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

APPLICATION OF TAP ROCK OPERATING, LLC FOR APPROVAL OF SURFACE COMMINGLING AT THE WTG TANK BATTERY, EDDY COUNTY, NEW MEXICO.

Case No.:	

APPLICATION

Tap Rock Operating, LLC (OGRID No. 372043) ("Tap Rock"), by and through its undersigned attorneys, applies for an order approving a pool and lease commingling at the WTG Tank Battery. In support of this application, Tap Rock states:

- 1. On July 20, 2021, Tap Rock filed an administrative application to authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the WTG Tank Battery located in the NW/4 NW/4 (Unit D) of Section 27, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, which is attached hereto as *Exhibit A*.
- 2. Tap Rock seeks authority to commingle production from the WC-015 G-03 S262925D; Bone Spring Pool (98211); and the Purple Sage; Wolfcamp (Gas) Pool (98220), from all existing and future wells drilled in the following spacing units:
 - (a) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the W/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the WTG Fed Com #121H well (API No. 30-015-47855), and the WTG Fed Com #122H well (API No. 30-015-47033);
 - (b) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the E/2 of Section 27 and the NE/4 of Section 34. The spacing unit is currently dedicated to the **WTG Fed Com #123H well** (API No. 30-015-47041), and the **WTG Fed Com #124H well** (API No. 30-015-47043);
 - (c) The 480-acre, more or less, spacing unit in the Purple Sage; Wolfcamp (Gas) Pool (98220) underlying the W/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the WTG Fed Com #201H well (API No. 30-015-46444), the WTG Fed Com #202H well (API No. 30-015-47029), the WTG Fed Com #205H well (API No. 30-015-46451), the WTG Fed

Com #212H well (API No. 30-015-47035), the WTG Fed Com #215H well (API No. 30-015-46467), the WTG Fed Com #217H well (API No. 30-015-47039), the WTG Fed Com #232H well (API No. 30-015-48296), the WTG Fed Com #235H well (API No. 30-015-48332), the WTG Fed Com #241H well (API No. 30-015-48190), and the WTG Fed Com #245H well (API No. 30-015-48186); and

- (d) Pursuant to 19.15.12.10.C(4)(g), future spacing units connected to this central tank battery with notice provided only to the interest owners within these future spacing units.
- 3. Notice of Tap Rock's administrative application was provided by certified mail to all affected persons as required by the Division rules on July 20, 2021. Public notice was also provided in a local newspaper.
- 4. On September 15, 2021, Tap Rock was notified by the Division that Red Bluff Water Power Control District filed a protest of Tap Rock's application. *See* Email from Division attached as *Exhibit B*. Tap Rock's efforts to discuss this protest with Red Bluff have not been successful.
- 5. Tap Rock requests that this matter be set for hearing before a Division Examiner. Notice of the filing of this application has been provided to Red Bluff by certified mail through its counsel of record.

WHEREFORE, Tap Rock requests that the Division set this matter for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, and that after notice and hearing the Division enter an order approving the requested surface commingling at the WTG Tank Battery.

Respectfully submitted,

HOLLAND & HART LLP

By:

Michael H. Feldewert
Adam G. Rankin
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrankin@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS FOR TAP ROCK OPERATING, LLC

R	ECEIVED:	REVIEWER:	TYPE:	APP NO:	
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'00	l:			POOI	Code:
S	UBMIT ACCURAT	E AND COMPLETE INI	FORMATION REQUI		THE TYPE OF APPLICATION
1)	A. Location -	ATION: Check those Spacing Unit – Simul SL NSP _{(PF}		n	SD
	[I]Comm □[[II]Injectio	e only for [1] or [11] ingling – Storage – M DHC CTB P on – Disposal – Pressu NFX PMX S	LC \square PC \square Cure Increase – Enha	anced Oil Recove	ery FOR OCD ONLY
2)	A. Offset o B. Royalty, C. Applica D. Notifica E. Surface G. For all o	REQUIRED TO: Check perators or lease hole, overriding royalty or ation requires published tion and/or concurrent owner owner of the above, proof occurred to the above, proof occurred to the above, proof occurred the above, proof occurred the above.	ders wners, revenue ow ed notice ent approval by SL ent approval by BL	vners O .M	Notice Complete Application Content Complete hed, and/or,
	administrative a understand that	I hereby certify that pproval is accurate to action will be take submitted to the Div	and complete to t ken on this applica	he best of my kno	• •
	Note	: Statement must be comple	eted by an individual with	managerial and/or sup	pervisory capacity.
				Date	
Prin	t or Type Name				
	4mm	'ull_		Phone Number	
Sigr	nature			e-mail Address	<u> </u>

EXHIBIT A



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

July 20, 2021

VIA ONLINE FILING

Adrienne Sandoval, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Application of Tap Rock Operating, LLC, to authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the WTG Tank Battery located in the NW/4 NW/4 (Unit D) of Section 27, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dear Ms. Sandoval:

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

- (a) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the W/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the WTG Fed Com #121H well (API No. 30-015-47855), and the WTG Fed Com #122H well (API No. 30-015-47033);
- (b) The 480-acre, more or less, spacing unit in the WC-015 G-03 S262925D; Bone Spring Pool (98211) underlying the E/2 of Section 27 and the NE/4 of Section 34. The spacing unit is currently dedicated to the WTG Fed Com #123H well (API No. 30-015-47041), and the WTG Fed Com #124H well (API No. 30-015-47043);
- (c) The 480-acre, more or less, spacing unit in the Purple Sage; Wolfcamp (Gas) Pool (98220) underlying the W/2 of Section 27 and the NW/4 of Section 34. The spacing unit is currently dedicated to the WTG Fed Com #201H well (API No. 30-015-46444), the WTG Fed Com #202H well (API No. 30-015-47029), the WTG Fed Com #205H well (API No. 30-015-46445), the WTG Fed Com #211H well (API No. 30-015-46451), the WTG Fed Com #212H well (API No. 30-015-47035), the WTG Fed Com

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska Colorado

Montana Nevada New Mexico Utah Washington, D.C. Wyoming

July 20, 2021 Page 2

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

(d) Pursuant to 19.15.12.10.C(4)(g), future spacing units connected to this central tank battery with notice provided only to the interest owners within these future spacing units.

Oil and gas production from these spacing units will be commingled and sold at the WTG Tank Battery located in the NW/4 NW/4 (Unit D) of Section 27. Prior to commingling, gas production from each spacing unit will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each spacing unit will also be separately metered using turbine meters.

Exhibit 1 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units, together with available production reports for the wells.

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Bill Ramsey, Regulatory Analyst with Tap Rock, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement), and a referenced gas sample (attachment B to the statement).

Exhibit 3 is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the Bureau of Land Management, since federal lands are involved.

Finally, there are no communitization agreements for the acreage subject to this application.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR TAP ROCK OPERATING, LLC

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

	Nov-20			Dec-20			Jan-21			Feb-21			Mar-2	1		Apr-21	
	Oil Prod	Gas Prod @15.025		Oil Prod	Gas Prod @15.025		Oil Prod	Gas Prod @15.025		Oil Prod	Gas Prod @15.025		Oil Prod	Gas Prod @15.025		Oil Prod	Gas Prod @15.025
WTG Fed Com #201	24414.06519	76653	WTG Fed Com #201	22775	75446	WTG Fed Com #201	18721	65673	WTG Fed Com #201	4578	20119	WTG Fed Com #201	8753	30261	WTG Fed Com #201	8371	43024
WTG Fed Com #202	24561.98706	121738	WTG Fed Com #202	14203	68192	WTG Fed Com #202	11008	53174	WTG Fed Com #202	8942	51199	WTG Fed Com #202	6321	38928	WTG Fed Com #202	12594	66358
WTG Fed Com #205	0	0	WTG Fed Com #205	17875	62356	WTG Fed Com #205	29919	114156	WTG Fed Com #205	17944	68732	WTG Fed Com #205	13783	51927	WTG Fed Com #205	13966	65511
WTG Fed Com #211	17732.30409	87245	WTG Fed Com #211	19818	106416	WTG Fed Com #211	8947	50073	WTG Fed Com #211	7488	46772	WTG Fed Com #211	10464	57070	WTG Fed Com #211	10669	77592
WTG Fed Com #212	0.0867	64	WTG Fed Com #212	4508	15137	WTG Fed Com #212	23922	84930	WTG Fed Com #212	6679	22888	WTG Fed Com #212	13591	51429	WTG Fed Com #212	12194	88082
WTG Fed Com #215	22685.59494	109991	WTG Fed Com #215	20469	92782	WTG Fed Com #215	12504	58977	WTG Fed Com #215	7022	36664	WTG Fed Com #215	7439	38939	WTG Fed Com #215	11134	90795
WTG Fed Com #217	29610.23661	134418	WTG Fed Com #217	17155	77624	WTG Fed Com #217	23897	114165	WTG Fed Com #217	18435	89221	WTG Fed Com #217	9982	49407	WTG Fed Com #217	15122	97918

EXHIBIT 1

Section Township

Range

Lot Idn

County

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

UL or lot no.

