

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

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

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

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

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

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

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

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

Print or Type Name

Signature

_____ Date

_____ Phone Number

_____ e-mail Address

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 [x] Pool and Lease Commingling [] Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: [x] Fee [] State [] Federal

Is this an Amendment to existing Order? [] Yes [x] 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 [x] No
(3) Has all interest owners been notified by certified mail of the proposed commingling? [] Yes [x] No Common ownership
(4) Measurement type: [x] Metering [] Other (Specify)
(5) Will commingling decrease the value of production? [] Yes [x] 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 [x] No
(3) Has all interest owners been notified by certified mail of the proposed commingling? [] Yes [x] No Common ownership
(4) Measurement type: [x] 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: 3/10/2022

TYPE OR PRINT NAME Jeff Trlica TELEPHONE NO.: 720-772-5910

E-MAIL ADDRESS: jtrlica@taprk.com

TAP ROCK RESOURCES, LLC

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



Mandelbaum Fee - Common Ownership Commingling

Methods of Allocation

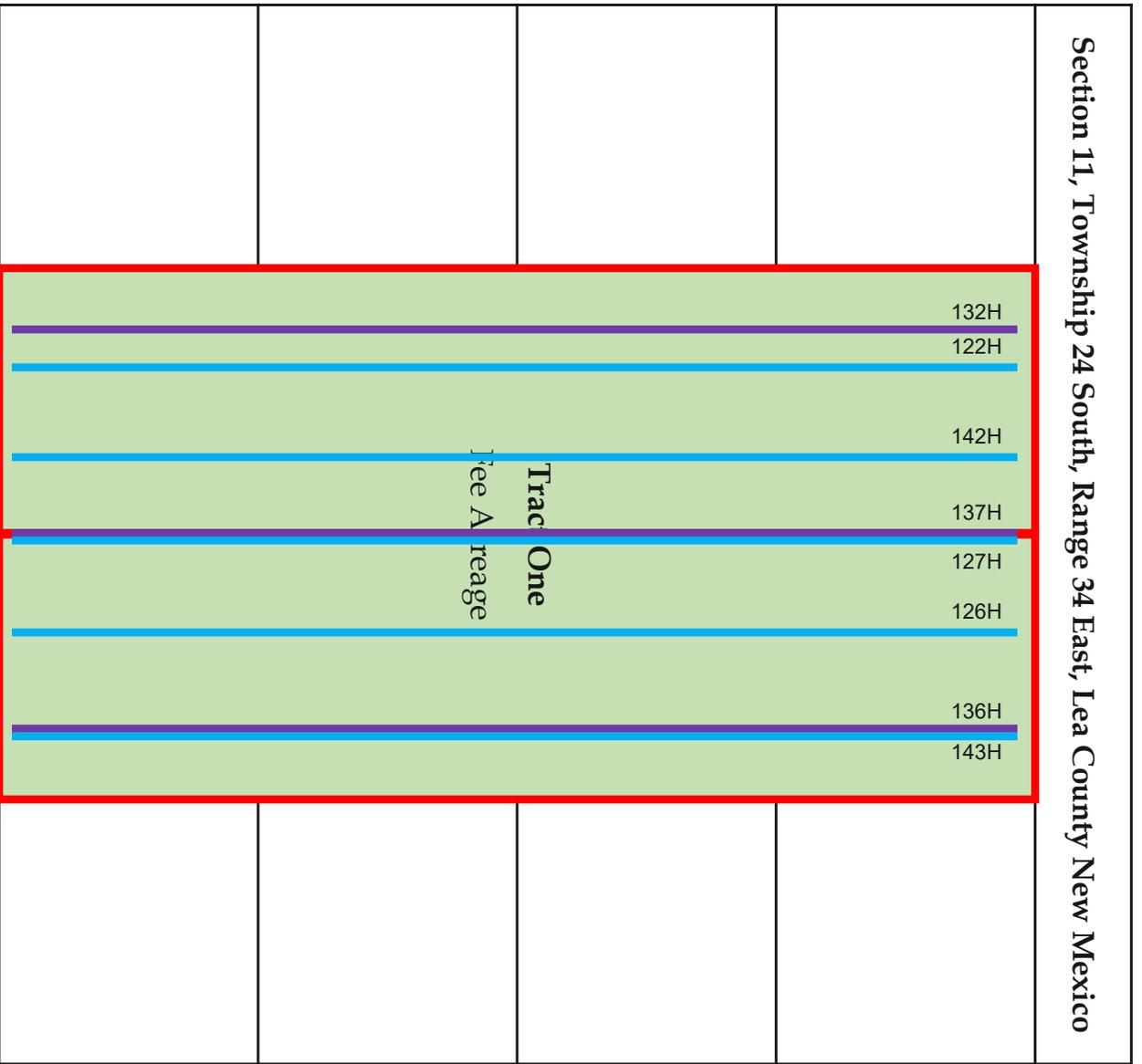
The wells will be metered through individual liquid coriolis flow meters for oil and orifice meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and orifice meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

