March 22, 2023



Engineering Bureau New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Re: Application for Pool Commingling of Oil and Gas Production. Dingo Federal Com #111H, 115H, 121H, 131H, 201H

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval for pool commingling of oil and gas production for the following wells located in Lot 4, SW/4NW/4, W/2SW/4 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, Lea County, New Mexico and any additional infill wells that produce from the same pools within the subject lands with notice provided only to the interest owners within these future spacing units pursuant to 19.15.12.10.C(4)(g) NMAC:

API	Well Name	Unit	Section-	Pool Name
(30-025-)	Well Name	Letter	Township-Range	(Pool Code)
51133	DINGO FEDERAL COM #111H	Е	S12-T24S-R34E	Red Hills; Bone Spring
31133	DINGO FEDERAL COM #111H	£	312-1243-K34E	North (96434)
51134	DINGO FEDERAL COM #115H	Е	S12-T24S-R34E	Red Hills; Bone Spring
31134	DINGO FEDERAL COM #11311	Ľ	312-1243-KJ4E	North (96434)
51135	DINGO FEDERAL COM #121H	Е	S12-T24S-R34E	Red Hills; Bone Spring
31133	DINGO FEDERAL COM #121H	Ŀ	312-1243-K34E	North (96434)
51136	DINGO FEDERAL COM #131H	Е	S12-T24S-R34E	Red Hills; Bone Spring
31130	DINGO FEDERAL COM #131H	Ŀ	512-1245-K34E	North (96434)
51137	DINGO FEDERAL COM #201H	Е	S12-T24S-R34E	Antelope Ridge;
31137	DINGO FEDERAL COM #201H	£	312-1243-R34E	Wolfcamp (2220)

Oil and gas production from these pools, wells, and lands will be commingled and sold at the Dingo Fed Com CTB located in Section 12, Township 24 South, Range 34 East. Prior to commingling, gas production from each separator will be separately metered with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each separator will also be separately metered using turbine meters.

This Application contains the following exhibits:

**Exhibit A** Administrative Application Checklist;

**Exhibit B** Application for Surface Commingling (Form C-107-B);

Exhibit C The written statement of Jeff Trlica, Regulatory Specialist with Tap Rock, identifying each of the wells and Tap Rock's central tank battery and the facilities and the measurement devices to be utilized; Surface facilities schematic; A copy of the Federal Communitization Agreement associated with the subject lands; tract maps identifying the locations of the

wellbores, tracts, and approved participating areas; and gas sample analyses.

**Exhibit D** Self-affirmed statement from the landman familiar with this application and the subject lands certifying the ownership is diverse between the above-described pools and acreage as defined in 19.15.12.7 NMAC.

Thank you for your time and consideration in this matter.

Respectfully submitted,

TAP ROCK OPERATING, LLC

Michael Rodriguez Staff Attorney 720-245-2606

Mdrodriguez@taprk.com

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
		=	
	100//5	THE TABLE COR COR BURGOU USE OVER	•

### **NEW MEXICO OIL CONSERVATION DIVISION**

- Geological & Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



			THE PRINCIPLE OF THE PR
	ADMINISTRATIVE A	PPLICATION CHECKL	IST
THI	S CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE / REGULATIONS WHICH REQUIRE PROCESSING		
Applicant:	Tap Rock Operating, LLC	OGRID Number:	372043
Well Name(s):	Dingo Federal Com 111H, 115H, 121H, 131H, 201H	API:	30-015-51133, 51134, 51135, 51136, 51137
Pool(s):	Red Hills; Bone Spring North & Antelope Ridge; Wolfcamp	Pool Code:	96434, 2220
SUBMIT AC	CCURATE AND COMPLETE INFORMAT	TION REQUIRED TO PROC CATED BELOW	CESS THE TYPE OF APPLICATION
1) TYPE OF APPL	.ICATION: Check those which apply	for [A]	

	A. Location – Sp	oacing Unit – Sir	multaneous Dedic	cation			
	□ NS	L	NSP (PROJECT AREA)	NSP <sub>(PRC</sub>	DRATION UNIT)		
2)	B. Check one of [1] Commin	ponly for [1] or [1] gling – Storage HC CTB  The possible PMX  CONTROL	By the series of	C OLS Enhanced Oil I EOR  pply. The owners  by SLO by BLM	□OLM I Recovery □PPR		FOR OCD ONLY  Notice Complete  Application Content Complete
3)	CERTIFICATION:   h	nereby certify th	at the informatio	n submitted w	vith this app	plication t	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.

Michael Rodriguez	_03/22/2023
Print or Type Name	Date
MAR	720-772-5092
Signature	Phone Number
	mdrodriguez@taprk.com
	Email Address

1000 Rio Brazos Road, Aztec, NM 87410

1220 S. St Francis Dr, Santa Fe, NM

District III

District IV

87505

Exhibit B

District I State of New Mexico

1625 N. French Drive, Hobbs, NM 88240

District II

811 S. First St., Artesia, NM 88210

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.

APPLIC	ATION FOR SURFACE	COMMINGLING	G (DIVERSE	OWNERSHIP)	
OPERATOR NAME:	Tap Rock Operating				
OPERATOR ADDRESS:	523 Park Point Dr. Suite 200. C	Golden, CO 80401			
APPLICATION TYPE:					
☐ Pool Commingling ☐ Lease	Commingling Pool and Lease Co	mmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE: \( \subseteq \text{Fe}					
	sting Order?				ingling
		OL COMMINGLIN ts with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See attached well list.					
				_	
	t top allowables?  Yes No				
(3) Has all interest owners be (4) Measurement type:	en notified by certified mail of the production   Other (Specify) see the value of production?   Yes		⊠Yes □No.		
	. ,	SE COMMINGLIN ts with the following in			
(3) Has all interest owners been	ne source of supply? Yes Non notified by certified mail of the projectering Other (Specify)		□Yes □N	lo	
	(C) POOL and	LEASE COMMIN	GLING		
	` ,	ts with the following in			
(1) Complete Sections A and	E.				
	(D) OFF LEACE OF	CODACE IMEA	CLIDENTENIE		
	(D) OFF-LEASE ST	OKAGE and MEA ets with the following			
(1) Is all production from sam (2) Include proof of notice to	e source of supply? Yes N		mior mation		
(E) ADDITIONAL INFORMATION (for all application types)  Please attach sheets with the following information					
(1) A schematic diagram of fa	icility, including legal location.		-		
1 · · · =	es showing all well and facility locat Well Numbers, and API Numbers.	ions. Include lease numbe	ers if Federal or St	ate lands are involved.	
I hereby certify that the informa	tion above is true and complete to the	best of my knowledge an	d belief.		
SIGNATURE:	T.	ITLE: Regulatory Anal	l <u>yst</u> I	DATE: <u>3/2/2023</u>	-
TYPE OR PRINT NAMEJeft	Trlica	TELEPHONE NO.:	720-772-5910		

E-MAIL ADDRESS: jtrlica@taprk.com

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





March 2, 2023

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 Lot 4, SW/4NW/4, W/2SW/4 (ADA W/2W/2) Section 1 and W/2NW/4 Section 12, Township 24S, Range 34E Lea County, New Mexico (the "Lands")

To Whom This May Concern,

Tap Rock Operating, LLC ("Tap Rock"), OGRID No. 372043, requests to commingle current oil and gas production from five (5) distinct wells located on the Lands and future production from the Lands as described herein. 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.