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

FORM C-102 Revised August 1, 2011 Submit one copy to appropriate **District Office**

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	¹ API Number 30-015-47855		² Pool Code 98211	SPRING					
Г	⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number				
1			WTG FED COM						
Γ	⁷ OGRID No.		⁸ O _I	perator Name	⁹ Elevation				
L	#372043		TAP ROCK	OPERATING, LLC.	2883'				

¹⁰Surface Location

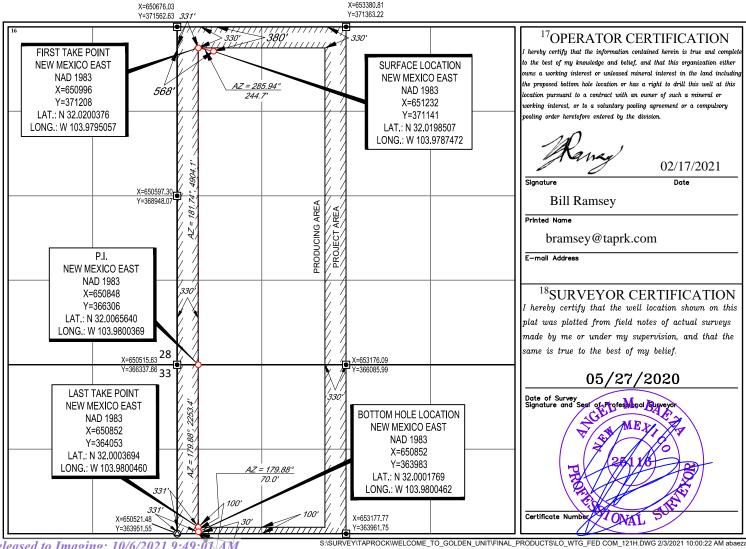
Feet from the

D	27	26-S	29-E	_	380'	NORTH	568'	WEST	EDDY			
	11Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
9	34	26-S	29-E	_	30'	SOUTH	331'	WEST	EDDY			
12Dedicated Acres	¹³ Joint or	Infill 14C	onsolidation Co	de ¹⁵ Ord	er No.							
480												

North/South line

Feet from the

East/West line



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

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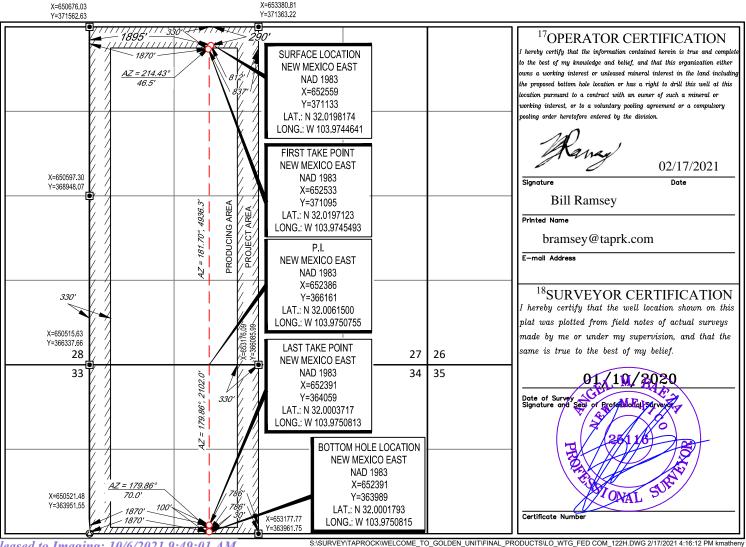
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe 30-015-47	'API Number 30-015-47033		² Pool Code 3Pool Name 98211 WC-015 G-03 S262925D;BONE S					
⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number				
		WTG FED COM						
⁷ OGRID N₀.		⁸ O _I	perator Name	⁹ Elevation				
#372043		TAP ROCK	OPERATING, LLC.	2885'				

¹⁰Surface Location

	OL or lot no.		10wnsnip	Range	Lot lan	****		1005	East/ West fille	,		
	C	27	26-S	29-E	_	290'	NORTH	1895'	WEST	EDDY		
•	¹¹ Bottom Hole Location If Different From Surface											
	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
	10	34	26-S	29-E	_	30'	SOUTH	1870'	WEST	EDDY		
	12Dedicated Acres	¹³ Joint or l	Infill 14Co	onsolidation Co	de ¹⁵ Ord	er No.						
	420											



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

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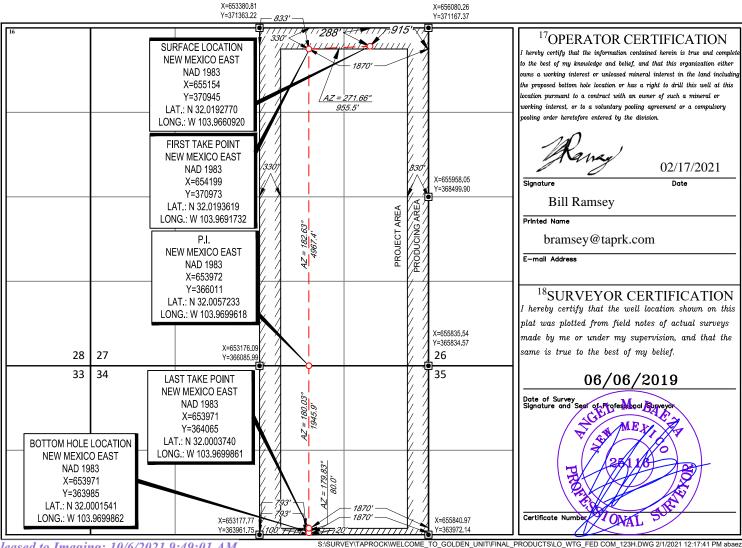
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-47041		² Pool Code 98211	SPRING					
⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number				
		WTG FED COM						
⁷ OGRID N₀.		⁸ O _I	perator Name	⁹ Elevation				
372043		TAP ROCK	OPERATING, LLC.	2886'				

¹⁰Surface Location

UL or lot no.		Township	Range	Lot Idn	Feet from the			East/West line				
A	27	26-S	29-E	1	288'	NORTH	915'	EAST	EDDY			
	¹¹ Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
11	34	26-S	29-E	_	20'	SOUTH	1870'	EAST	EDDY			
12Dedicated Acres	¹³ Joint or l	Infill 14Co	nsolidation Co	de ¹⁵ Ord	er No.							
480												



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

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FORM C-102 Revised August 1, 2011 Submit one copy to appropriate **District Office**

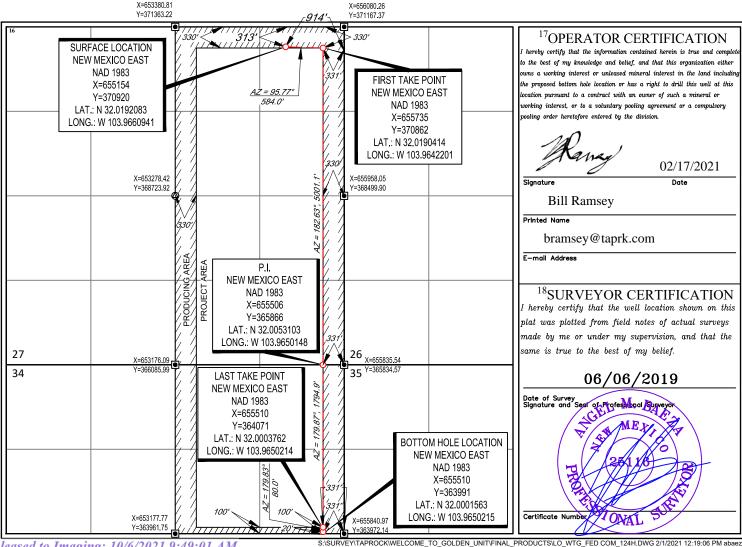
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-47034		² Pool Code 98211	SPRING				
⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number			
		WTG FED COM					
⁷ OGRID No.		⁸ O _I	perator Name	⁹ Elevation			
372043		TAP ROCK	OPERATING, LLC.	2886'			

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
A	27	26-S	29-E	-	313'	NORTH	914'	EAST	EDDY			
	¹¹ Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
12	34	26-S	29-E	-	20'	SOUTH	331'	EAST	EDDY			
12Dedicated Acres	¹³ Joint or l	Infill 14Co	nsolidation Co	de ¹⁵ Ord	er No.							
480												



District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

FORM C-102
Revised August 1, 2011
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AMENDED REPORT