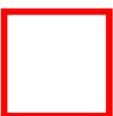
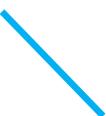
Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations. We have attached a sample gas analysis from the one producing well on the Lands at **Exhibit B**. (If available)

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an orifice 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 orifice 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.

APPLICATION TO COMMINGLE (COMMON OWNERSHIP), STORAGE AND SALES FOR OIL AND GAS PRODUCTION AT MANDELBAUM CTB

Pool	API	Well Name	Well Number	OCD Unit Letter	Section	Township	Range	Date Online	Anticipated Production Type	Oil (BOD)	GAS (MCFD)	Gravity	BTU/cf
[96434] RED HILLS, BONE SPRING, NORTH	30-025-48805	MANDELBAUM FEE	#122H	O	11	245	34E	6/1/2022	Oil, Gas, Produced Water	710	850	43	1410
[96434] RED HILLS, BONE SPRING, NORTH	30-025-48806	MANDELBAUM FEE	#128H	O	11	245	34E	6/1/2022	Oil, Gas, Produced Water	710	850	43	1410
[96434] RED HILLS, BONE SPRING, NORTH	30-025-48807	MANDELBAUM FEE	#127H	O	11	245	34E	6/1/2022	Oil, Gas, Produced Water	710	850	43	1410
[2220] ANTELOPE RIDGE: WOLFECAMP	30-025-48277	MANDELBAUM FEE	#132H	N	11	245	34E	4/22/2021	Oil, Gas, Produced Water	1089	1813	0.7983	1367
[2220] ANTELOPE RIDGE: WOLFECAMP	30-025-48278	MANDELBAUM FEE	#136H	O	11	245	34E	4/22/2021	Oil, Gas, Produced Water	855	1419	0.8055	1374
[2220] ANTELOPE RIDGE: WOLFECAMP	30-025-48279	MANDELBAUM FEE	#137H	N	11	245	34E	4/22/2021	Oil, Gas, Produced Water	1026	1667	0.8076	1377
[96434] RED HILLS, BONE SPRING, NORTH	30-025-48280	MANDELBAUM FEE	#142H	O	11	245	34E	11/13/2021	Oil, Gas, Produced Water	608	984	0.944	1461
[96434] RED HILLS, BONE SPRING, NORTH	30-025-48281	MANDELBAUM FEE	#143H	O	11	245	34E	11/14/2021	Oil, Gas, Produced Water	624	1000	0.88	1347



-  Fee Acreage
-  Mandelbaum Horizontal Spacing Unit
-  Bone Spring Wells
-  Wolfcamp Wells

TAP ROCK RESOURCES II, LLC

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

TAYLOR FORD - LANDMAN
TFORD@TAPRK.COM



Certificate of Ownership

I have reviewed the ownership of the oil and gas leasehold for fee leases located within two communitized area of common ownership, which together cover W/2E/2 and E/2W/2 Section 11, Township 24 South, Range 34 East, Lea County, New Mexico, for purposes of identifying “identical ownership” as set forth in NMAC 19.15.12.7(B) and (C). As of this date below, the ownership in the above described leases and lands is identical in the objective pools and leases as provided in NMAC 19.15.12.7(B) and (C).