The oil is measured via the coriolis flow meter in accordance with API Chapter 5.6 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.

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

Jeff Trlica

Regulatory Analyst

# APPLICATION TO POOL COMMINGLE, STORAGE AND SALES FOR OIL AND GAS PRODUCTION AT DINGO CTB

		à	Woll Namo	Well	OCD Unit	coction.	Township	-	Date	Anticipated Production	<u>o</u>	Gas	Consiste	1 / L
	roo	4	Wellivalle	Number	Letter	section Township	OWINIP	Nalige	Online	Type	(MBOD)	(MCFD)	Glavity	ם יט/נו
[96434] RI	[96434] RED HILLS; BONE SPRING, NORTH 30-025-51133 DINGO FEDERAL COM	30-025-51133	DINGO FEDERAL COM	#111H	Е	12	24S	34E	7/1/2023	7/1/2023 Oil, Gas, Produced Water	780	1460	45	1300
[96434] RE	[96434] RED HILLS; BONE SPRING, NORTH 30-025-51134 DINGO FEDERAL COM	30-025-51134	DINGO FEDERAL COM	#115H	Е	12	245	34E	7/1/2023	3 Oil, Gas, Produced Water	780	1460	45	1300
[96434] RE	[96434] RED HILLS; BONE SPRING, NORTH 30-025-51135 DINGO FEDERAL COM	30-025-51135	DINGO FEDERAL COM	#121H	Е	12	245	34E	7/1/2023	Oil, Gas, Produced Water	1360	1500	45	1300
[96434] RE	[96434] RED HILLS; BONE SPRING, NORTH   30-025-51136 DINGO FEDERAL COM	30-025-51136	DINGO FEDERAL COM	#131H	Е	12	24S	34E	7/1/2023	Oil, Gas, Produced Water	1320	3360	45	1300
[2220] AN	2220] ANTELOPE RIDGE; WOLFCAMP	30-025-51137	30-025-51137 DINGO FEDERAL COM	#201H	Е	12	24S	34E	7/1/2023	7/1/2023 Oil, Gas, Produced Water	1320	3360	45	1200

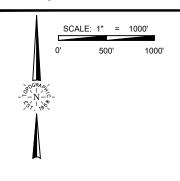
)ingo W2W2 Unit

	Hee Leases 80 Acres	111H 131H 121H 201H 3	Tract 2 Fee Leases 40 Acres	120.02 Acres	Federal Lease NMNM 113417	T <sub>1</sub> , 2, 1	Township
							24 Ou
	Section 12				Section 1		
							East, Lea

Fee Acreage

Dingo W2W2

Horizontal Spacing Unit



### DINGO FED COM CTB PAD SITE

Metes and Bounds Description of a 4.65 acre CTB pad site located within Section 12, Township 24 South, Range 34 East, N.M.P.M., in Lea County, New Mexico

BEGINNING at a 1/2" iron rod with cap stamped "Topographic" set for the Southwest corner of this site, from whence a brass cap found for the West Quarter corner of said Section 12, bears S 76°26'12" W, a distance of 446.68 feet;

Thence N 00°00'00" W, a distance of 450.00 feet to a 1/2" iron rod with cap stamped "Topographic" set for the Northwest of this site;

Thence N  $90^{\circ}00'00''$  E, a distance of 450.00 feet to a 1/2'' iron rod with cap stamped "Topographic" set for the Northeast of this site;

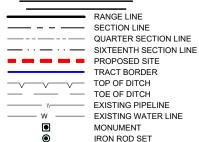
Thence S 00°00'00" E, a distance of 450.00 feet to a 1/2" iron rod with cap stamped "Topographic" set for the Southeast of this site;

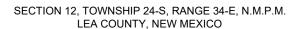
Thence N 90°00'00" W, a distance of 450.00 feet to the Point of Beginning.

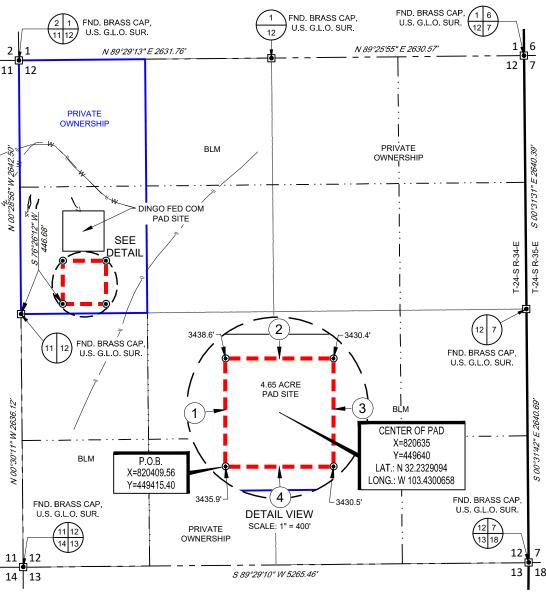
### LINE TABLE

LINE	BEARING	DISTANCE
1	N 00°00'00" W	450.00'
2	N 90°00'00" E	450.00'
3	S 00°00'00" E	450.00'
4	N 90°00'00" W	450.00'