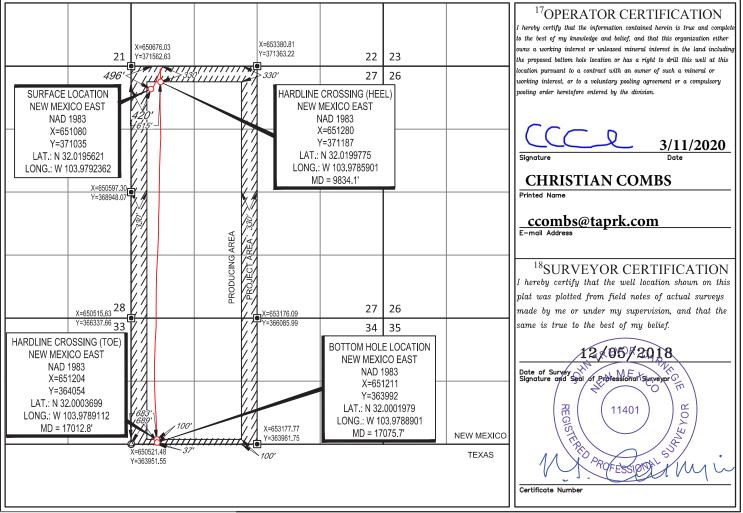
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	r	² Pool Code		
30-015-4644	4	98220	PURPLE SAGE; WOLFCAMP	
⁴ Property Code		5Pr	operty Name	⁶ Well Number
326330		WTG	FED COM	201H
⁷ OGRID N₀.		⁸ O _I	perator Name	⁹ Elevation
#372043		TAP ROCK	OPERATING, LLC.	2884'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	26-S	29-E	_	496'	NORTH	420'	WEST	EDDY
	¹¹ Bottom Hole Location If Different From Surface								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
9	34	26-S	29-E	_	37'	SOUTH	689'	WEST	EDDY



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

Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
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Department
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1220 South St. Francis Dr.
Santa Fe, NM 87505

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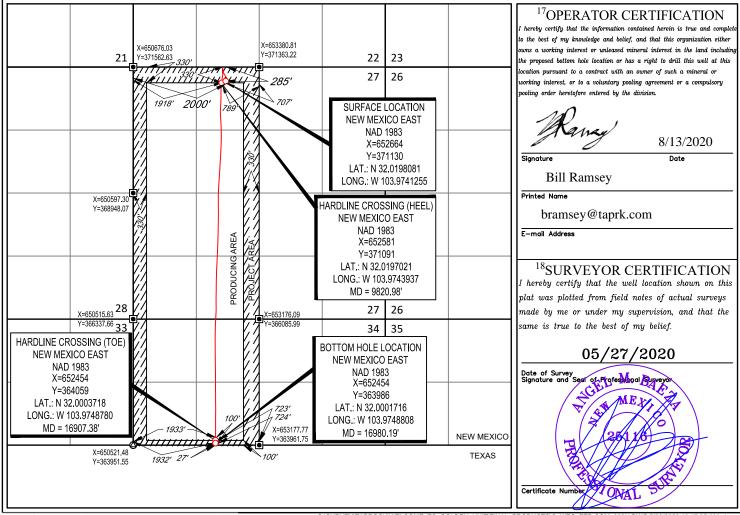
AMENDED REPORT
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe 30-015-47	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCA!	MP
⁴ Property Code 326330		operty Name FED COM	⁶ Well Number 202H
⁷ OGRID №. #372043		oerator Name OPERATING, LLC.	⁹ Elevation 2885'

¹⁰Surface Location

UL or lot no.	Section 27	Township 26-S	Range 29-E	Lot Idn	Feet from the 285'	North/South line NORTH	Feet from the 2000'	East/West line WEST	County EDDY
	11Bottom Hole Location If Different From Surface								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
10	34	26-S	29-E	-	27'	SOUTH	1932'	WEST	EDDY
12Dedicated Acres	² Dedicated Acres ¹³ Joint or Infill ¹⁴ Consolidation Code ¹⁵ Order No.								



County

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no.

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X A

East/West line

Feet from the

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe	er	² Pool Code	³ Pool Name				
30-015-46445		98220	PURPLE SAGE ; WOLFCAMP				
⁴ Property Code		⁵ Property Name					
326330	WTG FED COM 2051						
⁷ OGRID No.		⁸ Operator Name					
#372043	TAP ROCK OPERATING, LLC. 2883'						
¹⁰ Surface Location							

Surface Location
Feet from the No.

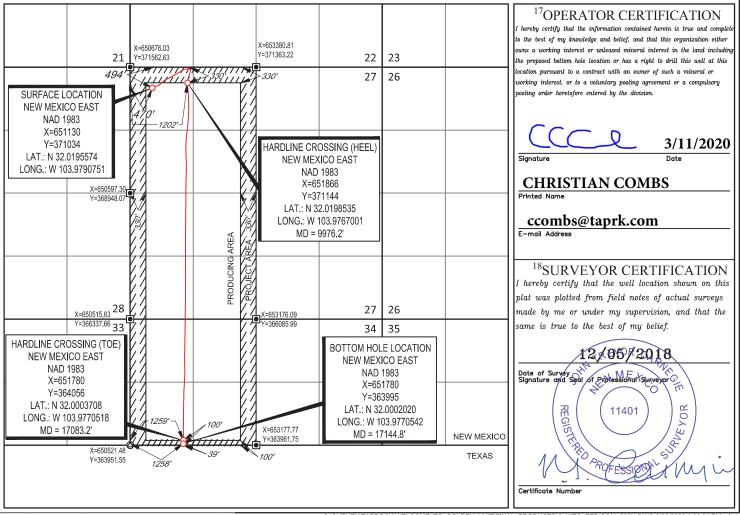
Lot Idn

Range

D	27	26-S	29-E	_	494'	NORTH	470'	WEST	EDDY	
	11Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
9	34	26-S	29-E	_	39'	SOUTH	1258'	WEST	EDDY	

North/South line

Section Township



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 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Santa Fe, NM 87505

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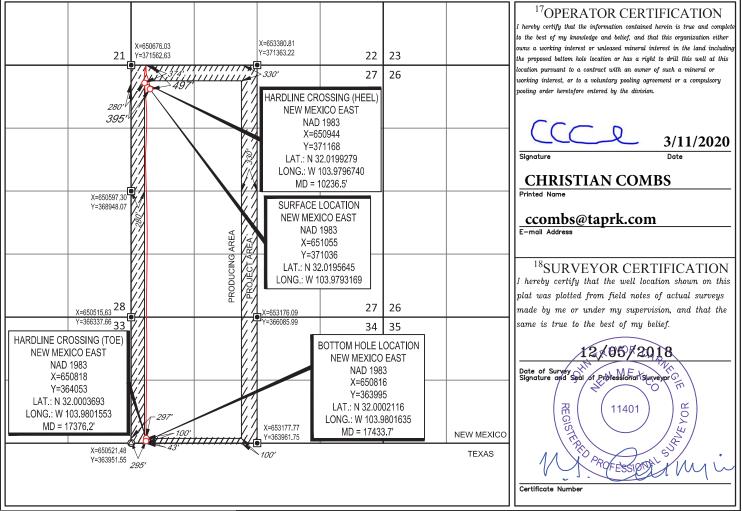
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numb	¹ API Number ² Pool Code		³ Pool Name			
30-015-46451		98220	PURPLE SAGE; WOLFO	GE; WOLFCAMP		
⁴ Property Code		⁶ Well Number				
326330	WTG FED COM 211H					
⁷ OGRID No.		⁸ Operator Name				
#372043	TAP ROCK OPERATING, LLC. 2884'					
10 Surface Location						

Surface Location Feet from the

UL or lot no.	Section 27	Township 26-S	Range 29-E	Lot Idn —	Feet from the 497'	North/South line NORTH	Feet from the 395'	East/West line WEST	County EDDY
	11Bottom Hole Location If Different From Surface								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
9	34	26-S	29-E	_	43'	SOUTH	295'	WEST	EDDY

¹²Dedicated Acres ¹³Joint or Infill Consolidation Code ⁵Order No.



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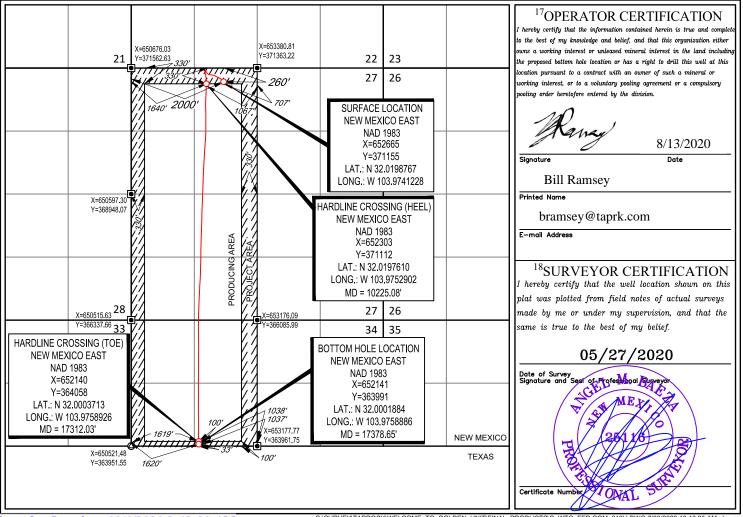
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-47035		² Pool Code 98220	MP					
⁴ Property Code		⁶ Well Number						
326330	WTG FED COM 212H							
⁷ OGRID No.		⁸ Operator Name						
#372043		TAP ROCK OPERATING, LLC.						

