Com 202H	30-015-47029	C-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	12/1/2020	431	1559	49.19	1350
WTG Fed Com 205H	30-015-46445	D-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	12/1/2020	390	1537	49.19	1350
WTG Fed Com 211H	30-015-46451	D-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	12/1/2020	313	1675	49.19	1350
WTG Fed Com 212H	30-015-47035	C-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	12/1/2020	367	1669	49.19	1350
WTG Fed Com 215H	30-015-46467	D-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	12/1/2020	269	1664	49.19	1350
WTG Fed Com 217H	30-015-47039	C-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	12/1/2020	513	2866	49.19	1350
WTG Fed Com 232H	30-015-48296	C-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	11/20/2021	900	5613	49.19	1350
WTG Fed Com 235H	30-015-48332	C-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	11/20/2021	900	5613	49.19	1350
WTG Fed Com 241H	30-015-48190	D-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	11/20/2021	900	5613	49.19	1350
WTG Fed Com 245H	30-015-48186	D-27-26S-29E	[98220] PURPLE SAGE;WOLFCAMP (GAS)	11/20/2021	900	5613	49.19	1350

Nov-20		Dec-20		Jan-21		Feb-21		Mar-21		Apr-21							
Oil Prod	Gas Prod @15.025	Oil Prod	Gas Prod @15.025	Oil Prod	Gas Prod @15.025	Oil Prod	Gas Prod @15.025	Oil Prod	Gas Prod @15.025	Oil Prod	Gas Prod @15.025						
WTG Fed Com #201	24414.06519	76653	WTG Fed Com #201	22775	75446	WTG Fed Com #201	18721	65673	WTG Fed Com #201	4578	20119	WTG Fed Com #201	8753	30261	WTG Fed Com #201	8371	43024
WTG Fed Com #202	24561.98706	121738	WTG Fed Com #202	14203	68192	WTG Fed Com #202	11008	53174	WTG Fed Com #202	8942	51199	WTG Fed Com #202	6321	38928	WTG Fed Com #202	12594	66358
WTG Fed Com #205	0	0	WTG Fed Com #205	17875	62356	WTG Fed Com #205	29919	114156	WTG Fed Com #205	17944	68732	WTG Fed Com #205	13783	51927	WTG Fed Com #205	13966	65511
WTG Fed Com #211	17732.30409	87245	WTG Fed Com #211	19818	106416	WTG Fed Com #211	8947	50073	WTG Fed Com #211	7488	46772	WTG Fed Com #211	10464	57070	WTG Fed Com #211	10669	77592
WTG Fed Com #212	0.0867	64	WTG Fed Com #212	4508	15137	WTG Fed Com #212	23922	84930	WTG Fed Com #212	6679	22888	WTG Fed Com #212	13591	51429	WTG Fed Com #212	12194	88082
WTG Fed Com #215	22685.59494	109991	WTG Fed Com #215	20469	92782	WTG Fed Com #215	12504	58977	WTG Fed Com #215	7022	36664	WTG Fed Com #215	7439	38939	WTG Fed Com #215	11134	90795
WTG Fed Com #217	29610.23661	134418	WTG Fed Com #217	17155	77624	WTG Fed Com #217	23897	114165	WTG Fed Com #217	18435	89221	WTG Fed Com #217	9982	49407	WTG Fed Com #217	15122	97918

# EXHIBIT 1

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47855		<sup>2</sup> Pool Code 98211		<sup>3</sup> Pool Name WC-015 G-03 S262925D;BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 121H
<sup>7</sup> OGRID No. #372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2883'

<sup>10</sup>Surface Location

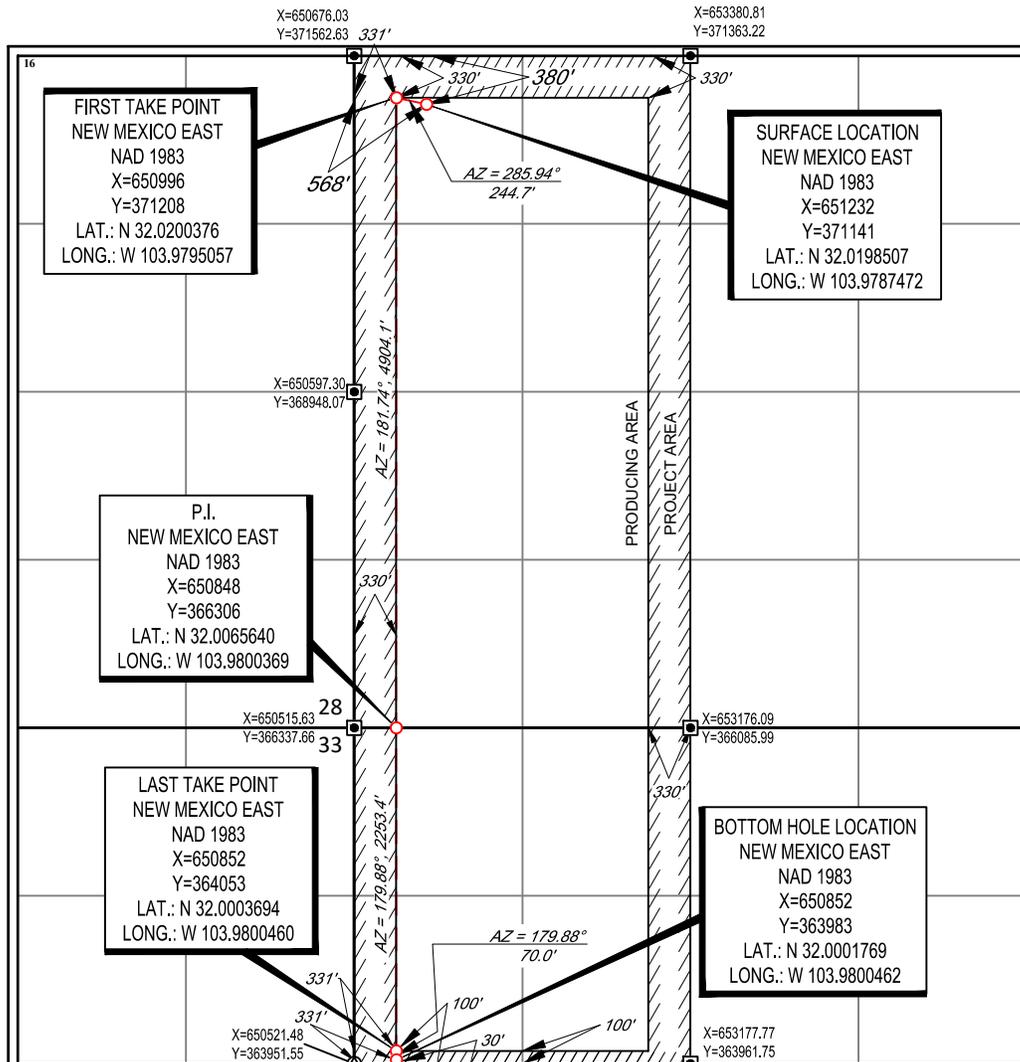
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	26-S	29-E	-	380'	NORTH	568'	WEST	EDDY

<sup>11</sup>Bottom 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
9	34	26-S	29-E	-	30'	SOUTH	331'	WEST	EDDY

<sup>12</sup> Dedicated Acres 480	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



**<sup>17</sup>OPERATOR 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*      02/17/2021  
Signature      Date

Bill Ramsey  
Printed Name

bramsey@taprk.com  
E-mail Address

**<sup>18</sup>SURVEYOR 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.

05/27/2020  
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  
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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

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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47034		<sup>2</sup> Pool Code 98211		<sup>3</sup> Pool Name WC-015 G-03 S262925D;BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 124H
<sup>7</sup> OGRID No. 372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2886'

<sup>10</sup>Surface Location

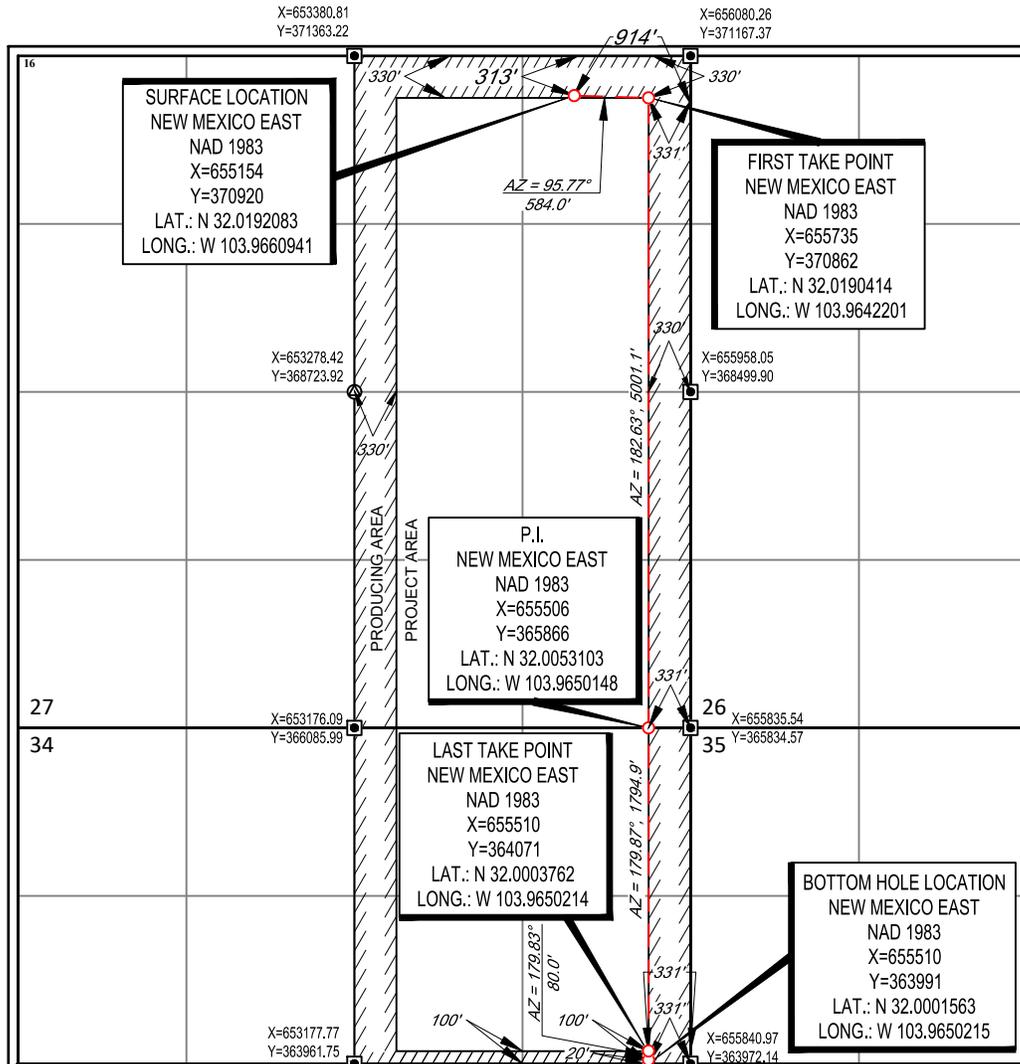
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	26-S	29-E	-	313'	NORTH	914'	EAST	EDDY

<sup>11</sup>Bottom 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
12	34	26-S	29-E	-	20'	SOUTH	331'	EAST	EDDY

<sup>12</sup> Dedicated Acres 480	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup>OPERATOR 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*  
Signature Date 02/17/2021

Printed Name  
Bill Ramsey

E-mail Address  
bramsey@taprk.com

<sup>18</sup>SURVEYOR 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.

Date of Survey  
06/06/2019

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  
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FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT  
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47029		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP	
<sup>4</sup> Property Code 326330		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 202H
<sup>7</sup> OGRID No. #372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2885'

<sup>10</sup>Surface Location

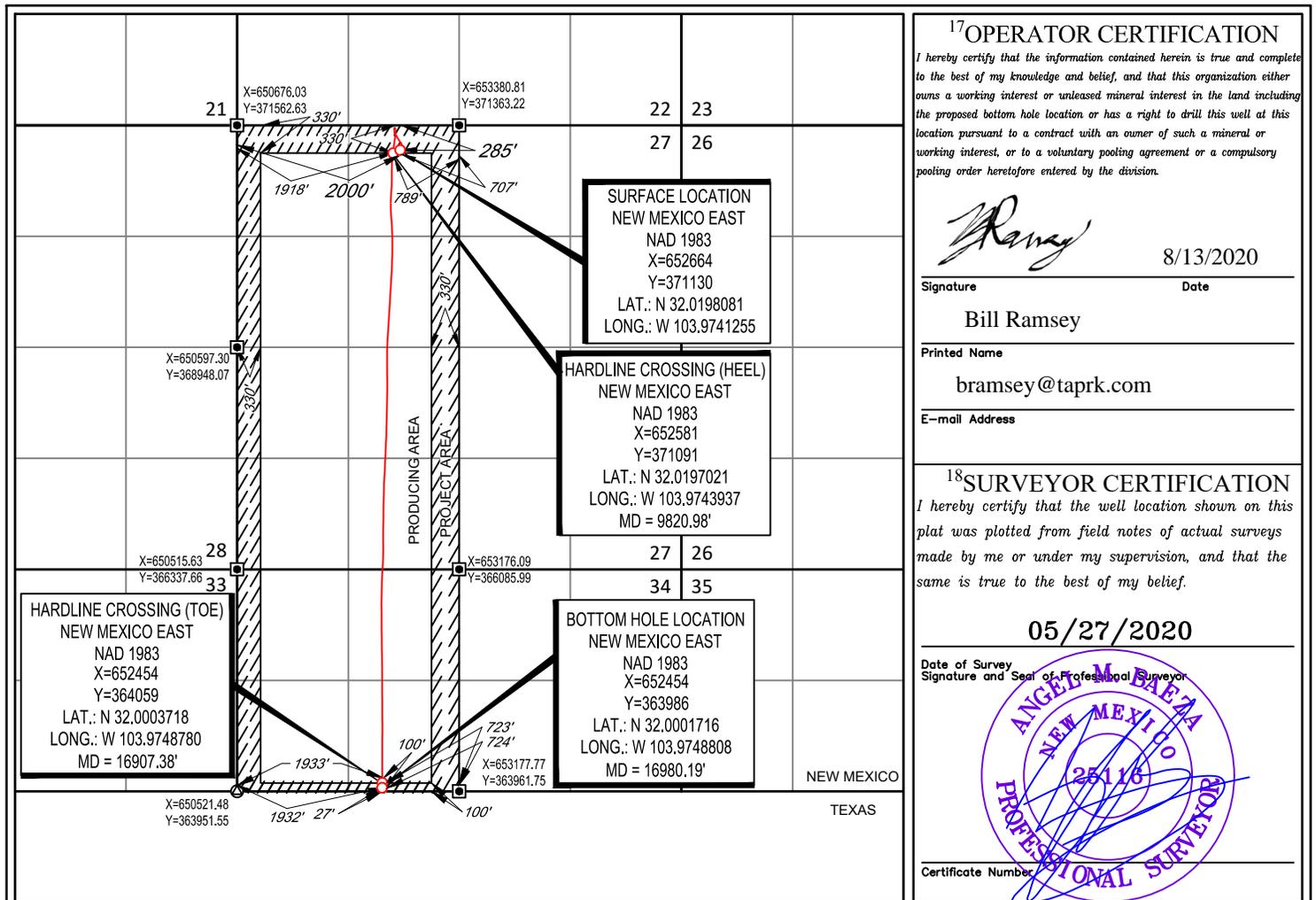
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	26-S	29-E	-	285'	NORTH	2000'	WEST	EDDY

<sup>11</sup>Bottom 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
10	34	26-S	29-E	-	27'	SOUTH	1932'	WEST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup>OPERATOR 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*  
Signature  
8/13/2020  
Date

Bill Ramsey  
Printed Name  
bramsey@taprk.com  
E-mail Address

<sup>18</sup>SURVEYOR 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.

05/27/2020  
Date of Survey

*Angel M. Baeza*  
Signature and Seal of Professional Surveyor

ANGEL M. BAEZA  
NEW MEXICO  
25116  
PROFESSIONAL SURVEYOR

Certificate Number







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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

<sup>1</sup> API Number <b>30-015-46467</b>		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP	
<sup>4</sup> Property Code <b>326330</b>		<sup>5</sup> Property Name <b>WTG FED COM</b>		<sup>6</sup> Well Number <b>215H</b>	
<sup>7</sup> OGRID No. <b>#372043</b>		<sup>8</sup> Operator Name <b>TAP ROCK OPERATING, LLC.</b>		<sup>9</sup> Elevation <b>2884'</b>	

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	26-S	29-E	-	495'	NORTH	445'	WEST	EDDY

<sup>11</sup>Bottom 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
9	34	26-S	29-E	-	30'	SOUTH	970'	WEST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

**SURFACE LOCATION**  
NEW MEXICO EAST  
NAD 1983  
X=651105  
Y=371035  
LAT.: N 32.0195597  
LONG.: W 103.9791558

**HARDLINE CROSSING (HEEL)**  
NEW MEXICO EAST  
NAD 1983  
X=651577  
Y=371165  
LAT.: N 32.0199148  
LONG.: W 103.9776335  
MD = 10165.6'

**HARDLINE CROSSING (TOE)**  
NEW MEXICO EAST  
NAD 1983  
X=651492  
Y=364055  
LAT.: N 32.0003704  
LONG.: W 103.9779805  
MD = 17321.0'

**BOTTOM HOLE LOCATION**  
NEW MEXICO EAST  
NAD 1983  
X=651492  
Y=363986  
LAT.: N 32.0001793  
LONG.: W 103.9779843  
MD = 17390.5'

<sup>17</sup>OPERATOR 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.*

**3/11/2020**  
Signature Date

**CHRISTIANCOMBS**  
Printed Name

**ccombs@taprk.com**  
E-mail Address

<sup>18</sup>SURVEYOR 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

**Megie**  
Signature and Seal of Professional Surveyor

**11401**  
Registered Professional Surveyor

**Megie**  
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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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

<sup>1</sup> API Number 30-015-47039		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP	
<sup>4</sup> Property Code 326330		<sup>5</sup> Property Name WTG FED COM		<sup>6</sup> Well Number 217H	
<sup>7</sup> OGRID No. #372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.		<sup>9</sup> Elevation 2885'	

<sup>10</sup>Surface Location

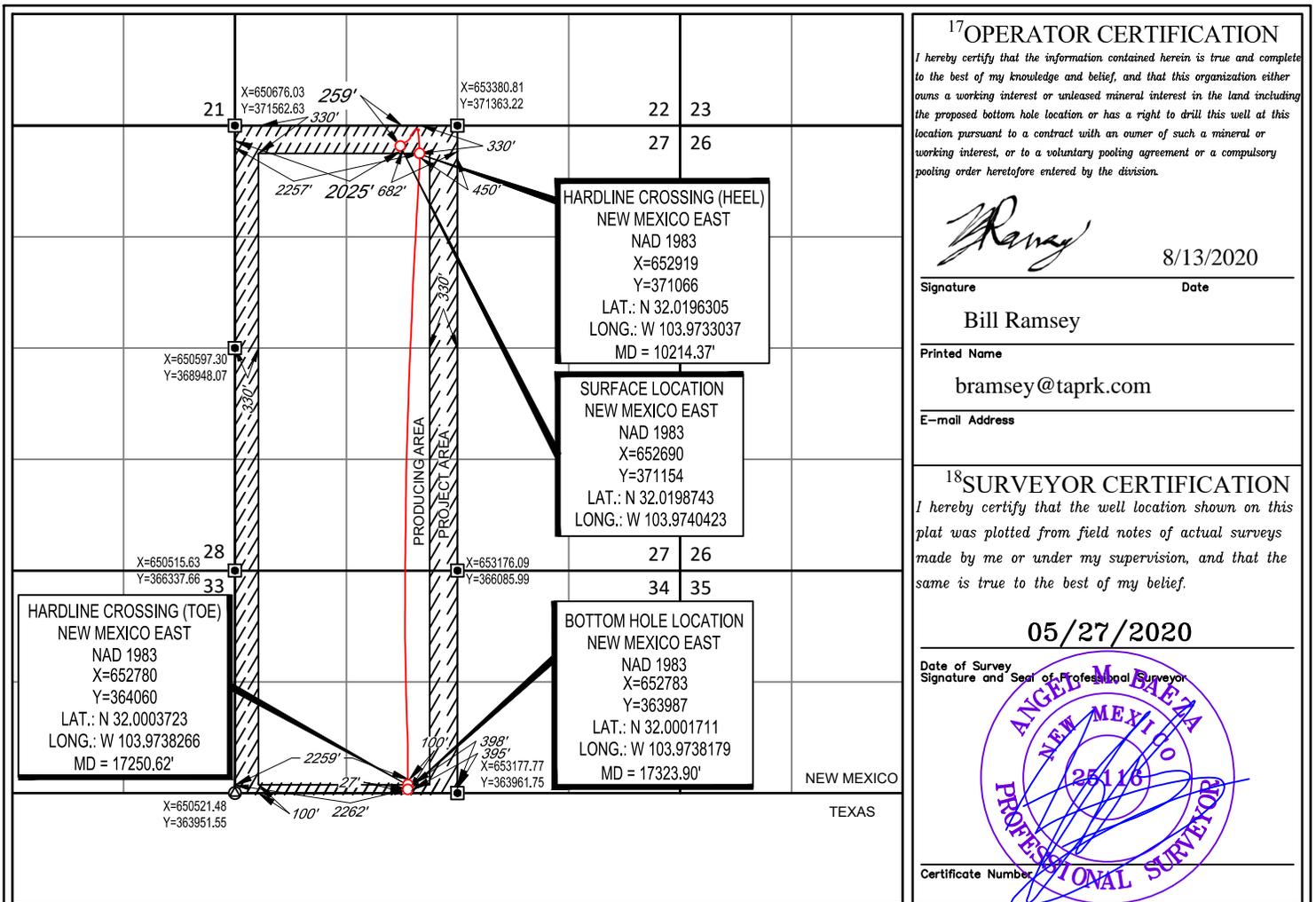
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	26-S	29-E	-	259'	NORTH	2025'	WEST	EDDY

<sup>11</sup>Bottom 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
10	34	26-S	29-E	-	27'	SOUTH	2262'	WEST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-48296		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP	
<sup>4</sup> Property Code 326330		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 232H
<sup>7</sup> OGRID No. #372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2886'

<sup>10</sup>Surface Location

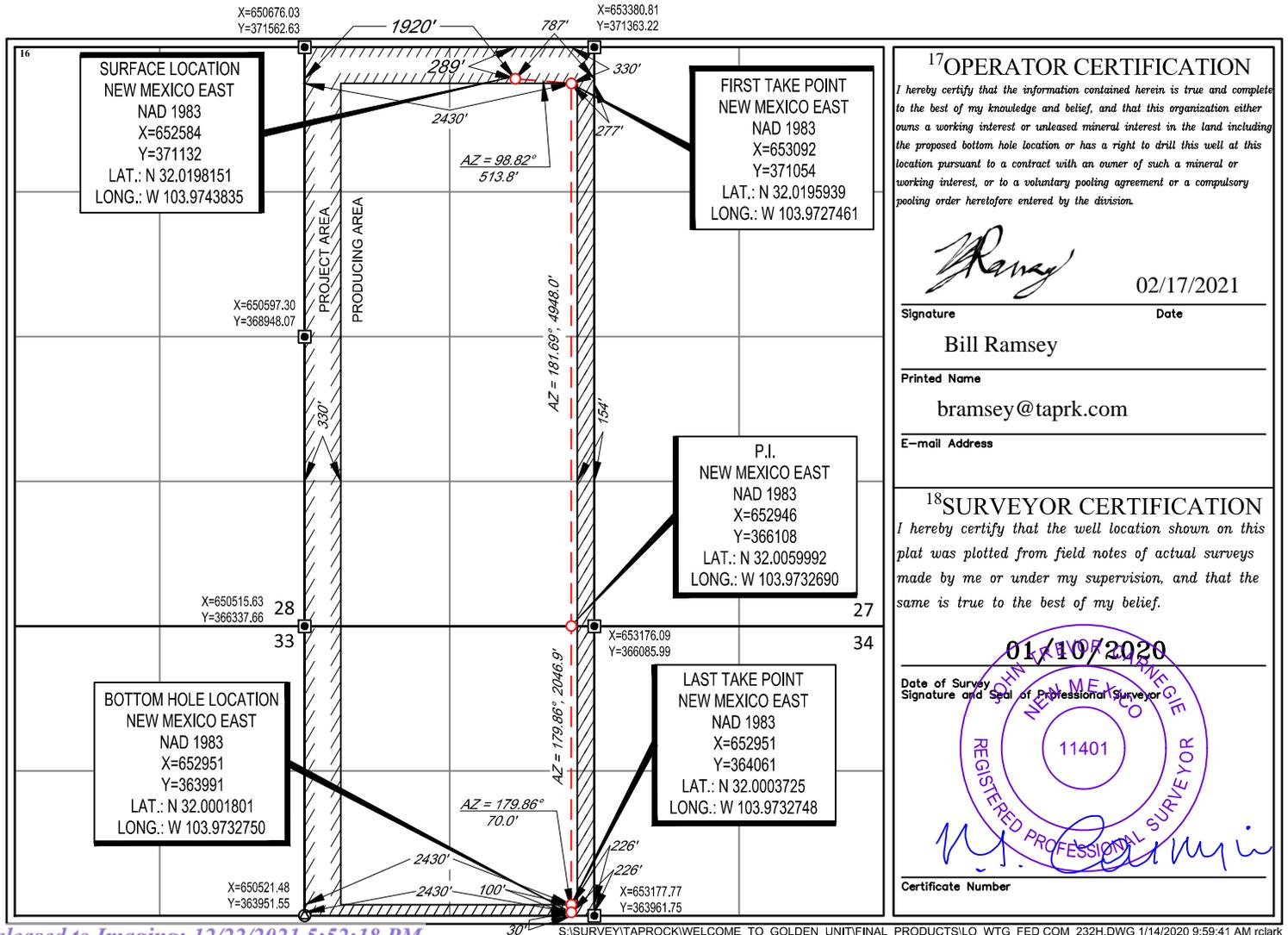
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	26-S	29-E	-	289'	NORTH	1920'	WEST	EDDY

<sup>11</sup>Bottom 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
10	34	26-S	29-E	-	30'	SOUTH	2430'	WEST	EDDY

<sup>12</sup> Dedicated Acres 461.86	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



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State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-48332		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP	
<sup>4</sup> Property Code 326330		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 235H
<sup>7</sup> OGRID No. #372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2886'

<sup>10</sup>Surface Location

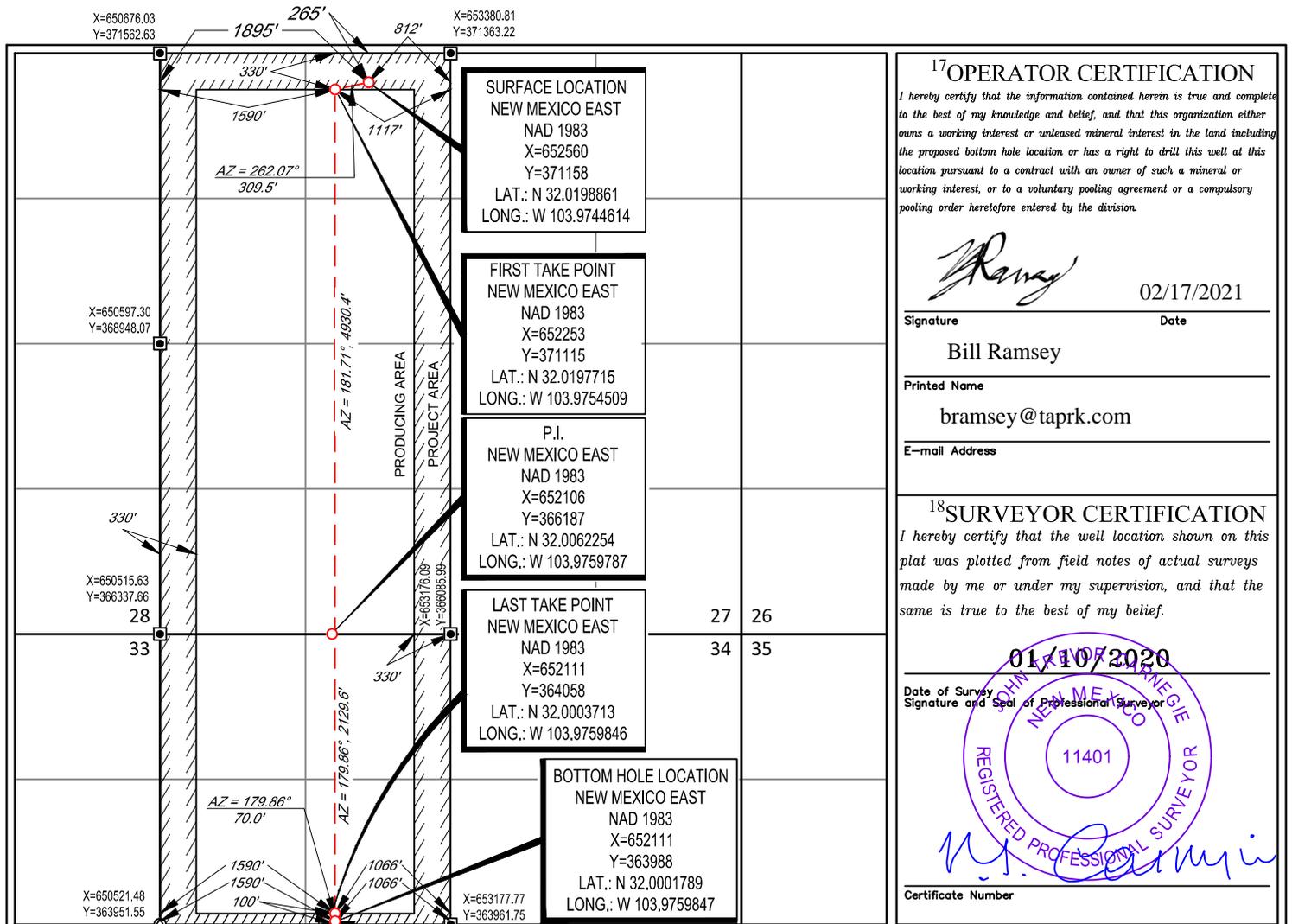
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	26-S	29-E	-	265'	NORTH	1895'	WEST	EDDY

<sup>11</sup>Bottom 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
10	34	26-S	29-E	-	30'	SOUTH	1590'	WEST	EDDY

<sup>12</sup> Dedicated Acres 461.86	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



**<sup>17</sup>OPERATOR 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*      02/17/2021  
Signature      Date

Bill Ramsey  
Printed Name

bramsey@taprk.com  
E-mail Address

**<sup>18</sup>SURVEYOR 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.

01/10/2020  
Date of Survey

*Ms. [Signature]*  
Signature and Seal of Professional Surveyor

REGISTERED PROFESSIONAL SURVEYOR  
NEW MEXICO  
11401

Ms. [Signature]  
Certificate Number

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-48190		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP	
<sup>4</sup> Property Code 326330		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 241H
<sup>7</sup> OGRID No. #372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2883'