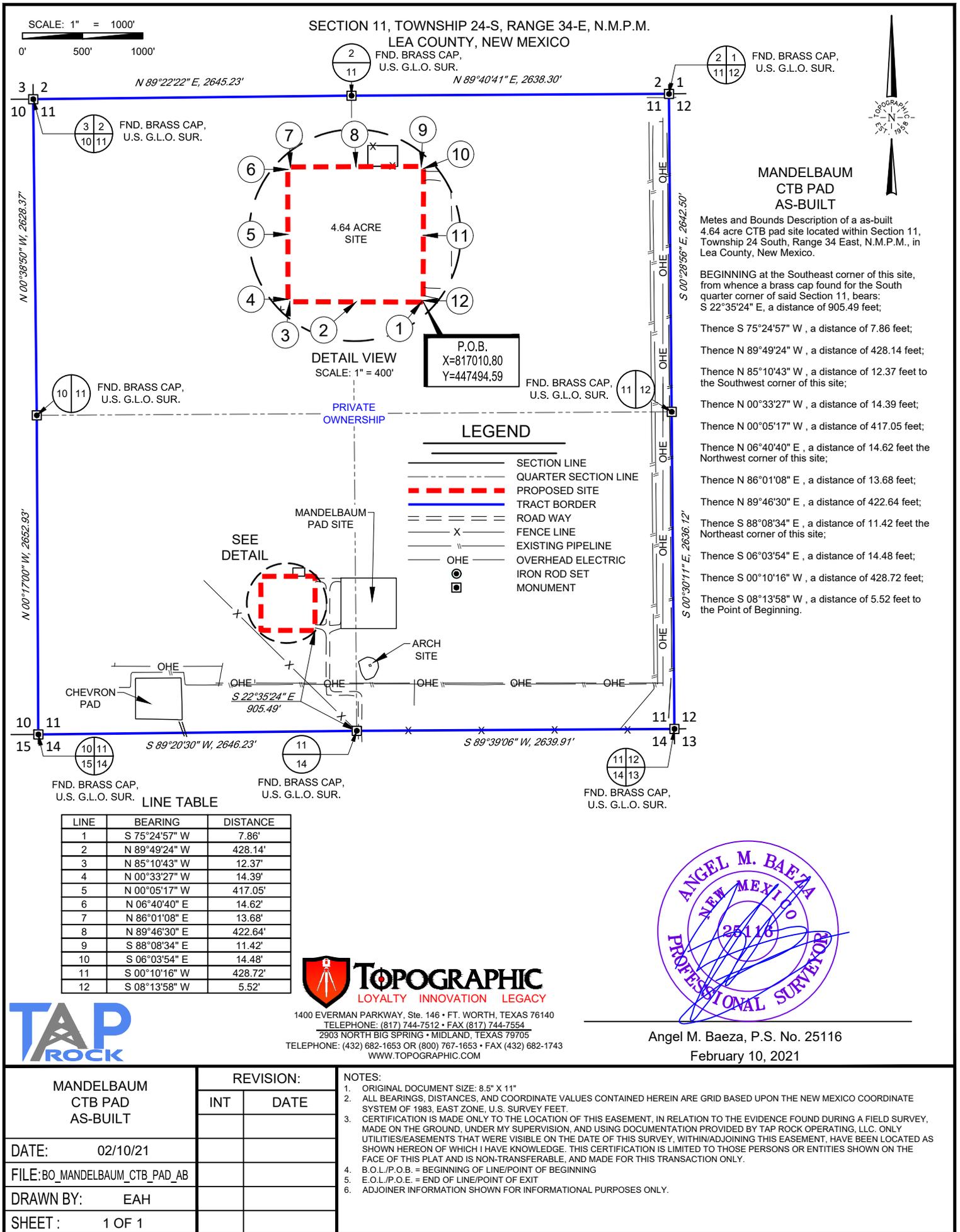
TAP ROCK RESOURCES II, LLC

A handwritten signature in black ink that reads "Taylor Ford". The signature is written in a cursive style and is positioned above a horizontal line.