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	26-S	29-E	_	260'	NORTH	2000'	WEST	EDDY
			11]	Bottom Ho	le Location If D	Different From Su	rface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
10	34	26-S	29-E	-	33'	SOUTH	1620'	WEST	EDDY
12Dedicated Acres	¹³ Joint or l	infill 14Co	nsolidation Co	de ¹⁵ Ord	er No.				
457.78									
1									



Section Township

County

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UL or lot no.

State of New Mexico
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X

East/West line

Feet from the

AMENDED REPORT
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46467		² Pool Code 98220	MP				
⁴ Property Code		⁵ Property Name					
326330	WTG FED COM 21:						
⁷ OGRID No.		⁸ O _I	perator Name	⁹ Elevation			
#372043	TAP ROCK OPERATING, LLC. 2884'						
10 Surface Location							

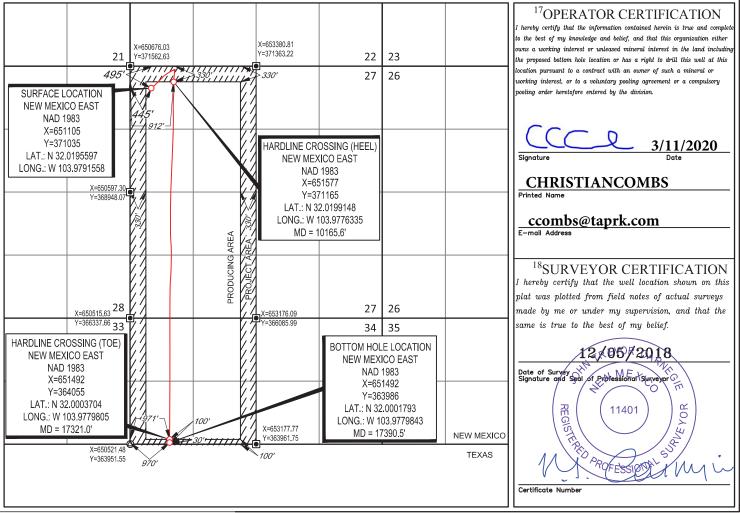
Surface Location
Feet from the N

Lot Idn

Range

	D	27	26-S	29-E	-	495'	NORTH	445'	WEST	EDDY		
	11Bottom Hole Location If Different From Surface											
ſ	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
	9	34	26-S	29-E	_	30'	SOUTH	970'	WEST	EDDY		
ſ	12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.											

North/South line



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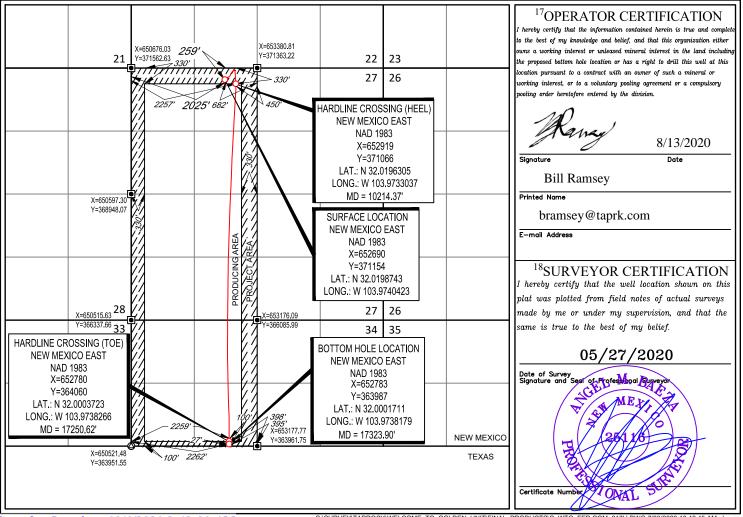
AMENDED REPORT
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

	¹ API Number 30-015-47039		³ Pool Name PURPLE SAGE; WOLFCA!	MP
⁴ Property Code		⁵ Pr	⁶ Well Number	
326330		WTG	FED COM	217H
⁷ OGRID No.		⁸ O _I	perator Name	⁹ Elevation
#372043		TAP ROCK	2885'	

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
C	27	26-S	29-E	-	259'	NORTH	2025'	WEST	EDDY		
	11Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
10	34	26-S	29-E	-	27'	SOUTH	2262'	WEST	EDDY		
¹² Dedicated Acres	¹³ Joint or I	nfill ¹⁴ Co	nsolidation Cod	de ¹⁵ Ord	er No.	•					



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1625 N. French Dr., Hobbs, NM 88240
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Phone: (505) 476-3460 Fax: (505) 476-3462

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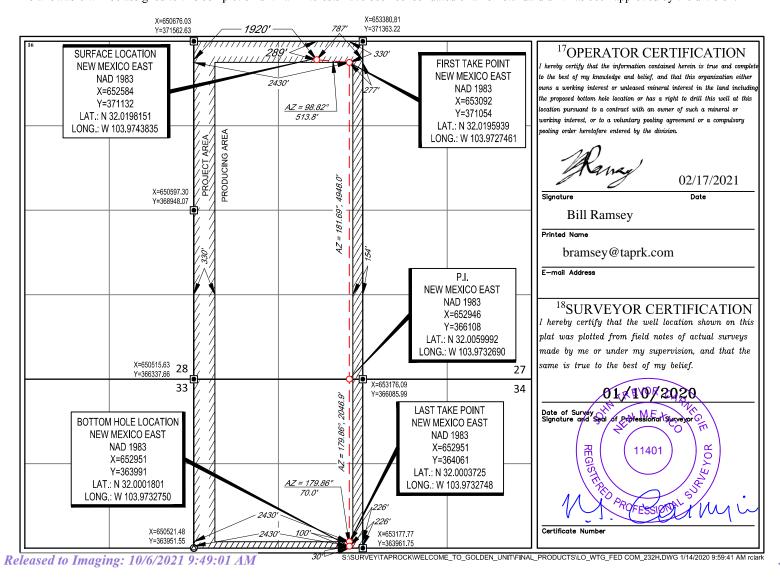
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Numbe 30-015-48	² Pool Code 98220		
⁴ Property Code 326330	WTG	⁶ Well Number 232H	
⁷ OGRID №. #372043		orrator Name OPERATING, LLC.	⁹ Elevation 2886'

¹⁰Surface Location

C C	Section 27	Township 26-S	29-E	Lot Idn —	Feet from the 289'	NORTH	1920'	WEST	EDDY		
	11Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
10	34	26-S	29-E	-	30'	SOUTH	2430'	WEST	EDDY		
12Dedicated Acres	¹³ Joint or 1	Infill 14Cc	nsolidation Co	de ¹⁵ Ord	er No.						
461.86											



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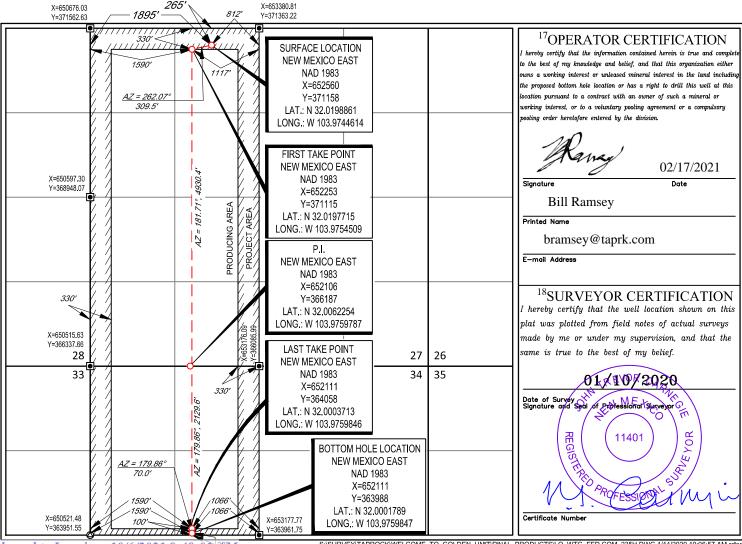
AMENDED	REPORT
I AMENDED	KEPUK

WELL LOCATION AND ACREAGE DEDICATION PLAT

	¹API Number 30-015-48332		² Pool Code 98220 PURPLE SAGE; WOLFCAMP			
⁴ Property Code 326330			FED COM	⁶ Well Number 235H		
⁷ OGRID №. #372043			operator Name OPERATING, LLC.	⁹ Elevation 2886'		