### **LEGEND**





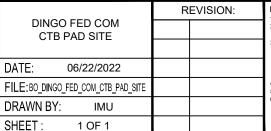




1400 EVERMAN PARKWAY Ste 146 • ET WORTH TEXAS 76140 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM



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



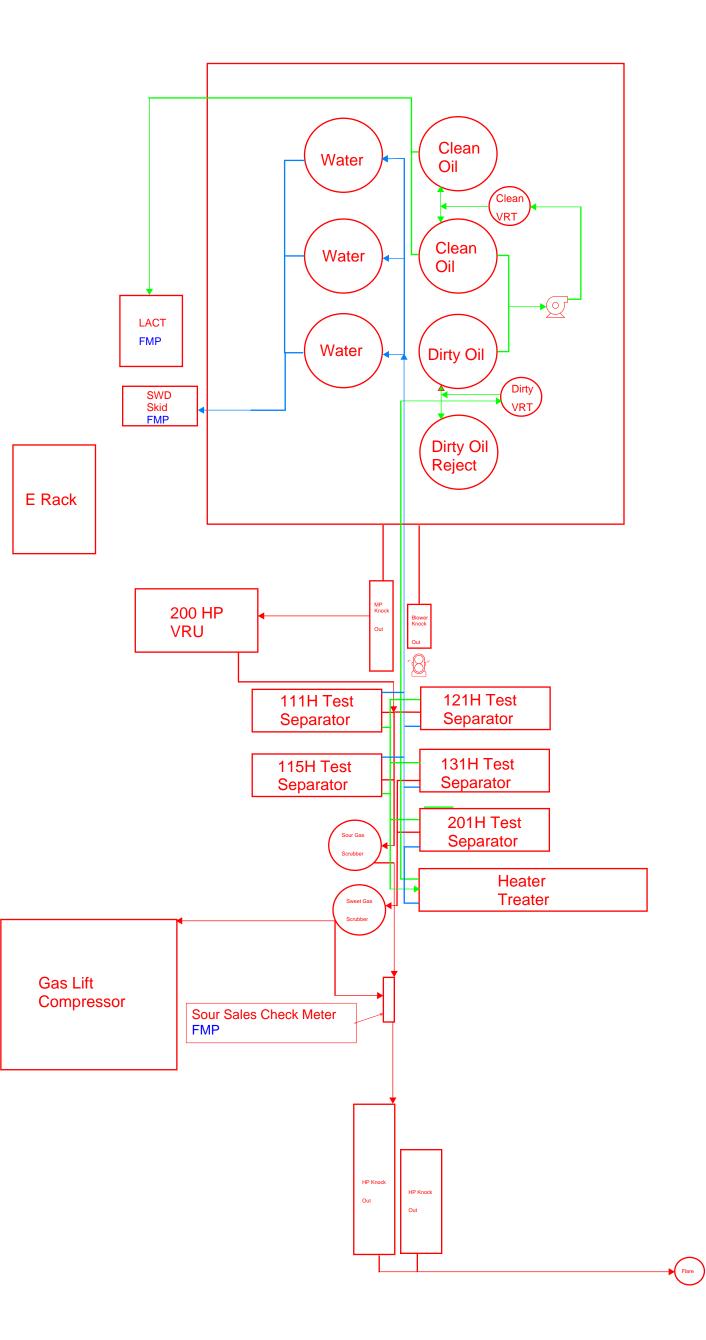
### NOTES

- ORIGINAL DOCUMENT SIZE: 8.5" X 11"

  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.

  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.

- B.O.L./ P.O.B. = BEGINNING OF LINE/ POINT OF BEGINNING
  E.O.L./ P.O.E. = END OF LINE/ POINT OF EXIT
  ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.



# Federal Communitization Agreement

THIS AGREEMENT entered into as of the 1st day of March, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

### Township 24 South, Range 34 East, N.M.P.M.

Section 1: W2W2 Section 12: W2NW4 Lea County, New Mexico

Containing 240.02 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**, **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 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 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.

- The royalties payable on communitized substances allocated to the individual 6. leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized

- area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is **March 1, 2023**, 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 2year 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: 2 22 2023

Name: Clayton Sporich

Title: EVP – Land & Legal

### ACKNOWLEDGEMENT

STATE OF COLORADO COUNTY OF JEFFERSON )

On this 22 day of lebruary 2023, 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)

BAILYN JULIANNE SALSBURY NOTARY PUBLIC - STATE OF COLORADO NOTARY ID 20224045259

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 andoperating 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: 2 22 2023

Name: Clayton Sporich Title: EVP – Land & Legal

### **ACKNOWLEDGEMENT**

STATE OF COLORADO	)
	) ss.
COUNTY OF JEFFERSON	)

On this 22 day of 2023, 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)

BAILYN JULIANNE SALSBURY NOTARY PUBLIC - STATE OF COLORADO NOTARY ID 20224045259 MY COMMISSION EXPIRES NOV 30, 2026

My Commission Expires:

Notary Public

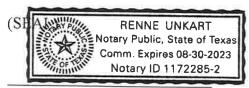
AND/OR LESSEES OF RECORD

The Allar Company

Name: Title:

# **ACKNOWLEDGEMENT**

STATE OF TEXAS
COUNTY OF Young ) ss.
On this 10th day of February, 2023, before me, a Notary Public for the State of Texas, personally appeared John Chiles Graham, known to me to be the President of The Allar Company, a Texas corporation, that executed the foregoing instrument and acknowledged to me such Corporation executed the same.



My Commission Expires:

Released to Imaging: 9/11/2023 4:26:17 PM

AND/OR LESSEES OF RECORD

# Chevron Midcontinent, L.P.

Date:			Na	ame: _			
	ACK	NOW	LEDGEM	ENT			
STATE OF	) ) ss.						
COUNTY OF							
On thisday of, t	personally	appear	red			, knov	wn to
me to be the			of _				
theacknowledged to me such _							and
(SEAL)							
My Commission Expires:			No	otary I	Public		

# Received by OCD: 3/22/2023 3:55:22 PM

# WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

COG Operating, LLC

Date: _	2-9-23	By:
		Nome

Title: Atturney-in-Prot

# **ACKNOWLEDGEMENT**

STATE OF Texas
COUNTY OF Midland) ss.
On this
me to be the Attorney in Fact of COG Operating LLC
the that executed the foregoing instrument and
acknowledged to me such executed the same.
MARIBEL S. TORRES My Notary ID # 128111746 Expires March 11, 2026

3/u/2026 My Commission Expires:

Notary Public

# **EXHIBIT "A"**

Plat of communitized area covering 240.02 acres in W2W2 of Section 1 and W2NW of Section 12, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Townsh	ip 24 South County N	n, Range 34 l ew Mexico	East, Lea		
Tract 1 Federal Lease NMNM 113417 120.02 Acres		Section 1			Federal Lease Fee Acreage
Tract 2 Fee Leases 40 Acres					Dingo W2W2
Tract 3 Fee Leases 80 Acres		Section 12			Horizontal Spacing Uni

### **EXHIBIT "B"**

To Communitization Agreement dated **March 1, 2023**, embracing the following described land in W2W2 of Section 1 and W2NW of Section 12, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: Tap Rock Operating, LLC

### DESCRIPTION OF LEASES COMMITTED

# Tract No. 1

Lease Serial Number: NMNM 113417

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 34 East, N.M.P.M.