<sup>10</sup>Surface Location

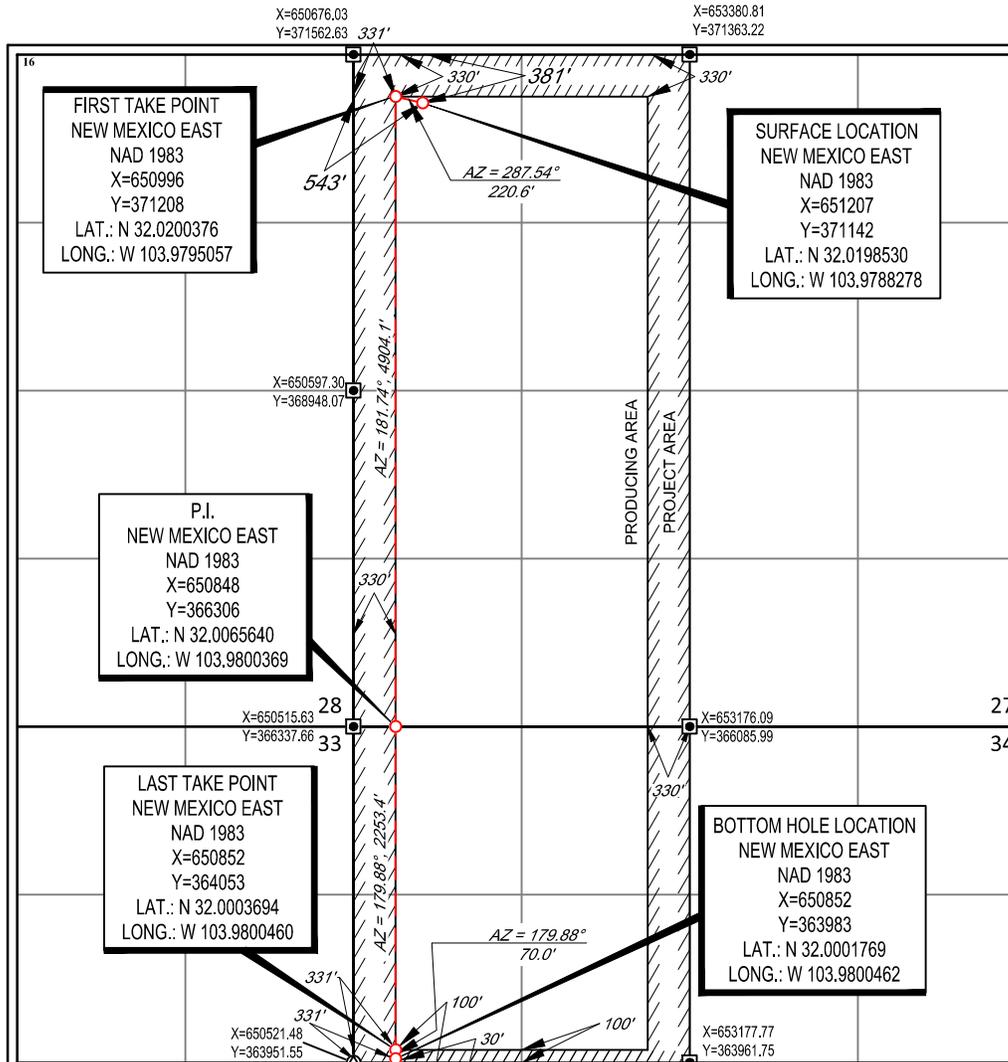
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	26-S	29-E	-	381'	NORTH	543'	WEST	EDDY

<sup>11</sup>Bottom 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
9	34	26-S	29-E	-	30'	SOUTH	331'	WEST	EDDY

<sup>12</sup> Dedicated Acres 457.78	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup>OPERATOR 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* 02/17/2021  
Signature Date

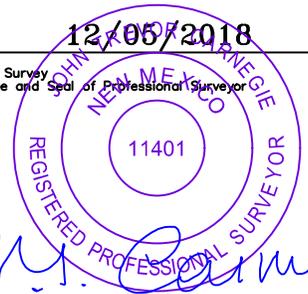
Bill Ramsey  
Printed Name

bramsey@taprk.com  
E-mail Address

<sup>18</sup>SURVEYOR 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



Certificate Number

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Phone: (575) 393-6161 Fax: (575) 393-0720  
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State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-48186		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP	
<sup>4</sup> Property Code 326330		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 245H
<sup>7</sup> OGRID No. #372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2882'

<sup>10</sup>Surface Location

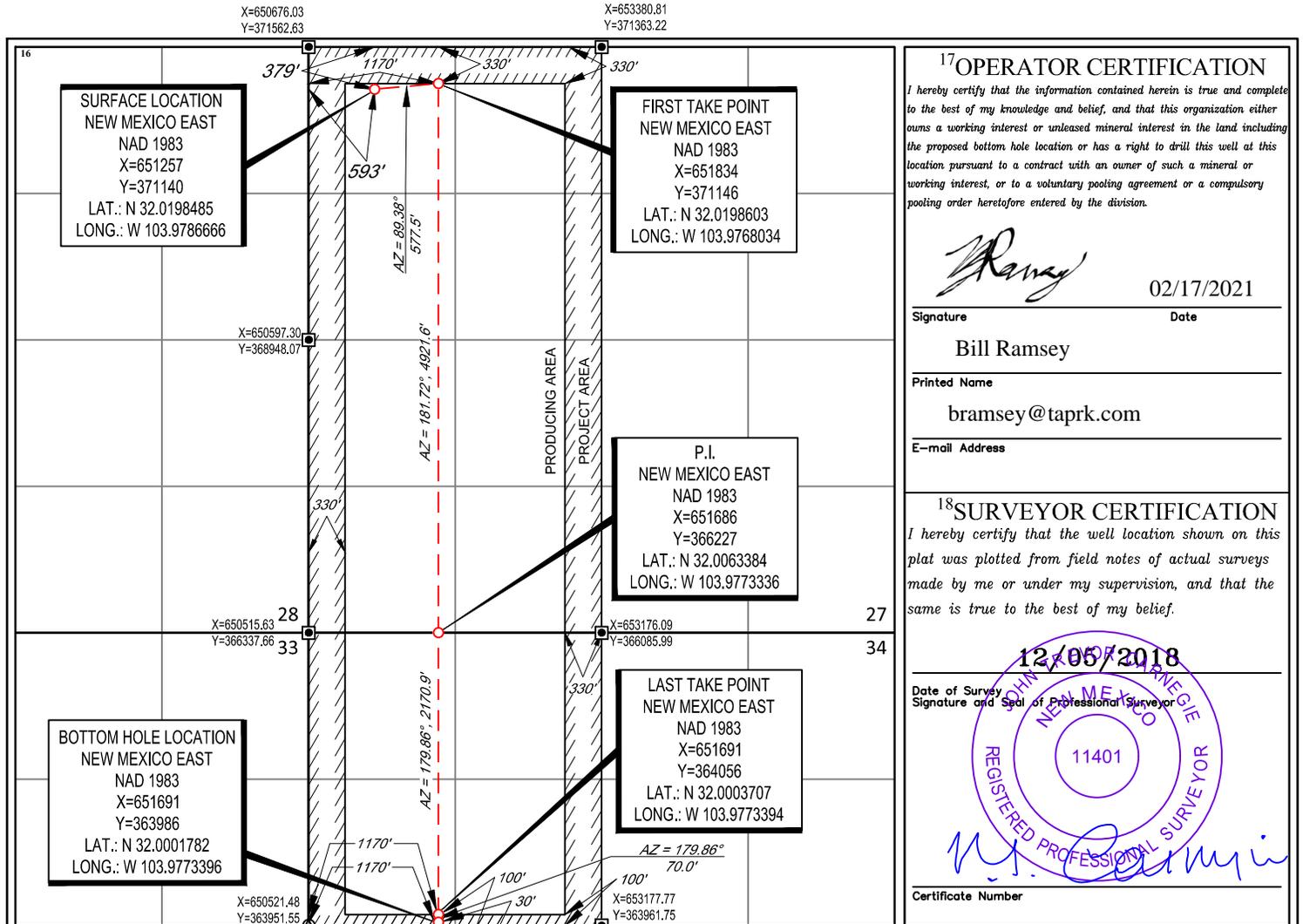
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	26-S	29-E	-	379'	NORTH	593'	WEST	EDDY

<sup>11</sup>Bottom 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
9	34	26-S	29-E	-	30'	SOUTH	1170'	WEST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup>OPERATOR 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*

02/17/2021

Signature

Date

Bill Ramsey

Printed Name

bramsey@taprk.com

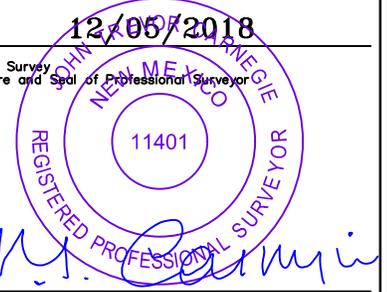
E-mail Address

<sup>18</sup>SURVEYOR 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



Certificate Number

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.
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

Table with 6 columns: (1) Pool Names and Codes, Gravities / BTU of Non-Commingled Production, Calculated Gravities / BTU of Commingled Production, Calculated Value of Commingled Production, Volumes. Row 1: 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: [Signature] TITLE: Regulatory Analyst DATE: 6/29/2021

TYPE OR PRINT NAME: Bill Ramsey TELEPHONE NO.: 720-238-2787

E-MAIL ADDRESS: bramsey@taprk.com

EXHIBIT 2

TAP ROCK RESOURCES, LLC

523 PARK POINT DRIVE, SUITE 200

GOLDEN, COLORADO 80401



June 29th, 2021

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 27, Township 26S, Range 29E, Eddy 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 fifteen (15) 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

**TAP ROCK RESOURCES, LLC**

523 PARK POINT DRIVE, SUITE 200

GOLDEN, COLORADO 80401



**GAS ALLOCATION**

Each well has an independent wellhead meter and an independent gas lift meter. The central tank battery has a midstream contract meter that measures the volume of gas that leaves the central tank battery, this midstream contract meter is considered a facility measurement point. The buyback meter that measures off-lease gas coming on lease used for start-gas is considered a facility measurement point.

1. Buyback facility measurement is the volume of off-lease gas used for start-gas that initiates lift and to run the compressor, it is calculated, buyback minus compressor Fuel
2. Net well production or base production (not used for gas lift), wellhead meter minus gas lift volume.
3. Lease use is the volume of gas used by the equipment on the central tank battery allocated to the wells. Lease use volume/total hours produced by all wells on central tank battery \* each wells hours flowing.
4. Theoretical % used for the allocation of production & sales is calculated by dividing the net well production volume for each well into the sum of the net well production.
5. Net central tank battery gas is volume of gas for royalty purposes, off lease gas is netted out of facility measurement point meter volume. FC Meter – (buyback meter – gas lift compressor). This gives you the volume of gas for royalty purposes that was produced & sold from the central tank battery.
6. Theoretical % for each well is multiplied by the net central tank battery gas.
7. High pressure flare is volume of gas flared from the central tank battery, allocated to wells by theoretical % for each well \* high pressure flare volume.
8. Total net facility measurement point volumes is total sold from the central tank battery to the gathering line.
9. Allocated production is all gas produced by central tank battery and is calculated by adding total net facility measurement point volumes+ high pressure flare + lease use.

## OIL ALLOCATION

Total net facility measurement point volumes are total sold from the central tank battery to the gathering line and is calculated by net central tank battery oil allocation. Each well has an oil meter measuring the volume of oil produced by the well. This volume is used as the allocation point to prorate allocated production and total sales volume (facility measurement point) back to each well.

1. Allocated production is volume of oil produced by the central tank battery and is measured by ending tank sold through lease automatic custody transfer unit. Inventory + pipeline lease automatic custody transfer unit (facility measurement point) – beginning tank inventory.
2. Available oil for sale is calculated by pipeline lease automatic custody transfer unit (facility measurement point) – beginning tank inventory.
3. Theoretical % is calculated by dividing each oil meter volume into the sum of oil meters.
4. The Theoretical % for each well is multiplied by the allocated production and the available sales.
5. Total sales volume is the volume of oil sold through the facility measurement point meter. It is calculated by adding available for sale to the beginning inventory for each well.
6. Beginning inventory comes from previous accounting period's ending inventory for each well.
7. Ending inventory for each well is calculated by adding beginning inventory + allocated production – total sales volume.

## WATER ALLOCATION

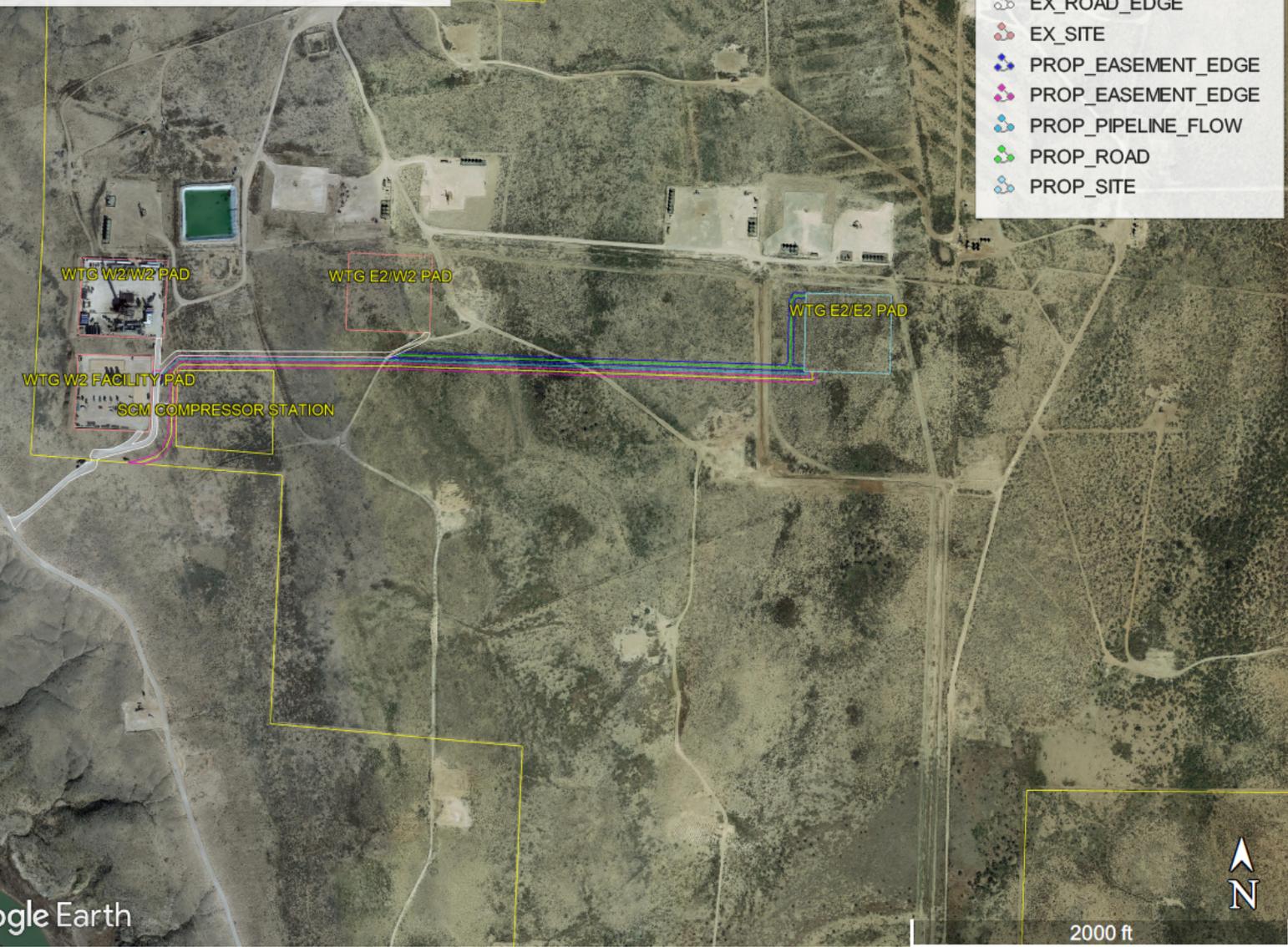
Each well has a water meter measuring the volume of water produced by the well. This volume is used as the allocation point to assess allocated production and total transferred volume back to each well.

1. Allocated production is volume of water produced by the central tank battery and is calculated by ending tank inventory + water transfer – beginning tank inventory.
2. Available water to transfer is calculated by water transfer – beginning tank inventory.
3. Theoretical % is calculated by dividing each water meter volume into the sum of the water meters.
4. The theoretical % for each well is multiplied by the allocated production and the available sales.
5. Total transfer volume is the volume of water transferred off the central tank battery. It is calculated by adding available to transfer to the beginning inventory for each well.
6. Beginning inventory comes from previous accounting period's allocated ending inventory for each well.
7. Ending inventory for each well is calculated by adding beginning inventory + allocated production – total transfer volume.

# WTG Commingling Project 2021

## Legend

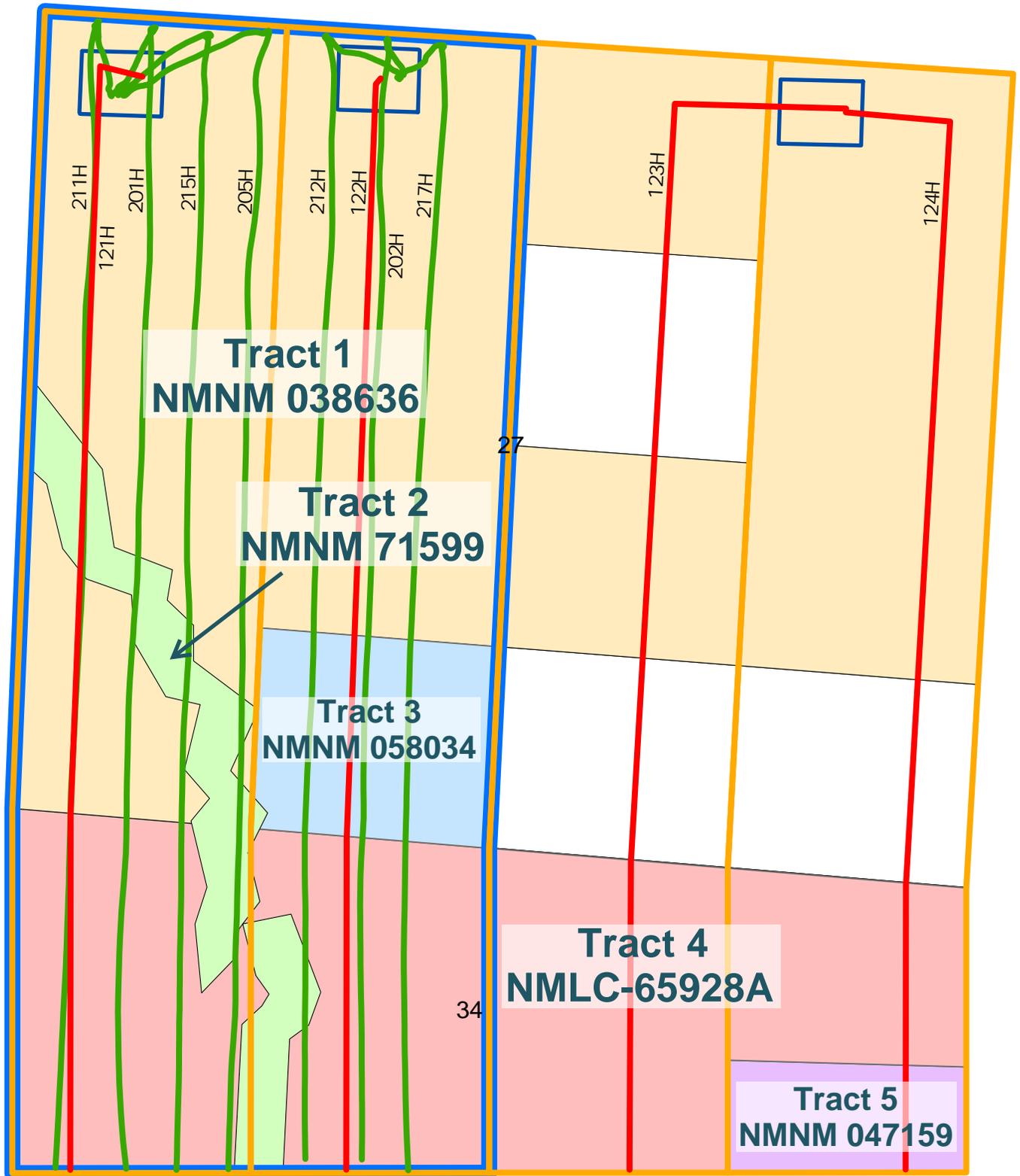
- EX\_FENCES
- EX\_ROAD\_EDGE
- EX\_SITE
- PROP\_EASEMENT\_EDGE
- PROP\_EASEMENT\_EDGE
- PROP\_PIPELINE\_FLOW
- PROP\_ROAD
- PROP\_SITE



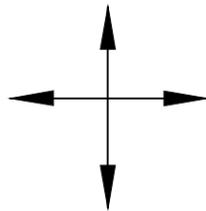
Google Earth

2000 ft

-  WTG BS Units
-  WTG W/2 Wolfcamp Unit
-  WTG BS Wells
-  WTG Drilled WC Wells
-  WTG Drill Pads

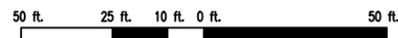
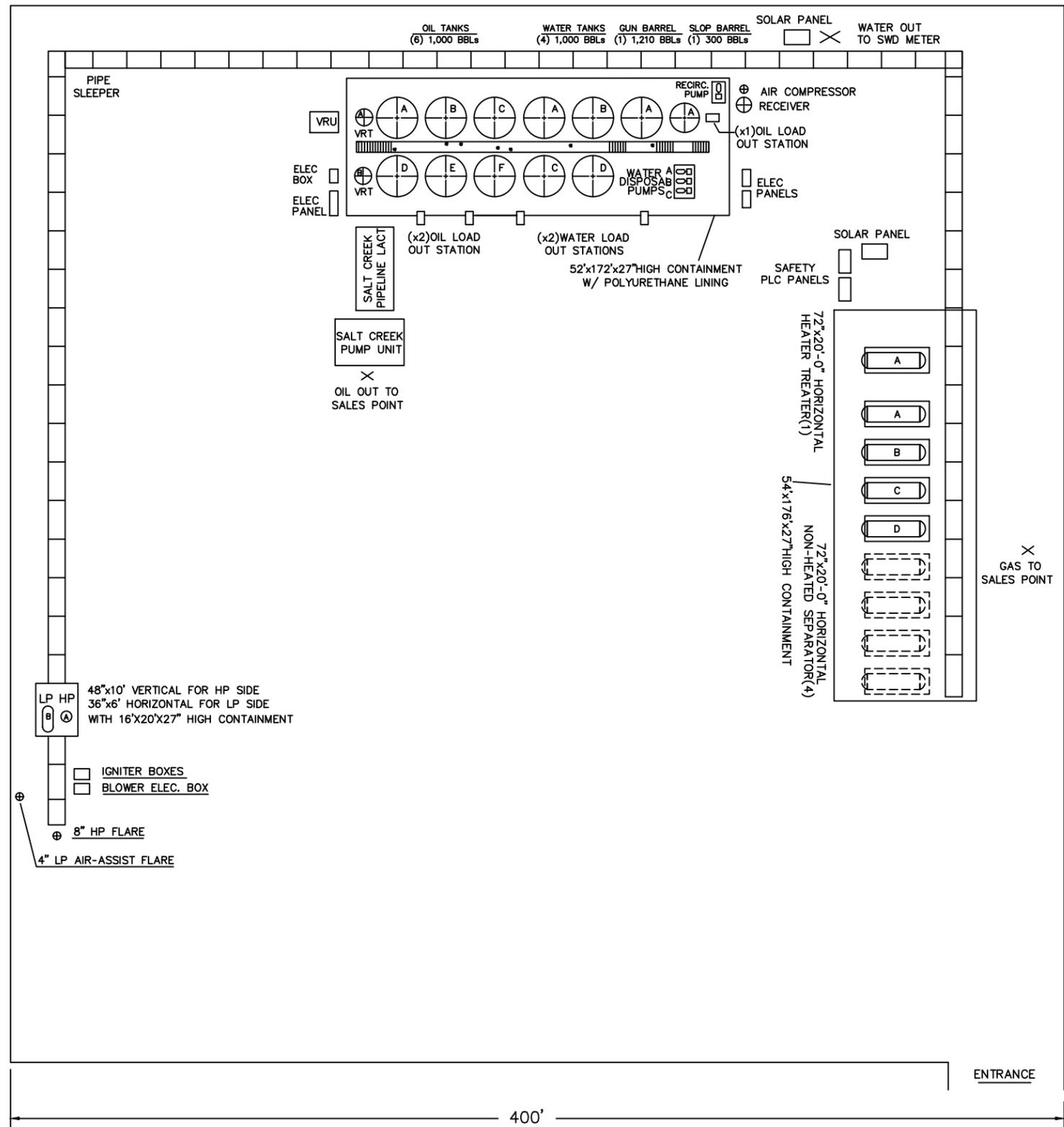


TRUE NORTH  
PLANT NORTH



**EXISTING DRAWING**

400'



NOTES

NO.	REVISIONS	BY	CHK.	DATE	APPR.
1	REVISED FOR CONSTRUCTION	WM	CF	02/12/20	RW/RW
2	REVISED AS BUILT	WM	CF	08/27/20	RW/RW



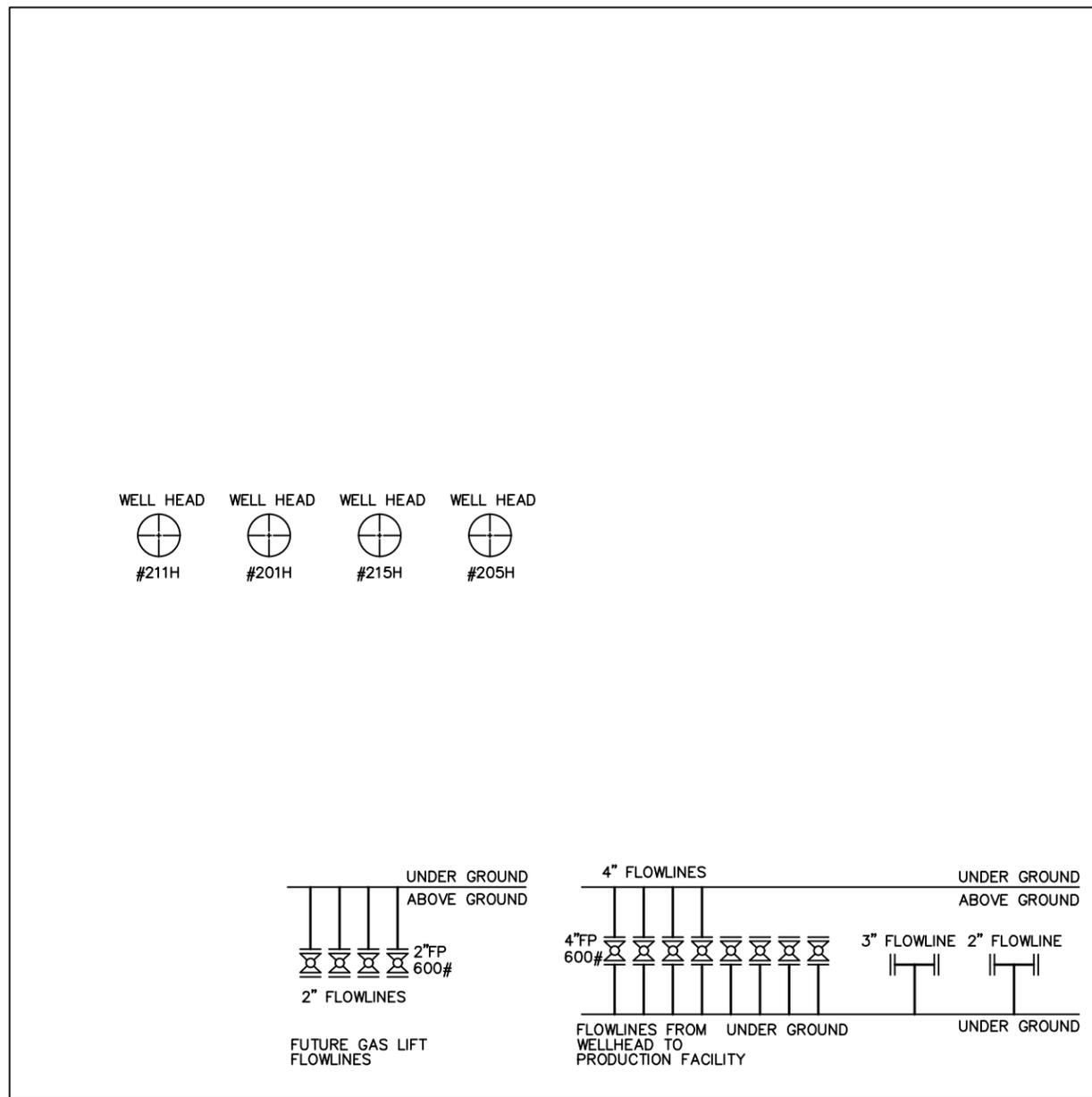
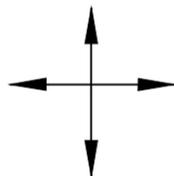
TEXAS FABCO SOLUTIONS, INC  
178 RANCH ROAD 962 EAST  
ROUND MOUNTAIN, TX 78663

TAP ROCK RESOURCES  
PLOT PLAN  
WELCOME TO GOLDEN  
MECHANICAL DIAGRAM

DRAWN WM	CHECKED CF	APPROVED GG	PROJECT RW	PAPER SIZE 17x11"	DRAWING NO. 13-20-PP-1001	REV. 2
DATE 02/12/20	DATE 02/12/20	SCALE 1" = 50'-0"				

**EXISTING DRAWING**

TRUE NORTH  
PLANT NORTH



NOTES

NO.	REVISIONS	BY	CHK.	DATE	APPR.
1	REVISED FOR CONSTRUCTION	WM	CF	01/16/20	RW/RW
2	REVISED AS BUILT	WM	CF	08/27/20	RW/RW



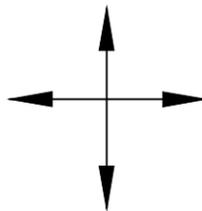
TEXAS FABCO SOLUTIONS, INC  
178 RANCH ROAD 962 EAST  
ROUND MOUNTAIN, TX 78663

TAP ROCK RESOURCES  
WELLHEAD PLOT PLAN  
WELCOME TO GOLDEN

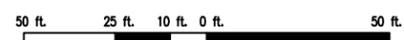
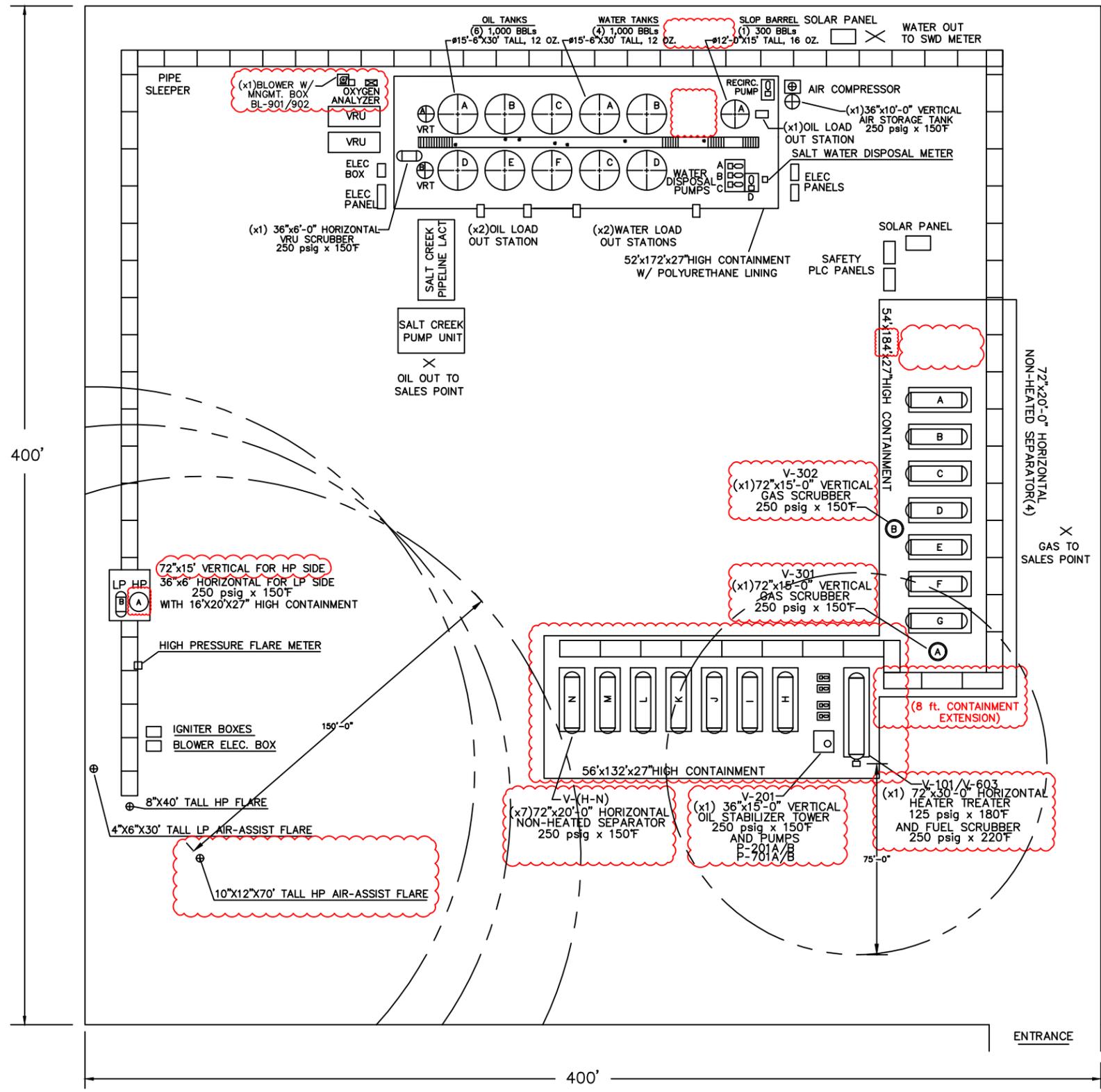
DRAWN	CHECKED	APPROVED
WM	CF	GG
DATE	DATE	SCALE
01/16/20	01/16/20	1"=50'