¹⁰Surface Location

UL	or lot no.		Township	Range	Lot Idn	Feet from the		Feet from the	East/West line	*		
	C	27	26-S	29-E	_	265'	NORTH	1895'	WEST	EDDY		
	11Bottom Hole Location If Different From Surface											
UL	or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
	10	34	26-S	29-E	_	30'	SOUTH	1590'	WEST	EDDY		
¹² Dec	dicated Acres	¹³ Joint or 1	nfill 14Cc	nsolidation Co	de ¹⁵ Ord	er No.						
4	161.86											



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

457.78

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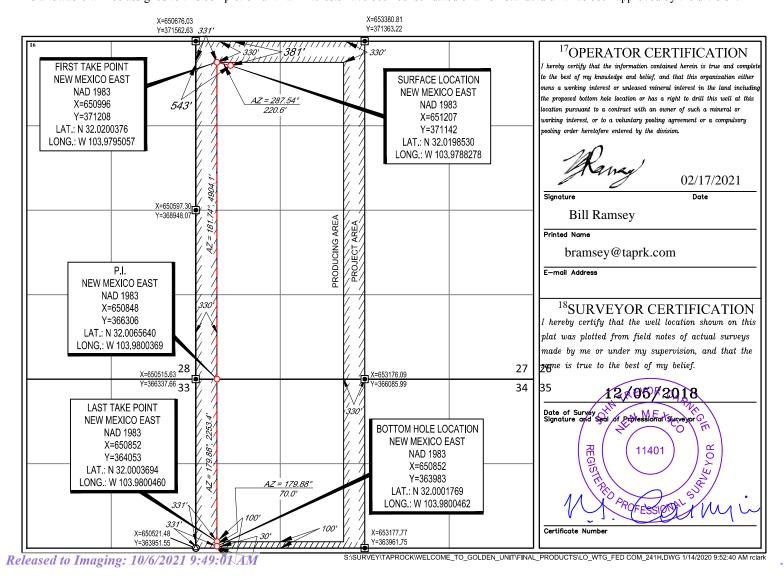
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe 30-015-48	² Pool Code 98220		
⁴ Property Code 326330	WTG	⁶ Well Number 241 H	
⁷ OGRID №. #372043		oerator Name OPERATING, LLC.	⁹ Elevation 2883'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
D	27	26-S	29-E	-	381'	NORTH	543'	WEST	EDDY		
	¹¹ Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
9	34	26-S	29-E	-	30'	SOUTH	331'	WEST	EDDY		
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.											



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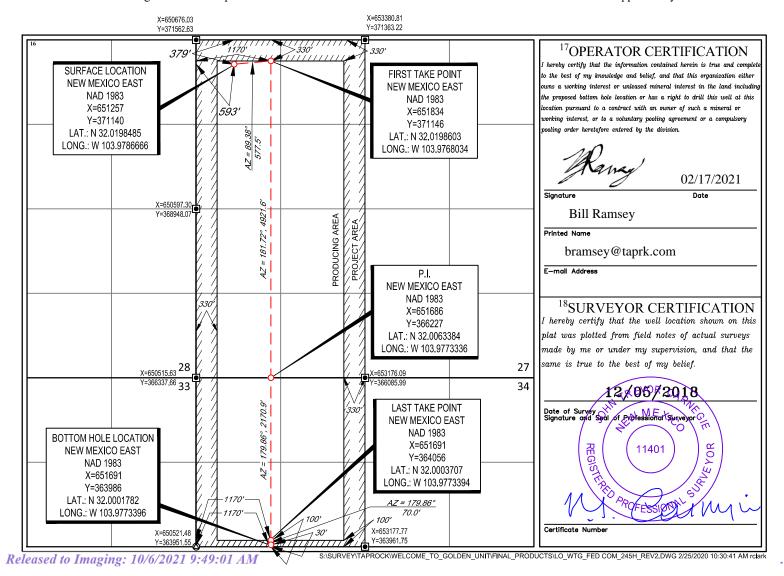
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-48186		² Pool Code 98220			
⁴ Property Code 326330			⁵ Property Name WTG FED COM		
⁷ OGRID No. #372043		-1	operator Name OPERATING, LLC.	⁹ Elevation 2882'	

¹⁰Surface Location

UL or lot no.	Section 27	Township 26-S	29-E	Lot Idn —	Feet from the 379'	North/South line	Feet from the 593'	East/West line WEST	EDDY		
	11Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
9	34	26-S	29-E	-	30'	SOUTH	1170'	WEST	EDDY		
¹² Dedicated Acres	¹³ Joint or l	Infill 14Co	nsolidation Co	de ¹⁵ Ord	er No.		-				



<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410
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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.

	Top Book Operating	COMMINGLING	(DIVERSE	OWNERSHIP)									
OPERATOR NAME: OPERATOR ADDRESS:	Tap Rock Operating 523 Park Point Dr. Suite 200. 0	Golden CO 90401											
	PPLICATION TYPE:												
Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Pool Commingling ☐ Pool Commingling ☐ Pool Commingling ☐ Lease Commingling ☐ Pool Commingling ☐ Lease Commingling ☐ Pool Commingling ☐													
LEASE TYPE: Fee State Federal Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No.													
	anagement (BLM) and State Land				ingling								
(A) POOL COMMINGLING Please attach sheets with the following information													
(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													
				1									
]									
	at top allowables? ☐Yes ☒No												
, · · · · · · · · · · · · · · · · · · ·	Metering ☐ Other (Specify) se the value of production? ☐ Yes			ing should be approved									
		SE COMMINGLINGS is with the following in											
Please attach sheets with the following information (1) Pool Name and Code. (2) Is all production from same source of supply?													
	` ,	d LEASE COMMIN											
(1) Complete Sections A and													
	(B) ABB == 1 A= A=	TOP LCT	CLIDES CO.										
	(D) OFF-LEASE ST	FORAGE and MEA tets with the following											
(1) Is all production from sam			moi manun										
(2) Include proof of notice to	— —												
	(E) ADDITIONAL INTE	ADMATION (e u	lannliasti t	emag)									
(E) ADDITIONAL INFORMATION (for all application types) Please attach sheets with the following information													
(1) A schematic diagram of fa	acility, including legal location.		-										
=	ies showing all well and facility locat Well Numbers, and API Numbers.	tions. Include lease number	ers if Federal or Sta	ate lands are involved.									
I hereby certify that the informa	tion above is true and complete to the	e best of my knowledge ar	nd belief.										
SIGNATURE:	_	TTLE: Regulatory Ana		DATE: <u>6/29/2021</u>									
TYPE OR PRINT NAME_Bill	Ramsey	TELEPHONE NO.	<u> 720-238-2787</u>										
E-MAIL ADDRESS: brams	sey@taprk.com_												

TAP ROCK RESOURCES, LLC

523 PARK POINT DRIVE, SUITE 200 GOLDEN, COLORADO 80401



June 29th, 2021

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Application of Tap Rock Operating, LLC for administrative approval for approval to surface commingle (pool commingle) oil and gas production from the spacing units comprised of Section 27, Township 26S, Range 29E, Eddy County, New Mexico (the "Lands")

To Whom This May Concern,

Tap Rock Operating, LLC ("Tap Rock"), OGRID No. 372043, requests to commingle current oil and gas production from fifteen (15) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual liquid coriolis flow meters for oil and ultrasonic flow meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and ultrasonic flow meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations. We have attached a sample gas analysis from the closest producing well near the Lands at **Exhibit B** as no well on the Lands is currently producing.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an ultrasonic flow meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other well's metered gas. The gathering line is then metered by another ultrasonic flow meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter is tested and calibrated in accordance with industry specifications and

volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

Regards,

TAP ROCK OPERATING, LLC

Bill Ramsey

Regulatory Analyst

TAP ROCK RESOURCES, LLC

523 PARK POINT DRIVE, SUITE 200 GOLDEN, COLORADO 80401



GAS ALLOCATION

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

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

OIL ALLOCATION

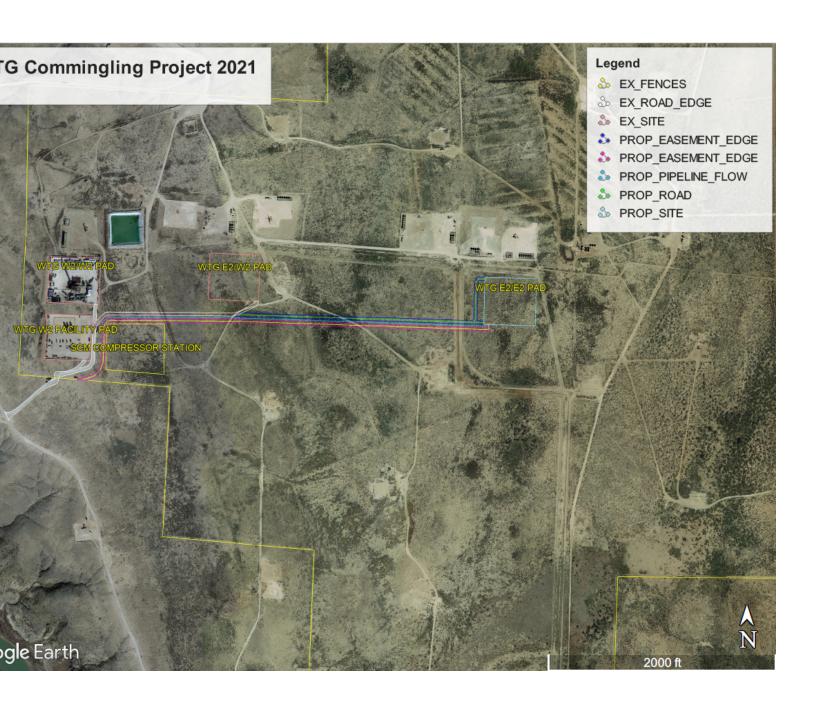
Total net facility measurement point volumes are total sold from the central tank battery to the gathering line and is calculated by net central tank battery oil allocation. Each well has an oil meter measuring the volume of oil produced by the well. This volume is used as the allocation point to prorate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