Section 1: Lot 4, SWNW, & NWSW

Number of Acres: 120.02

Current Lessee of Record: The Allar Company (100%)

Name of Working Interest Owners: COG Operating, LLC (25%)

Chevron Midcontinent, L.P. (75%)

### Tract No. 2

Description of Land Committed: Township 24 South, Range 34 East, N.M.P.M.

Section 1: SWSW

Number of Gross Acres: 40.00

Authority for Pooling: Fee Lease

Lessor: Fee Lease

# Tract No. 3

Description of Land Committed: <u>Township 24 South, Range 34 East, N.M.P.M.</u>

Section 12: W2NW

Number of Gross Acres: 80.00

Authority for Pooling: Fee Leases

Lessor: Fee Leases

# **RECAPITULATION**

No.	No. of Acres Committed	Percentage of Interest Tract in Communitized Area
1	120.02	50.0041%
2	40.00	16.6653%
3	80.00	33.3306%
Total	240.02	100.0000%

# Federal Communitization Agreement

Contract No.	
--------------	--

THIS AGREEMENT entered into as of the 1st day of March, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

### Township 24 South, Range 34 East, N.M.P.M.

Section 1: W2W2 Section 12: W2NW4 Lea County, New Mexico

Containing **240.02** acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be **Tap Rock Operating, LLC, 523 Park Point Drive, Suite 200, Golden, CO, 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 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 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.

- The royalties payable on communitized substances allocated to the individual 6. leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized

- area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is March 1, 2023, 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 2year 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.

- 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: 7/77/2073

Name: Clayton Sporich Title: EVP – Land & Legal

## **ACKNOWLEDGEMENT**

STATE OF COLOR	ADO )
COUNTY OF JEFFE	) ss. ERSON )
On this 22 day	of February 2023, 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 Opera	ting, LLC, a Delaware limited liability company, the limited liability
company that execut	ed the foregoing instrument and acknowledged to me such company
	BAILYN JULIANNE SALSBURY NOTARY PUBLIC - STATE OF COLORADO
	NOTARY PUBLIC - STATE OF COLORADO

NOTARY ID 20224045259

(SEAL)

My Commission Expires:

Bailey Dally 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 andoperating 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: 2/22/2023

Name: Clayton Sporich Title: EVP – Land & Legal

# **ACKNOWLEDGEMENT**

STATE OF COLORADO ) ss. COUNTY OF JEFFERSON )

On this 22 day of 2023, 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)

BAILYN JULIANNE SALSBURY NOTARY PUBLIC - STATE OF COLORADO NOTARY ID 20224045259 MY COMMISSION EXPIRES NOV 30, 2026

11 | 30 | 20 26 My Commission Expires:

My Commission Expires:

Notary Public

AND/OR LESSEES OF RECORD

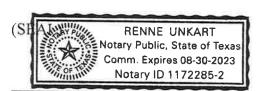
The Allar Company

	0/		
Date: _	2/1	0123	

Name: Title:

# **ACKNOWLEDGEMENT**

STATE OF TEXAS	
COUNTY OF Young ) ss.	
On this 10th day of February, 2023, before me, a Notary Public for the State of Texas, personally appeared John Chiles Graham, known to me to be the President of The Allar Company, a Texas corporation that executed the foregoing instrument and acknowledged to me such Corporation executed the same.	n



My Commission Expires:

AND/OR LESSEES OF RECORD

# Chevron Midcontinent, L.P.

Date:		Na	me: _			
A	ACKNOW	LEDGEM	ENT			
STATE OF)						
COUNTY OF)	SS.					
On thisday of, person	ally appear	red			, knov	wn to
me to be the theacknowledged to me such	that	executed	the	foregoing executed the	instrument same.	and
(SEAL)						
My Commission Expires:		No	tary F	Public		

# **EXHIBIT "A"**

Plat of communitized area covering 240.02 acres in W2W2 of Section 1 and W2NW of Section 12, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Townsh	tip 24 South, Range 34 F County New Mexico	last, Lea
Tract 1 Federal Lease NMNM 113417 120.02 Acres	Section 1	
Tract 2 Fee Leases 40 Acres		
Tract 3 Fee Leases 80 Acres	Section 12	

### **EXHIBIT "B"**

To Communitization Agreement dated **March 1, 2023**, embracing the following described land in W2W2 of Section 1 and W2NW of Section 12, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: Tap Rock Operating, LLC

### **DESCRIPTION OF LEASES COMMITTED**

### Tract No. 1

Lease Serial Number: NMNM 113417

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South, Range 34 East, N.M.P.M.

Section 1: Lot 4, SWNW, & NWSW

Number of Acres: 120.02

Current Lessee of Record: The Allar Company (100%)

Name of Working Interest Owners: The Allar Company (25%)

Chevron Midcontinent, L.P. (75%)

### Tract No. 2

Description of Land Committed: Township 24 South, Range 34 East, N.M.P.M.

Section 1: SWSW

Number of Gross Acres: 40.00

Authority for Pooling: Fee Lease

Lessor: Fee Lease

# Tract No. 3

Description of Land Committed: <u>Township 24 South, Range 34 East, N.M.P.M.</u>

Section 12: W2NW

Number of Gross Acres: 80.00

Authority for Pooling: Fee Leases

Lessor: Fee Leases

# **RECAPITULATION**

<u>No.</u>	No. of Acres Committed	Percentage of Interest Tract in Communitized Area
1	120.02	50.0041%
2	40.00	16.6653%
3	80.00	33.3306%
Total	240.02	100.0000%



# Certificate of Analysis

Number: 6030-22100279-002A

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

Oct. 20, 2022 Alex Batista

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

Station Name: Cosmo Fee 223H LG

Station Number: 7060339 Sample Point: Meter Run Formation: Quarterly County: Lea, NM Spot-Cylinder Type of Sample:

Heat Trace Used: N/A

Sampling Method: Fill and Purge

Sampling Company: SPL

Sampled By: Francisco Romero Sample Of: Gas Spot Sample Date: 10/18/2022

Sample Conditions: 1002.8 psig, @ 52 °F Ambient: 54 °F

10/18/2022 Effective Date: GPA-2261M Method: Cylinder No: 1111-002354

Instrument: 70104251 (Inficon GC-MicroFusion)

