

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

District IV
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

Form C-101
August 1, 2011
Permit 249097

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|-------------------------------|
| 1. Operator Name and Address TAP ROCK OPERATING, LLC 602 Park Point Drive Golden, CO 80401 | | 2. OGRID Number 372043 |
| 4. Property Code 321012 | | 3. API Number 30-025-44656 |
| 5. Property Name COSMO K 24S35E3328 | | 6. Well No. 213H |

7. Surface Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| G | 33 | 24S | 35E | G | 2306 | N | 1902 | E | Lea |

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| G | 28 | 24S | 35E | G | 1520 | N | 2308 | E | Lea |

9. Pool Information

| | |
|-------------------------------|-------|
| WC-025 G-09 S243532M;WOLFBONE | 98098 |
|-------------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|---------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type Private | 15. Ground Level Elevation 3289 |
| 16. Multiple N | 17. Proposed Depth 19250 | 18. Formation Wolfcamp | 19. Contractor | 20. Spud Date 7/21/2018 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 750 | 750 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 5000 | 1730 | 0 |
| Int2 | 8.75 | 7.625 | 29.7 | 4500 | 250 | 0 |
| Int2 | 8.75 | 7.625 | 29.7 | 11800 | 640 | 4500 |
| Prod | 6.75 | 5.5 | 20 | 11800 | 0 | 0 |
| Prod | 6.75 | 5 | 18 | 19250 | 596 | 11800 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 10000 | 5000 | |
| Blind | 10000 | 5000 | |
| Annular | 10000 | 1500 | |

| | |
|--|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Clayton Sporich | Approved By: Paul Kautz |
| Title: Vice President - Land & Legal | Title: Geologist |
| Email Address: csporich@taprk.com | Approved Date: 4/6/2018 Expiration Date: 4/6/2020 |
| Date: 3/15/2018 Phone: 720-772-5093 | Conditions of Approval Attached |

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Santa Fe, NM 87505

Form C-102
 August 1, 2011
 Permit 249097

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---|---|
| 1. API Number 30-025-44656 | 2. Pool Code 98098 | 3. Pool Name WC-025 G-09 S243532M;WOLFBONE |
| 4. Property Code 321012 | 5. Property Name COSMO K 24S35E3328 | 6. Well No. 213H |
| 7. OGRID No. 372043 | 8. Operator Name TAP ROCK OPERATING, LLC | 9. Elevation 3289 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|---------------|
| UL - Lot G | Section 33 | Township 24S | Range 35E | Lot Idn G | Feet From 2306 | N/S Line N | Feet From 1902 | E/W Line E | County Lea |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|---------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------|-----------------|---------------------|--------------|--|---------------|-------------------|---------------|---------------|
| UL - Lot G | Section 28 | Township 24S | Range 35E | Lot Idn G | Feet From 1520 | N/S Line N | Feet From 2308 | E/W Line E | County Lea |
| 12. Dedicated Acres 200.00 | | | 13. Joint or Infill | | 14. Consolidation Code Forced Pooling | | | 15. Order No. | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|---|
| | OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> E-Signed By: Clayton Sporich Title: Vice President - Land & Legal Date: 3/15/2018 |
| | SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Surveyed By: Stan Lloyd Date of Survey: 3/18/2018 Certificate Number: 19642 |

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Form APD Comments

Permit 249097

PERMIT COMMENTS

| | |
|--|-----------------------------------|
| Operator Name and Address: TAP ROCK OPERATING, LLC [372043] 602 Park Point Drive Golden, CO 80401 | API Number: 30-025-44656 |
| | Well: COSMO K 24S35E3328 #213H |

| Created By | Comment | Comment Date |
|------------|---|--------------|
| csporich | Will submit Gas Capture Plan via e-mail. | 3/10/2018 |
| csporich | Will submit Gas Capture Plan via e-mail. | 3/10/2018 |
| pkautz | Have not received a GCP. GCP requested 03/16/2018 | 3/16/2018 |
| pkautz | Have not received GCP 03/29/2018 | 3/29/2018 |
| pkautz | GCP rec 04/06/2018 | 4/6/2018 |

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Form APD Conditions

Permit 249097

PERMIT CONDITIONS OF APPROVAL

| | |
|--|-----------------------------------|
| Operator Name and Address: TAP ROCK OPERATING, LLC [372043] 602 Park Point Drive Golden, CO 80401 | API Number: 30-025-44656 |
| | Well: COSMO K 24S35E3328 #213H |

| OCD Reviewer | Condition |
|-----------------|---|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | Will require administrative order for non-standard spacing unit |
| pkautz | 1) SURFACE & INTERMEDIATE1 CASING - Cement must circulate to surface -- 2) INTERMEDIATE2 CASING - Cement must tie back into intermediate1 casing -- 3) PRODUCTION CASING - Cement must tie back into intermediate2 casing -- |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| pkautz | 1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104 |
| pkautz | It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD. |
| pkautz | Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe. |