

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

**APPLICATION OF TAP ROCK RESOURCES,  
LLC FOR COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO.**

**Case No. \_\_\_\_\_**

**APPLICATION**

Tap Rock Resources, LLC applies for an order pooling all uncommitted mineral interests in the Wolfcamp formation in a horizontal spacing unit underlying the E/2 of Section 27 and Lots 5, 6, 11, and 12 (the E/2) of Section 34, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the E/2 of Section 27 and the E/2 of Section 34, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool):
  - (a) the WTG Fed. Com. Well No. 203H, with a first take point in the NW/4NE/4 of Section 27, and the last take point in Lot 11 of Section 34;
  - (b) the WTG Fed. Com. Well No. 204H, with a first take point in the NE/4NE/4 of Section 27, and the last take point in Lot 12 of Section 34;
  - (c) the WTG Fed. Com. Well No. 206H, with a first take point in the NW/4NE/4 of Section 27, and the last take point in Lot 11 of Section 34;
  - (d) the WTG Fed. Com. Well No. 208H, with a first take point in the NE/4NE/4 of Section 27, and the last take point in Lot 12 of Section 34;

(e) the WTG Fed. Com. Well No. 213H, with a first take point in the NW/4NE/4 of Section 27, and the last take point in Lot 11 of Section 34;

(f) the WTG Fed. Com. Well No. 214H, with a first take point in the NE/4NE/4 of Section 27, and the last take point in Lot 12 of Section 34;

(g) the WTG Fed. Com. Well No. 216H, with a first take point in the NW/4NE/4 of Section 27, and the last take point in Lot 11 of Section 34; and

(h) the WTG Fed. Com. Well No. 218H, with a first take point in the NE/4NE/4 of Section 27, and the last take point in Lot 12 of Section 34.

The E/2 of Section 27 and the E/2 of Section 34 will be dedicated to the wells to form a standard 441.71-acre horizontal spacing unit.

3. Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the E/2 of Section 27 and the E/2 of Section 34 for the purposes set forth herein.

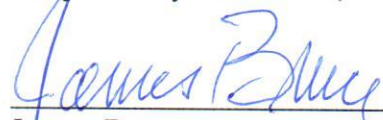
4. Although applicant attempted to obtain to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the E/2 of Section 27 and the E/2 of Section 34 pursuant to NMSA 1978 §70-2-17.

5. The pooling of mineral interests in the Wolfcamp formation underlying the well unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all uncommitted mineral interests in Wolfcamp formation underlying the E/2 of Section 27 and the E/2 of Section 34;
- B. Designating Tap Rock Operating, LLC as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the costs thereof among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk assumed by applicant in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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