JOB NO.	DRAWING NO.	REV.
	13-20-M-1013	2

TRUE NORTH  
PLANT NORTH



**PROPOSAL DRAWING**



NOTES

NO.	REVISIONS	BY	CHK.	DATE	APPR.
1	REVISED FOR CONSTRUCTION	WM	CF	02/12/20	RW/RW
2	REVISED AS BUILT	WM	CF	08/27/20	RW/RW
3	ADDED 7-WELL EXPANSION, ISSUED FOR REVIEW	CF	CF	06/25/21	RW/RW

NO.	REVISIONS	BY	CHK.	DATE	APPR.
1	REVISED FOR CONSTRUCTION	WM	CF	02/12/20	RW/RW
2	REVISED AS BUILT	WM	CF	08/27/20	RW/RW
3	ADDED 7-WELL EXPANSION, ISSUED FOR REVIEW	CF	CF	06/25/21	RW/RW

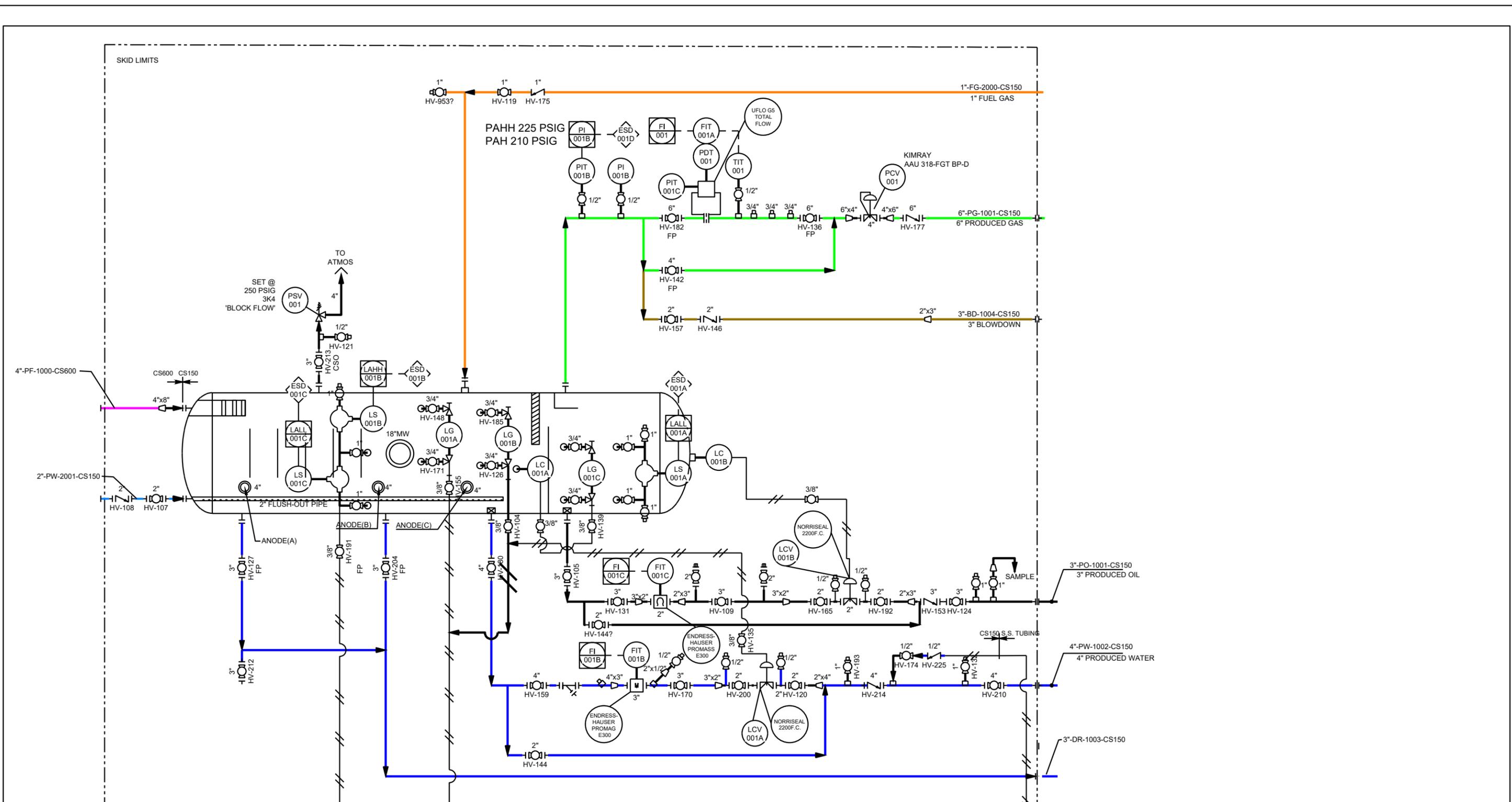
TEXAS FABCO SOLUTIONS, INC.  
178 RANCH ROAD 962 EAST  
ROUND MOUNTAIN, TX 78663

TEXAS FABCO SOLUTIONS

DRAWN: WM, CHECKED: CF, APPROVED: RW/RW  
DATE: 02/12/20, DATE: 02/12/20, SCALE: 1" = 50'-0"

TAP ROCK RESOURCES  
PLOT PLAN  
WELCOME TO GOLDEN  
MECHANICAL DIAGRAM

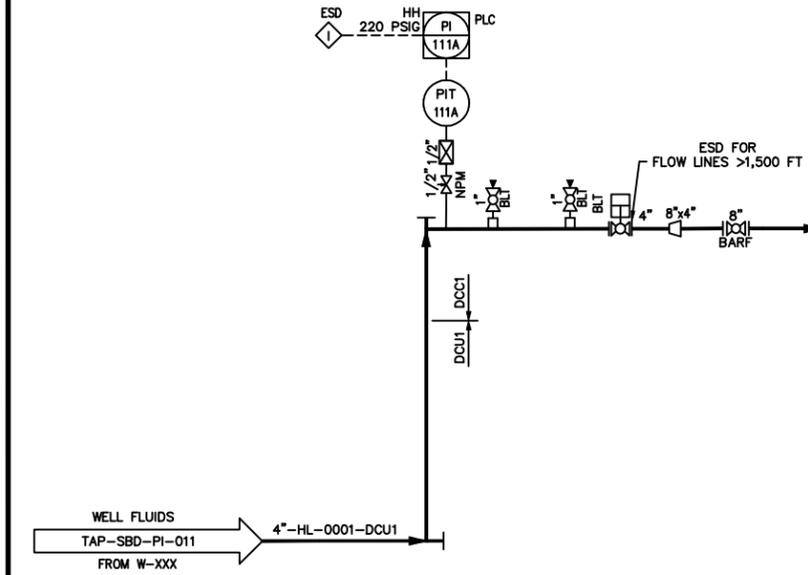
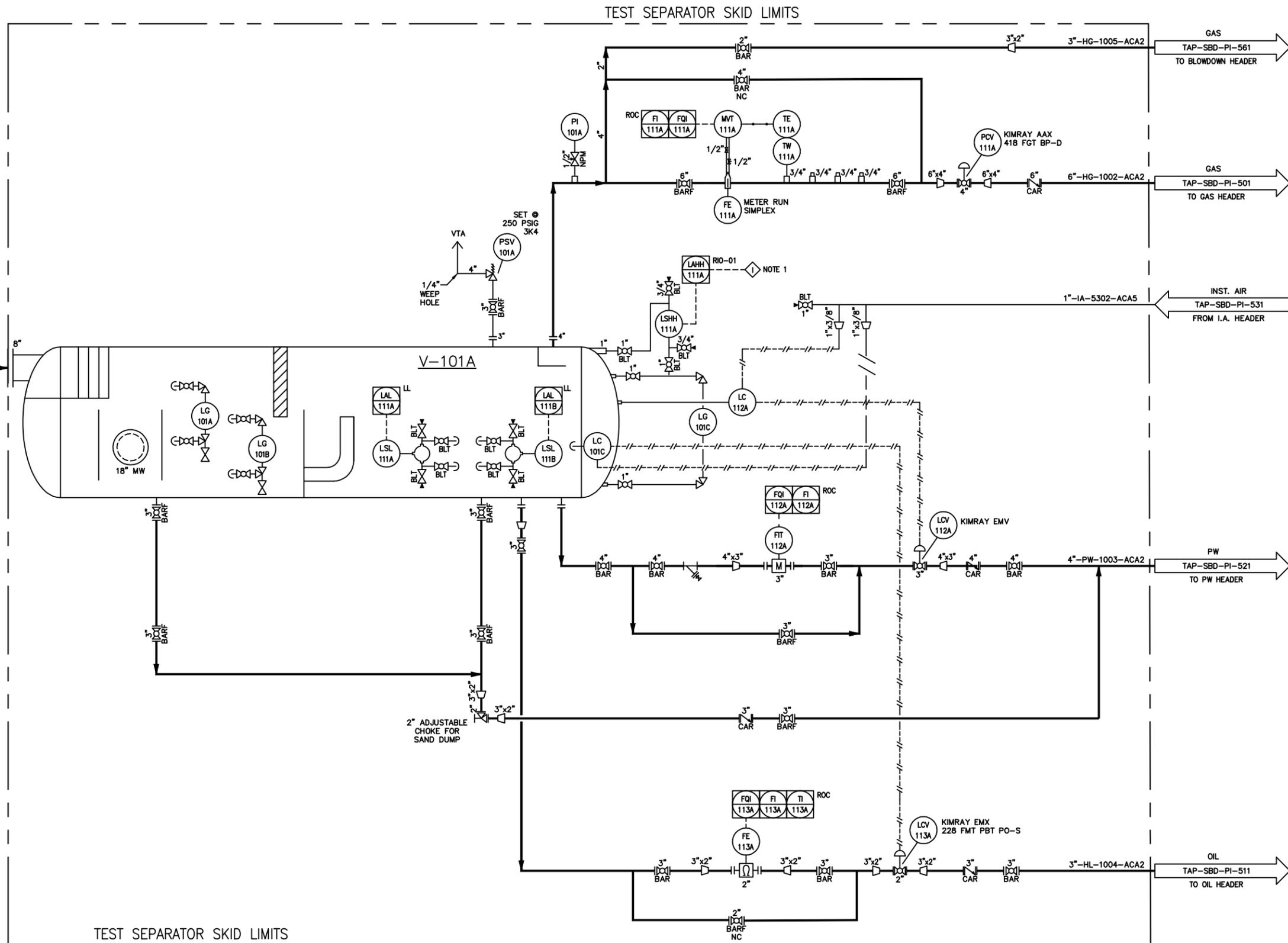
PAPER SIZE: 17"x11", DRAWING NO. 13-20-PP-1001, REV. 3



DRAWN BY: COLE S.	DATE:	 <b>TEXAS FABCO SOLUTIONS</b> 178 RANCH ROAD 962 EAST ROUND MOUNTAIN, TX 78663 830-825-3600 brooks@texasfabco.com www.texasfabco.com
CHECKED BY: CF	DATE:	
APPROVED BY:	DATE:	CLIENT: TAP ROCK RESOURCES
PO NO:		TITLE: WELCOME TO GOLDEN EXPANSION SEPARATOR 250PSIGx150°F P&ID
FILE NAME:	SCALE:	DRAWING NO:
		PAGE#
		REV. A

NO.	REVISIONS	DWN/CHK.	APPR.	DATE

V-101  
 TEST SEPARATOR  
 SIZE: 72"OD x 20' S/S  
 MAWP: 250 PSIG @ 150°F



NOTES:  
 1. THIS P&ID ALSO REPRESENTS SEPARATORS V-101B - V-101L. SEE SHEET XXX-SBD-PI-120 FOR INSTRUMENT NUMBERING.



REVISIONS					
NO.	DESCRIPTION	DATE	BY	CHKD	APP'D
1	ISSUED FOR CONSTRUCTION	6/16/2020	SM	EST	ZM
2	ISSUED FOR CONSTRUCTION	3/27/2020	SM	EST	ZM
3	ISSUED FOR DESIGN	1/14/2020	T.T.	EST	ZM
4	ISSUED FOR REVIEW	1/06/2020	T.T.	EST	ZM



PIPING AND INSTRUMENTATION DIAGRAM  
 TAP ROCK RESOURCES  
 2020 STANDARD BATTERY  
 TEST SEPARATOR 72"x20'

DRAWN BY: T.T.	REVIEWED BY: EST	SCALE: NONE
CHECKED BY: EST	APPROVED BY: ZM	DRAWING NUMBER TAP-SBD-PI-101A

Released to Imaging: 12/22/2021 5:52:18 PM

Received by OCD: 7/20/2021 11:08:55 AM

Jun 16, 2020 - 2:08pm by Mesa Design 2 - Path = C:\Dropbox\Tap Rock\STANDARD BATTERY\1000 - PFD-PID\TAP-SBD-PI-101A.dwg Page 32 of 167



# Certificate of Analysis

Number: 6030-21060214-011A

**Artesia Laboratory**  
 200 E Main St.  
 Artesia, NM 88210  
 Phone 575-746-3481

Alex Batista  
 Taprock  
 602 Park Point Drive  
 Ste. 200  
 Golden, CO 80401

June 22, 2021

Station Name:	Welcome to Golden FC 201H	Sampled By:	Alan
Station Number:	7060127	Sample Of:	Gas Spot
Sample Point:	Meter Run	Sample Date:	06/21/2021
Formation:	Quarterly	Sample Conditions:	73 psig, @ 112 °F Ambient: 90 °F
County:	Eddy	Effective Date:	06/21/2021
Type of Sample:	Spot-Cylinder	Method:	GPA-2261M
Heat Trace Used:	N/A	Cylinder No:	5030-01735
Sampling Method:	Fill and Purge	Instrument:	6030_GC6 (Inficon GC-3000 Micro)
Sampling Company:	SPL	Last Inst. Cal.:	06/21/2021 0:00 AM
		Analyzed:	06/22/2021 12:42:17 by EJR

## Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia	
Hydrogen Sulfide	0.000	0.000	0.000		GPM TOTAL C2+ 6.998
Nitrogen	0.855	0.856	1.057		GPM TOTAL C3+ 3.770
Methane	75.015	75.097	53.110		GPM TOTAL iC5+ 1.075
Carbon Dioxide	0.106	0.106	0.206		
Ethane	12.008	12.021	15.935	3.228	
Propane	6.084	6.091	11.840	1.685	
Iso-butane	0.881	0.882	2.260	0.290	
n-Butane	2.274	2.276	5.832	0.720	
Iso-pentane	0.578	0.579	1.842	0.213	
n-Pentane	0.728	0.729	2.319	0.265	
Hexanes Plus	1.362	1.363	5.599	0.597	
	99.891	100.000	100.000	6.998	

<b>Calculated Physical Properties</b>	<b>Total</b>	<b>C6+</b>
Relative Density Real Gas	0.7863	3.2176
Calculated Molecular Weight	22.68	93.19
Compressibility Factor	0.9957	

**GPA 2172 Calculation:**

**Calculated Gross BTU per ft<sup>3</sup> @ 14.73 psia & 60°F**

Real Gas Dry BTU	1359	5141
Water Sat. Gas Base BTU	1336	5052
Ideal, Gross HV - Dry at 14.73 psia	1352.8	5141.1
Ideal, Gross HV - Wet	1329.3	5051.6
Net BTU Wet Gas - real gas	1214	

**Comments:** H2S Field Content 2.5 ppm  
 Mcf/day 1754

Data reviewed by: Eric Ramirez, Analyst

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

OWNER NUMBER	OWNER NAME	OWNER NAME 2	ADDRESS	ADDRESS2	CITY	STATE_ID	ZIP	OWNER PHONE #	OWNER EMAIL
353	TAP ROCK RESOURCES LLC		523 PARK POINT DRIVE	SUITE 200	GOLDEN	CO	80401		
355	TAP ROCK MINERALS LP		523 PARK POINT DR STE 200		GOLDEN	CO	80401		
1076	OFFICE OF NATURAL RESOURCES REVENUE		PO BOX 25627		DENVER	CO	80225-0627		
1079	COG OPERATING LLC		600 W ILLINOIS AVE		MIDLAND	TX	79701-4882	432-685-4347	
1994	MEKUSUKEY OIL COMPANY LLC		PO BOX 816		WEWOKA	OK	74884		
2115	WING RESOURCES III LLC		2100 MCKINNEY AVE SUITE 1540		DALLAS	TX	75201	214-420-6733	
2374	RED BLUFF WATER POWER CONTROL DISTRICT	C/O JENNINGS, LOSEE AND CARSON	PO BOX 1180		ROSWELL	NM	88202		
2375	PIVOTAL PERMIAN BASIN II LLC		2021 MCKINNEY AVE STE 1250		DALLAS	TX	75201		
1480	WPX ENERGY PERMIAN, LLC		3500 ONE WILLIAMS CENTER, MD 3		TULSA	OK	74172-0135		

## EXHIBIT 3



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

July 20, 2021

**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 WTG Tank Battery located in the NW/4 NW/4 (Unit D) of Section 27, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date 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 referenced in the enclosed application. In accordance with Rule 19.15.12.10(C)(4)(g) NMAC, Tap Rock requests the option to include additional pools or spacing units, 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,

**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



# 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\_WTG PLC C107B

Shipment Date: 07/20/2021

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®	0
First-Class Package Service®	
Returns	
International*	
Other	11
Total	11

\*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 0030 3893 27



Firm Mailing Book For Accountable Mail

Name and Address of Sender  <b>HOLLAND &amp; HART LLP (1)</b> 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 (for additional copies of this receipt). <b>Postmark with Date of Receipt.</b>
--	--	---

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. <b>9214 8901 9403 8345 0462 08</b>	Tap Rock Resources LLC Suite 200 523 Park Point Drive Golden CO 80401	0.51	3.60	Handling Charge - if Registered and over \$50,000 in value							1.75				
2. <b>9214 8901 9403 8345 0462 15</b>	Tap Rock Minerals LP 523 Park Point Dr Ste 200 Golden CO 80401	0.51	3.60									1.75			
3. <b>9214 8901 9403 8345 0462 22</b>	Office Of Natural Resources Revenue PO BOX 25627 Denver CO 80225-0627	0.51	3.60									1.75			
4. <b>9214 8901 9403 8345 0462 39</b>	COG Operating LLC 600 W Illinois Ave Midland TX 79701-4882	0.51	3.60									1.75			
5. <b>9214 8901 9403 8345 0462 46</b>	Mekusukey Oil Company LLC PO BOX 816 Wewoka OK 74884	0.51	3.60									1.75			
6. <b>9214 8901 9403 8345 0462 53</b>	Wing Resources III LLC 2100 McKinney Ave Suite 1540 Dallas TX 75201	0.51	3.60									1.75			
7. <b>9214 8901 9403 8345 0462 60</b>	Red Bluff Water Power Control District C/O Jennings Losee And Carson PO BOX 1180 Roswell NM 88202	0.51	3.60									1.75			
8. <b>9214 8901 9403 8345 0462 77</b>	Pivotal Permian Basin II LLC 2021 McKinney Ave Ste 1250 Dallas TX 75201	0.51	3.60									1.75			
Total Number of Pieces Listed by Sender <b>11</b>	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)													



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

Adult Signature Required       Priority Mail Express  
 Adult Signature Restricted Delivery       Registered Mail  
 Certified Mail       Return Receipt for Merchandise  
 Certified Mail Restricted Delivery       Signature Confirmation  
 Collect on Delivery (COD)       Signature Confirmation Restricted Delivery  
 Insured Mail  
 Priority Mail

**Affix Stamp Here**  
 (for additional copies of this receipt).  
**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	
9. <b>9214 8901 9403 8345 0462 84</b>	WPX Energy Permian LLC 3500 One Williams Center Md 35 Tulsa OK 74172-0135	0.51	3.60	Handling Charge - if Registered and over \$50,000 in value							1.75				
10. <b>9214 8901 9403 8345 0462 91</b>	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	0.51	3.60									1.75			
11. <b>9214 8901 9403 8345 0463 07</b>	Bureau of Land Management 620 E Greene St Carlsbad NM 88220	0.51	3.60									1.75			
									Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling
Total Number of Pieces Listed by Sender <b>11</b>	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)													

# Carlsbad Current Argus

## Affidavit of Publication

Ad # 0004887811

This is not an invoice

### Legal Notice (Publication)

To: Red Bluff Water Power Control District, C/O Jennings, Losee And Carson.

HOLLAND AND HART  
POBOX 2208

SANTA FE, NM 87504

Application of Tap Rock Operating, LLC, to authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the WTG Tank Battery located in the NW/4 NW/4 (Unit D) of Section 27, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. Pursuant to 19.15.12.7 NMAC, Tap Rock Operating, LLC's (OGRID No. 372043) seeks administrative approval for pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the WTG Tank Battery of production from the WC-015 G-03 S262925D; Bone Spring Pool (98211); and the Purple Sage; Wolfcamp (Gas) Pool (98220), from all existing and future wells drilled in the following spacing units:

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

08/28/2021



Legal Clerk

Subscribed and sworn before me this August 28, 2021:



State of WI, County of Brown  
NOTARY PUBLIC

1-7-28  
My commission expires

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

(a) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the W/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the WTG Fed Com #121H well (API No. 30-015-47855), and the WTG Fed Com #122H well (API No. 30-015-47033);

(b) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the E/2 of Section 27 and the NE/4 of Section 34. The spacing unit is currently dedicated to the WTG Fed Com #123H well (API No. 30-015-47041), and the WTG Fed Com #124H well (API No. 30-015-47043);

(c) The 480-acre, more or less, spacing unit in the Purple Sage; Wolfcamp (Gas) Pool (98220) underlying the W/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the WTG Fed Com #201H well (API No. 30-015-46444), the WTG Fed Com #202H well (API No. 30-015-47029), the WTG Fed Com #205H well (API No. 30-015-46445), the WTG Fed Com #211H well (API No. 30-015-46451), the WTG Fed Com #212H well (API No. 30-015-47035), the WTG Fed Com #215H well (API No. 30-015-46467), the WTG Fed Com #217H well (API No. 30-015-47039), the WTG Fed Com #232H well (API No. 30-015-48296), the WTG Fed Com #235H well (API No. 30-015-48332), the WTG Fed Com #241H well (API No. 30-015-48190), and the WTG Fed Com #245H well (API No. 30-015-48186); and

(d) 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 spacing units.

Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 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. If you have any questions about this application, please contact Dana Arnold, General Counsel for Tap Rock Operating, LLC, at (720)-460-3497.

#4887811, Current Argus, August 28, 2021

Ad # 0004887811

PO #:

# of Affidavits 1

This is not an invoice

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47855		<sup>2</sup> Pool Code 98211		<sup>3</sup> Pool Name WC-015 G-03 S262925D;BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 121H
<sup>7</sup> OGRID No. #372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2883'

<sup>10</sup>Surface Location

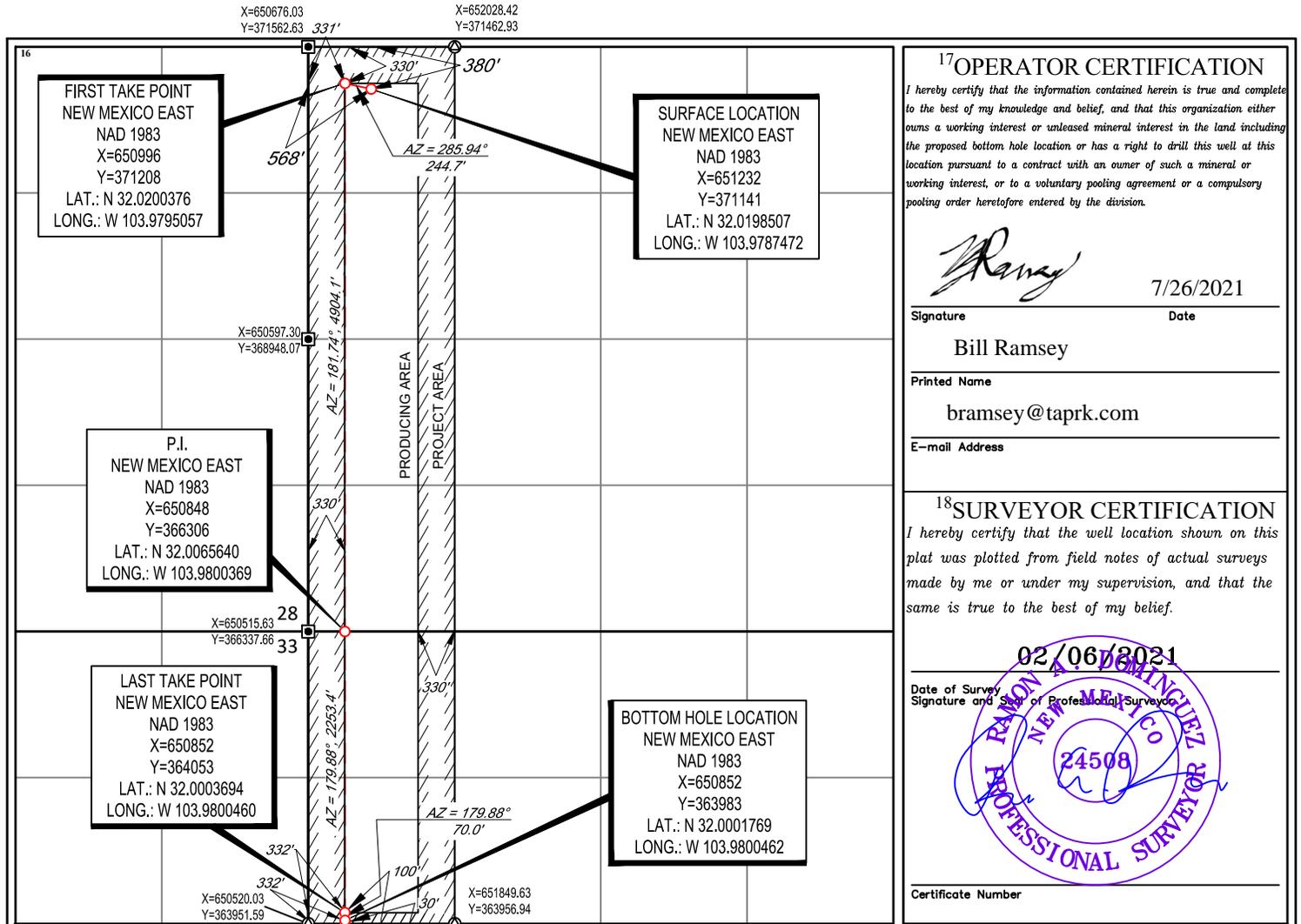
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	26-S	29-E	-	380'	NORTH	568'	WEST	EDDY

<sup>11</sup>Bottom 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
9	34	26-S	29-E	-	30'	SOUTH	332'	WEST	EDDY

<sup>12</sup> Dedicated Acres 240	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



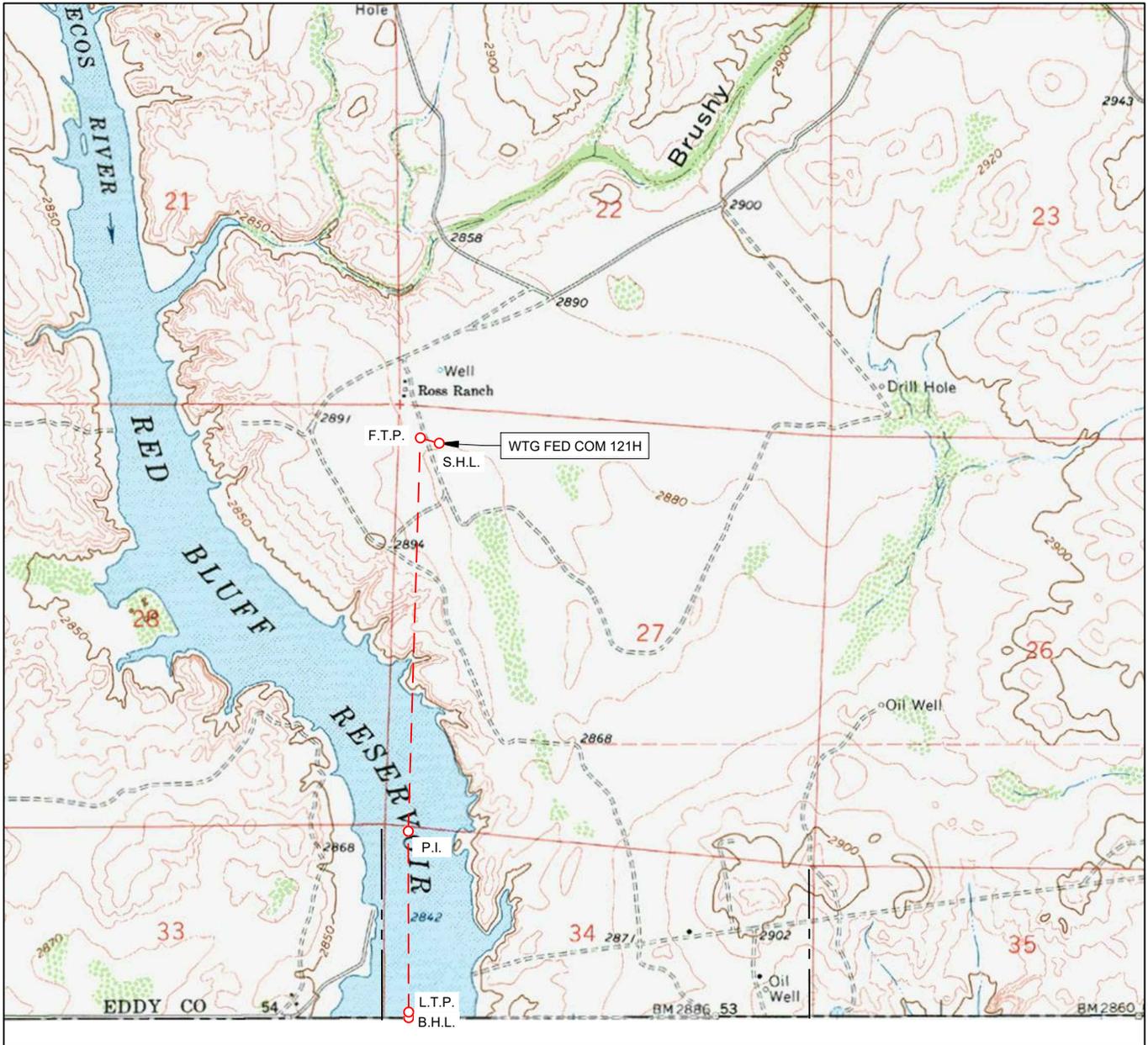
**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right 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*  
Signature Date: 7/26/2021  
Printed Name: Bill Ramsey  
E-mail Address: bramsey@taprk.com