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

WATER ALLOCATION

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

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



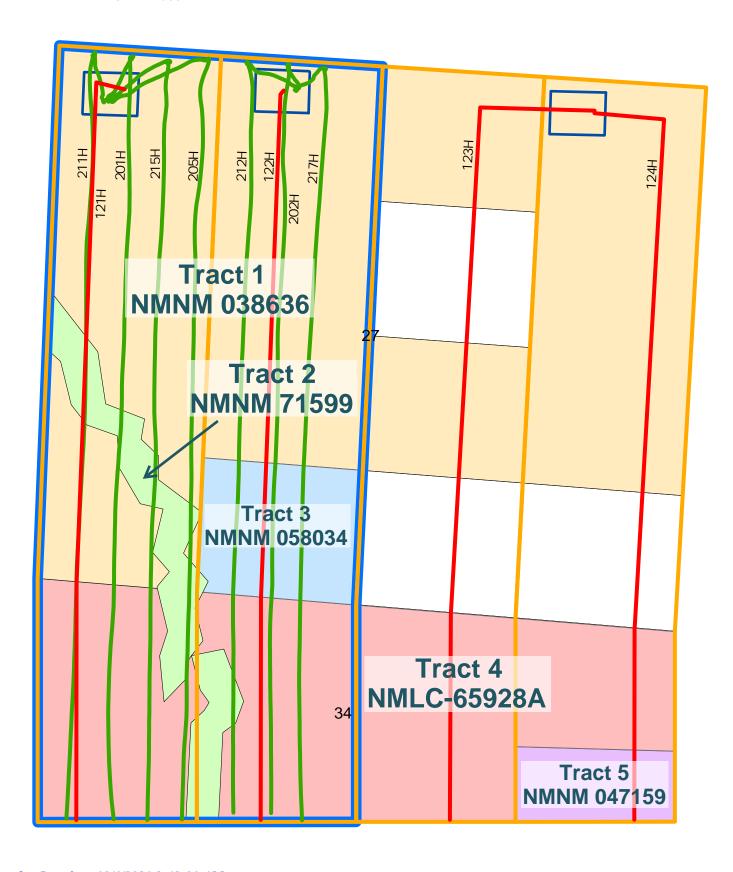
WTG BS Units

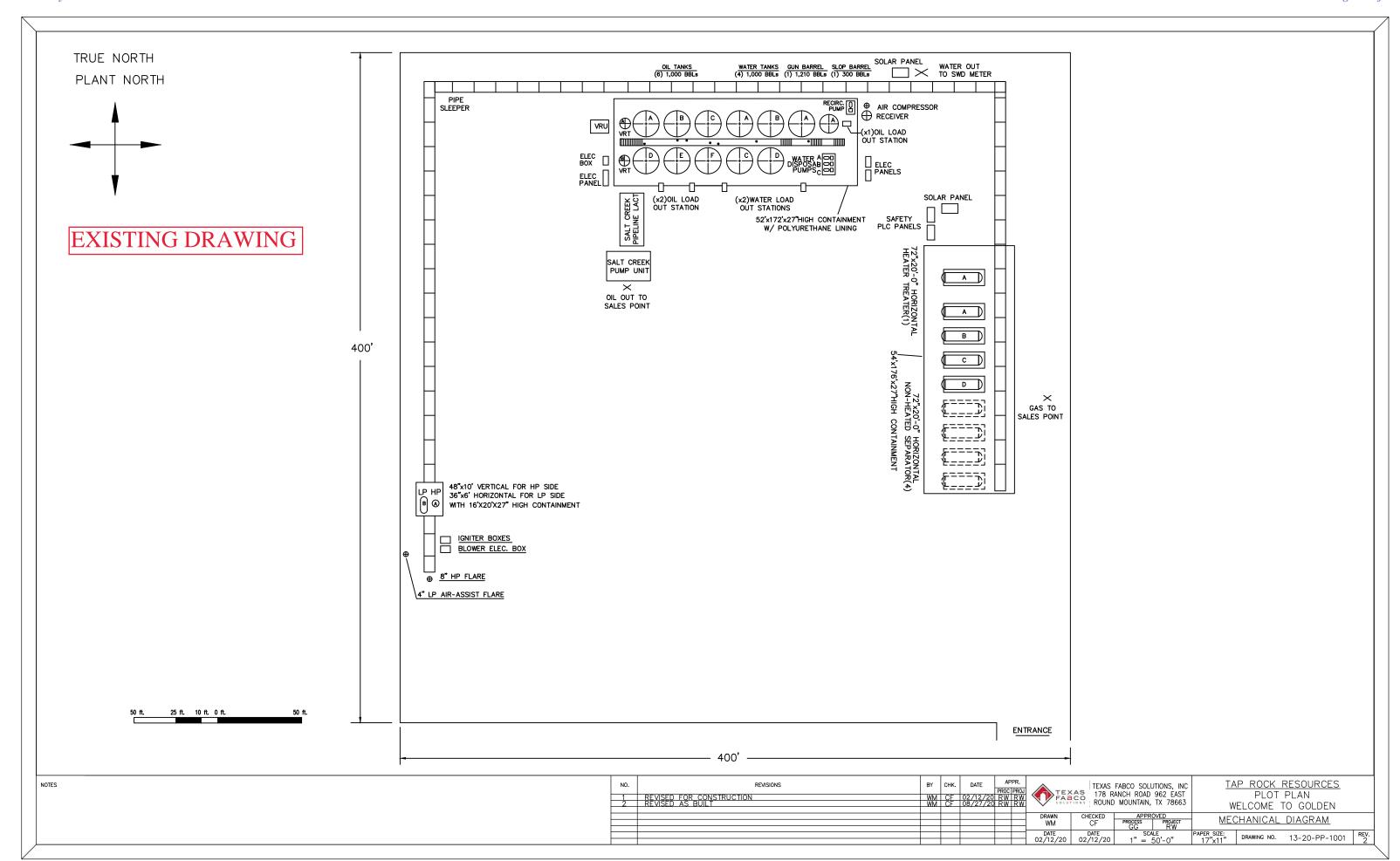
WTG W/2 Wolfcamp Unit

WTG BS Wells

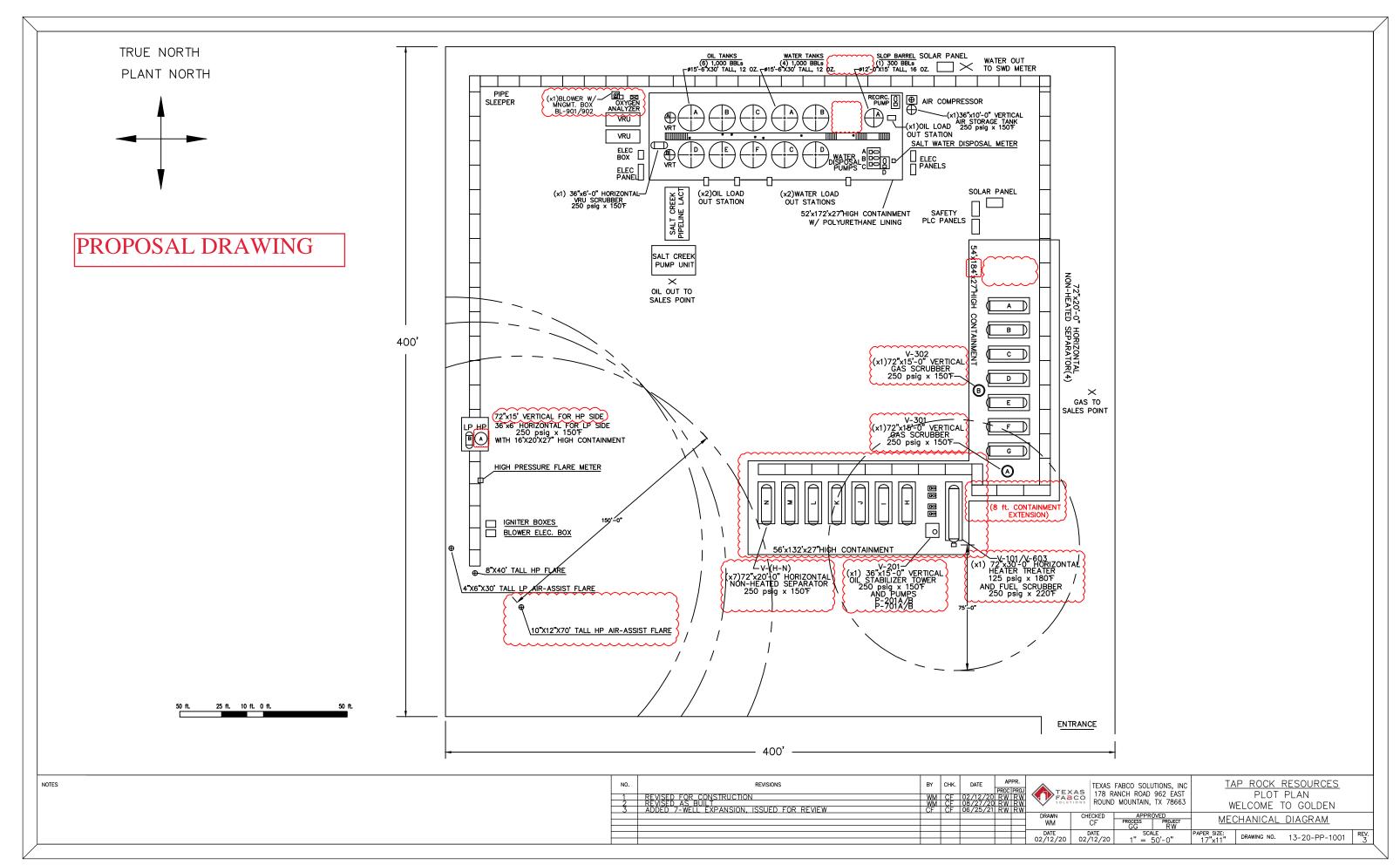
WTG Drilled WC Wells

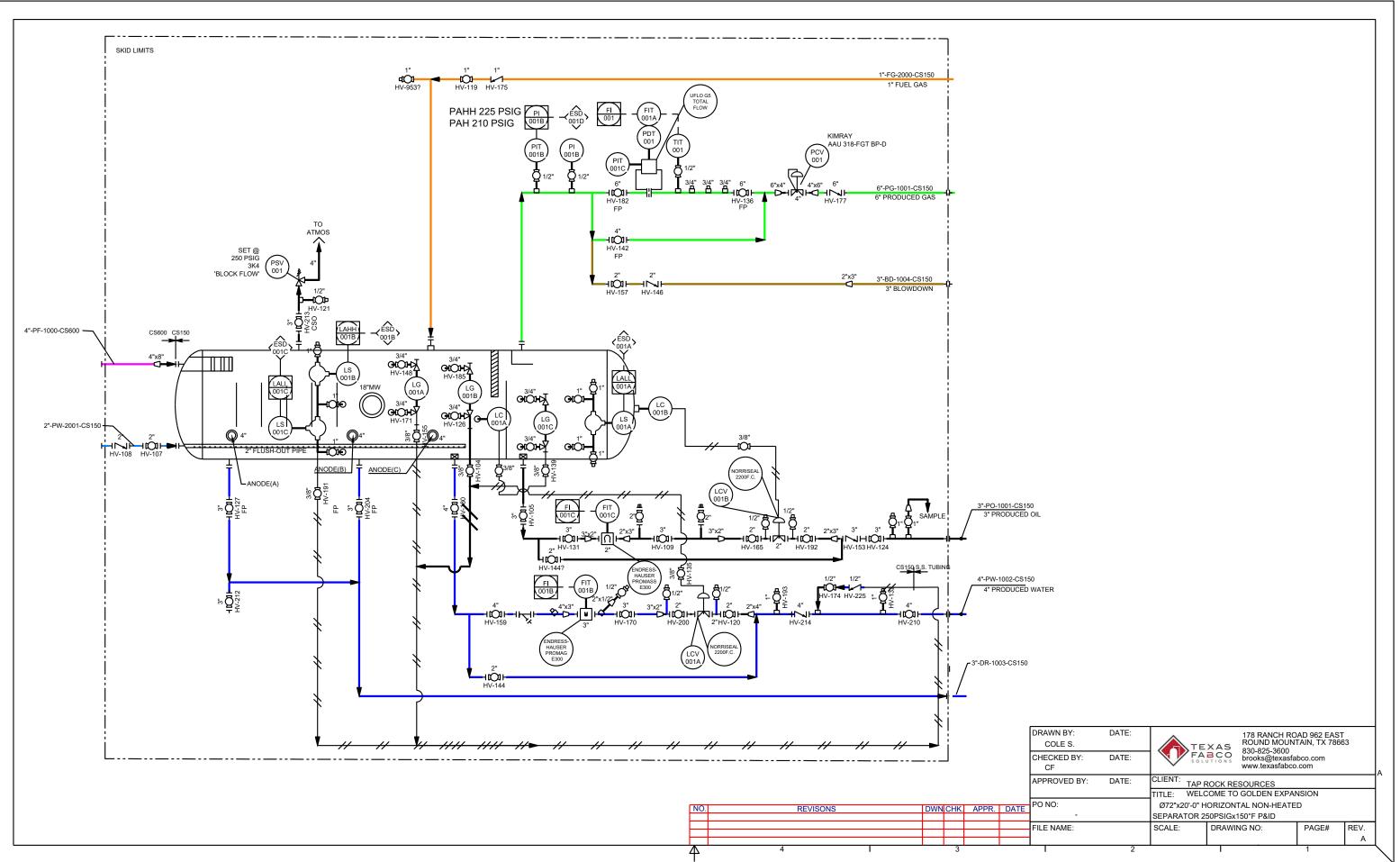
WTG Drill Pads

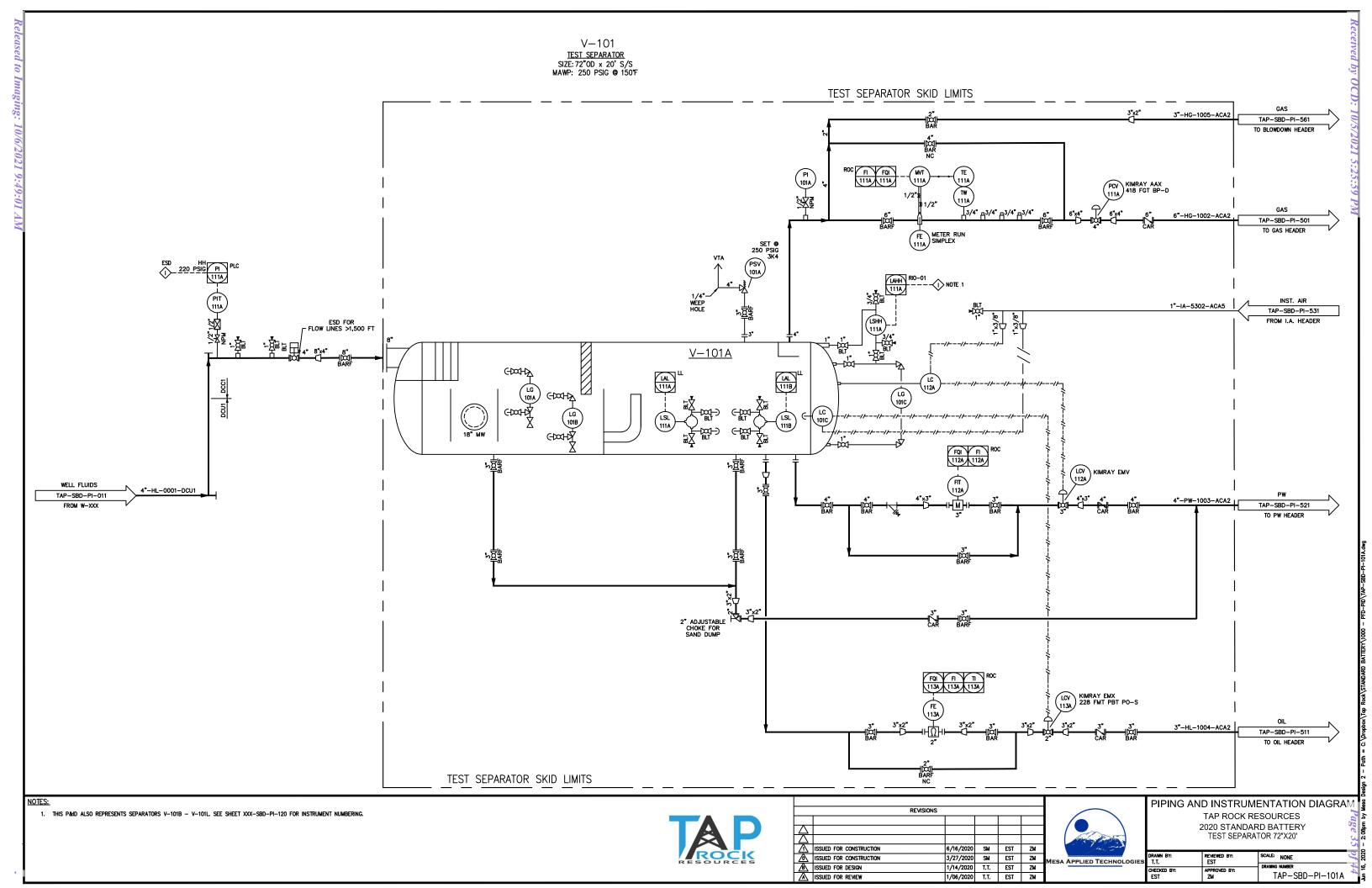




EXISTING DRAWING TRUE NORTH PLANT NORTH WELL HEAD WELL HEAD WELL HEAD \bigoplus \bigoplus #211H #201H #215H #205H 4" FLOWLINES UNDER GROUND UNDER GROUND ABOVE GROUND ABOVE GROUND 4,kb 600#南南南南南<u>南</u>南 3" FLOWLINE 2" FLOWLINE 量量量量2°FP 600# 2" FLOWLINES UNDER GROUND FLOWLINES FROM UNDER GROUND WELLHEAD TO PRODUCTION FACILITY FUTURE GAS LIFT FLOWLINES TAP ROCK RESOURCES WELLHEAD PLOT PLAN WELCOME TO GOLDEN NOTES TEXAS FABCO SOLUTIONS, INC 178 RANCH ROAD 962 EAST ROUND MOUNTAIN, TX 78663 REVISIONS CHECKED CF DRAWN MECHANICAL DIAGRAM JOB NO. DRAWING NO. 13-20-M-1013 DATE DATE 01/16/20 01/16/20









Certificate of Analysis

Number: 6030-21060214-011A

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

Alex Batista

Taprock

602 Park Point Drive

Ste. 200

Golden, CO 80401

Station Name: Welcome to Golden FC 201H

Station Number: 7060127 Sample Point: Meter Run

Sample Point: Meter Run Formation: Quarterly

County: Eddy
Type of Sample: Spot-

Type of Sample: Spot-Cylinder Heat Trace Used: N/A

Sampling Method: Fill and Purge

Sampling Company: SPL

Sampled By: Alan

Sample Of: Gas Spot

Sample Date: 06/21/2021

Sample Conditions: 73 psig, @ 112 °F Ambient: 90 °F

June 22, 2021

Effective Date: 06/21/2021 Method: GPA-2261M

Cylinder No: 5030-01735

Instrument: 6030_GC6 (Inficon GC-3000 Micro)

Last Inst. Cal.: 06/21/2021 0:00 AM

Analyzed: 06/22/2021 12:42:17 by EJR

Analytical Data

Components Un-nor			GPM at 14.73 psia			
Hydrogen Sulfide	0.000	0.000	0.000		GPM TOTAL C2+	6.998
Nitrogen	0.855	0.856	1.057		GPM TOTAL C3+	3.770
Methane	75.015	75.097	53.110		GPM TOTAL iC5+	1.075
Carbon Dioxide	0.106	0.106	0.206			
Ethane	12.008	12.021	15.935	3.228		
Propane	6.084	6.091	11.840	1.685		
Iso-butane	0.881	0.882	2.260	0.290		
n-Butane	2.274	2.276	5.832	0.720		
Iso-pentane	0.578	0.579	1.842	0.213		
n-Pentane	0.728	0.729	2.319	0.265		
Hexanes Plus	1.362	1.363	5.599	0.597		
	99.891	100.000	100.000	6.998		