Last Inst. Cal.: 10/17/2022 0:00 AM

Analyzed: 10/20/2022 11:41:44 by EBH

### **Analytical Data**

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia		
Hydrogen Sulfide	0.000	0.000	0.000		GPM TOTAL C2+	6.013
Nitrogen	6.479	6.652	8.256		GPM TOTAL C3+	3.089
Methane	68.899	70.732	50.276		GPM TOTAL iC5+	0.557
Carbon Dioxide	1.568	1.610	3.139			
Ethane	10.612	10.895	14.515	2.924		
Propane	5.670	5.821	11.373	1.609		
Iso-butane	1.017	1.044	2.689	0.343		
n-Butane	1.784	1.832	4.718	0.580		
Iso-pentane	0.443	0.455	1.454	0.167		
n-Pentane	0.396	0.407	1.301	0.148		
Hexanes Plus	0.538	0.552	2.279	0.242		
	97.406	100.000	100.000	6.013		
Calculated Physical Properties Total		otal	C6+			
Relative Density Real Gas		0.7818		3.2176		
Calculated Molecular Weight		22.57		93.19		
Compressibility Factor		0.9964				
<b>GPA 2172 Calculation:</b>	:					
<b>Calculated Gross BTU</b>	per ft <sup>3</sup> @ 14.73 ps	sia & 60°F				
Real Gas Dry BTU		1217		5141		
Water Sat. Gas Base BTU		1197		5052		
Ideal, Gross HV - Dry at 14.73 psia		1213.0		5141.1		
Ideal, Gross HV - Wet		1191.9		5051.6		
Net BTU Wet Gas - real gas		10	087			

Comments: H2S Field Content 2.5 ppm

Hydrocarbon Laboratory Manager

The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality

assurance, unless otherwise stated.

Quality Assurance:



Certificate of Analysis

Number: 6030-22100003-005A

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

Station Name: Mandelbaum 137H

Station Number: 7060230 Sample Point: Meter run Formation: Quarterly County: Lea

Type of Sample: Spot-Cylinder

Heat Trace Used: N/A

Sampling Method: Fill and Purge

Sampling Company: SPL

Sampled By: FR

Sample Of: Gas Spot

Sample Date: 09/30/2022

Sample Conditions: 16.2 psig, @ 72 °F Ambient: 69 °F

Oct. 04, 2022

09/30/2022 Effective Date: Method: GPA-2261M Cylinder No: 1111-002587

Instrument: 70104251 (Inficon GC-MicroFusion)

Last Inst. Cal.: 10/03/2022 0:00 AM

10/03/2022 14:40:46 by EBH Analyzed:

### **Analytical Data**

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia		
Nitrogen	2.036	2.058	2.513		GPM TOTAL C2+	6.604
Methane	71.814	72.593	50.754		GPM TOTAL C3+	3.498
Carbon Dioxide	2.460	2.487	4.770		GPM TOTAL iC5+	0.785
Ethane	11.446	11.570	15.162	3.106		
Propane	6.344	6.413	12.324	1.774		
Iso-butane	0.863	0.872	2.209	0.286		
n-Butane	2.040	2.062	5.223	0.653		
Iso-pentane	0.454	0.459	1.443	0.169		
n-Pentane	0.467	0.472	1.484	0.172		
Hexanes Plus	1.003	1.014	4.118	0.444		
	98.927	100.000	100.000	6.604		
Calculated Physical	Properties	To	otal	C6+		
Relative Density Rea	l Gas	0.79	952	3.2176		
Calculated Molecular	Weight	22	.95	93.19		
Compressibility Factor	or	0.99	959			
<b>GPA 2172 Calculation</b>	on:					
Calculated Gross B	TU per ft <sup>3</sup> @ 14.73 ps	sia & 60°F				
Real Gas Dry BTU		12	293	5141		
Water Sat. Gas Base	BTU	12	271	5052		
Ideal, Gross HV - Dry		128	7.2	5141.1		
Ideal, Gross HV - We	et	126	4.8	5051.6		
Net BTU Wet Gas - re	eal gas	11	154			

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality

assurance, unless otherwise stated.

Exhibit D

Received by OCD: 3/22/2023 3:55:22 PM

March 20, 2023



Engineering Bureau New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Re: Application for Pool Commingling and Off-lease Storage, Measurement, and Marketing of Oil and Gas Production.

To whom it may concern,

I certify that as of the date below, the ownership in the lands and pools referenced in this commingling application is **diverse** as defined in 19.15.12.7 NMAC.

Respectfully submitted,

TAP ROCK OPERATING, LLC

Taylor McVean

Landman

tmcvean@taprk.com

3/20/23

From: McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD

To: <u>Michael Rodriguez</u>

Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Paradis, Kyle O; Walls,

Christopher

Subject:Approved Administrative Order PLC-914Date:Monday, September 11, 2023 3:49:57 PM

Attachments: PLC914 Order.pdf

NMOCD has issued Administrative Order PLC-914 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	
20 025 51122	Dings Federal Com #111H	W/2 W/2	1-24S-34E	06424	
30-025-51133	Dingo Federal Com #111H	W/2 NW/4	12-24S-34E	96434	
20 025 51124	Dings Federal Com #115H	W/2 W/2	1-24S-34E	06424	
30-025-51134	Dingo Federal Com #115H	W/2 NW/4	12-24S-34E	96434	
20 025 51125	D' E. l I C #121H	W/2 W/2	1-24S-34E	06424	
30-025-51135	Dingo Federal Com #121H	W/2 NW/4	12-24S-34E	96434	
20 025 51126	D' E. l   C   121H	W/2 W/2	1-24S-34E	06424	
30-025-51136	Dingo Federal Com #131H	W/2 NW/4	12-24S-34E	96434	
20 025 51125	D' E. l I C   201H	W/2 W/2	1-24S-34E	2220	
30-025-51137	Dingo Federal Com #201H	W/2 NW/4	12-24S-34E	2220	

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

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT



Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
DINGO FED COM	115H	3002551134	NMNM113417	NMNM113417	TAP ROCK
DINGO FED COM	121H	3002551135	NMNM113417	NMNM113417	TAP ROCK
DINGO FED COM	131H	3002551136	NMNM113417	NMNM113417	TAP ROCK
DINGO FED COM	201H	3002551137	NMNM113417	NMNM113417	TAP ROCK
DINGO FED COM	111H	3002551133	NMNM113417	NMNM113417	TAP ROCK

### **Notice of Intent**

**Sundry ID: 2721740** 

Type of Submission: Notice of Intent

Type of Action: Commingling (Surface)

Date Sundry Submitted: 03/20/2023 Time Sundry Submitted: 12:59

Date proposed operation will begin: 03/20/2023

**Procedure Description:** Tap Rock requests surface commingling for the referenced wells located at Dingo CTB in accordance with 43 CFR 3173.14(a)(1)(iii).