**18 SURVEYOR 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.

02/06/2021  
Date of Survey and Seal of Professional Surveyor  
24508  
Certificate Number

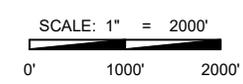
# LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: WTG FED COM 121H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM ELEVATION 2883'  
 DESCRIPTION 380' FNL & 568' FWL

LATITUDE N 32.0198507 LONGITUDE W 103.9787472

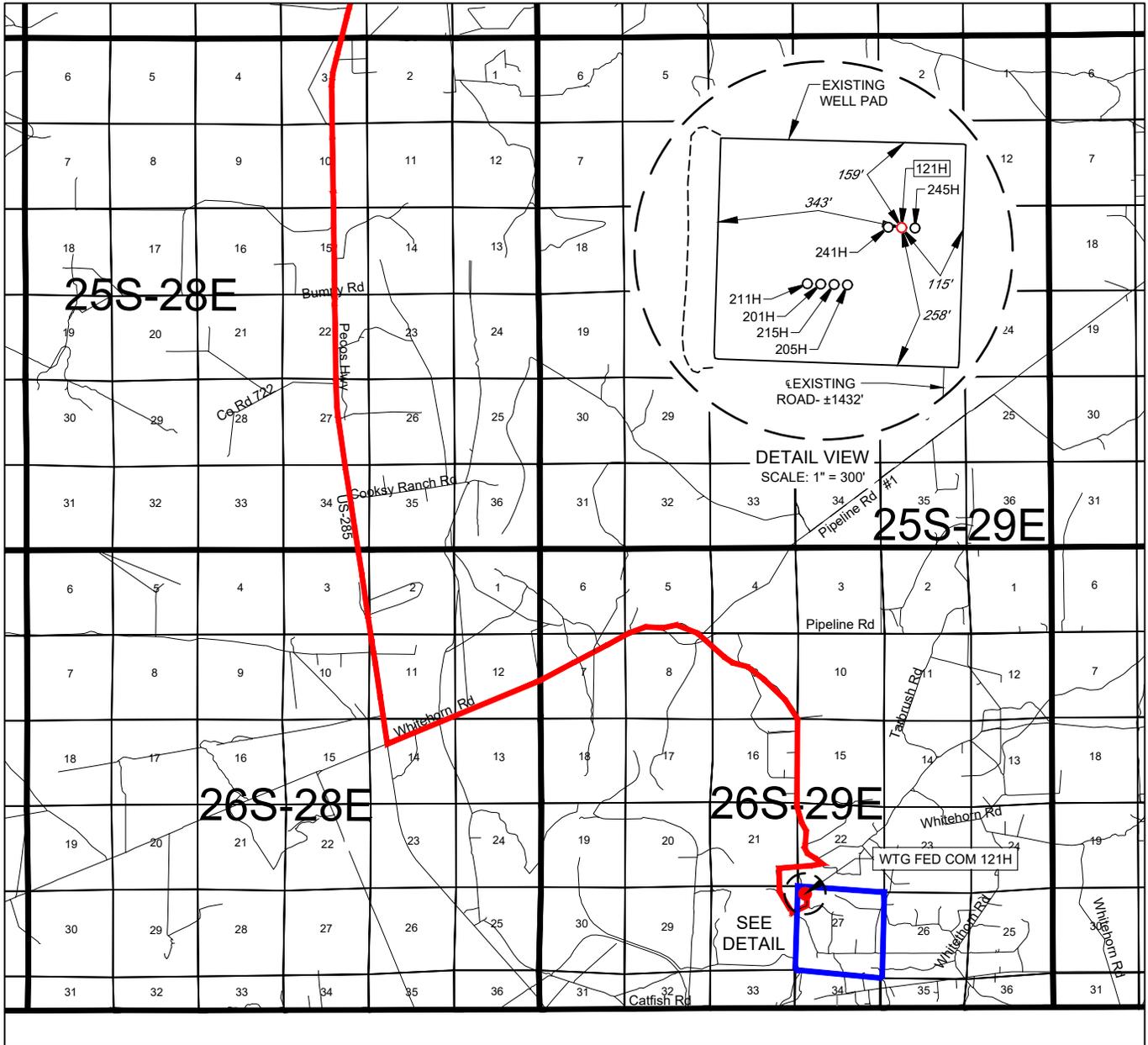


THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF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

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

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

EXHIBIT 2  
VICINITY MAP



LEASE NAME & WELL NO.: WTG FED COM 121H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM  
 DESCRIPTION 380' FNL & 568' FWL

**DISTANCE & DIRECTION**

FROM INT. OF US-285 & BLACK RIVER VILLAGE RD., GO SOUTH ON US-285  
±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE  
NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON  
WHITEHORN RD. ±3.3 MILES, THENCE NORTHEAST (LEFT) ON PROPOSED RD.  
±1432 FEET TO A POINT ±274 FEET SOUTHEAST OF THE LOCATION.

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

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



SCALE: 1" = 10000'  
 0' 5000' 10000'



**TOPOGRAPHIC**  
 LOYALTY INNOVATION LEGACY

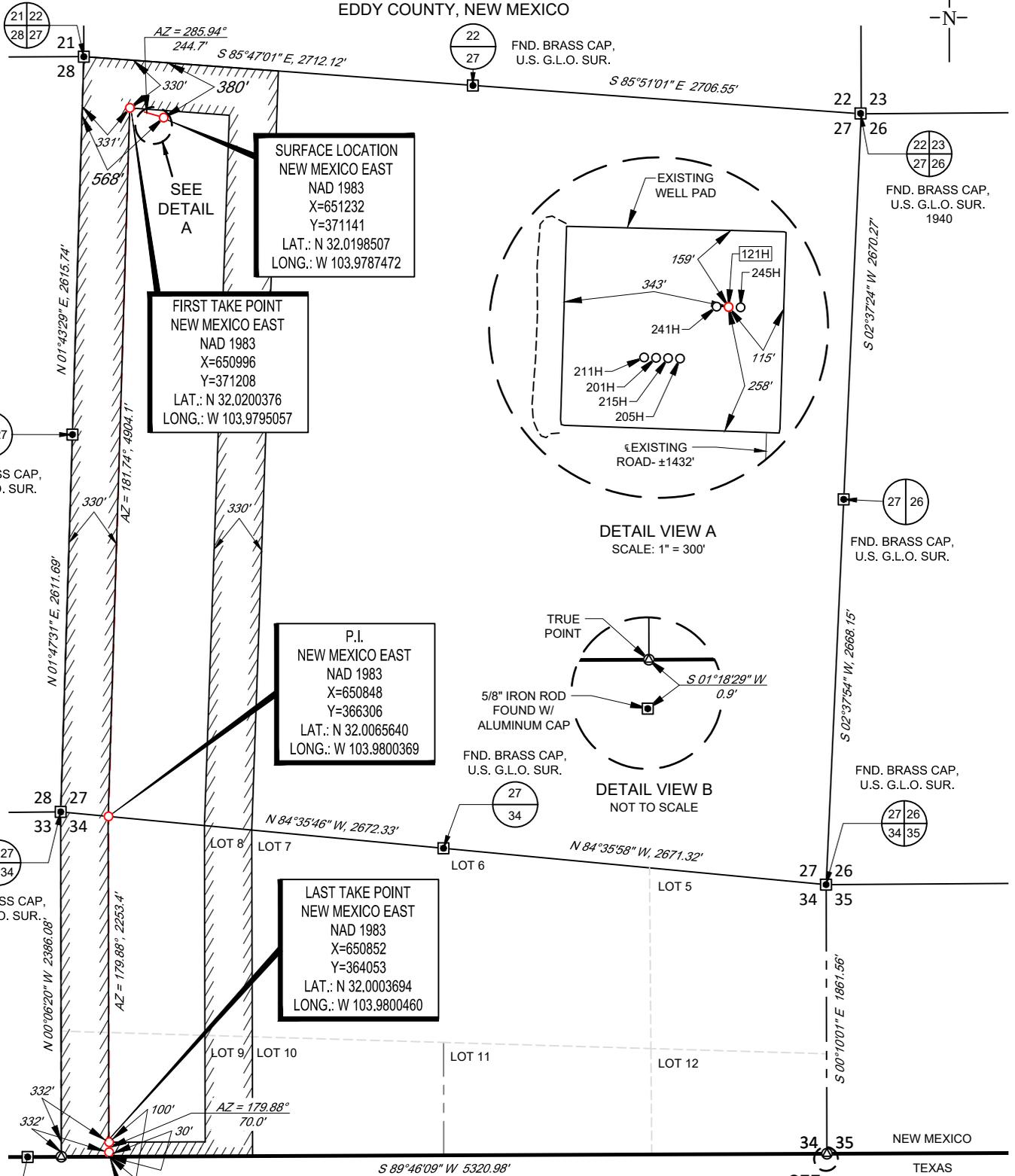
1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140  
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554  
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
 WWW.TOPOGRAPHIC.COM

# TAP ROCK EXHIBIT 2A

SCALE: 1" = 1000'  
0' 500' 1000'

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

SECTION 27, TOWNSHIP 26-S, RANGE 29-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: \_\_\_\_\_ WTG FED COM 121H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM  
 DESCRIPTION 380' FNL & 568' FWL

**DISTANCE & DIRECTION**  
 FROM INT. OF US-285 & BLACK RIVER VILLAGE RD., GO SOUTH ON US-285  
 ±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE  
 NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON  
 WHITEHORN RD. ±3.3 MILES, THENCE NORTHEAST (LEFT) ON PROPOSED RD.  
 ±1432 FEET TO A POINT ±274 FEET SOUTHEAST OF THE LOCATION.

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

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



Ramon A. Dominguez, P.S. No. 24508  
 JULY 14, 2021

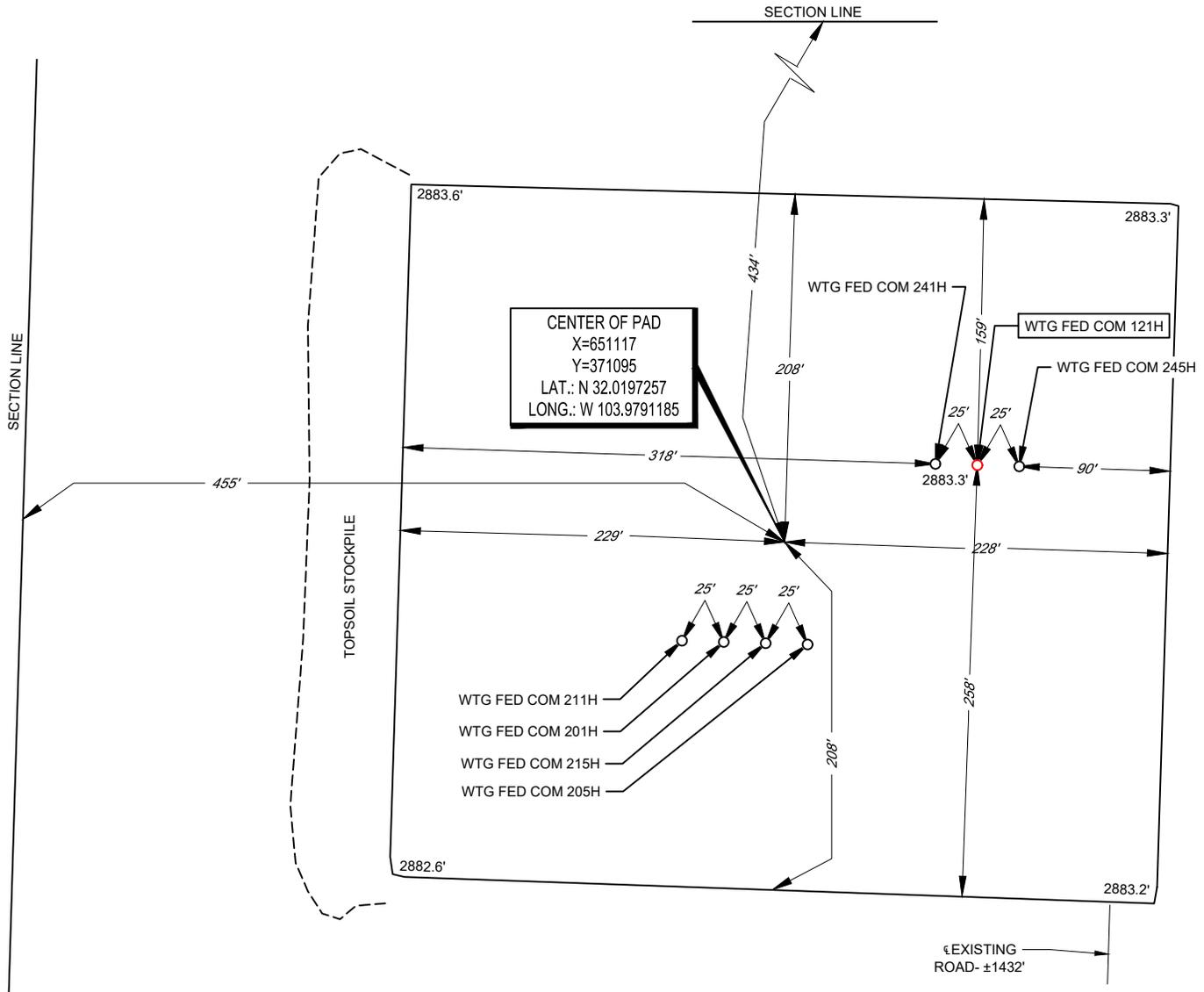


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# EXHIBIT 2B



SECTION 27, TOWNSHIP 26-S, RANGE 29-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: WTG FED COM 121H  
 121H LATITUDE N 32.0198507 121H LONGITUDE W 103.9787472  
 CENTER OF PAD IS 434' FNL & 455' FWL

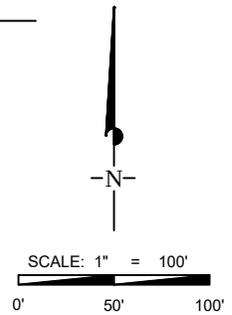


Ramon A. Dominguez, P.S. No. 24508

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

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

ORIGINAL DOCUMENT SIZE: 8 5/8" X 11"



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 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
 WWW.TOPOGRAPHIC.COM

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47033		<sup>2</sup> Pool Code 98211		<sup>3</sup> Pool Name WC-015 G-03 S262925D;BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 122H
<sup>7</sup> OGRID No. #372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2884'

<sup>10</sup>Surface Location

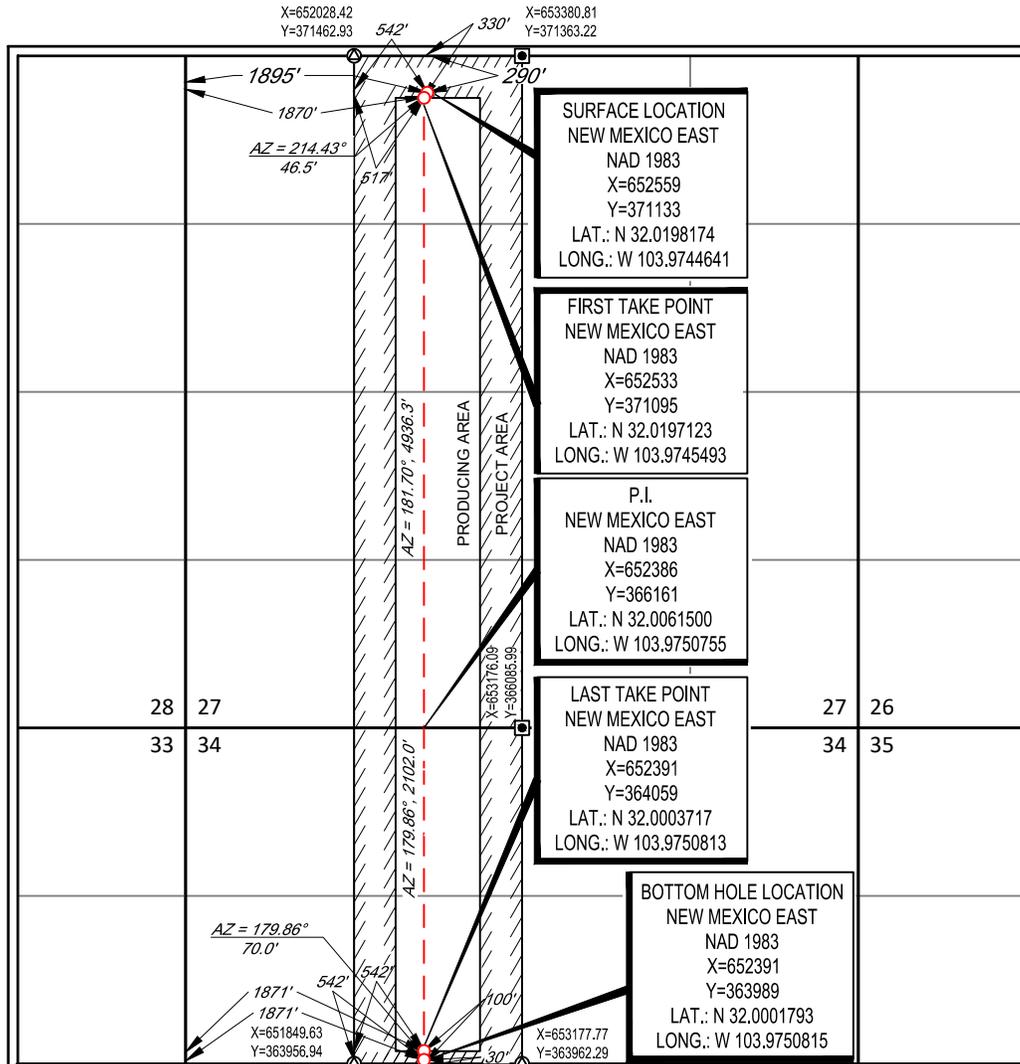
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	26-S	29-E	-	290'	NORTH	1895'	WEST	EDDY

<sup>11</sup>Bottom 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
10	34	26-S	29-E	-	30'	SOUTH	1871'	WEST	EDDY

<sup>12</sup> Dedicated Acres 240	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup>OPERATOR 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 EXISTING 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* 7/26/2021  
Signature Date

Bill Ramsey  
Printed Name

bramsey@taprk.com  
E-mail Address

<sup>18</sup>SURVEYOR 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.

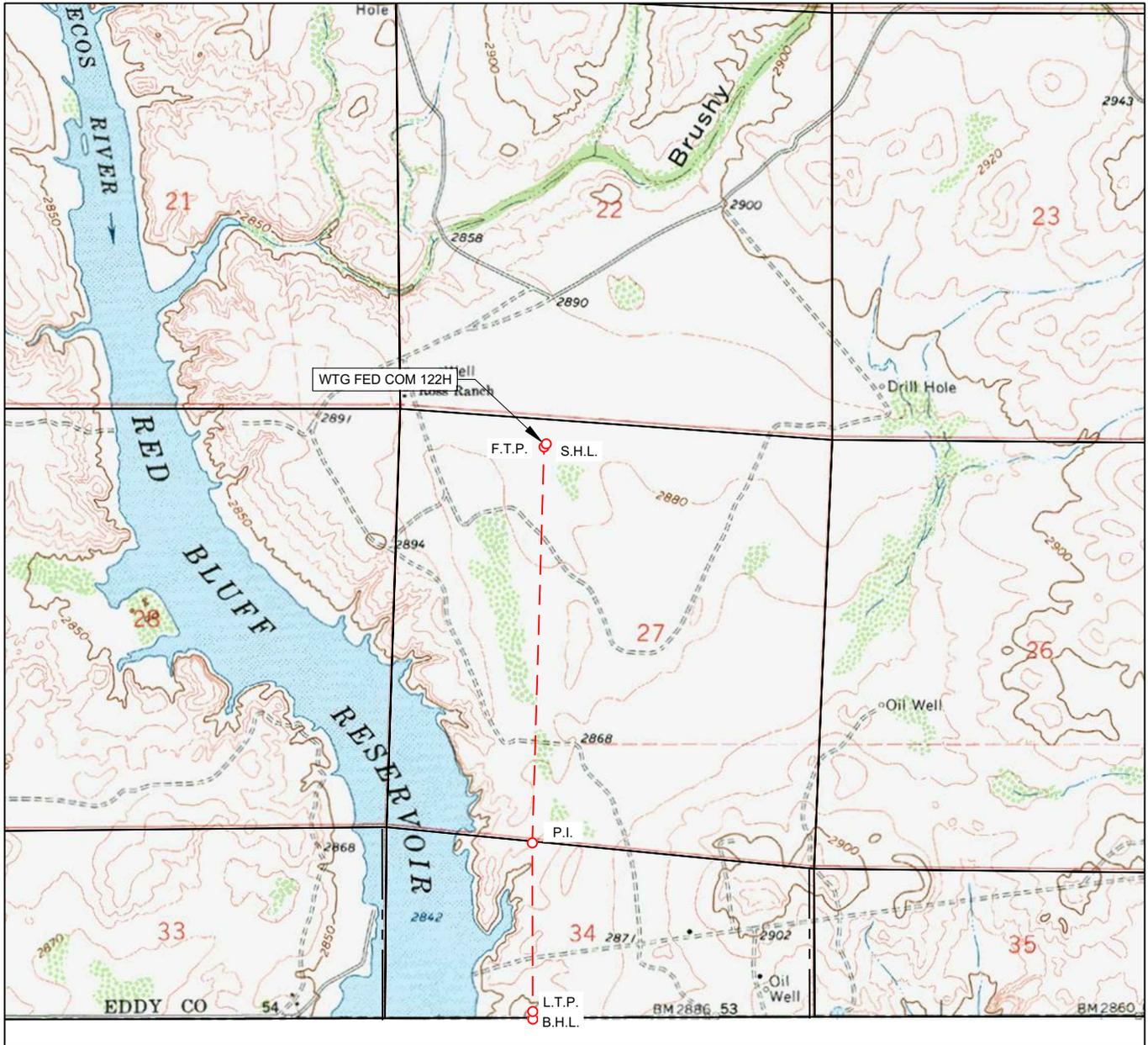
02/06/2021  
Date of Survey

*Bill Ramsey*  
Signature and Seal of Professional Surveyor

PROFESSIONAL SURVEYOR  
NEW MEXICO  
24508

Certificate Number

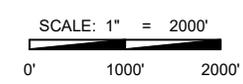
# LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: WTG FED COM 122H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM ELEVATION 2884'  
 DESCRIPTION 290' FNL & 1895' FWL

LATITUDE N 32.0198174 LONGITUDE W 103.9744641



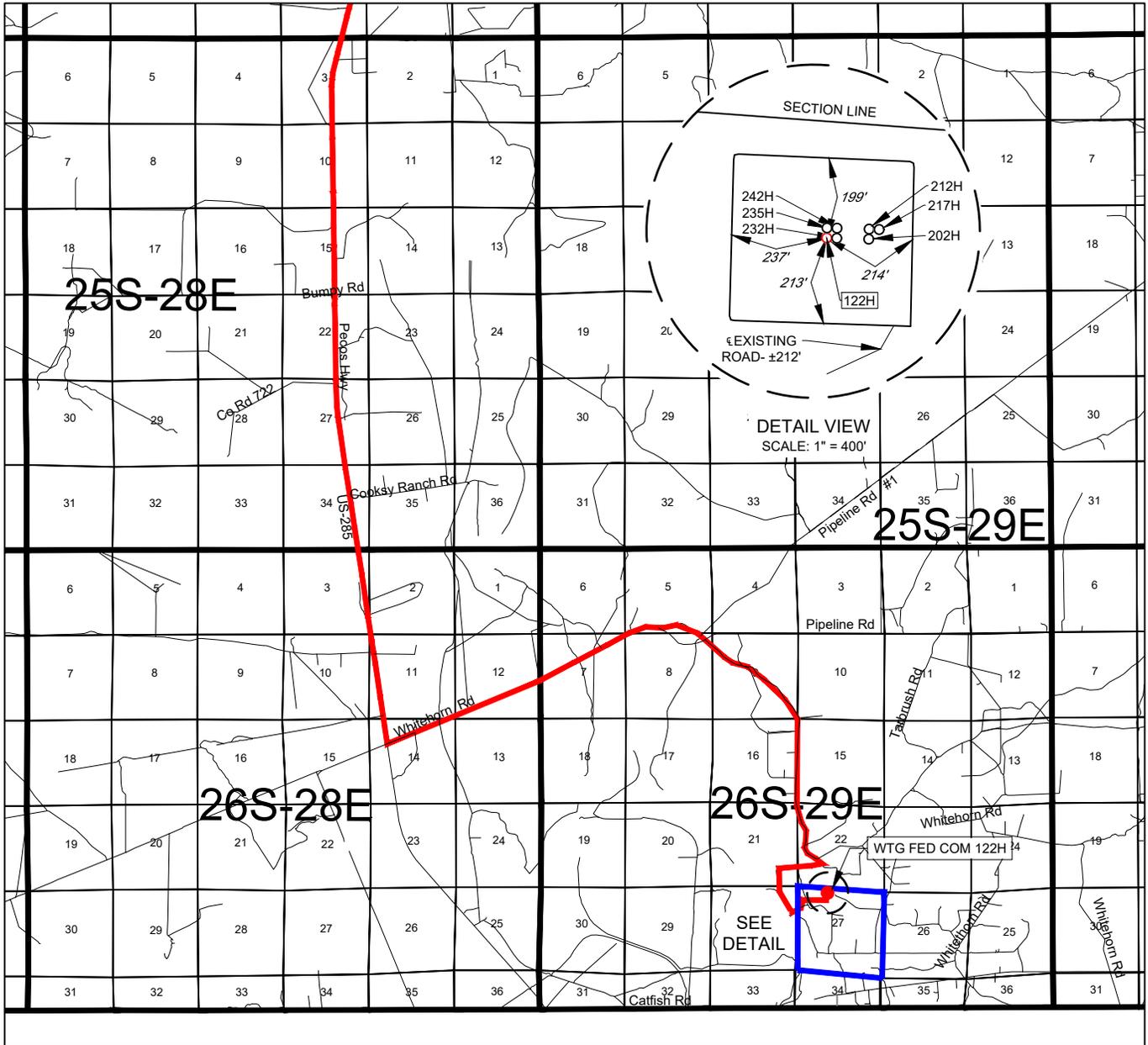
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF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

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

**TOPOGRAPHIC**  
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140  
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554  
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 WWW.TOPOGRAPHIC.COM

EXHIBIT 2  
VICINITY MAP



LEASE NAME & WELL NO.: \_\_\_\_\_ WTG FED COM 122H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.

COUNTY EDDY STATE NM

DESCRIPTION 290' FNL & 1895' FWL

**DISTANCE & DIRECTION**

FROM INT. OF US-285 & BLACK RIVER VILLAGE RD., GO SOUTH ON US-285 ±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON WHITEHORN RD. ±3.3 MILES, THENCE SOUTH (RIGHT) ON LEASE RD. ±1.2 MILES, THENCE NORTHEAST (LEFT) ON AN EXISTING RD. ±0.7 MILES TO A POINT ±276 FEET SOUTHEAST OF THE LOCATION.

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

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SCALE: 1" = 10000'  
0' 5000' 10000'



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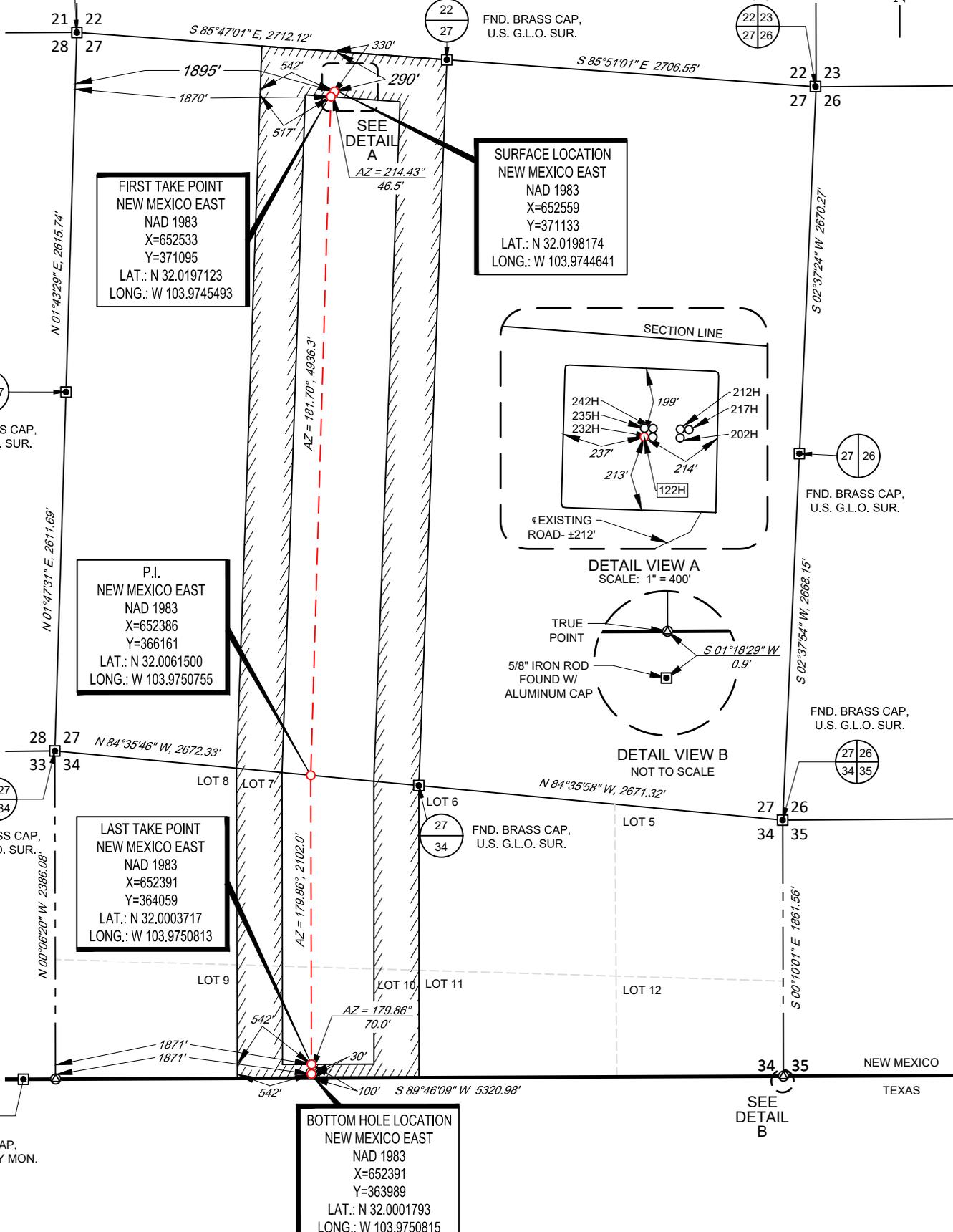
# TAP ROCK EXHIBIT 2A

SCALE: 1" = 1000'  
0' 500' 1000'

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

SECTION 27, TOWNSHIP 26-S, RANGE 29-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO

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



LEASE NAME & WELL NO.: \_\_\_\_\_ WTG FED COM 122H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
COUNTY EDDY STATE NM  
DESCRIPTION 290' FNL & 1895' FWL

**DISTANCE & DIRECTION**  
FROM INT. OF US-285 & BLACK RIVER VILLAGE RD., GO SOUTH ON US-285  
±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE  
NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON  
WHITEHORN RD. ±3.3 MILES, THENCE SOUTH (RIGHT) ON LEASE RD. ±1.2  
MILES, THENCE NORTHEAST (LEFT) ON A EXISTING RD. ±0.7 MILES TO A  
POINT ±276 FEET SOUTHEAST OF THE LOCATION.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID  
BASED UPON THE NEW MEXICO COORDINATE SYSTEM, EAST ZONE OF THE NORTH  
AMERICAN DATUM 1983, U.S. SURVEY FEET  
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND  
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Ramon A. Dominguez, P.S. No. 24508  
July 14, 2021