Taylor Ford
March 2, 2022

Landman
Office: 720-459-3726
523 Park Point Drive Suite 200
Golden, Colorado 80401
tford@taprk.com





SCALE: 1" = 1000'

SECTION 11, TOWNSHIP 24-S, RANGE 34-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

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

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

N 89°22'22" E, 2645.23'

N 89°40'41" E, 2638.30'

MANDELBAUM
CTB PAD
AS-BUILT

Metes and Bounds Description of a as-built 4.64 acre CTB pad site located within Section 11, Township 24 South, Range 34 East, N.M.P.M., in Lea County, New Mexico.

BEGINNING at the Southeast corner of this site, from whence a brass cap found for the South quarter corner of said Section 11, bears: S 22°35'24" E, a distance of 905.49 feet;

Thence S 75°24'57" W, a distance of 7.86 feet;

Thence N 89°49'24" W, a distance of 428.14 feet;

Thence N 85°10'43" W, a distance of 12.37 feet to the Southwest corner of this site;

Thence N 00°33'27" W, a distance of 14.39 feet;

Thence N 00°05'17" W, a distance of 417.05 feet;

Thence N 06°40'40" E, a distance of 14.62 feet to the Northwest corner of this site;

Thence N 86°01'08" E, a distance of 13.68 feet;

Thence N 89°46'30" E, a distance of 422.64 feet;

Thence S 88°08'34" E, a distance of 11.42 feet to the Northeast corner of this site;

Thence S 06°03'54" E, a distance of 14.48 feet;

Thence S 00°10'16" W, a distance of 428.72 feet;

Thence S 08°13'58" W, a distance of 5.52 feet to the Point of Beginning.

DETAIL VIEW
SCALE: 1" = 400'

P.O.B.
X=817010.80
Y=447494.59

LEGEND

- SECTION LINE
- QUARTER SECTION LINE
- PROPOSED SITE
- TRACT BORDER
- ROAD WAY
- FENCE LINE
- EXISTING PIPELINE
- OHE
- OVERHEAD ELECTRIC
- IRON ROD SET
- MONUMENT

SEE
DETAIL

MANDELBAUM
PAD SITE

ARCH
SITE

CHEVRON
PAD

LINE TABLE

LINE	BEARING	DISTANCE
1	S 75°24'57" W	7.86'
2	N 89°49'24" W	428.14'
3	N 85°10'43" W	12.37'
4	N 00°33'27" W	14.39'
5	N 00°05'17" W	417.05'
6	N 06°40'40" E	14.62'
7	N 86°01'08" E	13.68'
8	N 89°46'30" E	422.64'
9	S 88°08'34" E	11.42'
10	S 06°03'54" E	14.48'
11	S 00°10'16" W	428.72'
12	S 08°13'58" W	5.52'