# **Surface Disturbance**

Is any additional surface disturbance proposed?: No

### **NOI Attachments**

### **Procedure Description**

 ${\tt Dingo\_CTB\_BLM\_Commingling\_Application\_Combined\_20230320\_20230320125842.pdf}$ 

# **Conditions of Approval**

### **Specialist Review**

Surface\_Commingling\_COA\_20230817131902.pdf

Page 1 of 2

### **Operator**

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

Operator Electronic Signature: Signed on:

Name: TAP ROCK OPERATING LLC

Title: Regulatory Analyst

Street Address: 523 PARK POINT DRIVE SUITE 200

City: GOLDEN State: CO

Phone: (720) 772-5910

Email address: JTRLICA@TAPRK.COM

**Field** 

**Representative Name:** 

**Street Address:** 

City: State: Zip

Phone:

**Email address:** 

### **BLM Point of Contact**

Signature: Jonathon Shepard

BLM POC Name: JONATHON W SHEPARD BLM POC Title: Petroleum Engineer

BLM POC Phone: 5752345972 BLM POC Email Address: jshepard@blm.gov

May 5, 2023



Engineering Bureau New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Re: Application for Pool Commingling and Off-lease Storage, Measurement, and Marketing of Oil and Gas Production.

# SELF-AFFIRMED STATEMENT OF MICHAEL RODRIGUEZ REGARDING NOTICE

- 1. I am attorney in fact and authorized representative of Tap Rock Operating, LLC, the Applicant herein.
- 2. On March 24, 2023, I caused notice of the captioned application to be sent by certified mail to all owners entitled to receive notice.
- 3. The notice letter attached as **Exhibit C-1** and the application were sent to the uncommitted interest owners. **Exhibit C-1** also contains a tracking sheet that identifies the parties and addresses that notice was sent to and the status of receipt.
- 4. On March 26, 2023, notice was also directed to all interested parties by publication in the Hobbs News-Sun. An Affidavit of Publication from the Publisher of the Hobbs News-Sun and a copy of the notice publication are attached as **Exhibit C-2**.
- 5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

MOR	05/05/2023
Michael Rodriguez	Date

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

TAP ROCK OPERATING, LLC

MICHAEL RODRIGUEZ - ATTORNEY MDRODRIGUEZ@TAPRK.COM



March 24, 2023

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL AFFECTED PARTIES

Re: Application for Pool Commingling and Off-lease Storage, Measurement, and Marketing of Oil and Gas Production.

To whom it may concern:

Enclosed is a copy of the above-referenced application filed with the New Mexico Oil Conservation Division ("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, the Division may administratively approve this application.

This notice is to advise you that the enclosed application for pool and surface commingling applies to the wells listed in the application. In accordance with Rule 19.15.12.10(C)(4)(g) NMAC, Tap Rock requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

If you have any questions about this application, please contact me at (720) 245-2606 or mdrodriguez@taprk.com.

Thank you,

/s/ Michael Rodriguez
Michael Rodriguez
Staff Attorney
Tap Rock Operating, LLC

Re									
Released									
Certified with Return Record (Signature)	94148118987658 33005769 William E. Walker II Ttee	THE WILLIAM E. WALKER LIVING TRUST	5421 Desert Paradise Dr		Las Vegas	NV	89130-3679 03/29/2023 00:44:36	Your item was delivered to an individual at the address at 12:25 pm on March 28, 2023 in LAS VEGAS, NV 89130. Your item was delivered to an individual at the address	D
Certified with Return Recept (Signature)	94148118987658 33005721	MARY RACHEL HEADLEY	7112 Pan American Fwy NE Unit 141		Albuquerque	NM	87109 03/28/2023 01:47:11	at 1:50 pm on March 27, 2023 in ALBUQUERQUE, NM	D
Certified with Return Recent (Signature)	94148118987658 33005707	TATE BYRNE JENNINGS	3535 23rd St		Boulder	со	80304-1907	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. Your item was delivered to an individual at the address	1
Certified with Return Recept (Signature)	94148118987658 33005790	SCOT C MILLER	10048 Oak Knoll Ter		Colorado Springs	со	80920-2431 03/29/2023 00:44:37	at 1:52 pm on March 28, 2023 in COLORADO SPRINGS, CO 80920.	D
Certified with Return Recent (Signature)	94148118987658 33004588	THE ALLAR COMPANY	PO Box 1567		Graham	TX	76450-7567 04/04/2023 07:45:24	Your item was delivered to an individual at the address at 10:16 am on April 3, 2023 in GRAHAM, TX 76450.	S D
Certified with Return Record (Signature)	94148118987658 33005745	SANDI MILLER	17 Riverside Dr		Roswell	NM	88201-3952 03/31/2023 08:01:56	Your item was picked up at the post office at 11:08 am on March 30, 2023 in ROSWELL, NM 88201.	D
Certified with Return Receipt (Signature)	94148118987658 33005783	PERCY LEE LAWRENCE, III & PATRICIA C. LAWRENCE	219 E 2nd St		Crowley	LA	70526-5131 03/30/2023 01:45:59	Your item was delivered to an individual at the address at 8:12 am on March 29, 2023 in CROWLEY, LA 70526.	
Certified with Return Receipt (Signature)	94148118987658 33005738	DAVID W. LAWRENCE & MEG DEPENDER LAWRENCE	7151 Crowley Ct		San Diego	CA	92119-1601 03/29/2023 00:44:37	Your item was delivered to an individual at the address at 1:38 pm on March 28, 2023 in SAN DIEGO, CA 92119	
Certified with Return Receipt (Signature)	94148118987658 33005776	ANNE ELIZABETH LAWRENCE	5909 Beverly Dr E Apt 2130		Benbrook	TX	76132-5872	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	
Certified with Return Receipt (Signature)	94148118987658 MICHAEL AND PAMELA 33005912 MOORE REVOCABLE TRUST	Michael Herd Moore & Pamela Christine Moore,	PO Box 2893	Co-Ttees	Frisco	TX	75034-0054 04/01/2023 07:46:28	Your item was delivered to the front desk, reception area, or mail room at 12:17 pm on March 31, 2023 in FRISCO, TX 75034.	D
Certified with Return Receipt (Signature)	94148118987658 33005967	ANN AKIN A/K/A ANN ALLISON	5115 2nd St Unit 6		Lubbock	TX	79416-3144 03/29/2023 00:44:36	Your item was delivered to an individual at the address at 2:02 pm on March 28, 2023 in LUBBOCK, TX 79416.	
Certified with Return Receipt (Signature)	94148118987658 33005929 James McWhorter, Ttee	THE MARY J. MCWHORTER TRUST	PO Box 1087		Ashland	OR	97520-0037 04/01/2023 07:46:30	Your item was picked up at the post office at 11:58 am on March 31, 2023 in ASHLAND, OR 97520.	D
Certified with Return Receipt (Signature)	94148118987658 33005905	ARRINGTON OIL & GAS ROYALTY FUND LLC	PO Box 2071		Midland	TX	79702-2071 03/29/2023 00:44:37	Your item was delivered at 8:08 am on March 28, 2023 in MIDLAND, TX 79702.	D
Certified with Return Receipt (Signature)	94148118987658 Brent W. McWhorter Or Ruth 33005998 A. McWhorter, Ttee	MCWHORTER FAMILY TRUST, DATED 10/30/2000	6140 E Voltaire Ave		Scottsdale	AZ	85254-3807	Your item arrived at our USPS facility in PHOENIX AZ DISTRIBUTION CENTER ANNEX on May 4, 2023 at 9:06 pm. The item is currently in transit to the destination.	ı
Certified with Return Receipt (Signature)	94148118987658 33005943	REGENERATION ENERGY CORP	PO Box 210		Artesia	NM	88211-0210 03/30/2023 01:46:00	Your item was picked up at the post office at 10:53 am on March 29, 2023 in ARTESIA, NM 88210.	D
Certified with Return Receipt (Signature)	94148118987658 33004533	ALLAR DEVELOPMENT LLC	PO Box 1567		Graham	TX	76450-7567 04/04/2023 07:45:25	Your item was delivered to an individual at the address at 10:16 am on April 3, 2023 in GRAHAM, TX 76450.	S D
Certified with Return Receipt (Signature)	94148118987658 33005981	REGEN ROYALTY CORP	PO Box 210		Artesia	NM	88211-0210 03/30/2023 01:46:00	Your item was picked up at the post office at 10:53 am on March 29, 2023 in ARTESIA, NM 88210.	D
Certified with Return Receipt (Signature)	94148118987658 33005936	MONGOOSE MINERALS LLC	600 W Illinois Ave		Midland	TX	79701-4882 03/30/2023 01:46:01	Your item was picked up at a postal facility at 7:49 am on March 29, 2023 in MIDLAND, TX 79702.	D