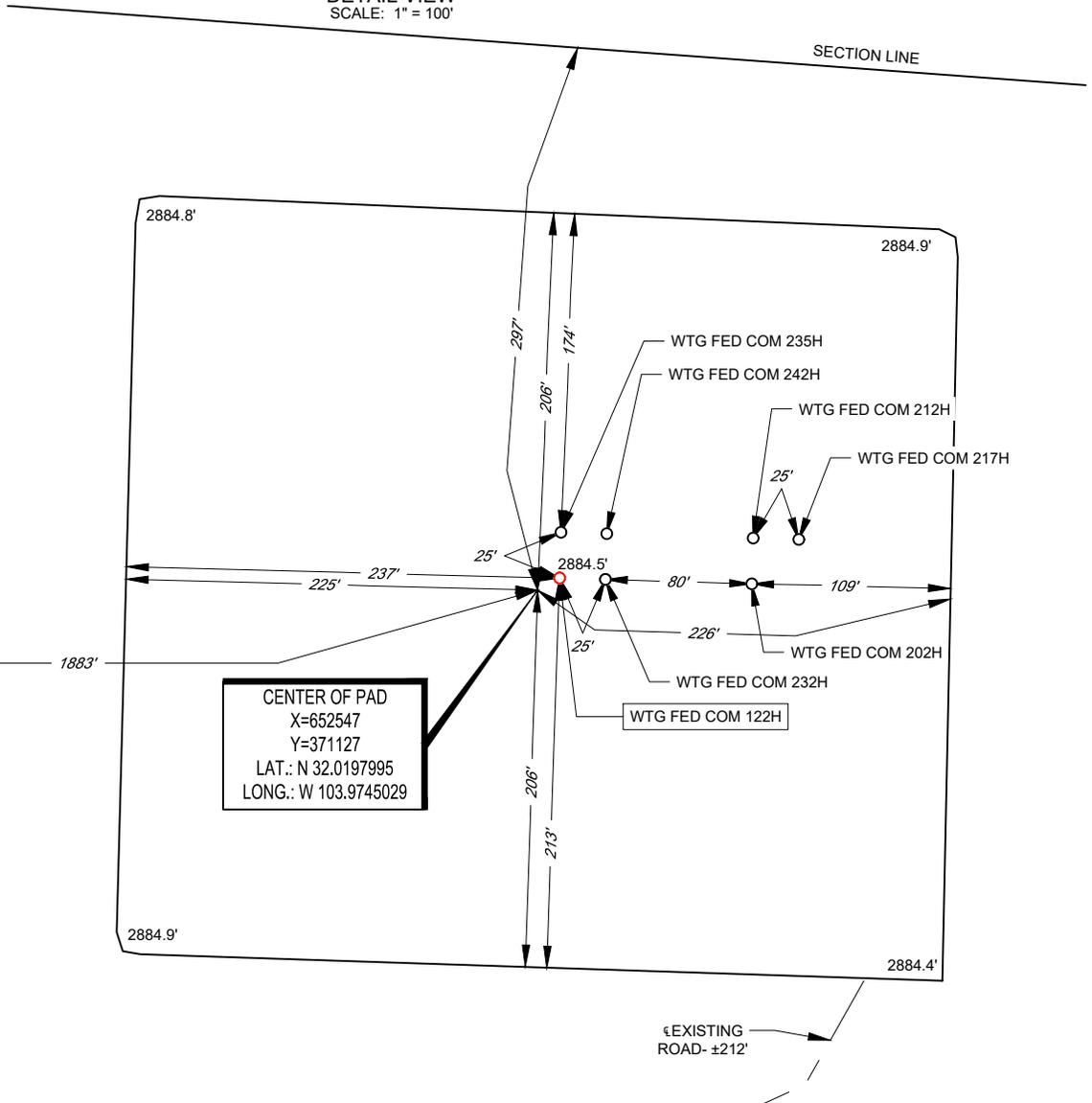
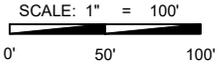
1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140  
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WWW.TOPOGRAPHIC.COM

# EXHIBIT 2B



SECTION 27, TOWNSHIP 26-S, RANGE 29-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO

DETAIL VIEW  
SCALE: 1" = 100'



LEASE NAME & WELL NO.: \_\_\_\_\_ WTG FED COM 122H  
 122H LATITUDE \_\_\_\_\_ N 32.0198174 \_\_\_\_\_ 122H LONGITUDE \_\_\_\_\_ W 103.9744641  
 CENTER OF PAD IS 297' FNL & 1883' FWL



Ramon A. Dominguez, P.S. No. 24508

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

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

ORIGINAL DOCUMENT SIZE: 8.5" X 11"



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Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47041		<sup>2</sup> Pool Code 98211		<sup>3</sup> Pool Name WC-015 G-03 S262925D;BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 123H
<sup>7</sup> OGRID No. 372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2886'

<sup>10</sup>Surface Location

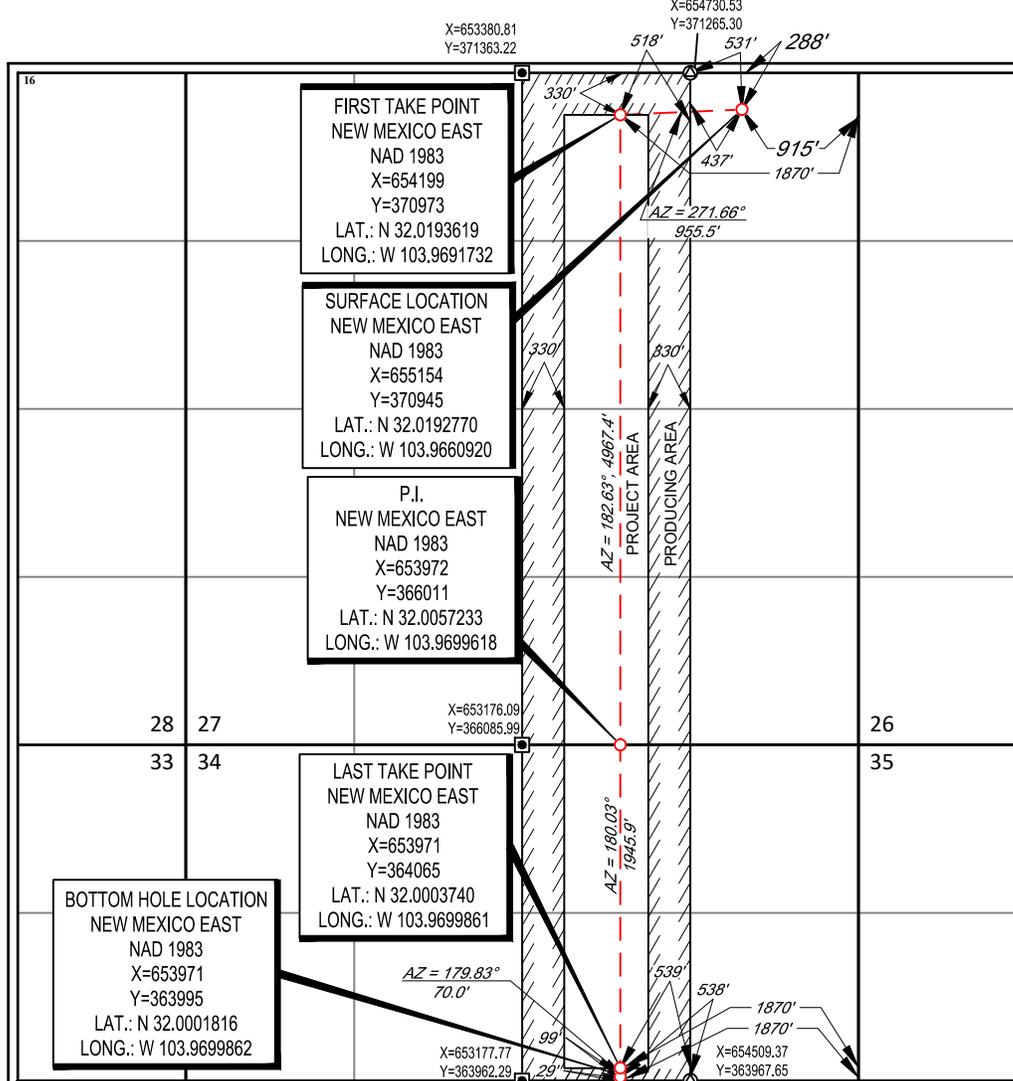
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	26-S	29-E	-	288'	NORTH	915'	EAST	EDDY

<sup>11</sup>Bottom 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
11	34	26-S	29-E	-	29'	SOUTH	1870'	EAST	EDDY

<sup>12</sup> Dedicated Acres 240	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup>OPERATOR 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*

7/26/2021

Signature Date

Bill Ramsey

Printed Name

bramsey@taprk.com

E-mail Address

<sup>18</sup>SURVEYOR 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.

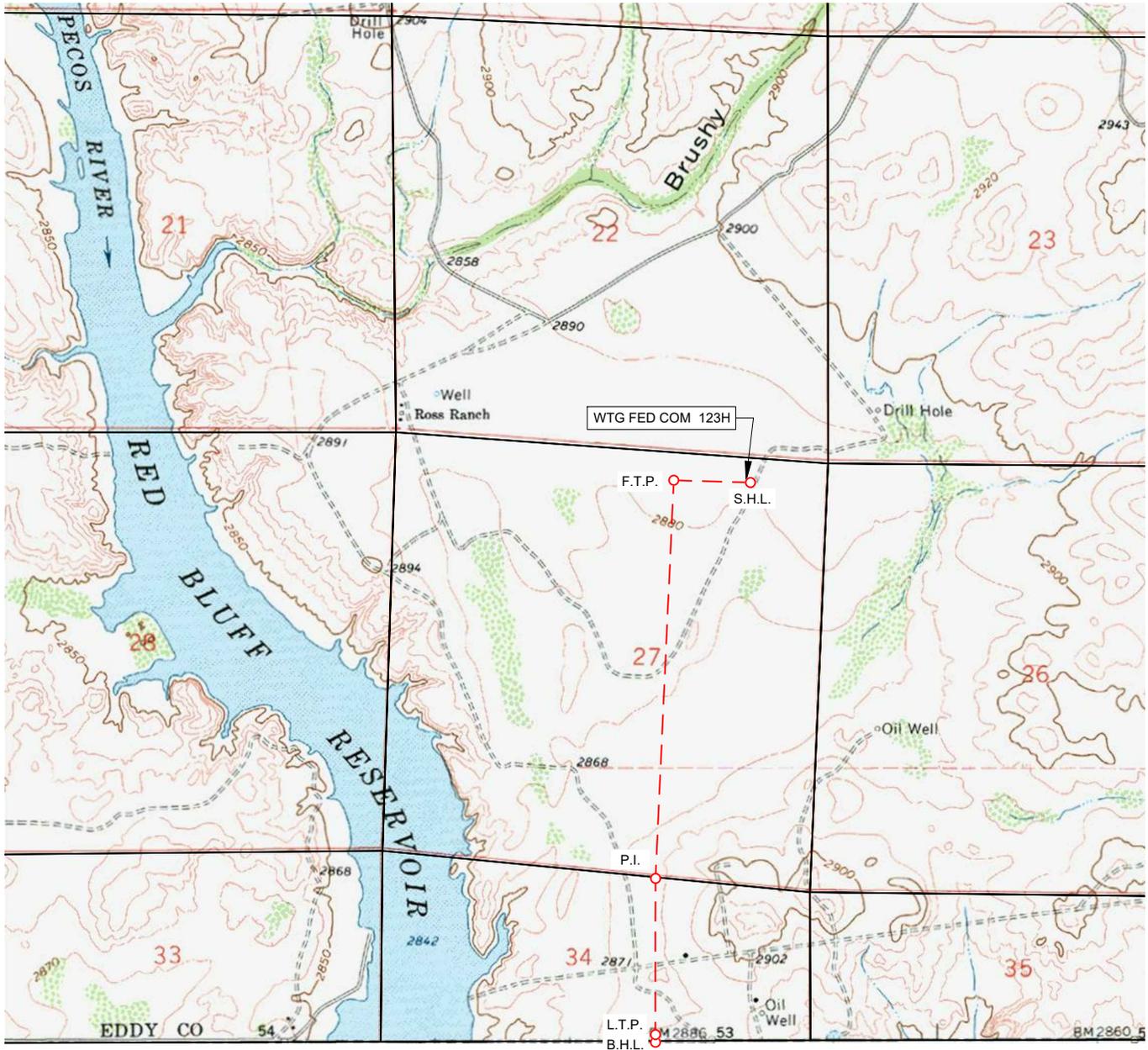
02/06/2021

Date of Survey Signature and Seal of Professional Surveyor



Certificate Number

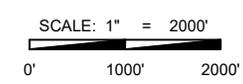
# LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: WTG FED COM 123H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM ELEVATION 2886'  
 DESCRIPTION 288' FNL & 915' FEL

LATITUDE N 32.0192770 LONGITUDE W 103.9660920

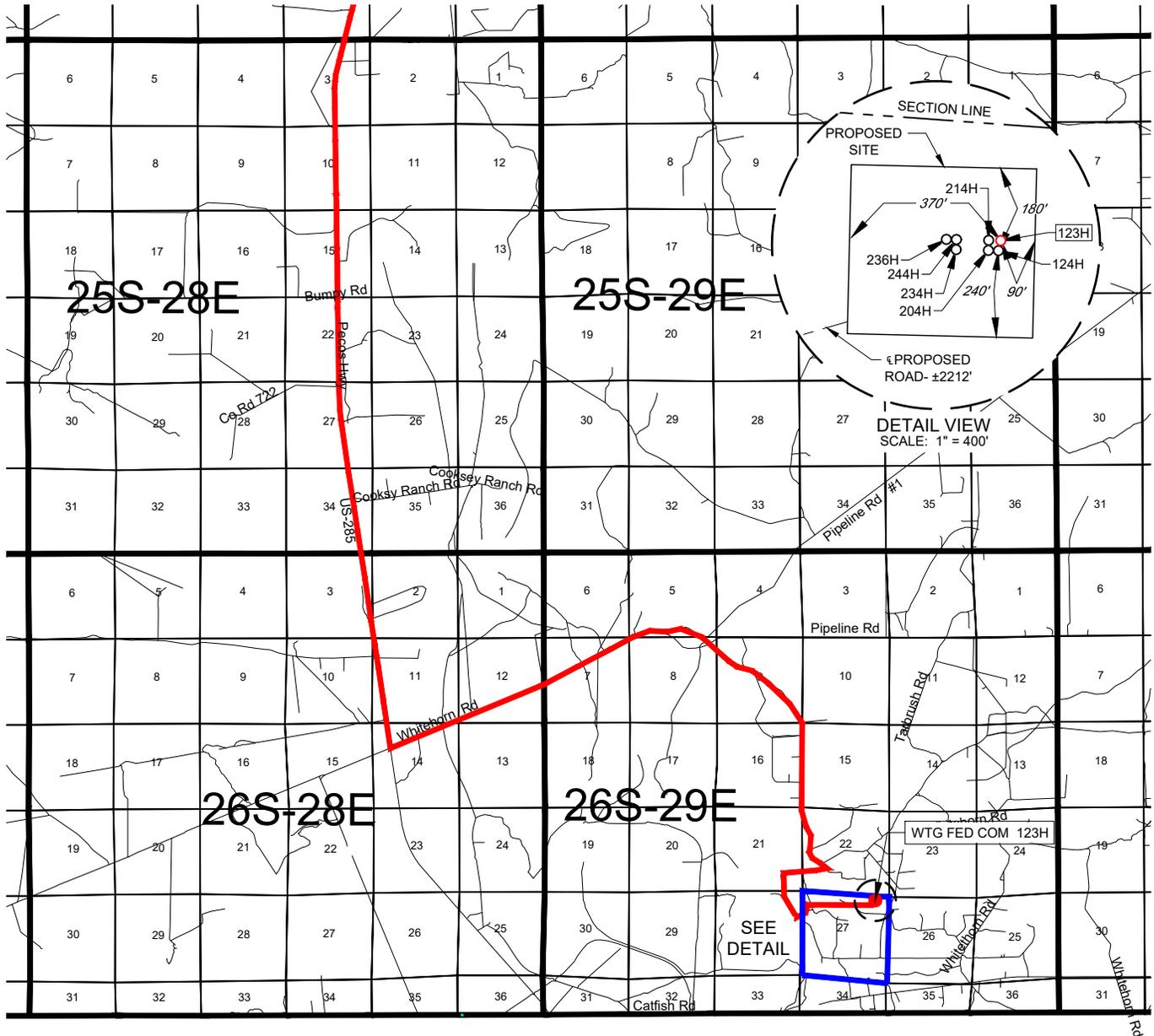


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1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140  
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 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
 WWW.TOPOGRAPHIC.COM

EXHIBIT 2  
VICINITY MAP



LEASE NAME & WELL NO.: WTG FED COM 123H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.

COUNTY EDDY STATE NM

DESCRIPTION 288' FNL & 915' FEL

**DISTANCE & DIRECTION**

FROM INT. OF US-285 & BLACK RIVER VILLAGE RD., GO SOUTH ON US-285  
±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE  
NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON  
WHITEHORN RD. ±3.3 MILES, THENCE SOUTH (RIGHT) ON LEASE RD. ±1.2  
MILES, THENCE NORTHEAST (LEFT) ON A PROPOSED RD. ±0.7 MILES TO A  
POINT ±425 FEET SOUTHWEST OF THE LOCATION.

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

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SCALE: 1" = 10000'  
 0' 5000' 10000'

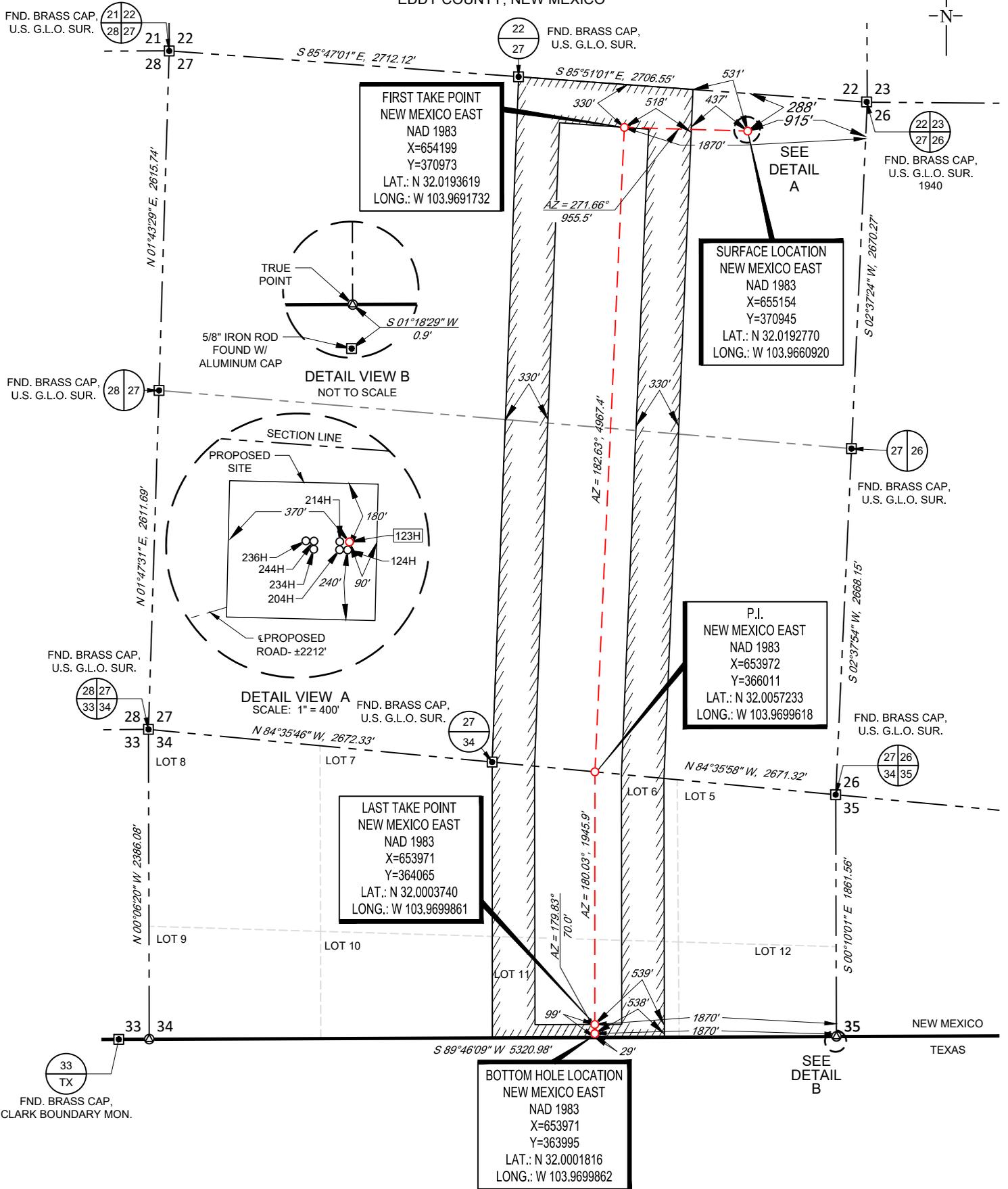


**TOPOGRAPHIC**  
 LOYALTY INNOVATION LEGACY

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 WWW.TOPOGRAPHIC.COM

# TAP ROCK EXHIBIT 2A

SECTION 27, TOWNSHIP 26-S, RANGE 29-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: \_\_\_\_\_ WTG FED COM 123H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
COUNTY EDDY STATE NM  
DESCRIPTION 288' FNL & 915' FEL

**DISTANCE & DIRECTION**  
FROM INT. OF US-285 & BLACK RIVER VILLAGE RD., GO SOUTH ON US-285 ±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON WHITEHORN RD. ±3.3 MILES, THENCE SOUTH (RIGHT) ON LEASE RD. ±1.2 MILES, THENCE NORTHEAST (LEFT) ON A PROPOSED RD. ±0.9 MILES TO A POINT ±425 FEET SOUTHWEST OF THE LOCATION.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM, EAST ZONE OF THE NORTH AMERICAN DATUM 1983, U.S. SURVEY FEET  
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



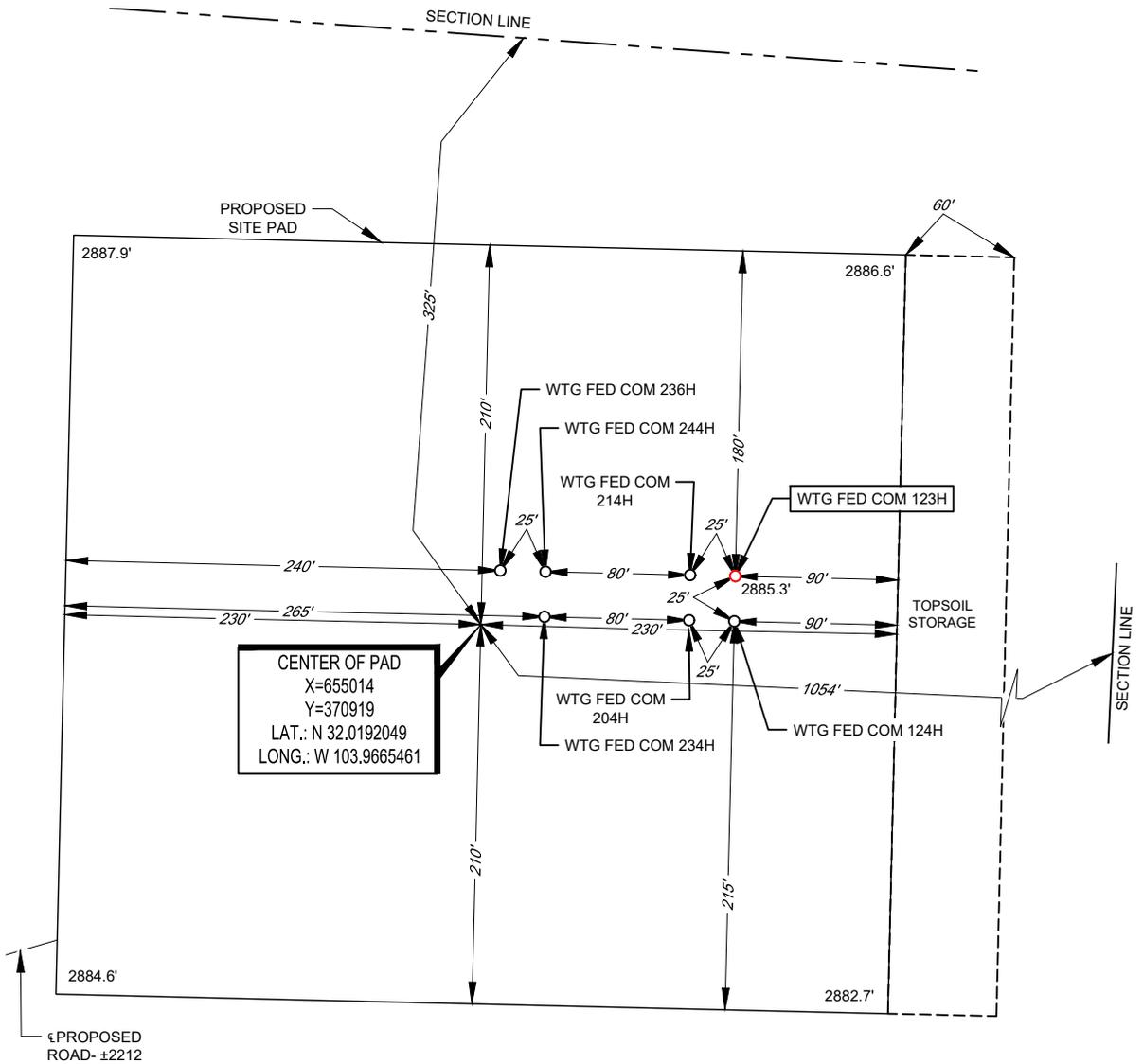
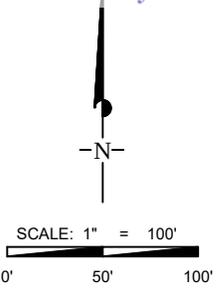
Ramon A. Dominguez, P.S. No. 24508  
July 14, 2021

**TOPOGRAPHIC**  
LOYALTY INNOVATION LEGACY  
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  
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SECTION 27, TOWNSHIP 26-S, RANGE 29-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO

DETAIL VIEW  
SCALE: 1" = 100'



LEASE NAME & WELL NO.: WTG FED COM 123H  
123H LATITUDE N 32.0192770 123H LONGITUDE W 103.9660920  
CENTER OF PAD IS 325' FNL & 1054' FEL



Ramon A. Dominguez, P.S. No. 24508

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District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47034		<sup>2</sup> Pool Code 98211		<sup>3</sup> Pool Name WC-015 G-03 S262925D;BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name WTG FED COM			<sup>6</sup> Well Number 124H
<sup>7</sup> OGRID No. 372043		<sup>8</sup> Operator Name TAP ROCK OPERATING, LLC.			<sup>9</sup> Elevation 2886'

<sup>10</sup>Surface Location

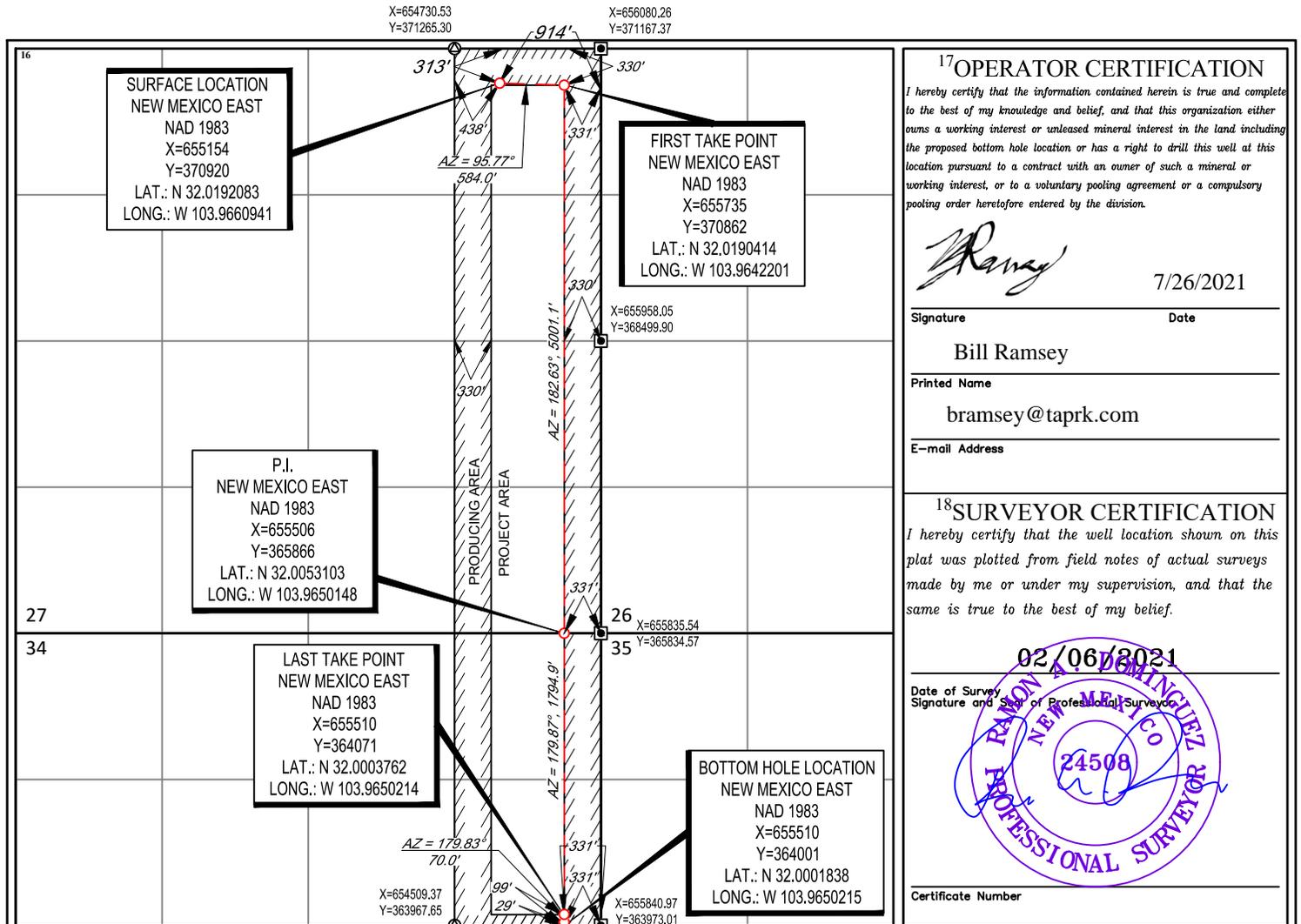
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	26-S	29-E	-	313'	NORTH	914'	EAST	EDDY

<sup>11</sup>Bottom 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
12	34	26-S	29-E	-	29'	SOUTH	331'	EAST	EDDY

<sup>12</sup> Dedicated Acres 240	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup>OPERATOR 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*

7/26/2021

Signature

Date

Bill Ramsey

Printed Name

bramsey@taprk.com

E-mail Address

<sup>18</sup>SURVEYOR 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.