Calculated Physical Properties	 S	To	otal	C6+		
Relative Density Real Gas		0.78	363	3.2176		
Calculated Molecular Weight		22.68		93.19		
Compressibility Factor		0.9957				
GPA 2172 Calculation:						
Calculated Gross BTU per ft ³	@ 14.73 ps	sia & 60°F				
Real Gas Dry BTU	-	1359		5141		
Water Sat. Gas Base BTU		1336		5052		
Ideal, Gross HV - Dry at 14.73 p	sia	135	2.8	5141.1		
Ideal, Gross HV - Wet		132	9.3	5051.6		
Net BTU Wet Gas - real gas		12	214			

Comments: H2S Field Content 2.5 ppm

Mcf/day 1754

Exi Ray

Data reviewed by: Eric Ramirez, Analyst

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

OWNER NUMBER	OWNER NAME	OWNER NAME 2	ADDRESS	ADDRESS2	CITY	STATE_ID	ZIP	OWNER PHONE #	OWNER EMAIL
353	TAP ROCK RESOURCES LLC 52		523 PARK POINT DRIVE	SUITE 200	GOLDEN	CO	80401		
355	TAP ROCK MINERALS LP 5:		523 PARK POINT DR STE 200		GOLDEN	CO	80401		
1076	OFFICE OF NATURAL RESOURCES REVENUE		PO BOX 25627		DENVER	CO	80225-0627		
1079	COG OPERATING LLC		600 W ILLINOIS AVE		MIDLAND	TX	79701-4882	432-685-4347	
1994	MEKUSUKEY OIL COMPANY LLC		PO BOX 816		WEWOKA	OK	74884		
2115	WING RESOURCES III LLC		2100 MCKINNEY AVE SUITE 1540		DALLAS	TX	75201	214-420-6733	
2374	RED BLUFF WATER POWER CONTROL DISTRICT C/O JENNINGS, LOSEE AND CARSON		PO BOX 1180		ROSWELL	NM	88202		
2375	PIVOTAL PERMIAN BASIN II LLC		2021 MCKINNEY AVE STE 1250		DALLAS	TX	75201		
1480	WPX ENERGY PERMIAN, LLC		3500 ONE WILLIAMS CENTER, MD	3	TULSA	OK	74172-0135		
1079 1994 2115 2374 2375	COG OPERATING LLC MEKUSUKEY OIL COMPANY LLC WING RESOURCES III LLC RED BLUFF WATER POWER CONTROL DISTRICT PIVOTAL PERMIAN BASIN II LLC	C/O JENNINGS, LOSEE AND CARSON	600 W ILLINOIS AVE PO BOX 816 2100 MCKINNEY AVE SUITE 1540 PO BOX 1180 2021 MCKINNEY AVE STE 1250	3	MIDLAND WEWOKA DALLAS ROSWELL DALLAS	TX OK TX NM TX	79701-4882 74884 75201 88202 75201		

EXHIBIT 3



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

July 20, 2021

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Tap Rock Operating, LLC, to authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the WTG Tank Battery located in the NW/4 NW/4 (Unit D) of Section 27, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date by Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043). Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

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

For questions regarding this application, please contact Dana Arnold, General Counsel for Tap Rock Operating, LLC, at (720)-460-3497.