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со	80206-5827 03/28/2023 01:47:14 80206-5827 03/28/2023 01:47:13	Your item was delivered to the front desk, reception area, or mail room at 3:44 pm on March 27, 2023 in	D D
TX	77098-0552 04/09/2023 07:44:25	Your item was delivered at 8:42 am on April 8, 2023 in HOUSTON, TX 77098.	D
со	80220-5035 03/28/2023 01:47:14	Your item was delivered to an individual at the address at 3:41 pm on March 27, 2023 in DENVER, CO 80220.	D
TX	75225-6736 03/29/2023 00:44:37	Your item was delivered to an individual at the address at 1:14 pm on March 28, 2023 in DALLAS, TX 75225.	D

Released

Certified with Return Recept (Signature) Certified with Return Recept (Signature)

94148118987658 33004571

94148118987658

94148118987658 33005257

94148118987658 33005264

94148118987658 33005226

33005219

FRANKLIN MOUNTAIN ENERGY, LLC

RHEINER HOLDINGS LLC

PREVAIL ENERGY LLC

MONTICELLO MINERALS LLC

LLC

FRANKLIN MOUNTAIN ROYALTY INVESTMENTS

44 Cook St Ste 1000

44 Cook St Ste 1000

PO Box 980552

521 Dexter St

4128 Bryn Mawr Dr

Denver

Denver

Houston

Denver

Dallas

# **Affidavit of Publication**

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated March 26, 2023 and ending with the issue dated March 26, 2023.

Publisher Publisher

Sworn and subscribed to before me this 26th day of March 2023.

Business Manager

My commission expires January 29, 2027

(Seal)

STATE OF NEW MEXICO

NOTARY PUBLIC

GUSSIE RUTH BLACK

COMMISSION # 1087526

COMMISSION EXPIRES 01/29/2027

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

#### LEGAL NOTICE March 26, 2023

To all interested parties subject to notice Including: BEXP I LP; The Allar Company; Allar Development LLC; Franklin Mountain Energy, LLC; Franklin Mountain Royalty Investments LLC; Rheiner Holdings LLC; Prevail Energy LLC; Monticello Minerals LLC; Crownrock Minerals LP; Chevron Usa Inc; Viper Energy Partners LLC; New Mexico Western Minerals Inc; BEXP I OG LLC; Renald J Byers Company LLC; William C & Elaine M Walker Family Trust; The Cornerstone Family Trust; Office of Natural Resources Revenue; Cayuga Royalties LLC; COG Operating LLC; Malibu Resources LLC; Innoventions Inc; Rrig Energy LLC; Stagner LLC; The Miller Family Mineral Interest LLC; The William E. Walker Living Trust; Mary Rachel Headley; Tate Byrne Jennings; Scot C Miller; Sandi Miller; Percy Lee Lawrence, Iii & Patricia C. Lawrence, David W. Lawrence & Meg Depender Lawrence; Anne Elizabeth Lawrence; Michael And Pamela Moore Revocable Trust; Ann Akin; Ann Allison; The Mary J. Mcwhorter Trust; Arrington Oil & Gas Royalty Fund LLC; Mcwhorter Family Trust, Dated 10/30/2000; Regeneration Energy Corp; Regen Royalty Corp; Mongoose Minerals LLC, Personal Administrators Inc., John Kyle Thoma; Karin Hudges; William E. Walker II; Michael Herd Moore; Pamela Christine Moore; James Mcwhorter; Brent W. Mcwhorter; Ruth A. Mcwhorter and their successors or assigns. On March 22, 2023, Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) submitted this application requesting administrative approval for pool commingling of oil and gas production for the following wells located in Lot 4, SW/4NW/4, W/2SW/4 of Section 12, Township 24 South, Range 34 East, Lea County, New Mexico and any additional infill wells that produce from the same pools within the subject lands with notice provided only to the interest owners within these future spacing units pursuant to 19.15.12.10.C(4)(g) NMAC:

AP (30-025-) 51133	Well Name DINGO FEDERAL COM #111H	Unit Letter E	Section- Township-Range S12-T24S-R34E	Pool Name (Pool Code) Red Hills; Bone Spring North (96434)
51134	DINGO FEDERAL COM #115H	E	S12-T24S-R34E	North (96434) Red Hills; Bone Spring North (96434)
51135	DINGO FEDERAL COM #121H	Ε	S12-T24S-R34E	Red Hills; Bone Spring North (96434)
51136	DINGO FEDERAL COM #131H	E	S12-T24S-R34E	Red Hills; Bone Spring North (96434)
51137	DINGO FEDERAL COM #201H	E	S12-T24S-R34E	Antelope Ridge; Wolfcamp (2220)

Oil and gas production from these pools, wells, and lands will be commingled and sold at the Dingo Fed Com CTB located in Section 12, Township 24 South, Range 34 East. Prior to commingling, gas production from each separator will be separately metered with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each separator will also be separately metered using turbine meters. Any objection to this application must be filed in writing within twenty days from the date of publication with the applicant and the New Mexico Oil Conservation Division 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. If you have any questions about this application, please contact Jeff Trlica at (720) 772-5910.