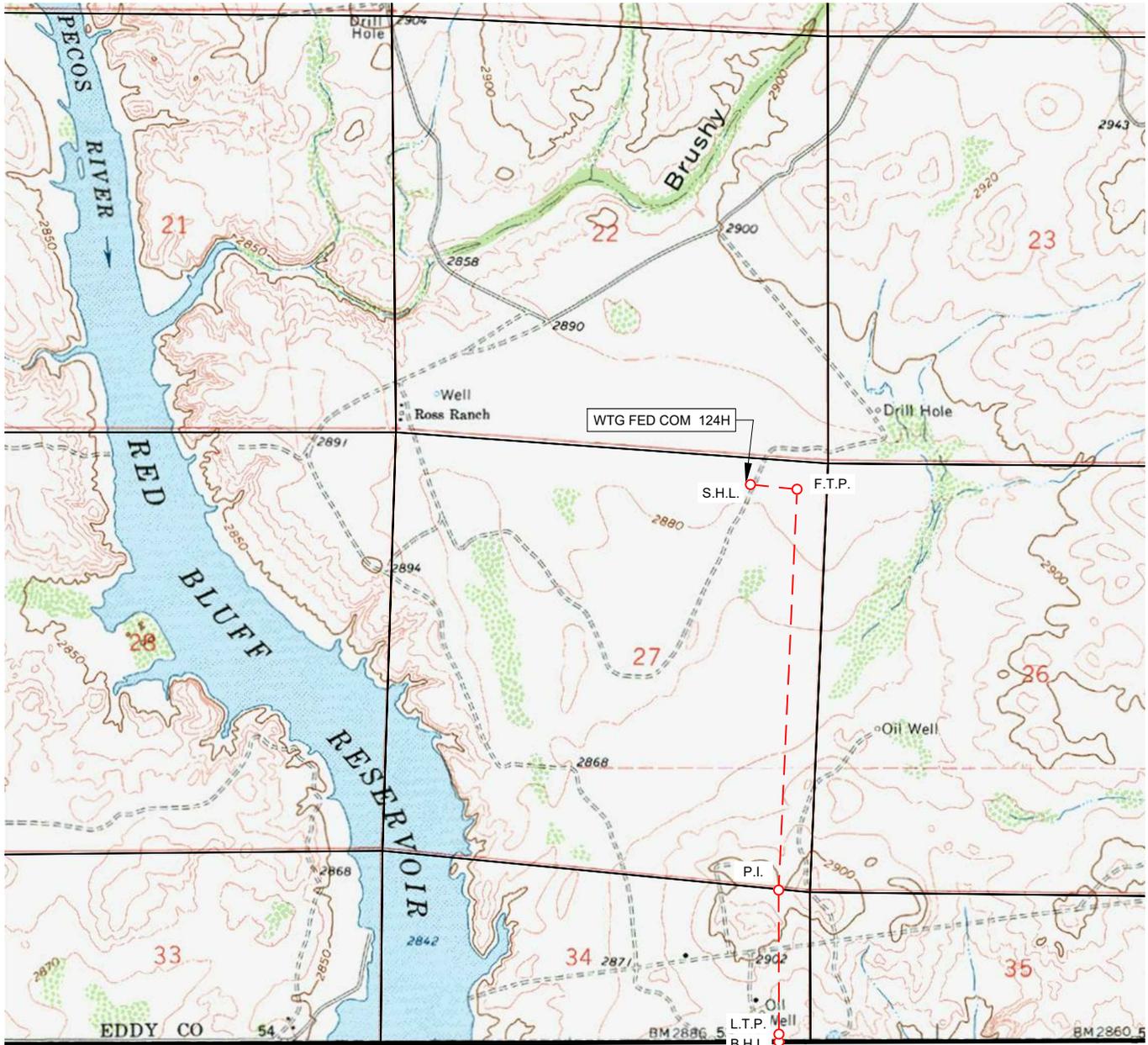
02/06/2021

Date of Survey  
Signature and Seal of Professional Surveyor



Certificate Number

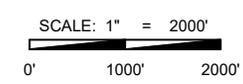
# LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: WTG FED COM 124H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM ELEVATION 2886'  
 DESCRIPTION 313' FNL & 914' FEL

LATITUDE N 32.0192083 LONGITUDE W 103.9660941

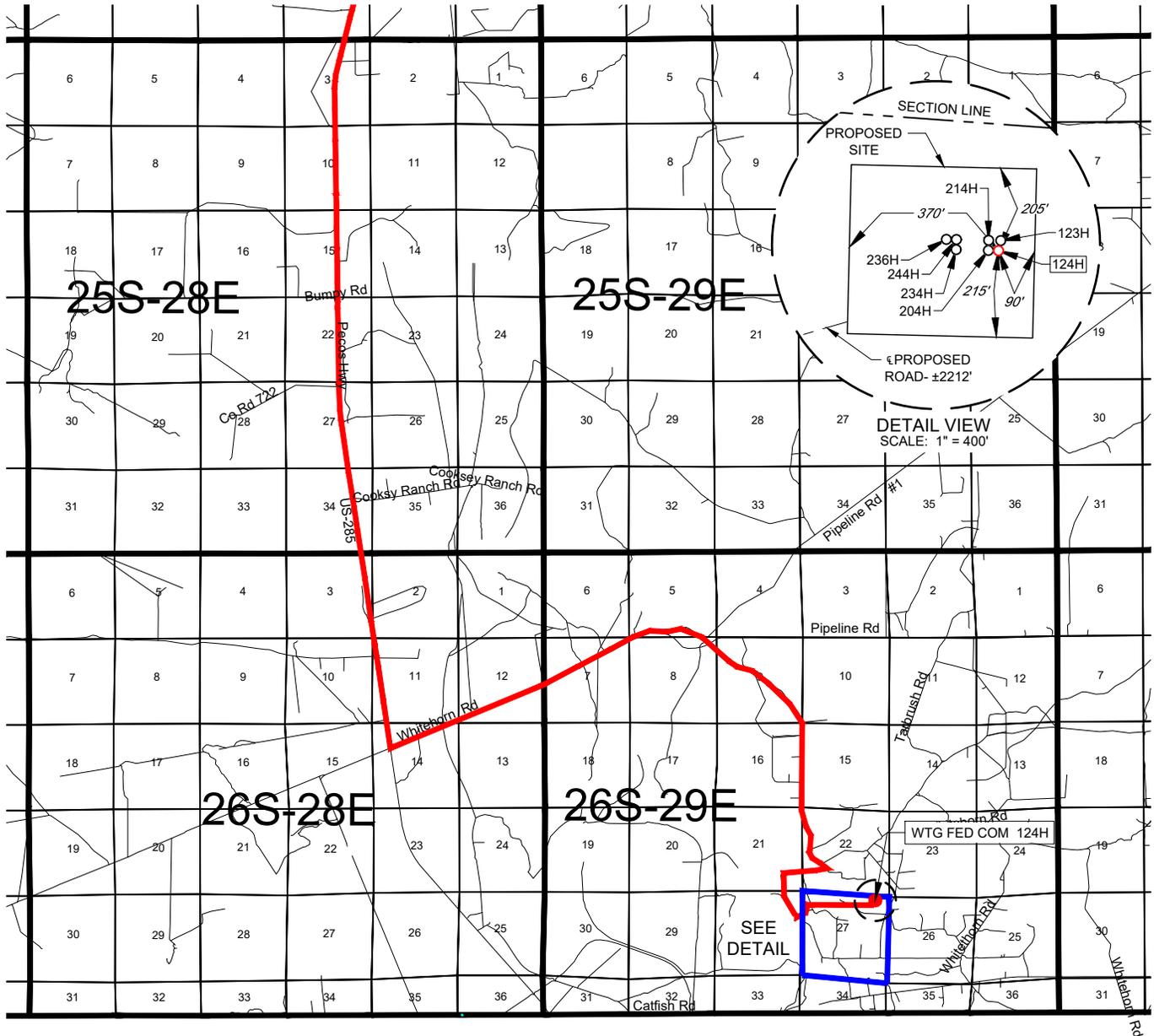


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1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140  
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554  
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
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EXHIBIT 2  
VICINITY MAP



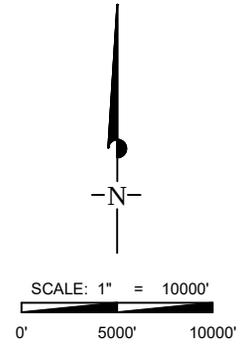
LEASE NAME & WELL NO.: WTG FED COM 124H

SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM  
 DESCRIPTION 313' FNL & 914' FEL

**DISTANCE & DIRECTION**  
 FROM INT. OF US-285 & BLACK RIVER VILLAGE RD., GO SOUTH ON US-285 ±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON WHITEHORN RD. ±3.3 MILES, THENCE SOUTH (RIGHT) ON LEASE RD. ±1.2 MILES, THENCE NORTHEAST (LEFT) ON A PROPOSED RD. ±0.7 MILES TO A POINT ±414 FEET SOUTHWEST OF THE LOCATION.

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

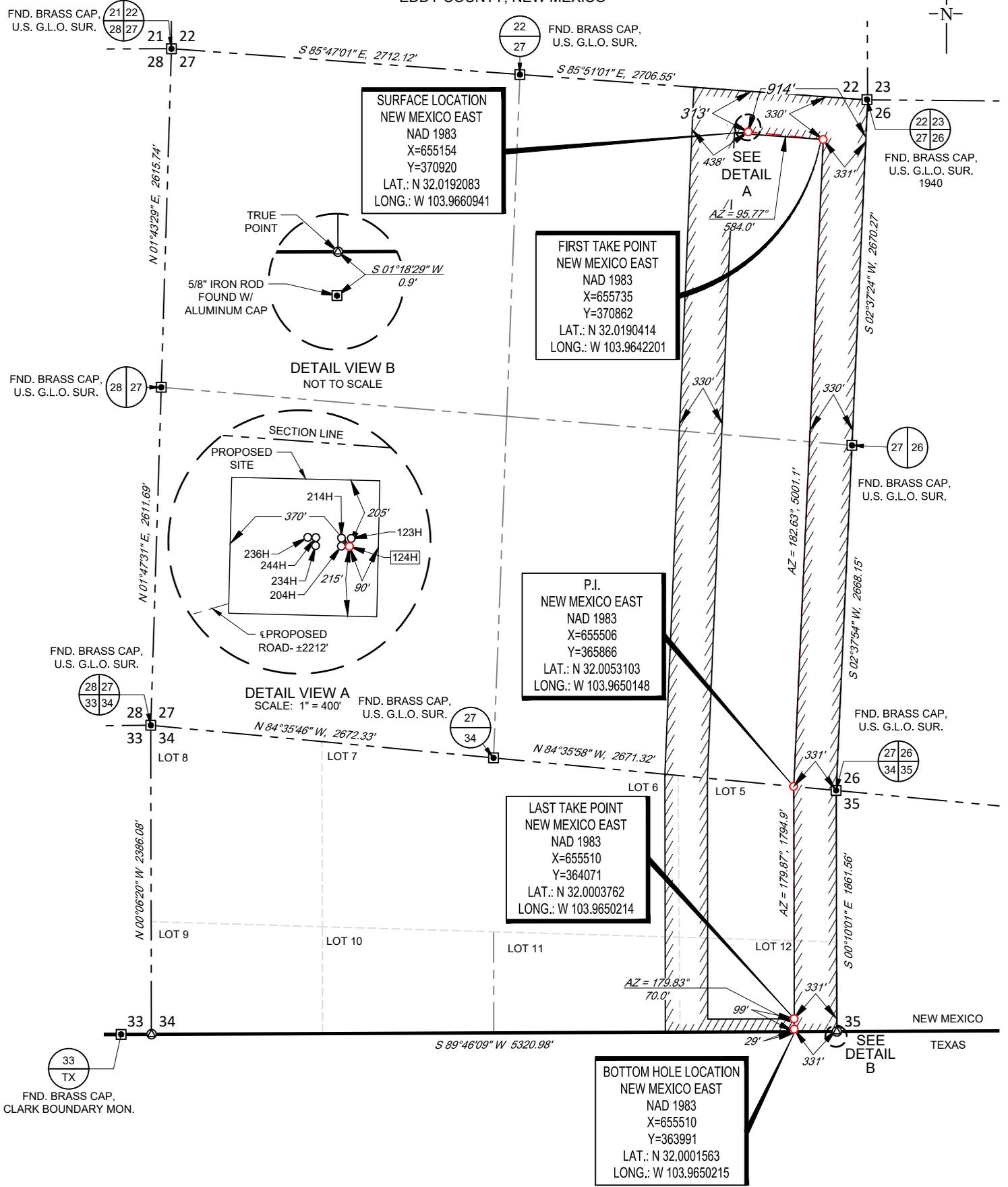
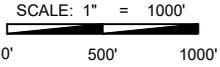
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SECTION 27, TOWNSHIP 26-S, RANGE 29-E, N.M.P.M. EDDY COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: WTG FED COM 124H  
SECTION 27 TWP 26-S RGE 29-E SURVEY N.M.P.M.  
COUNTY EDDY STATE NM  
DESCRIPTION 313' FNL & 914' FEL

DISTANCE & DIRECTION  
FROM INT. OF US-285 & BLACK RIVER VILLAGE RD., GO SOUTH ON US-285 ±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON WHITEHORN RD. ±3.3 MILES, THENCE SOUTH (RIGHT) ON LEASE RD. ±1.2 MILES, THENCE NORTHEAST (LEFT) ON A PROPOSED RD. ±0.9 MILES TO A POINT ±414 FEET SOUTHWEST OF THE LOCATION.

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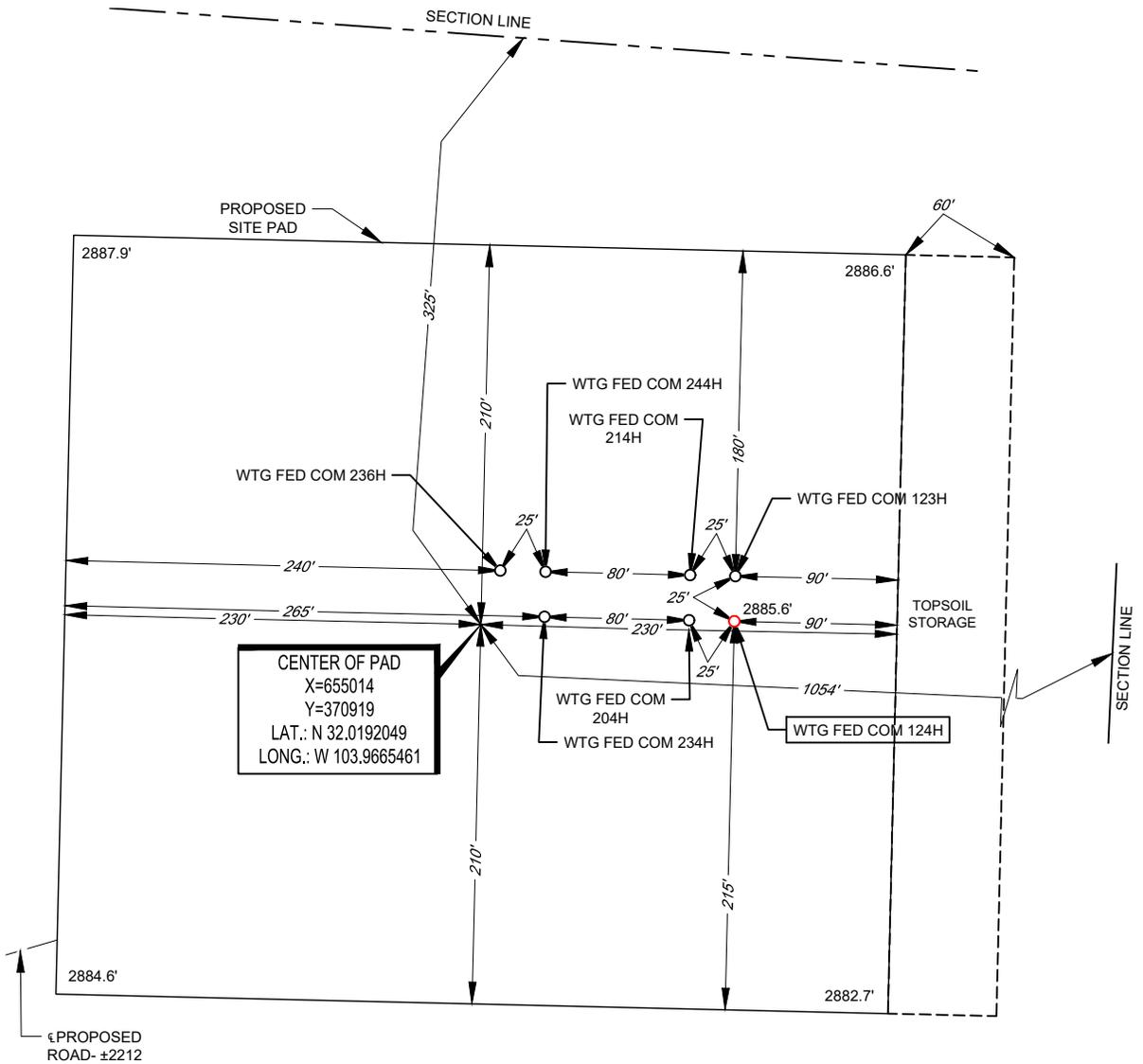
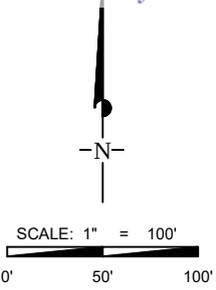
Ramon A. Dominguez, P.S. No. 24508  
July 14, 2021

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SECTION 27, TOWNSHIP 26-S, RANGE 29-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO

DETAIL VIEW  
SCALE: 1" = 100'



LEASE NAME & WELL NO.: WTG FED COM 124H  
124H LATITUDE N 32.0192083 124H LONGITUDE W 103.9660941  
CENTER OF PAD IS 325' FNL & 1054' FEL



Ramon A. Dominguez, P.S. No. 24508

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Released to Imaging: 12/22/2021 3:52:18 PM  
ORIGINAL DOCUMENT SIZE: 8.5" X 11"

<b>Well Name:</b> WTG FED COM	<b>Well Location:</b> T26S / R29E / SEC 27 / NWNW / 32.0198507 / -103.9787472	<b>County or Parish/State:</b> EDDY / NM
<b>Well Number:</b> 121H	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM38636	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 3001547855	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> TAP ROCK OPERATING LLC

**Notice of Intent**

**Type of Submission:** Notice of Intent

**Type of Action:** Other

**Date Sundry Submitted:** 08/19/2021

**Time Sundry Submitted:** 07:53

**Date proposed operation will begin:** 08/19/2021

**Procedure Description:** Tap Rock Operating, LLC requests to change the unit size for the WTG Fed Com 121H from the larger 480 acreage to the attached 240 unit. Please see the plat attached.

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

LO\_WTG\_FED\_COM\_121H\_REV2\_S\_20210819075312.pdf

**Well Name:** WTG FED COM

**Well Location:** T26S / R29E / SEC 27 /  
NWNW / 32.0198507 / -103.9787472

**County or Parish/State:** EDDY /  
NM

**Well Number:** 121H

**Type of Well:** CONVENTIONAL GAS  
WELL

**Allottee or Tribe Name:**

**Lease Number:** NMNM38636

**Unit or CA Name:**

**Unit or CA Number:**

**US Well Number:** 3001547855

**Well Status:** Approved Application for  
Permit to Drill

**Operator:** TAP ROCK  
OPERATING LLC

**Operator Certification**

*I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.*

**Operator Electronic Signature:** BILL RAMSEY

**Signed on:** AUG 19, 2021 07:53 AM

**Name:** TAP ROCK OPERATING LLC

**Title:** Regulatory Analyst

**Street Address:** 523 PARK POINT DRIVE SUITE 200

**City:** GOLDEN

**State:** CO

**Phone:** (720) 360-4028

**Email address:** BRAMSEY@TAPRK.COM

**Field Representative**

**Representative Name:**

**Street Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Email address:**

<b>Well Name:</b> WTG FED COM	<b>Well Location:</b> T26S / R29E / SEC 27 / NENW / 32.0198054 / -103.9740449	<b>County or Parish/State:</b> EDDY / NM
<b>Well Number:</b> 122H	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM38636	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 3001547033	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> TAP ROCK OPERATING LLC

**Notice of Intent**

**Type of Submission:** Notice of Intent

**Type of Action:** Other

**Date Sundry Submitted:** 08/19/2021

**Time Sundry Submitted:** 07:58

**Date proposed operation will begin:** 08/19/2021

**Procedure Description:** Tap Rock Operating, LLC requests to change the unit size for the WTG Fed Com 122H from the larger 480 acreage to the attached 240 unit. Please see the plat attached.

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

LO\_WTG\_FED\_COM\_122H\_REV2\_S\_20210819075802.pdf

Well Name: WTG FED COM

Well Location: T26S / R29E / SEC 27 / NENW / 32.0198054 / -103.9740449

County or Parish/State: EDDY / NM

Well Number: 122H

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMNM38636

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001547033

Well Status: Approved Application for Permit to Drill

Operator: TAP ROCK OPERATING LLC

**Operator Certification**

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Operator Electronic Signature: BILL RAMSEY

Signed on: AUG 19, 2021 07:58 AM

Name: TAP ROCK OPERATING LLC

Title: Regulatory Analyst

Street Address: 523 PARK POINT DRIVE SUITE 200

City: GOLDEN

State: CO

Phone: (720) 360-4028

Email address: BRAMSEY@TAPRK.COM

**Field Representative**

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

<b>Well Name:</b> WTG FED COM	<b>Well Location:</b> T26S / R29E / SEC 27 / NENE / 32.019277 / -103.966092	<b>County or Parish/State:</b> EDDY / NM
<b>Well Number:</b> 218H	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM038636, NMNM38636	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 3001547041	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> TAP ROCK OPERATING LLC

**Notice of Intent**

**Type of Submission:** Notice of Intent

**Type of Action:** Other

**Date Sundry Submitted:** 08/19/2021

**Time Sundry Submitted:** 08:03

**Date proposed operation will begin:** 08/19/2021

**Procedure Description:** Per the previously approved sundry, this well should have a new name of WTG Fed Com 123H. Tap Rock Operating, LLC requests to change the unit size for the WTG Fed Com 123H from the larger 480 acreage to the attached 240 unit. Please see the plat attached.

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

WTG\_Fed\_Com\_123H\_Sundry\_Approved\_20210518\_20210819080338.pdf

LO\_WTG\_FED\_COM\_123H\_REV2\_S\_20210819080306.pdf

**Well Name:** WTG FED COM

**Well Location:** T26S / R29E / SEC 27 / NENE / 32.019277 / -103.966092

**County or Parish/State:** EDDY / NM

**Well Number:** 218H

**Type of Well:** CONVENTIONAL GAS WELL

**Allottee or Tribe Name:**

**Lease Number:** NMNM038636, NMNM38636

**Unit or CA Name:**

**Unit or CA Number:**

**US Well Number:** 3001547041

**Well Status:** Approved Application for Permit to Drill

**Operator:** TAP ROCK OPERATING LLC

**Operator Certification**

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**Operator Electronic Signature:** BILL RAMSEY

**Signed on:** AUG 19, 2021 08:03 AM

**Name:** TAP ROCK OPERATING LLC

**Title:** Regulatory Analyst

**Street Address:** 523 PARK POINT DRIVE SUITE 200

**City:** GOLDEN

**State:** CO

**Phone:** (720) 360-4028

**Email address:** BRAMSEY@TAPRK.COM

**Field Representative**

**Representative Name:**

**Street Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Email address:**

<b>Well Name:</b> WTG FED COM	<b>Well Location:</b> T26S / R29E / SEC 27 / NENE / 32.0192083 / -103.9660941	<b>County or Parish/State:</b> EDDY / NM
<b>Well Number:</b> 208H	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM038636, NMNM38636	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 3001547034	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> TAP ROCK OPERATING LLC

**Notice of Intent**

**Type of Submission:** Notice of Intent

**Type of Action:** Other

**Date Sundry Submitted:** 03/09/2021

**Time Sundry Submitted:** 10:14

**Date proposed operation will begin:** 03/09/2021

**Procedure Description:** Tap Rock is requesting permission to change the Name, depth/formation, and casing design for this well. Tap Rock is requesting the well name be changed from the WTG Fed Com 208H to the WTG Fed Com 124H. Previously Approved Depth and Formation: 16795 ft, Upper Wolfcamp New proposed Depth and Formation: 15590 ft, Bonespring A three-string design will be employed instead of the previously approved four string. The new drilling plan detailing this plan is attached for review. No additional surface is to be disturbed by this sundry.

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

WTG\_Fed\_Com\_124H\_Sundry\_Attachments\_20210309101350.pdf

**Well Name:** WTG FED COM

**Well Location:** T26S / R29E / SEC 27 / NENE / 32.0192083 / -103.9660941

**County or Parish/State:** EDDY / NM

**Well Number:** 208H

**Type of Well:** CONVENTIONAL GAS WELL

**Allottee or Tribe Name:**

**Lease Number:** NMNM038636, NMNM38636

**Unit or CA Name:**

**Unit or CA Number:**

**US Well Number:** 3001547034

**Well Status:** Approved Application for Permit to Drill

**Operator:** TAP ROCK OPERATING LLC

**Operator Certification**

*I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.*

**Operator Electronic Signature:** RAMSEY

**Signed on:** MAR 09, 2021 10:14 AM

**Name:** TAP ROCK OPERATING LLC

**Title:** Regulatory Analyst

**Street Address:** 523 PARK POINT DRIVE SUITE 200

**City:** GOLDEN

**State:** CO

**Phone:** (720) 360-4028

**Email address:** BRAMSEY@TAPRK.COM

**Field Representative**

**Representative Name:**

**Street Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Email address:**

**BLM Point of Contact**

**BLM POC Name:** CHRISTOPHER WALLS

**BLM POC Title:** Petroleum Engineer

**BLM POC Phone:** 5752342234

**BLM POC Email Address:** cwalls@blm.gov

**Disposition:** Approved

**Disposition Date:** 04/07/2021

**Signature:** Chris Walls

<b>Well Name:</b> WTG FED COM	<b>Well Location:</b> T26S / R29E / SEC 27 / NENE / 32.0192083 / -103.9660941	<b>County or Parish/State:</b> EDDY / NM
<b>Well Number:</b> 124H	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM38636	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 3001547034	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> TAP ROCK OPERATING LLC

**Notice of Intent**

**Type of Submission:** Notice of Intent

**Type of Action:** Other

**Date Sundry Submitted:** 08/19/2021

**Time Sundry Submitted:** 08:09

**Date proposed operation will begin:** 08/19/2021

**Procedure Description:** Tap Rock Operating, LLC requests to change the unit size for the WTG Fed Com 124H from the larger 480 acreage to the attached 240 unit. Please see the plat attached.

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

LO\_WTG\_FED\_COM\_124H\_REV2\_S\_20210819080842.pdf

**Well Name:** WTG FED COM

**Well Location:** T26S / R29E / SEC 27 / NENE / 32.0192083 / -103.9660941

**County or Parish/State:** EDDY / NM

**Well Number:** 124H

**Type of Well:** CONVENTIONAL GAS WELL

**Allottee or Tribe Name:**

**Lease Number:** NMNM38636

**Unit or CA Name:**

**Unit or CA Number:**

**US Well Number:** 3001547034

**Well Status:** Approved Application for Permit to Drill

**Operator:** TAP ROCK OPERATING LLC

**Operator Certification**

*I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.*

**Operator Electronic Signature:** BILL RAMSEY

**Signed on:** AUG 19, 2021 08:09 AM

**Name:** TAP ROCK OPERATING LLC

**Title:** Regulatory Analyst

**Street Address:** 523 PARK POINT DRIVE SUITE 200

**City:** GOLDEN

**State:** CO

**Phone:** (720) 360-4028

**Email address:** BRAMSEY@TAPRK.COM

**Field Representative**

**Representative Name:**

**Street Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Email address:**

Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of February 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 26 South, Range 29 East, N.M.P.M.**  
**Section 27: W/2**  
**Section 34: Lots 7-10**  
**Eddy County, New Mexico**

Containing **457.78 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 Resources, 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 February 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.

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.

**Tap Rock Resources, LLC**  
Operator, Working Interest Owner

By: \_\_\_\_\_  
Clayton Sporich – VP Land & Legal

Date: \_\_\_\_\_

### ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )  
 ) ss.  
 COUNTY OF \_\_\_\_\_ )

On this \_\_\_ day of \_\_\_\_\_, 2020, before me, a Notary Public for the State of \_\_\_\_\_ personally appeared **Clayton Sporich**, known to me to be the **Vice President – Land & Legal of Tap Rock Resources, LLC**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**WPX Energy Permian, LLC**  
Operating Rights Owner

By: \_\_\_\_\_  
Gregory J. Geist, Vice President of Land

Date: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2020, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared **Gregory J. Geist**, known to me to be the **Vice President of Land of WPX Energy Permian, LLC**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST AND/OR LESSEES OF RECORD**

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Company Name, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

PRINTED: Aaron Byrd

TITLE: Executive Vice President of Operations

PHONE: (720) 772-3065

EMAIL: Abyrd@taprk.com

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, 2021,  
by \_\_\_\_\_ as \_\_\_\_\_ of Tap  
Rock Resources, LLC, a \_\_\_\_\_ on behalf of  
same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

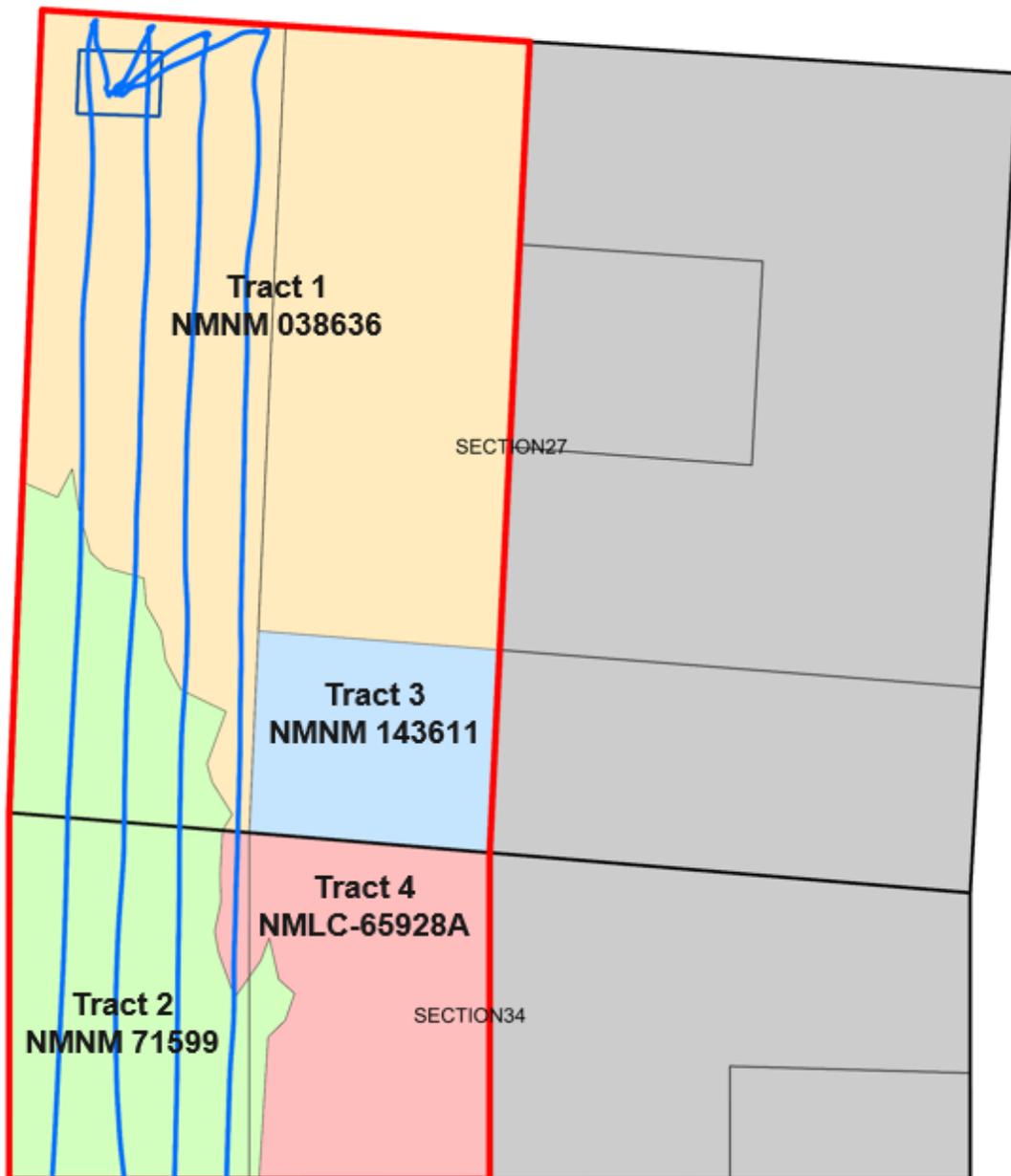
\_\_\_\_\_  
Notary Public

## EXHIBIT "A"

Plat of communitized area covering 457.78 acres in Township 26 South, Range 29 East, N.M.P.M. Section 27: W/2 and Section 34: Lots 7-10, Eddy County, New Mexico

Well Name/No.