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

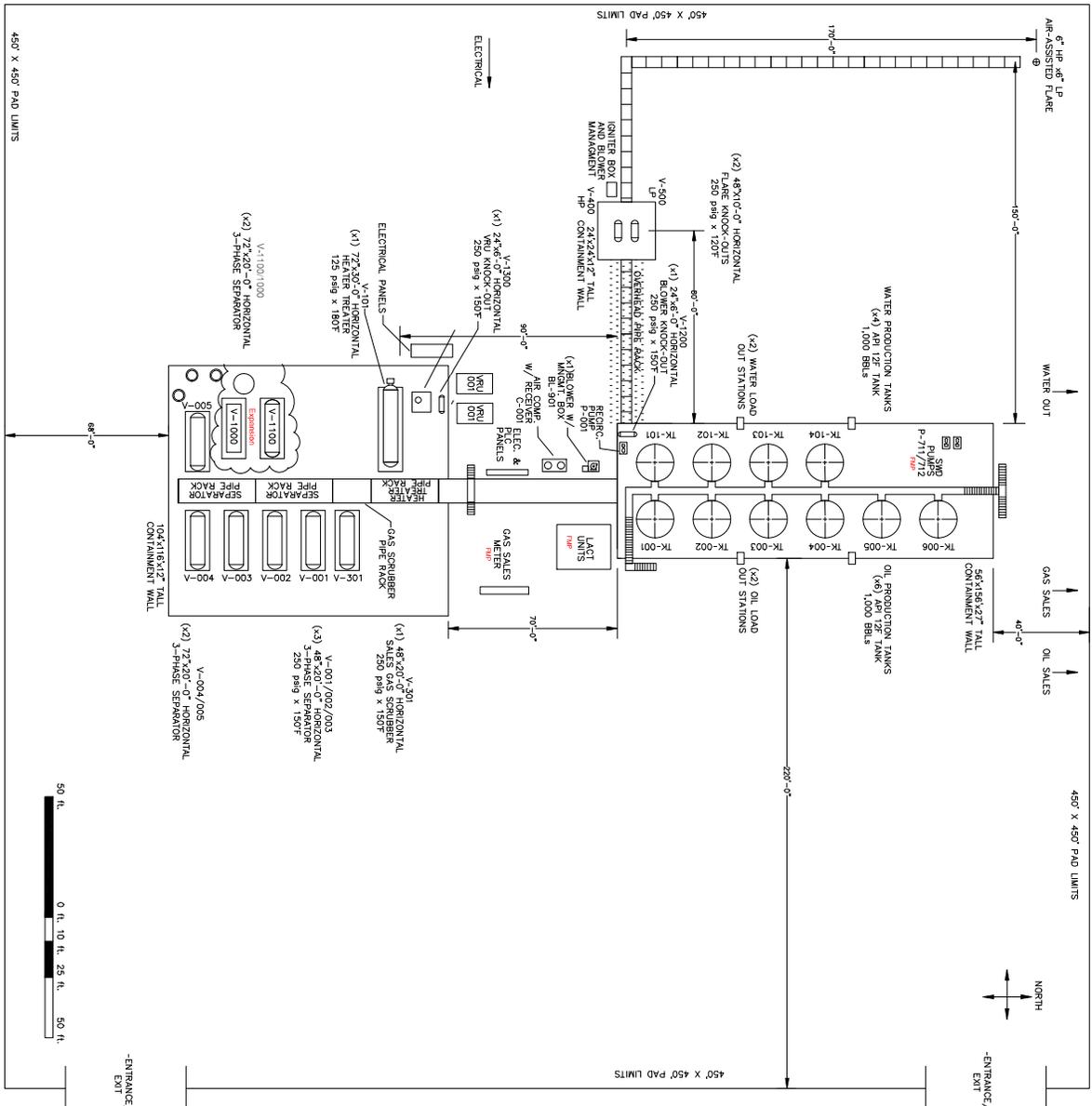


Angel M. Baeza, P.S. No. 25116
February 10, 2021



MANDELBAUM CTB PAD AS-BUILT	REVISION:	
	INT	DATE
DATE: 02/10/21		
FILE:BO_MANDELBAUM_CTB_PAD_AB		
DRAWN BY: EAH		
SHEET: 1 OF 1		

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



NO.	DESCRIPTION	DATE	BY	CHKD.	APPR.	SCALE	REV.
1	ISSUED FOR CONSTRUCTION (ALORC TR22022004)	19/04/22	ALC				1
0	ISSUED FOR CONSTRUCTION	3/15/2021	CF				1

