

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

**APPLICATION OF TAP ROCK OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 22654



Talco State Fed Com 111H, 112H, 125H, and 127H

April 7, 2022

Revised Checklist and Revised Exhibit 3

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Tab 1.

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COMPULSORY POOLING APPLICATION CHECKLIST

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2	ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
3	Case: 22654	APPLICANT'S RESPONSE
4	Date	April 7, 2022
5	Applicant	Tap Rock Operating, LLC
6	Designated Operator & OGRID (affiliation if applicable)	372043
7	Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & Ricardo Gonzales)
8	Case Title:	Application of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico
9	Entries of Appearance/Intervenors:	None at this time
10	Well Family	Talco State Fed Com Wells
11	Formation/Pool	
12	Formation Name(s) or Vertical Extent:	Bone Spring Formation
13	Primary Product (Oil or Gas):	Oil
14	Pooling this vertical extent:	Bone Spring Formation
15	Pool Name and Pool Code:	WC-025 G-09 S263527D; BONE SPRING [98143]
16	Well Location Setback Rules:	Statewide rules
17	Spacing Unit Size:	640 acres, more or less
18	Spacing Unit	
19	Type (Horizontal/Vertical)	Horizontal
20	Size (Acres)	640 acres, more or less
21	Building Blocks:	Quarter-quarter section (40 ac)
22	Orientation:	North-South
23	Description: TRS/County	W/2 of Sections 16 and 21, Township 26 South, Range 35 East in Lea County, New Mexico
24	Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
25	Other Situations	
26	Depth Severance: Y/N. If yes, description	No; See Exhibit A at 2, ¶ 15
27	Proximity Tracts: If yes, description	E/2 W2 of Sections 16 and 21, T26S-R35E
28	Proximity Defining Well: if yes, description	Talco State Fed Com 125H well located within the W/2 W/2 of Sections 16 and 21, T26S-R35E
29	Applicant's Ownership in Each Tract	0% in Tract 1; 0% in Tract 2; 99.775% in Tract 3, see Exhibit A, ¶ 13 and Exhibit 3
30	Well(s)	
31	Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
32	Well #1	Talco State Fed Com #111H, API No. 30-025-48605 SHL: 435' FNL and 1188' FWL, Section 16, T26S-R35E, NMPM BHL: 5' FSL and 331' FWL, Section 21, T26S-R35E, NMPM Completion Target: First Bone Spring at ~10625' Well Orientation: North-South Completion location expected to be standard
33	Horizontal Well First and Last Take Points	FTP (~331' FWL and 100' FNL of Section 16, T26S-R35E) LTP (~331' FWL and 100' FSL of Section 21, T26S-R35E)
34	Completion Target (Formation, TVD and MD)	First Bone Spring - TVD (~10,625'), MD (~21,285')

A	B
<p>Well #2</p> <p>35</p>	<p>Talco State Fed Com #112H, API No. 30-025-48606 SHL: 410' FNL and 1214' FWL, Section 16, T26S-R35E, NMPPM BHL: 5' FSL and 1650' FWL, Section 21, T26S-R35E, NMPPM Completion Target: First Bone Spring at ~10625' Well Orientation: North-South Completion location expected to be standard</p>
<p>Horizontal Well First and Last Take Points</p> <p>36</p>	<p>FTP (~993' FEL and 100' FNL of Section 16, T26S-R35E) LTP (~992' FEL and 100' FSL of Section 21, T26S-R35E)</p>
<p>Completion Target (Formation, TVD and MD)</p> <p>37</p>	<p>First Bone Spring - TVD (~10,625'), MD (~21,285')</p>
<p>Well #3</p> <p>38</p>	<p>Talco State Fed Com #125H, API No. Pending SHL: 410' FNL and 1189' FWL, Section 16, T26S-R35E, NMPPM BHL: 5' FSL and 1050' FWL, Section 21, T26S-R35E, NMPPM Completion Target: Second Bone Spring Sand at ~ 11,000' Well Orientation: North-South Completion location expected to be standard</p>
<p>Horizontal Well First and Last Take Points</p> <p>39</p>	<p>FTP (~1050' FWL and 100' FNL of Section 16, T26S-R35E) LTP (~1050' FWL and 100' FSL of Section 21, T26S-R35E)</p>
<p>Completion Target (Formation, TVD and MD)</p> <p>40</p>	<p>Second Bone Spring Sand- TVD (~11,000'), MD (~21,660')</p>
<p>Well #4</p> <p>41</p>	<p>Talco State Fed Com #127H, API No. Pending SHL: 435' FNL and 1,214' FWL, Section 16, T26S-R35E, NMPPM BHL: 5' FSL and 2,310' FWL, Section 21, T26S-R35E, NMPPM Completion Target: Second Bone Spring Sand at ~10625' Well Orientation: North-South Completion location expected to be standard</p>
<p>Horizontal Well First and Last Take Points</p> <p>42</p>	<p>FTP (~332' FEL and 100' FNL of Section 16, T26S-R35E) LTP (~332' FWL and 100' FSL of Section 21, T26S-R35E)</p>
<p>Completion Target (Formation, TVD and MD)</p> <p>43</p>	<p>Second Bone Spring Sand- TVD (~11,000'), MD (~21,660')</p>
<p>44 AFE Capex and Operating Costs</p>	