**WTG Fed Com #201H, #211H, #205H, #215H**



**EXHIBIT "B"**

To Communitization Agreement Dated February 1, 2020 embracing the following described land in Township 26 South, Range 29 East, N.M.P.M. Section 27: W/2 and Section 34: Lots 7-10, Eddy County, New Mexico.

Operator of Communitized Area: **Tap Rock Resources, LLC**

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Federal Lease No.:	NMNM 038636
Lessor:	United States of America
Date:	February 1, 1980
Recording Information:	Book 212, Page 568
Legal Description:	Insofar and insofar only as the lease covers: <u>Township 26 South, Range 29 East</u> Section 27: NW, N2SW, SWSW, less and except Parcel 2 (38.50 acres) lying within the W2 of Section 27, Township 26 South, Range 29 East.
Number of Acres:	241.5 gross acres
Royalty Rate:	12.5%
Overriding Royalty Interest:	Tap Rock Minerals, LP (5%); Wing Resources III, LLC (2.5%); Mekusukey Oil Company, LLC (5%)
Record Title:	Occidental Permian Limited Partnership
Working Interest:	Tap Rock Resources, LLC – 100%

Tract No. 2

Federal Lease No.:	NMNM 071599
Lessor:	The United States of America
Date:	April 1, 1988
Recording Information:	Book 17, Page 936
Legal Description:	Insofar and insofar only as the lease covers: <u>Township 26 South, Range 29 East</u> Section 27: Parcel 2 (38.50 acres) Section 34: Parcel 1 (68.10 acres)
Number of Acres:	106.60 gross acres
Royalty Rate:	14%
Overriding Royalty Interest:	Red Bluff Water Power Control District (11%)

Record Title: Red Bluff Water Power Control District  
 Working Interest: Tap Rock Resources, LLC – 100%

Tract No. 3

Federal Lease No.: NMNM 143611  
 Lessor: The United States of America  
 Date: February 1, 1984  
 Recording Information: Book 816, Page 390  
 Legal Description: Insofar and insofar only as the lease covers:  
Township 26 South, Range 29 East  
 Section 27: SESW  
 Number of Acres: 40.00 gross acres  
 Royalty Rate: Sliding scale royalty ranging from 12.5% to  
 25%; reduced to 11.7% by letter dated  
 effective November 1, 1992  
 Overriding Royalty Interest: WPX Energy Permian, LLC (12.5%)  
 Record Title: Tap Rock Resources, LLC  
 Working Interest: Tap Rock Resources, LLC – 100%

Tract No. 4

Federal Lease No.: NMLC 0065928A  
 Lessor: The United States of America  
 Date: July 1, 1951  
 Recording Information: Unrecorded  
 Legal Description: Insofar and insofar only as the lease covers:  
Township 26 South, Range 29 East  
 Section 34: Lots 7-10, less and except Parcel  
 1 (68.10 acres) lying within the W2 of  
 Section 34, Township 26 South, Range 29  
 East.  
 Number of Acres: 69.68 gross acres  
 Royalty Rate: 12.5%  
 Overriding Royalty Interest: COG Operating, LLC (12.5%)  
 Record Title: COG Operating, LLC  
 Working Interest: Tap Rock Resources, LLC – 100%

**RECAPITULATION**

<b>Tract No.</b>	<b>No. of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
1	241.5	52.7546%
2	106.60	23.2863%
3	40.00	8.7378%
4	69.68	15.2213%
<b>Total</b>	<b>457.78</b>	<b>100.0000%</b>

Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the **1st** day of **January, 2022**, 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 26 South, Range 29 East, N.M.P.M.**

Section 27: E2E2

Section 34: Lot 5, Lot 12

Eddy County, New Mexico

Containing **218.85** 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, CO, 80041**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 **January 1, 2022**, 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.

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: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Clayton Sporich  
Title: EVP – Land & Legal

**ACKNOWLEDGEMENT**

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF JEFFERSON )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Operating, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public





**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Occidental Permian Limited Partnership**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**WPX Energy Permian, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**COG Operating, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**EOG Resources, Inc**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**OXY Y-1 Co**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

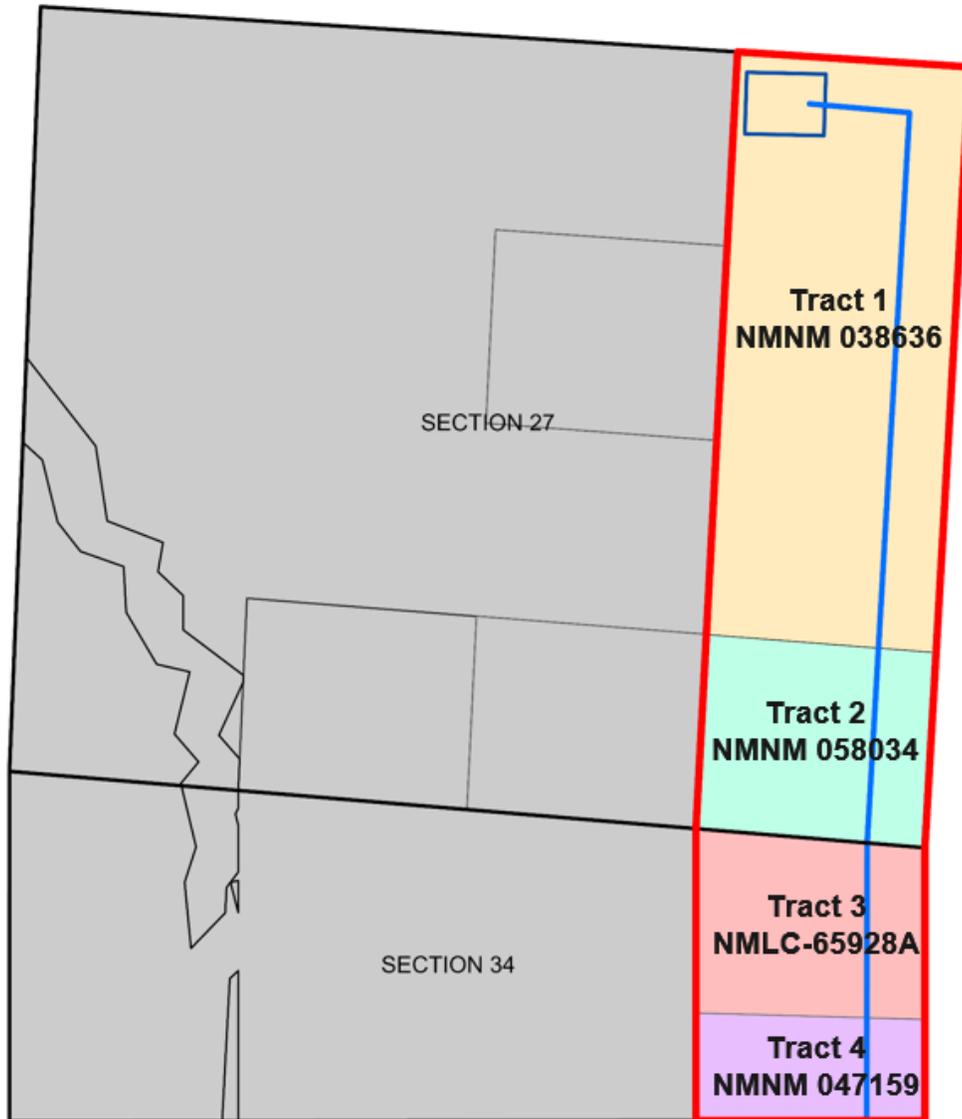
\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

## EXHIBIT "A"

Plat of communitized area covering 218.85 acres in E2E2 of Section 27 and Lot 5, Lot 12 of Section 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Well Name/No.  
WTG Federal Com #124H



**EXHIBIT "B"**

To Communitization Agreement dated **January 1, 2022**, embracing the following described land in E2E2 of Section 27 and Lot 5, Lot 12 of Section 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Operator of Communitized Area: **Tap Rock Operating, LLC**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 038636
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 27: E2NE, NESE
Number of Acres:	120.00
Current Lessee of Record:	Occidental Permian Limited Partnership
Name of Working Interest Owners:	Tap Rock Resources, LLC
ORRI Owners:	Tap Rock Minerals, LP Wing Resources III, LLC Mekusukey Oil Company, LLC

**Tract No. 2**

Lease Serial Number:	NMNM 058034
Description of Land Committed:	Insofar and insofar only as the lease covers: <u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 27: SESE
Number of Acres:	40.00
Current Lessee of Record:	WPX Energy Permian, LLC
Name of Working Interest Owners:	WPX Energy Permian, LLC
ORRI Owners:	None

**Tract No. 3**

Lease Serial Number: NMLC 0065928A

Description of Land Committed: Insofar and insofar only as the lease covers:  
Township 26 South, Range 29 East, N.M.P.M.  
Section 34: Lot 5

Number of Acres: 37.08

Current Lessee of Record: COG Operating, LLC

Name of Working Interest Owners: Tap Rock Resources, LLC

ORRI Owners: COG Operating, LLC

**Tract No. 4**

Lease Serial Number: NMNM 047159

Description of Land Committed: Township 26 South, Range 29 East, N.M.P.M.  
Section 34: Lot 12

Number of Acres: 21.77

Current Lessee of Record: EOG Resources, Inc  
OXY Y-1 CO

Name of Working Interest Owners: Tap Rock Resources, LLC

ORRI Owners: None

**RECAPITULATION**

<u>No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest Tract in Communitized Area</u>
1	120.00	54.8321%
2	40.00	18.2774%
3	37.08	16.9431%
4	21.77	9.9474%
Total	218.85	100.0000%

Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the **1st** day of **January, 2022**, 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 26 South, Range 29 East, N.M.P.M.**

Section 27: E2W2

Section 34: Lot 7, Lot 10

Eddy County, New Mexico

Containing **226.88** 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, CO, 80041**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 **January 1, 2022**, 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.

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: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Clayton Sporich  
Title: EVP – Land & Legal

**ACKNOWLEDGEMENT**

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF JEFFERSON )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Operating, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public





**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Occidental Permian Limited Partnership**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**COG Operating, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

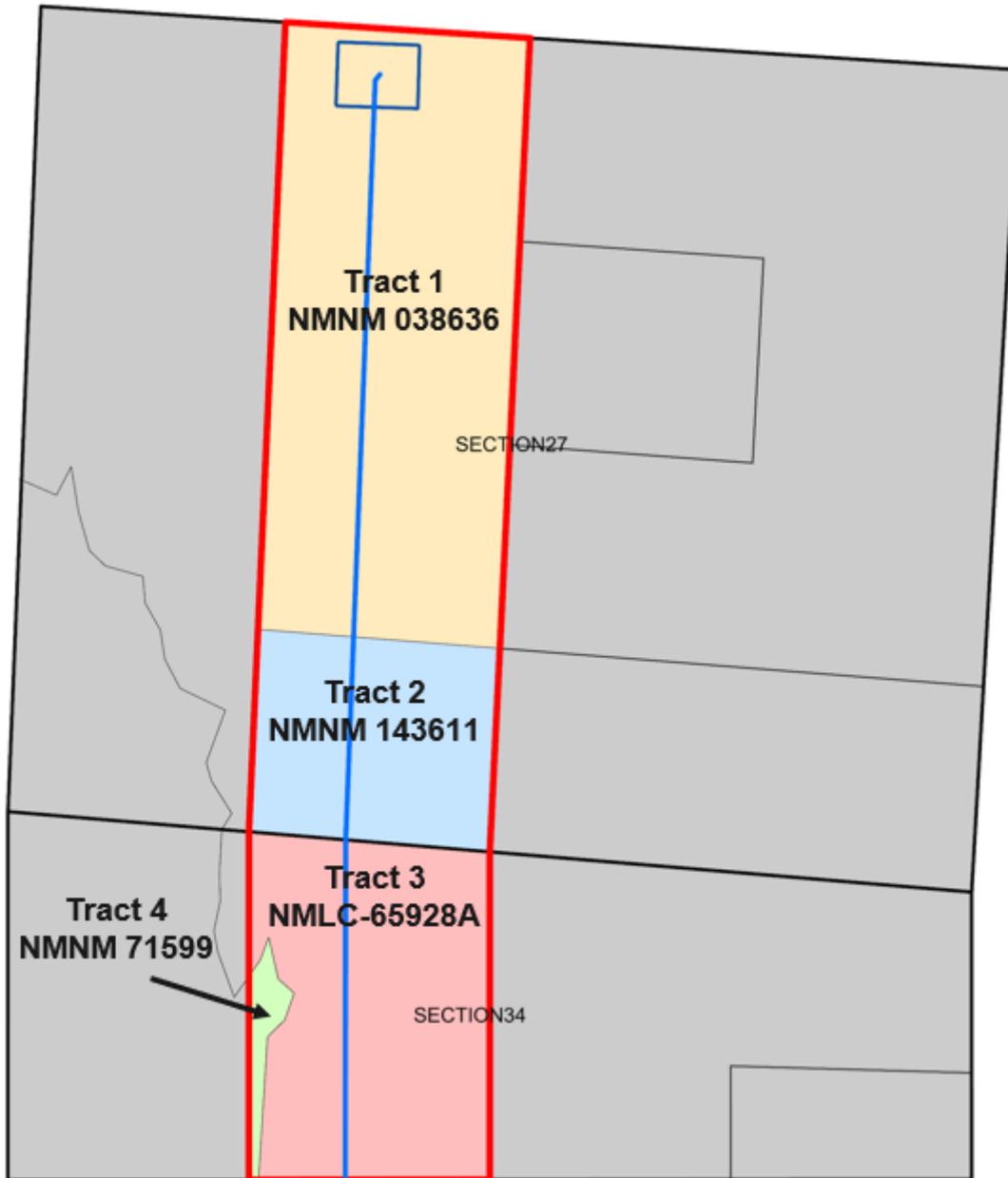
\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

## EXHIBIT "A"

Plat of communitized area covering 226.88 acres in E2W2 of Section 27 and Lot 7, Lot 10 of Section 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Well Name/No.  
WTG Federal Com #122H



**EXHIBIT "B"**

To Communitization Agreement dated **January 1, 2022**, embracing the following described land in E2W2 of Section 27 and Lot 7, Lot 10 of Section 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Operator of Communitized Area: **Tap Rock Operating, LLC**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 038636
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 27: E2NW, NESW
Number of Acres:	120.00
Current Lessee of Record:	Occidental Permian Limited Partnership
Name of Working Interest Owners:	Tap Rock Resources, LLC
ORRI Owners:	Tap Rock Minerals, LP Wing Resources III, LLC Mekusukey Oil Company, LLC

**Tract No. 2**

Lease Serial Number:	NMNM 143611
Description of Land Committed:	<u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 27: SESW
Number of Acres:	40.00
Current Lessee of Record:	Tap Rock Resources, LLC
Name of Working Interest Owners:	Tap Rock Resources, LLC
ORRI Owners:	None

**Tract No. 3**

Lease Serial Number: NMLC 0065928A

Description of Land Committed: Insofar and insofar only as the lease covers:  
Township 26 South, Range 29 East, N.M.P.M.  
Section 34: Lot 7: less and except 3 acres lying within the Red Bluff Reservoir  
Lot 10: less and except 0.7 acres lying within the Red Bluff Reservoir

Number of Acres: 63.18

Current Lessee of Record: COG Operating, LLC

Name of Working Interest Owners: Tap Rock Resources, LLC

ORRI Owners: COG Operating, LLC

**Tract No. 4**

Lease Serial Number: NMNM 071599

Description of Land Committed: Insofar and only insofar as said lease covers:  
Township 26 South, Range 29 East, N.M.P.M.  
Section 34: Parcel 1 lying within Lot 7 & Lot 10 within the Red Bluff Reservoir

Number of Acres: 3.70

Current Lessee of Record: Red Bluff Water Power Control District

Name of Working Interest Owners: Tap Rock Resources, LLC

ORRI Owners: Red Bluff Water Power Control District

**RECAPITULATION**

<u>No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest Tract in Communitized Area</u>
1	120.00	52.8914%
2	40.00	17.6305%
3	63.18	29.8473%
4	3.70	1.6308%
Total	226.88	100.0000%

Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the **1st** day of **January, 2022**, 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 26 South, Range 29 East, N.M.P.M.**

Section 27: W2E2

Section 34: Lot 6, Lot 11

Eddy County, New Mexico

Containing **222.86** 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, CO, 80041**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the owners of the working interest in the communitized area andfour (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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 **January 1, 2022**, 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.







**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Occidental Permian Limited Partnership**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**WPX Energy Permian, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**COG Operating, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

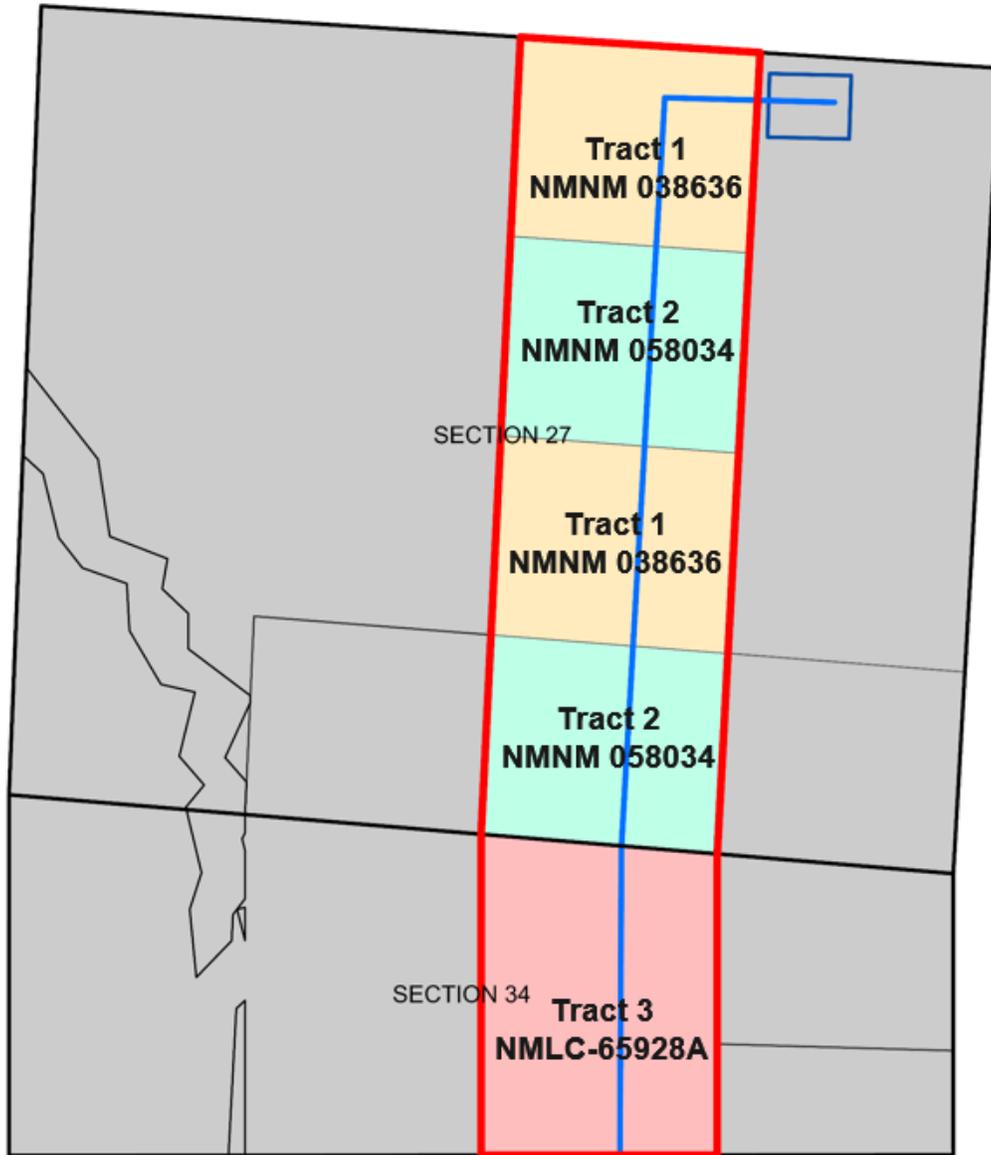
\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

## EXHIBIT "A"

Plat of communitized area covering 222.86 acres in W2E2 of Section 27 and Lot 6, Lot 11 of Section 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Well Name/No.  
WTG Federal Com #123H



**EXHIBIT "B"**

To Communitization Agreement dated **January 1, 2022**, embracing the following described land in W2E2 of Section 27 and Lot 6, Lot 11 of Section 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Operator of Communitized Area: **Tap Rock Operating, LLC**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM 038636
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 27: NWNE, NWSE
Number of Acres:	80.00
Current Lessee of Record:	Occidental Permian Limited Partnership
Name of Working Interest Owners:	Tap Rock Resources, LLC
ORRI Owners:	Tap Rock Minerals, LP Wing Resources III, LLC Mekusukey Oil Company, LLC

**Tract No. 2**

Lease Serial Number:	NMNM 058034
Description of Land Committed:	Insofar and insofar only as the lease covers: <u>Township 26 South, Range 29 East, N.M.P.M.</u> Section 27: SWNE, SWSE
Number of Acres:	80.00
Current Lessee of Record:	WPX Energy Permian, LLC
Name of Working Interest Owners:	WPX Energy Permian, LLC
ORRI Owners:	None

**Tract No. 3**

Lease Serial Number: NMLC 0065928A

Description of Land Committed: Insofar and insofar only as the lease covers:  
Township 26 South, Range 29 East, N.M.P.M.  
Section 34: Lot 6, Lot 11

Number of Acres: 62.86

Current Lessee of Record: COG Operating, LLC

Name of Working Interest Owners: Tap Rock Resources, LLC

ORRI Owners: COG Operating, LLC

**RECAPITULATION**

<u>No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest Tract in Communitized Area</u>
1	80.00	35.8970%
2	80.00	35.8970%
3	62.86	28.2060%
Total	222.86	100.0000%

Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the **1st** day of **January, 2022**, 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 26 South, Range 29 East, N.M.P.M.**

Section 27: W2W2

Section 34: Lot 8, Lot 9

Eddy County, New Mexico

Containing **230.90** 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, CO, 80041**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 **January 1, 2022**, 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.

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: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Clayton Sporich  
Title: EVP – Land & Legal

**ACKNOWLEDGEMENT**

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF JEFFERSON )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Operating, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of **Tap Rock Operating, LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Clayton Sporich  
Title: EVP – Land & Legal

**ACKNOWLEDGEMENT**

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF JEFFERSON )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Operating, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public



**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Occidental Permian Limited Partnership**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**COG Operating, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Red Bluff Water Power Control District**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of \_\_\_\_\_, the \_\_\_\_\_ that executed the foregoing instrument and acknowledged to me such \_\_\_\_\_ executed the same.

(SEAL)

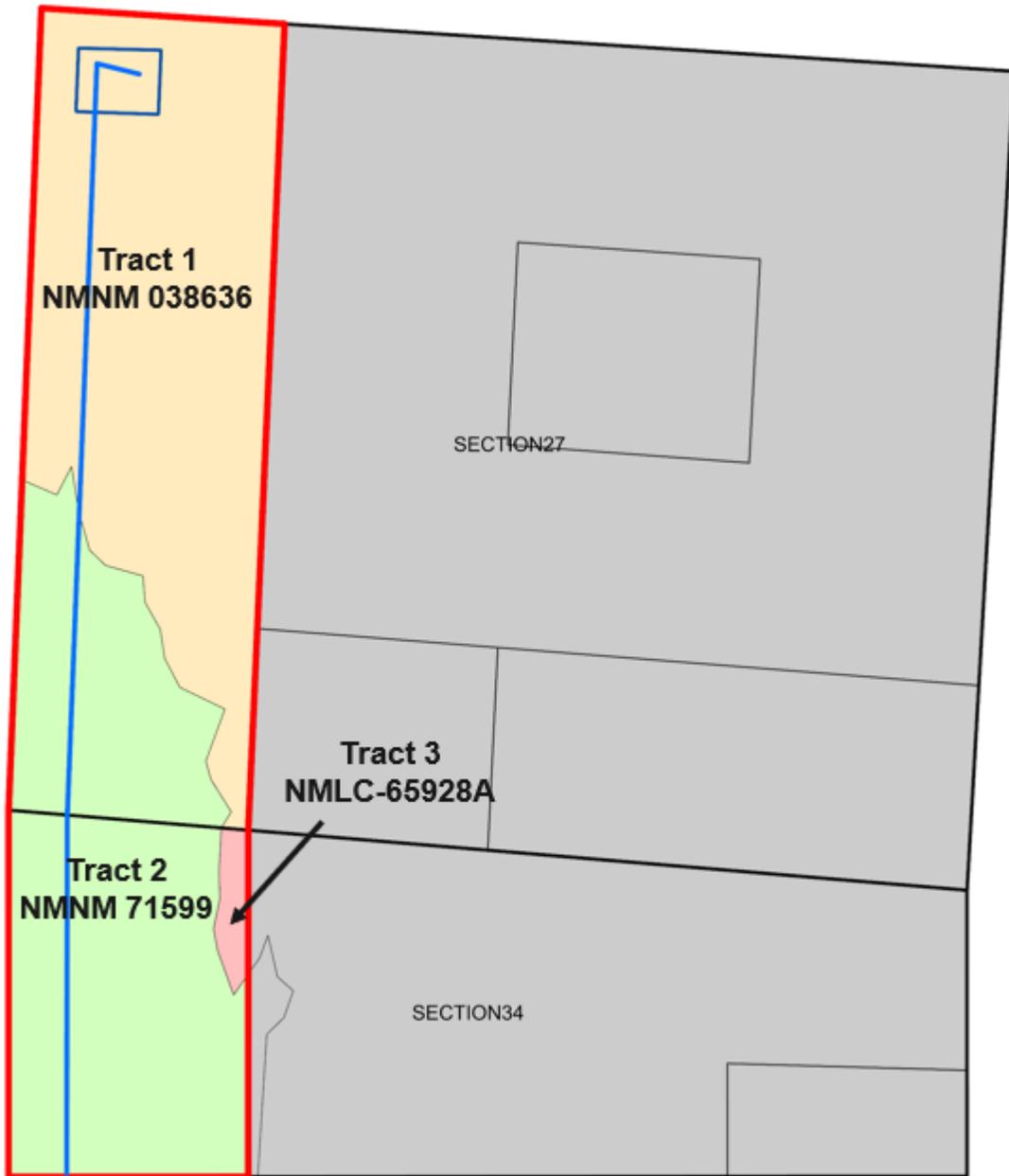
\_\_\_\_\_  
My Commission Expires:

\_\_\_\_\_  
Notary Public

## EXHIBIT "A"

Plat of communitized area covering 230.90 acres in W2W2 of Section 27 and Lot 8, Lot 9 of Section 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Well Name/No.  
WTG Federal Com #121H



**EXHIBIT “B”**

To Communitization Agreement dated **January 1, 2022**, embracing the following described land in W2W2 of Section 27 and Lot 8, Lot 9 of Section 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Operator of Communitized Area: **Tap Rock Operating, LLC**

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

Lease Serial Number: NMNM 038636

Description of Land Committed: Insofar and only insofar as said lease covers:  
Township 26 South, Range 29 East, N.M.P.M.  
 Section 27: W2NW, NWSW, SWSW, less and except Parcel 2 (38.50 acres) lying within the W2 of Section 27, Township 26 South, Range 29 East

Number of Acres: 121.50

Current Lessee of Record: Occidental Permian Limited Partnership

Name of Working Interest Owners: Tap Rock Resources, LLC

ORRI Owners: Tap Rock Minerals, LP  
 Wing Resources III, LLC  
 Mekusukey Oil Company, LLC

**Tract No. 2**

Lease Serial Number: NMNM 071599

Description of Land Committed: Insofar and only insofar as said lease covers:  
Township 26 South, Range 29 East, N.M.P.M.  
 Section 27: Parcel 2 (38.50 acres)  
 Section 34: Parcel 1 (64.40 acres)

Number of Acres: 102.90

Current Lessee of Record: Red Bluff Water Power Control District  
Name of Working Interest Owners: Tap Rock Resources, LLC  
ORRI Owners: Red Bluff Water Power Control District

**Tract No. 3**

Lease Serial Number: NMLC 0065928A  
Description of Land Committed: Insofar and insofar only as the lease covers:  
Township 26 South, Range 29 East, N.M.P.M.  
Section 34: Lot 8 less and except 41.3 acres lying  
within the Red Bluff Reservoir  
Lot 9 less and except less and except 25.5 acres  
lying within the Red Bluff Reservoir  
Number of Acres: 6.50  
Current Lessee of Record: COG Operating, LLC  
Name of Working Interest Owners: Tap Rock Resources, LLC  
ORRI Owners: COG Operating, LLC

**RECAPITULATION**

<u>No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest Tract in Communitized Area</u>
1	121.50	52.6202%
2	102.90	44.5647%
3	6.50	2.8151%
Total	230.90	100.0000%

**From:** [Candace Callahan](#)  
**To:** [Engineer, OCD, EMNRD](#)  
**Subject:** [EXTERNAL] Opposition of Red Bluff Water Power Control District to Administrative Application of Tap Rock Operating, LLC, Eddy County, New Mexico  
**Date:** Tuesday, September 14, 2021 6:40:42 PM  
**Attachments:** [2021.09.14 Notice of Opposition.pdf](#)

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CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Please find attached a letter in opposition to an Administrative Application of Tap Rock Operating, LLC hereby filed by Red Bluff Water Power Control District.

Would you please provide me with the action ID for Tap Rock's application so we may access it for review?

Thank you,

Candace Callahan | Beatty & Wozniak, P.C.  
Shareholder  
500 Don Gaspar Avenue  
Santa Fe, New Mexico 87505  
Direct: 505-983-8764  
Mobile: 505-670-2924  
[ccallahan@bwenergy.com](mailto:ccallahan@bwenergy.com)

Energy in the Law

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**BEATTY & WOZNIAK, P.C.**

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CANDACE CALLAHAN

DIRECT: (505) 983-8764  
E-MAIL: CCALLAHAN@BWENERGYLAW.COM

September 14, 2021

Engineering Department  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505  
[OCD.Engineer@State.nm.us](mailto:OCD.Engineer@State.nm.us)  
ATTENTION: Mr. Dean McClure

**Re: Opposition of Red Bluff Water Power Control District to Administrative Application of Tap Rock Operating, LLC to Authorize Pooling and Lease Commingling, etc.**

Dear Mr. McClure:

Beatty & Wozniak, P.C., as attorneys for Red Bluff Water Power Control District (“Red Bluff”) hereby files this letter giving notice that Red Bluff opposes the Administrative Application of Tap Rock Operating, LLC (“Tap Rock”) requesting authorization for pooling, lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the WTG Tank Battery located in the NW/4NW/4 (Unit D) of Section 27, Township 26 South, Range 29 East, Eddy County, New Mexico (“the Application”). The Application pertains to production from the WC-015 G-03 S262925D, Bone Spring Pool (98211); and the Purple Sage: Wolfcamp (Gas) Pool (98220), from existing and future wells drilled in the following spacing units:

- (a) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the W/2 of Section 27 and the NW/4 of Section 34. This spacing unit is currently dedicated to the WTG Fed Com #121H well (API No. 30-015-47855), and the WTG Fed Com #122H well (API No. 30-015-47033);
- (b) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the E/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the WTG Fed Com #123H well (API No. 30-015-47041), and the WTG Fed Com #124H well (API No. 30-015-47043);
- (c) The 480-acre, more or less, spacing unit in the Purple Sage; Wolfcamp (Gas) Pool (98220) underlying the W/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the following wells:
  - a. WTG Fed Com #201H well (API No. 30-015-46444),
  - b. WTG Fed Com #202H well (API No. 30-015-47029),

**BEATTY & WOZNAK, P.C.**

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Engineering Department  
New Mexico Oil Conservation Division  
September 14, 2021  
Page 2

- c. WTG Fed Com #205H well (API No. 30-015-46445),
- d. WTG Fed Com #211H well (API No. 30-015-46451),
- e. WTG Fed Com #212H well (API No. 30-015-47035),
- f. WTG Fed Com #215H well (API No. 30-015-46467),
- g. WTG Fed Com #217H well (API No. 30-015-47039),
- h. WTG Fed Com #232H well (API No. 30-015-48296),
- i. WTG Fed Com #235H well (API No. 30-015-48332),
- j. WTG Fed Com #241H well (API No. 30-015-48190), and
- k. WTG Fed Com #245H well (API No. 30-015-48186).

