

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

**APPLICATION OF TAP ROCK RESOURCES,
LLC FOR COMPULSORY POOLING AND AN
UNORTHODOX WELL LOCATION, LEA
COUNTY, NEW MEXICO.**

Case No. _____

APPLICATION

Tap Rock Resources, LLC applies for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 18 and the E/2E/2 of Section 19, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the E/2E/2 of Section 18 and the E/2E/2 of Section 19, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Black Marlin Fed. Com. Well Nos. 204H, 214H, and 216H to a depth sufficient to test the Wolfcamp formation. The wells have first take points in the NE/4NE/4 of Section 18 and last take points in the SE/4SE/4 of Section 19. Applicant seeks to dedicate the E/2E/2 of Section 18 and the E/2E/2 of Section 19 to the wells.
3. Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the E/2E/2 of Section 18 and the E/2E/2 of Section 19 for the purposes set forth herein.
4. Although applicant attempted to obtain to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the

Wolfcamp formation underlying the E/2E/2 of Section 18 and the E/2E/2 of Section 19, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Wolfcamp formation underlying the E/2E/2 of Section 18 and the E/2E/2 of Section 19 will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. Order No. R-21080, dated February 10, 2020 named Impetro Oil & Gas, LLC ("Impetro") as operator of the subject well unit. Applicant has the obtained the right to operate the well unit from Impetro, and requests that Tap Rock Operating, LLC be named operator of the well unit.

7. The Black Marlin Fed. Com. Well No. 216H is at an unorthodox well location, being located 1210 feet from the east lines of Sections 18 and 19.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the E/2E/2 of Section 18 and the E/2E/2 of Section 19;
- B. Approving the unorthodox location for the Black Marlin Fed. Com. Well No. 216H;
- C. Designating Tap Rock Operating, LLC as operator of the wells;
- D. Considering the cost of drilling, completing, and equipping the wells, and allocating the costs thereof among the wells' working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

- F. Setting a 200% charge for the risk assumed by applicant in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

A handwritten signature in blue ink that reads "James Bruce". The signature is written in a cursive style with a large initial "J".

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

Attorney for Tap Rock Resources, LLC