DRWN. OF	CHECKED	APPROVED	SCALE
DATE	DATE	DATE	DATE
0/6/20	0/6/20		

CLIENT:	CONTRACTOR:	PROJECT:
TAP RESOURCES	VALOR EPC	TAP ROCK RESOURCES
		MANDELBAUM CTB
		PIPING & INSTRUMENTATION DIAGRAM

**APPLICATION TO COMMINGLE (COMMON OWNERSHIP), STORAGE AND SALES
FOR OIL AND GAS PRODUCTION AT MANDELBAUM CTB**

Pool	API	Well Name	Well Number	OCD Unit Letter	Section	Township	Range	Date Online	Anticipated Production Type	Oil (BOD)	GAS (MCFD)	Gravity (API)	BTU/cf
[96434] RED HILLS; BONE SPRING, NORTH	30-025-49805	MANDELBAUM FEE	#122H	O	11	24S	34E	6/1/2022	Oil, Gas, Produced Water	710	850	43	1410
[96434] RED HILLS; BONE SPRING, NORTH	30-025-49806	MANDELBAUM FEE	#126H	O	11	24S	34E	6/1/2022	Oil, Gas, Produced Water	710	850	43	1410
[96434] RED HILLS; BONE SPRING, NORTH	30-025-49807	MANDELBAUM FEE	#127H	O	11	24S	34E	6/1/2022	Oil, Gas, Produced Water	710	850	43	1410
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[96434] RED HILLS; BONE SPRING, NORTH	30-025-48281	MANDELBAUM FEE	#143H	O	11	24S	34E	11/14/2021	Oil, Gas, Produced Water	624	1000	45.35	1347

From: [Engineer, OCD, EMNRD](#)
To: [Adam Rankin](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com
Subject: Approved Administrative Order PLC-819
Date: Friday, June 3, 2022 12:32:43 PM
Attachments: [PLC819 Order.pdf](#)

NMOCD has issued Administrative Order PLC-819 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
30-025-49805	Mandelbaum Fee #122H	B C F G J K N O	11-24S-34E	96434
30-025-49806	Mandelbaum Fee #126H	B C F G J K N O	11-24S-34E	96434
30-025-49807	Mandelbaum Fee #127H	B C F G J K N O	11-24S-34E	96434
30-025-48277	Mandelbaum Fee #132H	B C F G J K N O	11-24S-34E	2220
30-025-48278	Mandelbaum Fee #136H	B C F G J K N O	11-24S-34E	2220
30-025-48279	Mandelbaum Fee #137H	B C F G J K N O	11-24S-34E	2220
30-025-48280	Mandelbaum Fee #142H	B C F G J K N O	11-24S-34E	96434
30-025-48281	Mandelbaum Fee #143H	B C F G J K N O	11-24S-34E	96434

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: [Chris K. LeCates](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Adam Rankin](#)
Subject: [EXTERNAL] RE: surface commingling application PLC-819
Date: Monday, May 23, 2022 8:48:25 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[Well List from Mandelbaum_C-107B Complete Package 20220310 v2\[18406168v1\] - Bill Edit 20220519.pdf](#)
[Mandelbaum Plot Plan Q2 2022 2 Well Expansion.pdf](#)

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

Hello Dean,

We have assembled answers to your questions, as follows:

- Confirm the gravity of oil being produced by the wells in this project. Several of the values presented appears to be in specific gravity rather than API gravity as would be normal. If in specific gravity, the given values make sense other than for the 142H and 143H as the provided values would indicate the oil to be much heavier than would be expected from any of the Bone Spring formations.
Please see an updated gas analysis, attached.
- Provide a facility diagram which depicts the flow of production.
Please see the attached updated facility diagram.
- Confirm the allocation method. The application seems to indicate that each well will be metered separately except there does not seem to be enough separators depicted on the facility diagram. Presumably, additional separators will be installed as needed, but that is speculative on my part.
Tap Rock will measure each well separately in its own separator, which the diagram should reflect as well.
- Confirm the tracts of land which are pooled. Based off the application, I am understanding that there are 2 pooled areas, one being the E/2 W/2 of 11-24S-34E and the other being the W/2 E/2 of 11-24S-34E. However, the assigned HSUs for the wells in the application take up both the E/2 W/2 and W/2 E/2.
In regards to the correct tracts that are pooled, it should match the HSU which is one pool for the BS covering the E/2W/2 and W/2E/2, and one pool for the WC covering the E/2W/2 and W/2E/2.