The leasing rights underlying certain federally-owned lands located within the spacing units being proposed by Tap Rock are held by Red Bluff. Red Bluff did not receive mailed notice of the Application, and was made aware of the Application through a third party who provided Red Bluff with a copy of the notice of the Application published in the Current Argus on August 28, 2021. As a result, Red Bluff has not had the opportunity to either review the Application, nor discuss terms of any form of agreement with Tap Rock in regard to Tap Rock's development plan. For the foregoing reasons, Red Bluff opposes the Application, and requests the Application be denied.

Very truly yours,

BEATTY & WOZNAK, P.C.



Candace Callahan

xc: Jeffrey M. Johnston; Robin Prewit



**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Kaitlyn A. Luck](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Garcia, John A, EMNRD](#); [Hawkins, James , EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#); [Candace Callahan](#)  
**Subject:** Approved Hearing Order R-21968 and Administrative Order CTB-1009  
**Date:** Wednesday, December 22, 2021 5:25:48 PM  
**Attachments:** [R21968 Order.pdf](#)  
[CTB1009 Order.pdf](#)

NMOCD has issued Hearing Order R-21968 and Administrative Order CTB-1009 which authorizes Tap Rock Operating, LLC (372043) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-015-47855	WTG Federal Com #121H	W/2 W/2	27-26S-29E	98211
		W/2 NW/4	34-26S-29E	
30-015-47033	WTG Federal Com #122H	E/2 W/2	27-26S-29E	98211
		E/2 NW/4	34-26S-29E	
30-015-47041	WTG Federal Com #123H	W/2 E/2	27-26S-29E	98211
		W/2 NE/4	34-26S-29E	
30-015-47034	WTG Federal Com #124H	E/2 E/2	27-26S-29E	98211
		E/2 NE/4	34-26S-29E	
30-015-46444	WTG Federal Com #201H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-47029	WTG Federal Com #202H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-46445	WTG Federal Com #205H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-46451	WTG Federal Com #211H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-47035	WTG Federal Com #212H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-46467	WTG Federal Com #215H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-47039	WTG Federal Com #217H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-48296	WTG Federal Com #232H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-48332	WTG Federal Com #235H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-48190	WTG Federal Com #241H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-48186	WTG Federal Com #245H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	

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. If you have any questions regarding this matter, please contact me.

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



**From:** [Kaitlyn A. Luck](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Cc:** [Brancard, Bill, EMNRD](#)  
**Subject:** RE: [EXTERNAL] 11/4 docket - Case 22293 - Tap Rock's Application for Approval of the WTG Commingling  
**Date:** Friday, November 19, 2021 9:21:06 AM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)  
[image007.png](#)  
[image008.png](#)  
[image009.png](#)  
[Federal Communitization Agreement\\_WTG W2W2 Bone Spring\\_11.16.21 Revised.docx](#)  
[Federal Communitization Agreement\\_WTG E2W2 Bone Spring\\_11.16.21 Revised NK.docx](#)  
[Federal Communitization Agreement\\_WTG W2E2 Bone Spring\\_11.3.2021 NK.docx](#)  
[Federal Communitization Agreement\\_WTG E2E2 Bone Spring\\_11.3.2021 NK.docx](#)  
[WTG W2 Comm - Wolfcamp Revised\\_11.17.21.docx](#)

---

Good morning, and thanks again for letting me know about these issues. I've attached corrected packets. Thanks!

---

Kaitlyn A. Luck – Associate | Holland & Hart LLP | (o) 505.954.7286 (m) 361.648.1973

---

**From:** McClure, Dean, EMNRD <Dean.McClure@state.nm.us>  
**Sent:** Monday, November 15, 2021 10:32 AM  
**To:** Kaitlyn A. Luck <KALuck@hollandhart.com>  
**Cc:** Brancard, Bill, EMNRD <bill.brancard@state.nm.us>  
**Subject:** RE: [EXTERNAL] 11/4 docket - Case 22293 - Tap Rock's Application for Approval of the WTG Commingling

**External Email**

Ms. Luck,

It appears the CA packet for the E/2 W/2 has been corrected to include NMNM 143611, but the CA packets for the W/2 W/2 and E/2 W/2 have not been corrected to consider NMNM 071599 seemingly being within both these tracts of land. Currently the entirety of its acreage seems to be included in the CA packet for the W/2 W/2 and none is included in the CA packet for the E/2 W/2. Please see the images below which I snipped from this email chain and the E/2 W/2 CA packet for an illustration of what I am referring to.

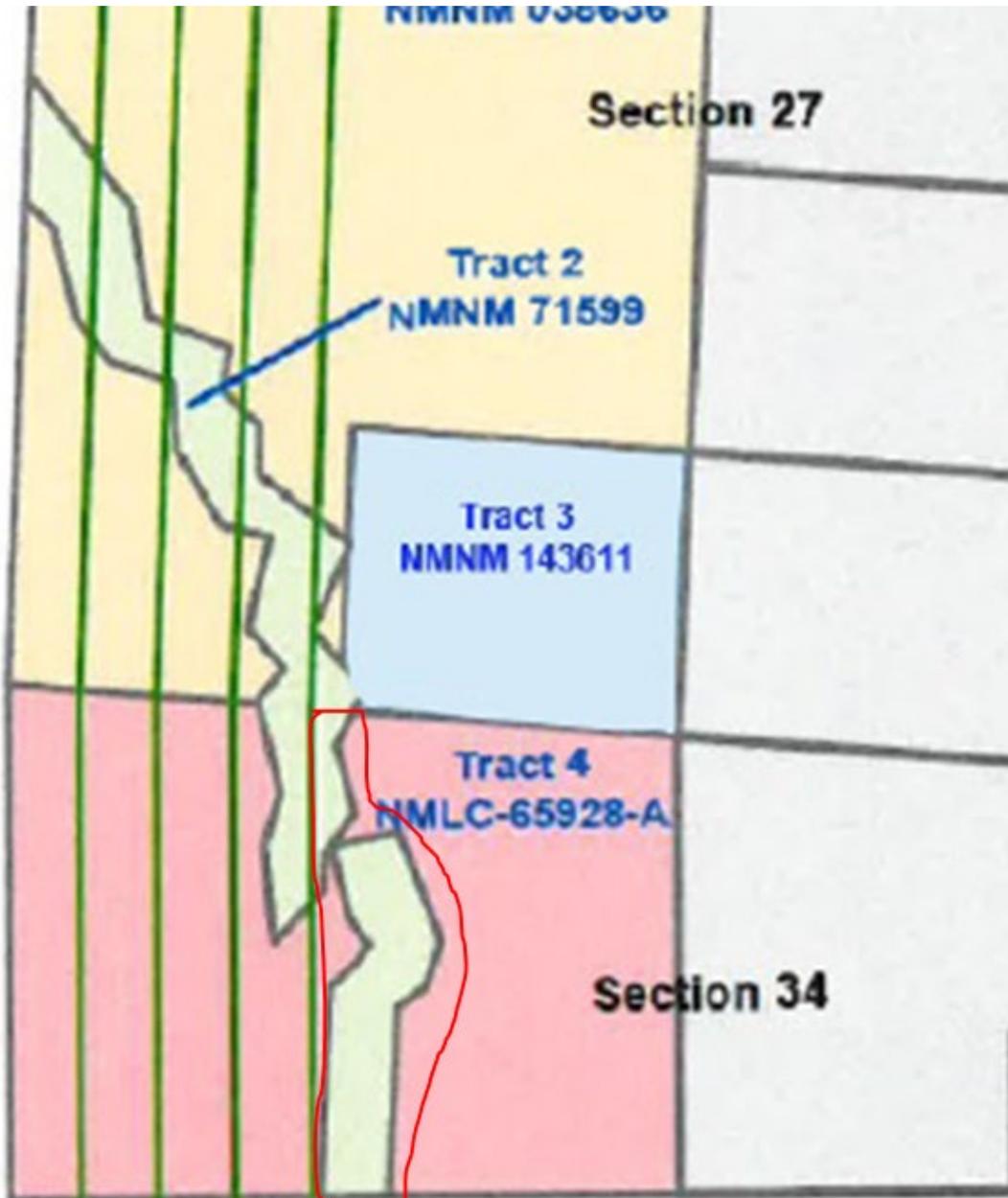


Image taken from email chain below which I've drawn a red circle upon to direct your attention to what I am referring to.

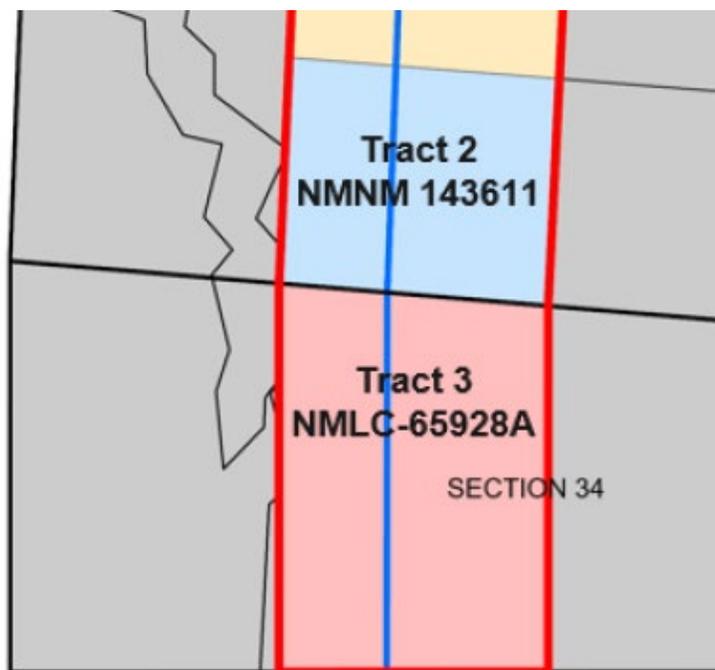


Image from E/2 W/2 CA packet showing where NMNM 071599 does not seem to be included.

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

---

**From:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Sent:** Monday, November 15, 2021 9:06 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Cc:** Brancard, Bill, EMNRD <[bill.brancard@state.nm.us](mailto:bill.brancard@state.nm.us)>  
**Subject:** RE: [EXTERNAL] 11/4 docket - Case 22293 - Tap Rock's Application for Approval of the WTG Commingling

Good morning, please find attached the requested documents, and let us know if you need anything else.

Thanks,

Kaitlyn

---

Kaitlyn A. Luck – Associate | Holland & Hart LLP | (o) 505.954.7286 (m) 361.648.1973

**From:** Kaitlyn A. Luck  
**Sent:** Wednesday, November 10, 2021 10:23 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Cc:** Brancard, Bill, EMNRD <[bill.brancard@state.nm.us](mailto:bill.brancard@state.nm.us)>  
**Subject:** RE: [EXTERNAL] 11/4 docket - Case 22293 - Tap Rock's Application for Approval of the WTG Commingling

Will do, thanks!

---

Kaitlyn A. Luck – Associate | Holland & Hart LLP | (o) 505.954.7286 (m) 361.648.1973

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Wednesday, November 10, 2021 9:50 AM  
**To:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Cc:** Brancard, Bill, EMNRD <[bill.brancard@state.nm.us](mailto:bill.brancard@state.nm.us)>  
**Subject:** RE: [EXTERNAL] 11/4 docket - Case 22293 - Tap Rock's Application for Approval of the WTG Commingling

**External Email**

Thank you Ms. Luck,

For the following tracts, please have Tap Rock update their CA packets to reflect the content within your email and then resubmit them to the Division:

<b>CA Bone Spring BLM</b>	<b>W/2 W/2</b>	<b>27-26S-29E</b>	<b>230.9</b>	<b>B</b>
	<b>W/2 NW/4</b>	<b>34-26S-29E</b>		
<b>CA Bone Spring BLM</b>	<b>E/2 W/2</b>	<b>27-26S-29E</b>	<b>226.88</b>	<b>C</b>
	<b>E/2 NW/4</b>	<b>34-26S-29E</b>		

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

---

**From:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Sent:** Wednesday, November 10, 2021 8:19 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Cc:** Brancard, Bill, EMNRD <[bill.brancard@state.nm.us](mailto:bill.brancard@state.nm.us)>  
**Subject:** [EXTERNAL] 11/4 docket - Case 22293 - Tap Rock's Application for Approval of the WTG Commingling

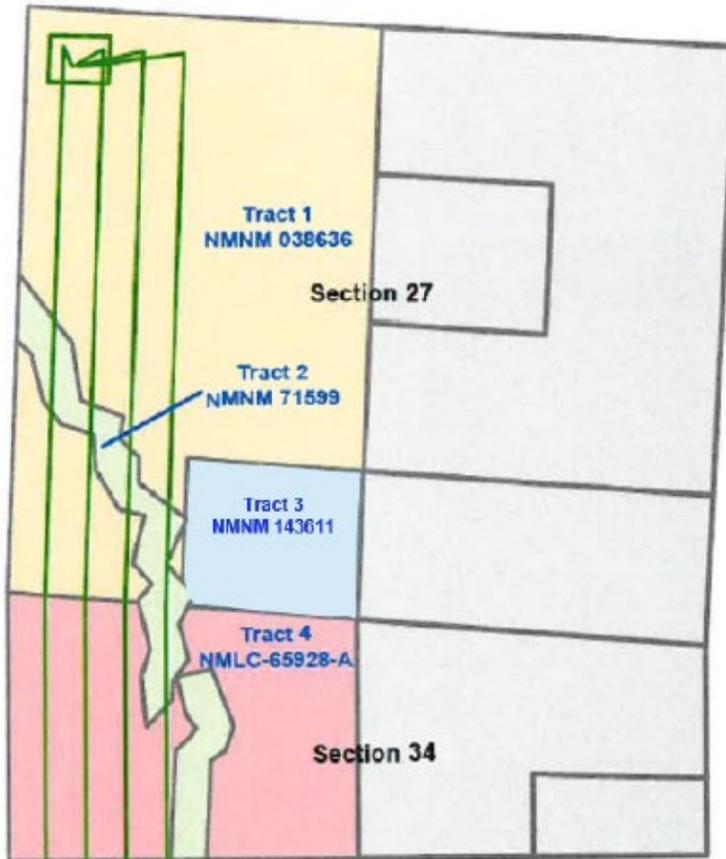
CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning Examiner McClure,

I'm writing to follow up on the inquiries during the hearing in the above-referenced case.

The SE/4SW/4 of Section 27 is in fact NMNM 143611. It was segregated out of the base lease (NMNM 58034) on March 1, 2021.

Parcel 2 (tract 4 on the map below) is comprised of Lots 7-10 of Section 34.



Let us know if you need anything else.

Thank you,

Kaitlyn

---

**Kaitlyn A. Luck**

Associate, Holland & Hart LLP  
110 N. Guadalupe Street, Suite 1, Santa Fe, New Mexico 87501  
T 505.954.7286 F 505.819.5579 C 361.648.1973



CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail.

**From:** [Kaitlyn A. Luck](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** RE: surface commingling application CTB-1009  
**Date:** Thursday, August 19, 2021 11:36:31 AM  
**Attachments:** [image001.png](#)  
[WTG Fed Com 121H Unit Sundry Submitted 20210819.pdf](#)  
[WTG Fed Com 122H Unit Sundry Submitted 20210819.pdf](#)  
[WTG Fed Com 123H Unit Sundry Submitted 20210819.pdf](#)  
[WTG Fed Com 124H Unit Sundry Submitted 20210819.pdf](#)

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Mr. McClure, the sundries to change the unit sizes were submitted to the BLM this morning. The submitted forms are attached.

Many thanks,

Kaitlyn

---

Kaitlyn A. Luck – Associate | Holland & Hart LLP | (o) 505.954.7286 (m) 361.648.1973

---

**From:** McClure, Dean, EMNRD <Dean.McClure@state.nm.us>  
**Sent:** Wednesday, August 18, 2021 4:39 PM  
**To:** Kaitlyn A. Luck <KALuck@hollandhart.com>  
**Subject:** RE: surface commingling application CTB-1009

**External Email**

Ms. Luck,

Prior to recommending that a permit be issued for this commingling project, I need to confirm that the wells to be included are in agreement with the "leases" being commingled. Until the spacing units are corrected, this is not the case. As such, please have Tap Rock start the process of correcting the spacing units for the BS wells. If they have cause for not doing so, please let me know and we can discuss it, but the granting of an exception to this has been rare.

Having said that, holding up the start of production is never ideal and as such if this process ends up taking longer than the new notice period from publication and Tap Rock's wish to make use of the permit, then we can discuss alternative options at that time.

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

---

**From:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Sent:** Wednesday, August 18, 2021 2:07 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** RE: surface commingling application CTB-1009

That's correct, that was a typo in the application – API # 30-015-470**34** is the correct API for the #124H well. The well with the API No. ending in -43 is no longer being pursued by Tap Rock.

Tap Rock plans to sundry the Bone Spring wells to the proper spacing size once the commingling application is approved. Attached are the proposed C-102s with the smaller units that are ready to be submitted upon approval.

Notice by publication is required to the party noted, and will be provided to the Division shortly.

Thanks again!

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Wednesday, August 18, 2021 11:29 AM  
**To:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Subject:** RE: surface commingling application CTB-1009

**External Email**

Hello Ms. Luck,

The attached sundry for the WTG Federal Com #124H has the API # 30-015-47034 and has been processed for that well. In my initial review, I had just assumed that a name and pool change had occurred for the 30-015-47043 well and had not checked for another well with the correct name. I'm now wondering if maybe an incorrect API was listed within the application. Having said that, the 30-015-47043 well is also in this same area and perhaps it is also intended to be included in this application? Please re-address this topic.

The spacing units for the BS CAs are what I would expect, that being W/2 W/2 rather than W/2. Presuming these spacing units are correct, what is the status of correcting the spacing units dedicated to each of the BS wells? Diversely, are the spacing units listed within the BS CAs incorrect and is so, do you have the correct packets?

Additionally, there is still a question regarding notification of the application to the person listed below.

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

---

**From:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Sent:** Wednesday, August 18, 2021 10:52 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** RE: surface commingling application CTB-1009

Hi Mr. McClure, please see the responses below in line with the questions and the attached CAs. Let us know if you need anything else.

Thanks,

Kaitlyn

---

Kaitlyn A. Luck – Associate | Holland & Hart LLP | (o) 505.954.7286 (m) 361.648.1973

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Tuesday, August 17, 2021 2:41 PM  
**To:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Subject:** surface commingling application CTB-1009

**External Email**

Ms. Luck,

I am reviewing surface commingling application CTB-1009 which involves the WTG Tank Battery operated by Tap Rock Operating, LLC (372043).

Please confirm the location of the gas sales meter. Each well has an independent wellhead meter and an independent gas lift meter. The central tank battery has a midstream contract meter that measures the volume of gas that leaves the central tank battery, this midstream contract meter is considered the final gas sales meter.

Well 30-015-47043 is named WTG Federal Com #124H and listed as producing from the Bone spring within the application, but in E-permitting it is named WTG Federal Com #244H and listed as producing from the Wolfcamp. Please confirm the intention for this well. **This will produce from the Bonespring. We have a sundry (attached) that has moved this well to he bonespring. NMOCD has not processed the sundry yet.**

---

<b>30-015-47043</b>	<b>WTG Federal Com #124H</b>	<b>E/2</b>	<b>27-26S-29E</b>	<b>98211</b>
		<b>NE/4</b>	<b>34-26S-29E</b>	

I see where a CA application was submitted to the BLM for the Wolfcamp for the W/2 of sec 27 and NW/4 of sec 34, but do not see any CA applications for the Bone Spring formation for either of the tracts of land referenced in the application. Within the application is reference to there not being any CAs for these tracts of lands. Please clarify what was intended; did it just mean that packets were not completed at the time of submittal? **The CA's were not completed yet. I have also attached them in this email.**

---

<b>CA Wolfcamp NMNM 142830</b>	<b>W/2</b>	<b>27-26S-29E</b>
	<b>NW/4</b>	<b>34-26S-29E</b>

Please confirm that the following person has received notification of this application:

---

**8/11/2021 Red Bluff Water Power Control District C/O Jennings Losee And 9214 8901 9403 8345 0462 60 Returned**

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

**From:** [Kaitlyn A. Luck](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** RE: surface commingling application CTB-1009  
**Date:** Thursday, September 9, 2021 6:26:44 AM  
**Attachments:** [image001.png](#)  
[tap rock 121 122 123 124 001.pdf](#)

---

Mr. McClure, attached is the notice of publication for this pending application. Thanks for your patience. Let me know if you need anything else.

Best,

Kaitlyn

---

Kaitlyn A. Luck – Associate | Holland & Hart LLP | (o) 505.954.7286 (m) 361.648.1973

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Wednesday, August 18, 2021 4:39 PM  
**To:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Subject:** RE: surface commingling application CTB-1009

External Email

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

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**Sent:** Wednesday, August 18, 2021 2:07 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
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Thanks again!

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**Sent:** Wednesday, August 18, 2021 11:29 AM  
**To:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>

**Subject:** RE: surface commingling application CTB-1009

**External Email**

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

---

**From:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Sent:** Wednesday, August 18, 2021 10:52 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** RE: surface commingling application CTB-1009

Hi Mr. McClure, please see the responses below in line with the questions and the attached CAs. Let us know if you need anything else.

Thanks,

Kaitlyn

---

Kaitlyn A. Luck – Associate | Holland & Hart LLP | (o) 505.954.7286 (m) 361.648.1973

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Tuesday, August 17, 2021 2:41 PM  
**To:** Kaitlyn A. Luck <[KALuck@hollandhart.com](mailto:KALuck@hollandhart.com)>  
**Subject:** surface commingling application CTB-1009

**External Email**

Ms. Luck,

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this well. This will produce from the Bonespring. We have a sundry (attached) that has moved this well to he bonespring. NMOCD has not processed the sundry yet.

<b>30-015-47043</b>	<b>WTG Federal Com #124H</b>	<b>E/2</b>	<b>27-26S-29E</b>	<b>98211</b>
		<b>NE/4</b>	<b>34-26S-29E</b>	

I see where a CA application was submitted to the BLM for the Wolfcamp for the W/2 of sec 27 and NW/4 of sec 34, but do not see any CA applications for the Bone Spring formation for either of the tracts of land referenced in the application. Within the application is reference to there not being any CAs for these tracts of lands. Please clarify what was intended; did it just mean that packets were not completed at the time of submittal? **The CA's were not completed yet. I have also attached them in this email.**

<b>CA Wolfcamp NMNM 142830</b>	<b>W/2</b>	<b>27-26S-29E</b>
	<b>NW/4</b>	<b>34-26S-29E</b>

Please confirm that the following person has received notification of this application:

<b>8/11/2021</b>	<b>Red Bluff Water Power Control District C/O Jennings Losee And</b>	<b>9214 8901 9403 8345 0462 60</b>	<b>Returned</b>
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Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Kaitlyn A. Luck](#)  
**Cc:** [Candace Callahan](#); [Engineer, OCD, EMNRD](#)  
**Subject:** Notification of Protest for Application to Surface Commingle Wells at the WTG Tank Battery (CTB-1009)  
**Date:** Wednesday, September 15, 2021 2:42:15 PM  
**Attachments:** [2021.09.14 Notice of Opposition.pdf](#)

---

Ms. Luck,

The OCD was notified by Beatty & Wozniak, P.C. on behalf of Red Bluff Water Power Control District that they are protesting this application. This party has been identified as an interest owner of the production proposed to be commingled. Because of the protest, the application can no longer be reviewed administratively. You are being notified that for this application to be considered, Tap Rock Operating, LLC currently has two options; the first is to go to hearing, the second is to negotiate a resolution with the protesting party. If the protest is withdrawn, then the application can be reviewed administratively. In the meantime, the application will be retained pending a hearing or other resolution.

Contact for Protestant:

Candace Callahan, Attorney

500 Don Gaspar Avenue

Santa Fe, New Mexico 87505-2626

Phone: 505.983.8764

Email: [ccallahan@bwenergyllc.com](mailto:ccallahan@bwenergyllc.com)

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: CTB-1009**

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

**Publication Date: 8/28/2021**

**Submittal Date: 7/20/2021**

### Noticed Persons

Date	Person	Certified Tracking Number	Status
8/2/2021	Tap Rock Resources LLC Suite 200 523 Park P	9214 8901 9403 8345 0462 08	Delivered
7/26/2021	Tap Rock Minerals LP 523 Park Point Dr Ste 2	9214 8901 9403 8345 0462 15	Delivered
7/26/2021	Office Of Natural Resources Revenue PO BOX	9214 8901 9403 8345 0462 22	Delivered
7/23/2021	COG Operating LLC 600 W Illinois Ave Midla	9214 8901 9403 8345 0462 39	Delivered
7/27/2021	Mekusukey Oil Company LLC PO BOX 816 W	9214 8901 9403 8345 0462 46	Delivered
7/28/2021	Wing Resources III LLC 2100 McKinney Ave S	9214 8901 9403 8345 0462 53	Delivered
8/11/2021	Red Bluff Water Power Control District C/O J	9214 8901 9403 8345 0462 60	Returned
7/26/2021	Pivotal Permian Basin II LLC 2021 McKinney	9214 8901 9403 8345 0462 77	Delivered
7/23/2021	WPX Energy Permian LLC 3500 One Williams	9214 8901 9403 8345 0462 84	Delivered
7/22/2021	Bureau of Land Management 301 Dinosaur Tr:	9214 8901 9403 8345 0462 91	Delivered
7/23/2021	Bureau of Land Management 620 E Greene St	9214 8901 9403 8345 0463 07	Delivered

**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. CTB-1009**

**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 the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
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 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.
7. 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.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

### **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, 19.15.12. NMAC, and 19.15.23. NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
13. 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) NMAC and 19.15.12.10.C.(4)(h) NMAC.
14. 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.
15. 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 oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

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

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a

description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

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 and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. 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 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. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



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**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 12/22/2021

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **CTB-1009**  
 Operator: **Tap Rock Operating, LLC (372043)**  
 Central Tank Battery: **WTG Tank Battery**  
 Central Tank Battery Location: **Unit D, Section 27, Township 26 South, Range 29 East**  
 Gas Title Transfer Meter Location: **Unit D, Section 27, Township 26 South, Range 29 East**

### Pools

Pool Name	Pool Code
WC-015 G-03 S262925D; BONE SPRING	98211
PURPLE SAGE; WOLFCAMP (GAS)	98220

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 038636	A B C D E F H I J K L M minus Par 1	27-26S-29E
NMNM 071599	Parcel 2	27-26S-29E
	Parcel 1	34-26S-29E
NMNM 058034	G O P	27-26S-29E
NMNM 143611	N	27-26S-29E
NMLC 0065928A	All minus Lot 12 and minus Par 2	34-26S-29E
NMNM 047159	Lot 12	34-26S-29E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-47855	WTG Federal Com #121H	W/2 W/2	27-26S-29E	98211
		W/2 NW/4	34-26S-29E	
30-015-47033	WTG Federal Com #122H	E/2 W/2	27-26S-29E	98211
		E/2 NW/4	34-26S-29E	
30-015-47041	WTG Federal Com #123H	W/2 E/2	27-26S-29E	98211
		W/2 NE/4	34-26S-29E	
30-015-47034	WTG Federal Com #124H	E/2 E/2	27-26S-29E	98211
		E/2 NE/4	34-26S-29E	
30-015-46444	WTG Federal Com #201H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-47029	WTG Federal Com #202H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-46445	WTG Federal Com #205H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-46451	WTG Federal Com #211H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	
30-015-47035	WTG Federal Com #212H	W/2	27-26S-29E	98220
		NW/4	34-26S-29E	

30-015-46467	WTG Federal Com #215H	W/2 NW/4	27-26S-29E 34-26S-29E	98220
30-015-47039	WTG Federal Com #217H	W/2 NW/4	27-26S-29E 34-26S-29E	98220
30-015-48296	WTG Federal Com #232H	W/2 NW/4	27-26S-29E 34-26S-29E	98220
30-015-48332	WTG Federal Com #235H	W/2 NW/4	27-26S-29E 34-26S-29E	98220
30-015-48190	WTG Federal Com #241H	W/2 NW/4	27-26S-29E 34-26S-29E	98220
30-015-48186	WTG Federal Com #245H	W/2 NW/4	27-26S-29E 34-26S-29E	98220

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: CTB-1009  
Operator: Tap Rock Operating, LLC (372043)

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMNM 142830	W/2	27-26S-29E	457.78	A
	NW/4	34-26S-29E		
CA Bone Spring BLM	W/2 W/2	27-26S-29E	230.9	B
	W/2 NW/4	34-26S-29E		
CA Bone Spring BLM	E/2 W/2	27-26S-29E	226.88	C
	E/2 NW/4	34-26S-29E		
CA Bone Spring BLM	W/2 E/2	27-26S-29E	222.86	D
	W/2 NE/4	34-26S-29E		
CA Bone Spring BLM	E/2 E/2	27-26S-29E	218.85	E
	E/2 NE/4	34-26S-29E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 038636	C D E F K L M minus Parcel 1	27-26S-29E	241.5	A
NMNM 071599	Parcel 2	27-26S-29E	106.6	A
	Parcel 1	34-26S-29E		
NMLC 0065928A	Lots 7 8 9 10 minus Parcel 2	34-26S-29E	69.68	A
NMNM 143611	N	27-26S-29E	40	A
NMNM 038636	D E L M minus Parcel 1	27-26S-29E	121.5	B
	Parcel 2	27-26S-29E		
NMNM 071599	Parcel 2	27-26S-29E	102.9	B
	Parcel 1	34-26S-29E		
NMLC 0065928A	Lots 8 9 minus Parcel 2	34-26S-29E	6.5	B
NMNM 038636	C F K	27-26S-29E	120	C
NMNM 143611	N	27-26S-29E	40	C
NMNM 071599	Parcel 1	34-26S-29E	3.7	C
NMLC 0065928A	Lots 7 10	34-26S-29E	63.18	C
NMNM 038636	B J	27-26S-29E	80	D
NMNM 058034	G O	27-26S-29E	80	D
NMLC 0065928A	Lots 6 11	34-26S-29E	62.86	D
NMNM 038636	A H I	27-26S-29E	120	E
NMNM 058034	P	27-26S-29E	40	E
NMLC 0065928A	Lot 5	34-26S-29E	37.08	E
NMNM 047159	Lot 12	34-26S-29E	21.77	E

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

**IN THE MATTER OF APPLICATION OF TAP ROCK OPERATING, LLC  
FOR APPROVAL OF SURFACE COMINGLING,  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 22293  
ORDER NO. R-21968**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on November 4, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. On July 20, 2021, Tap Rock Operating, LLC (“Tap Rock”) filed an administrative application (“Application”) to authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the WTG Tank Battery located in the NW/4 NW/4 (Unit D) of Section 27, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.
2. OCD received a protest to the Application from Red Bluff Water Power Control District and informed Tap Rock of the protest.
3. Tap Rock filed a request for a hearing on the Application.
4. A hearing was scheduled for November 4, 2021 and notice of the hearing was provided.
5. A hearing on the Application was held on November 4, 2021 before an OCD hearing examiner. Tap Rock presented testimony and evidence in support of the Application. No other party presented evidence or testimony.

**CONCLUSIONS OF LAW**

1. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
2. A hearing on the Application was properly noticed and conducted.

**ORDER**

It is hereby **ORDERED** that the Application shall be approved in accordance with the terms and conditions set forth in Order CTB-1009 and any amendments made to Order CTB-1009.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**  
AES/bb

**Date:** 12/22/2021

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

CONDITIONS

Action 37084

**CONDITIONS**

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 37084
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/22/2021