67117307

00276977

MICHAEL RODRIGUEZ TAP ROCK OPERATING LLC 523 PARK POINT DR GOLDEN, CO 80401 From: Michael Rodriguez McClure, Dean, EMNRD

Subject: RE: [EXTERNAL] Action ID: 372043; PLC-914 Thursday, September 7, 2023 11:20:32 AM Date:

Attachments: image001.png

image002.png

Dingo Fed Com BLM Sundry Commingling Approved 20230817.pdf

Good afternoon Dean, attached is the BLM-approved surface commingling Sundry for the wells listed in the subject application. Noted regarding your additional notes, thank you for pointing that out.

Please let me know if there is anything else I can address.

Thank you,

### Michael Rodriguez

Staff Attorney (720) 245-2606 mdrodriguez@taprk.com



From: McClure, Dean, EMNRD < Dean. McClure@emnrd.nm.gov>

Sent: Sunday, September 3, 2023 2:45 PM

To: Michael Rodriguez <mdrodriguez@taprk.com> Subject: [EXTERNAL] Action ID: 372043; PLC-914

#### [EXTERNAL] This email originated from outside your organization. Do not trust links or attachments.

To whom it may concern (c/o Michael Rodriquez for Tap Rock Operating, LLC),

The Division is reviewing the following application:

Action ID	372043
Admin No.	PLC-914
Applicant	Tap Rock Operating, LLC (372043)
Title	Dingo CTB
Sub. Date	3/22/2023

Please provide the following additional supplemental documents:

Please provide additional information regarding the following:

• Please confirm that the BLM has received notice of this application. Please note that the federal revenue office in Denver may not be noticed in lieu of the regional BLM offices such as the one in Santa Fe or the one in Carlsbad.

### Additional notes:

 Please note that the notice exceptions granted under 19.15.12.10 C.(4)(g) NMAC are not related to the infill well request. The language within this application is not sufficient to meet the requirements for 19.15.12.10 C.(4)(g) approval. Additionally, that language is not really sufficient to meet the infill well requirements either. I speculate that this application may have been submitted prior to a discussion with myself clarifying the topics. If not, please reach out independently of this application for clarification.

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval for pool commingling of oil and gas production for the following wells located in Lot 4, SW/4NW/4, W/2SW/4 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, Lea County, New Mexico and any additional infill wells that produce from the same pools within the subject lands with notice provided only to the interest owners within these future spacing units pursuant to 19.15.12.10.C(4)(g) NMAC:

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

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-914** 

### **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 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.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. 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.
- 6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 7. 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**

8. 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.

Order No. PLC-914 Page 1 of 4

- 9. 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.
- 10. 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.
- 11. 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.
- 12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 13. Applicant's defined parameters to prospectively include additional pools, leases, and wells do not comply with 19.15.12.10.C.(4)(g) NMAC.
- 14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

- 1. Applicant is authorized to surface commingle 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 or gas title transfer meter 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 a 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 commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling 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

Order No. PLC-914 Page 2 of 4

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 oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
- 4. 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.
- 5. 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.
- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. 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.
- 8. Applicant's request for authorization to add pools, leases, and wells prospectively pursuant to 19.15.12.10.C.(4)(g) NMAC is denied.
- 9. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 10. 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).
- 11. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

Order No. PLC-914 Page 3 of 4

# STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLANM. FUGE

**DIRECTOR** 

Order No. PLC-914 Page 4 of 4

**DATE:** 9/11/2023

### State of New Mexico Energy, Minerals and Natural Resources Department

# Exhibit A

Order: PLC-914

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

Central Tank Battery: Dingo Central Tank Battery

Central Tank Battery Location: UL E, Section 12, Township 24 South, Range 34 East Gas Title Transfer Meter Location: UL E, Section 12, 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
NMNM 105395477 (113417)	DE L	1-24S-34E
Fee	SW/4 SW/4	1-24S-34E
Fee	W/2 NW/4	12-24S-34E

Wells					
Well API	Well Name	UL or Q/Q	S-T-R	Pool	
30-025-51133	Dings Esdavel Com #111H	W/2 W/2	1-24S-34E	96434	
30-025-51155	Dingo Federal Com #111H	W/2 NW/4	12-24S-34E	90434	
30-025-51134	Dings Esdavel Com #115H	W/2 W/2	1-24S-34E	96434	
30-025-51154	Dingo Federal Com #115H	W/2 NW/4	12-24S-34E	90434	
30-025-51135	Dingo Fodoval Com #121H	W/2 W/2	1-24S-34E	96434	
30-023-31133	Dingo Federal Com #121H	W/2 NW/4	12-24S-34E		
30-025-51136	Dingo Fodoval Com #121H	W/2 W/2	1-24S-34E	96434	
30-023-31130	Dingo Federal Com #131H	W/2 NW/4	12-24S-34E	90434	
30-025-51137	Dings Esdavel Com #201H	W/2 W/2	1-24S-34E	2220	
30-025-3113/	Dingo Federal Com #201H	W/2 NW/4	12-24S-34E	2220	

# State of New Mexico Energy, Minerals and Natural Resources Department

# Exhibit B

Order: PLC-914

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

Pooled Areas						
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID		
CA Bone Spring NMNM 105824669	W/2 W/2 W/2 NW/4	1-24S-34E 12-24S-34E	240.02	A		
CA Wolfcamp NMNM 105824668	W/2 W/2 W/2 NW/4	1-24S-34E 12-24S-34E	240.02	В		

# **Leases Comprising Pooled Areas**

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 105395477 (113417)	DEL	1-24S-34E	120.02	A
Fee	SW/4 SW/4	1-24S-34E	40	A
Fee	W/2 NW/4	12-24S-34E	80	A
NMNM 105395477 (113417)	DEL	1-24S-34E	120.02	В
Fee	SW/4 SW/4	1-24S-34E	40	В
Fee	W/2 NW/4	12-24S-34E	80	В

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

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 199910

### **CONDITIONS**

Operator:	OGRID:
TAP ROCK OPERATING, LLC	372043
523 Park Point Drive	Action Number:
Golden, CO 80401	199910
	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.	9/11/2023