45 <i>Received by OCD: 4/11/2022 3:57:41 PM</i> Drilling Supervision/Month \$	\$8,000; see Exhibit A, ¶ 19
46 Production Supervision/Month \$	\$800; see Exhibit A, ¶ 19
47 Justification for Supervision Costs	Please see AFEs at Exhibit 5
48 Requested Risk Charge	200%; see Exhibit A, ¶ 20
49 Notice of Hearing	
50 Proposed Notice of Hearing	Submitted with online filing of Application
51 Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
52 Proof of Published Notice of Hearing (10 days before hearing)	n/a
53 Ownership Determination	
54 Land Ownership Schematic of the Spacing Unit	See Exhibit 2
55 Tract List (including lease numbers and owners)	Exhibit 3
56 Pooled Parties (including ownership type)	See Exhibit A, ¶ 14 and Exhibit 4; see also Notice Letter, attached to Exhibit C
57 Unlocatable Parties to be Pooled	3 ORRIs - See Exhibit C at Exhibit 2
58 Ownership Depth Severance (including percentage above & below)	None
59 Joinder	
60 Sample Copy of Proposal Letter	Exhibit 5
61 List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4
62 Chronology of Contact with Non-Joined Working Interests	Exhibit A, ¶ 18; Exhibit 6
63 Overhead Rates In Proposal Letter	n/a
64 Cost Estimate to Drill and Complete	See AFEs at Exhibit 5
65 Cost Estimate to Equip Well	See AFEs at Exhibit 5
66 Cost Estimate for Production Facilities	
67 Geology	
68 Summary (including special considerations)	Exhibit B, ¶¶ 5-9; see Exhibits 7-12
69 Spacing Unit Schematic	Exhibit 7
70 Gunbarrel/Lateral Trajectory Schematic	Exhibit 8
71 Well Orientation (with rationale)	Exhibit B, ¶ 10(d)
72 Target Formation	Exhibit 8
73 HSU Cross Section	Exhibit 10
74 Depth Severance Discussion	n/a
75 Forms, Figures and Tables	
76 C-102	Exhibit 1
77 Tracts	Exhibits 2 and 3
78 Summary of Interests, Unit Recapitulation (Tracts)	See Exhibit A, ¶ 13 and Exhibits 3-4
79 General Location Map (including basin)	Exhibit 7
80 Well Bore Location Map	Exhibit 11; see Exhibit 12
81 Structure Contour Map - Subsea Depth	Exhibit 9
82 Cross Section Location Map (including wells)	Exhibit 8
83 Cross Section (including Landing Zone)	Exhibit 10
84 Additional Information	
85 Special Provisions/Stipulations	None
86 CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
87 Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
88 Signed Name (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
89 Date:	4/5/2022 - Revised 4/11/22

Tab 2.

Tract List

Tract #	Legal	Mineral Ownership Type	Lease Number	Owners
1	NW/4 of Section 16, Township 26 South, Range 35 East	State	NM VB 2562-0001	Devon Energy Production Company, LP** - 100%
2	SW/4 of Section 16, Township 26 South, Range 35 East	State	NM VB 2573-0001	Devon Energy Production Company, LP** - 100%
3	W/2 of Section 21, Township 26 South, Range 35 East	Fed	NMNM 0448921A	Tap Rock Resources II, LLC - 99.775% Enriqueta Garrett - 0.225%

- * Final interest subject to division order title verification
- ** Not seeking to pool said party

Revised Exhibit 3
 Taprock Resources, LLC
 NMOCD Case No. 22654
 April 7, 2022