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR TAP ROCK OPERATING, LLC



Shipment Confirmation Acceptance Notice

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

Tap Rock_WTG PLC C107B

Shipment Date: 07/20/2021

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City:_SANTA FE

State:_NM ZIP+4® _87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	11
Total	11

^{*}Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

- Home screen > Mailing/Shipping > More
 Select Shipment Confirm
 Scan or enter the barcode/label number from PS Form 5630
- Confirm the volume count message by selecting Yes or No
 Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE

9275 0901 1935 6200 0030 3893 27



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	□ Insured Mail □ Signature Confirma	tion													
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11

Kaitlyn A. Luck

From: Engineer, OCD, EMNRD < OCD.Engineer@state.nm.us>

Sent: Wednesday, September 15, 2021 2:42 PM

To: Kaitlyn A. Luck

Cc: Candace Callahan; Engineer, OCD, EMNRD

Subject: Notification of Protest for Application to Surface Commingle Wells at the WTG Tank

Battery (CTB-1009)

Attachments: 2021.09.14 Notice of Opposition.pdf

External Email

Ms. Luck,

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

Contact for Protestant: Candace Callahan, Attorney 500 Don Gaspar Avenue Santa Fe, New Mexico 87505-2626

Phone: 505.983.8764

Email: ccallahan@bwenergylaw.com

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

EXHIBIT B

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW

500 DON GASPAR AVENUE SANTA FE, NEW MEXICO87505-2626 TELEPHONE (505) 983-8545 FACSIMILE (505) 983-8547 www.bwenergylaw.com

CASPER

DENVER

NORTH DAKOTA

SALT LAKE CITY

SANTA FE

CANDACE CALLAHAN

DIRECT: (505) 983-8764

E-MAIL: CCALLAHAN@BWENERGYLAW.COM

September 14, 2021

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

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

Dear Mr. McClure:

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

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

BEATTY & WOZNIAK, P.C.

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

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

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

Very truly yours,

BEATTY & WOZNIAK, P.C.

Candace Callahan

xc: Jeffrey M. Johnston; Robin Prewit