I hope this answers your questions. Please let me know if you need anything else.

Chris

Chris LeCates

Attorney, Holland & Hart LLP
222 South Main Street, Suite 2200, Salt Lake City, UT 84101

T 801.799.5743



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: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Sent: Thursday, May 19, 2022 1:21 PM

To: Adam Rankin <AGRankin@hollandhart.com>

Subject: surface commingling application PLC-819

External Email

Mr. Rankin,

I am reviewing surface commingling application PLC-819 which involves a commingling project that includes the Mandelbaum Central Tank Battery and is operated by Tap Rock Operating, LLC (372043).

Please confirm/provide the following:

- Confirm the gravity of oil being produced by the wells in this project. Several of the values presented appears to be in specific gravity rather than API gravity as would be normal. If in specific gravity, the given values make sense other than for the 142H and 143H as the provided values would indicate the oil to be much heavier than would be expected from any of the Bone Spring formations.
- Provide a facility diagram which depicts the flow of production.
- Confirm the allocation method. The application seems to indicate that each well will be metered separately except there does not seem to be enough separators depicted on the facility diagram. Presumably, additional separators will be installed as needed, but that is speculative on my part.
- Confirm the tracts of land which are pooled. Based off the application, I am understanding that there are 2 pooled areas, one being the E/2 W/2 of 11-24S-34E and the other being the W/2 E/2 of 11-24S-34E. However, the assigned HSUs for the wells in the application take up both the E/2 W/2 and W/2 E/2.

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
OIL CONSERVATION DIVISION**

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

ORDER NO. PLC-819

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 certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

CONCLUSIONS OF LAW

7. 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.
8. 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.

9. 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.
10. 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.
11. 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.
12. 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.

2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
3. 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.
4. 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.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
6. 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.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

8. 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).
9. 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**



ADRIENNE L. SANDOVAL
DIRECTOR

DATE: 6/03/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-819

Operator: Tap Rock Operating, LLC (372043)

Central Tank Battery: Mandelbaum Central Tank Battery

Central Tank Battery Location: UL N, Section 11, Township 24 South, Range 34 East

Gas Title Transfer Meter Location: UL N, Section 11, Township 24 South, Range 34 East

Pools

Pool Name	Pool Code
ANTELOPE RIDGE; WOLFCAMP	2220
RED HILLS; BONE SPRING, NORTH	96434

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
Pooled Wolfcamp Fee	B C F G J K N O	11-24S-34E
Pooled Bone Spring Fee	B C F G J K N O	11-24S-34E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49805	Mandelbaum Fee #122H	B C F G J K N O	11-24S-34E	96434
30-025-49806	Mandelbaum Fee #126H	B C F G J K N O	11-24S-34E	96434
30-025-49807	Mandelbaum Fee #127H	B C F G J K N O	11-24S-34E	96434
30-025-48277	Mandelbaum Fee #132H	B C F G J K N O	11-24S-34E	2220
30-025-48278	Mandelbaum Fee #136H	B C F G J K N O	11-24S-34E	2220
30-025-48279	Mandelbaum Fee #137H	B C F G J K N O	11-24S-34E	2220
30-025-48280	Mandelbaum Fee #142H	B C F G J K N O	11-24S-34E	96434
30-025-48281	Mandelbaum Fee #143H	B C F G J K N O	11-24S-34E	96434

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

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS
 Action 89785

CONDITIONS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 89785
	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.	6/3/2022