

NSL Initial Application

Received: 08/15/19

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

Revised March 23, 2017

RECEIVED: 08/15/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1922754983
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Tap Rock Operating, LLC	OGRID Number: 372043
Well Name: WTG Fed Com #201H Well	API: Pending
Pool: Purple Sage; Wolfcamp	Pool Code: 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
- ☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
- ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
- ☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders
- B. ☐ Royalty, overriding royalty owners, revenue owners
- C. ☐ Application requires published notice
- D. ☐ Notification and/or concurrent approval by SLO
- E. ☒ Notification and/or concurrent approval by BLM
- F. ☐ Surface owner
- G. ☒ For all of the above, proof of notification or publication is attached, and/or,
- H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
- ☐ Application
Content
Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kaitlyn A. Luck

Print or Type Name

Signature

08/08/2019

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

August 8, 2019

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, for administrative approval of an unorthodox well location for its WTG Fed Com #201H Well in the W/2 W/2 of Sections 27 and 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval of an unorthodox well location for its **WTG Fed Com #201H Well** (API No. Pending) to be completed within the Purple Sage; Wolfcamp Pool (98220) underlying the W/2 W/2 of Sections 27 and 34, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

This well will be drilled from a surface location 496 feet from the north line and 420 feet from the west line (Unit D) of Section 27 to a bottom hole location 5 feet from the south line and 638 feet from the west line (Lot 9) of Section 34. The first take point will be located 330 feet from the north line and 638 feet from the west line (Unit D) of Section 27 and the last take point will be 100 feet from the south line and 638 feet from the west line (Lot 9) of Section 34.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool which provide for wells in the Wolfcamp formation in Eddy County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the **WTG Fed Com #201H Well** will be unorthodox because it is closer than 330 feet to the southern boundary of the horizontal spacing unit. Approval of the unorthodox completed interval will allow Tap Rock to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **WTG Fed Com #201H Well** encroaches on the spacing units to the south.

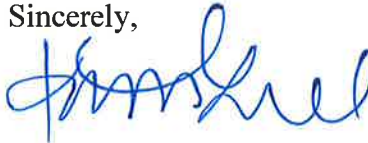
Exhibit B is a land plat for Sections 27 and 34 that shows the proposed **WTG Fed Com #201H Well** in relation to the adjoining spacing units to the south in the N/2 N/2 of Section 5, Block 57, Township 1 North (Loving County, Texas).

Ownership is diverse between the subject spacing unit and the tracts to the south. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives the application. **Exhibit C** is a list of the parties affected by the encroachment to the south together with the tracking information reflecting notice has been provided.

Exhibit D is a statement from Tap Rock's petroleum engineer confirming that Tap Rock's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck

ATTORNEY FOR TAP ROCK OPERATING, LLC



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

August 8, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its WTG Fed Com #201H Well in the W/2 W/2 of Sections 27 and 34, Township 26 South, Range 29 East, N.M.P.M., 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. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 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.

If you have any questions about this application, please contact the following:

Christian Combs
Tap Rock Resources
(720) 360-4028
ccombs@taprk.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn A. Luck".

Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC

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
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		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name WTG FED COM			
⁷ OGRID No.		⁸ Operator Name TAP ROCK OPERATING, LLC.			
		⁶ Well Number 201H			
		⁹ Elevation 2884'			

¹⁰Surface Location

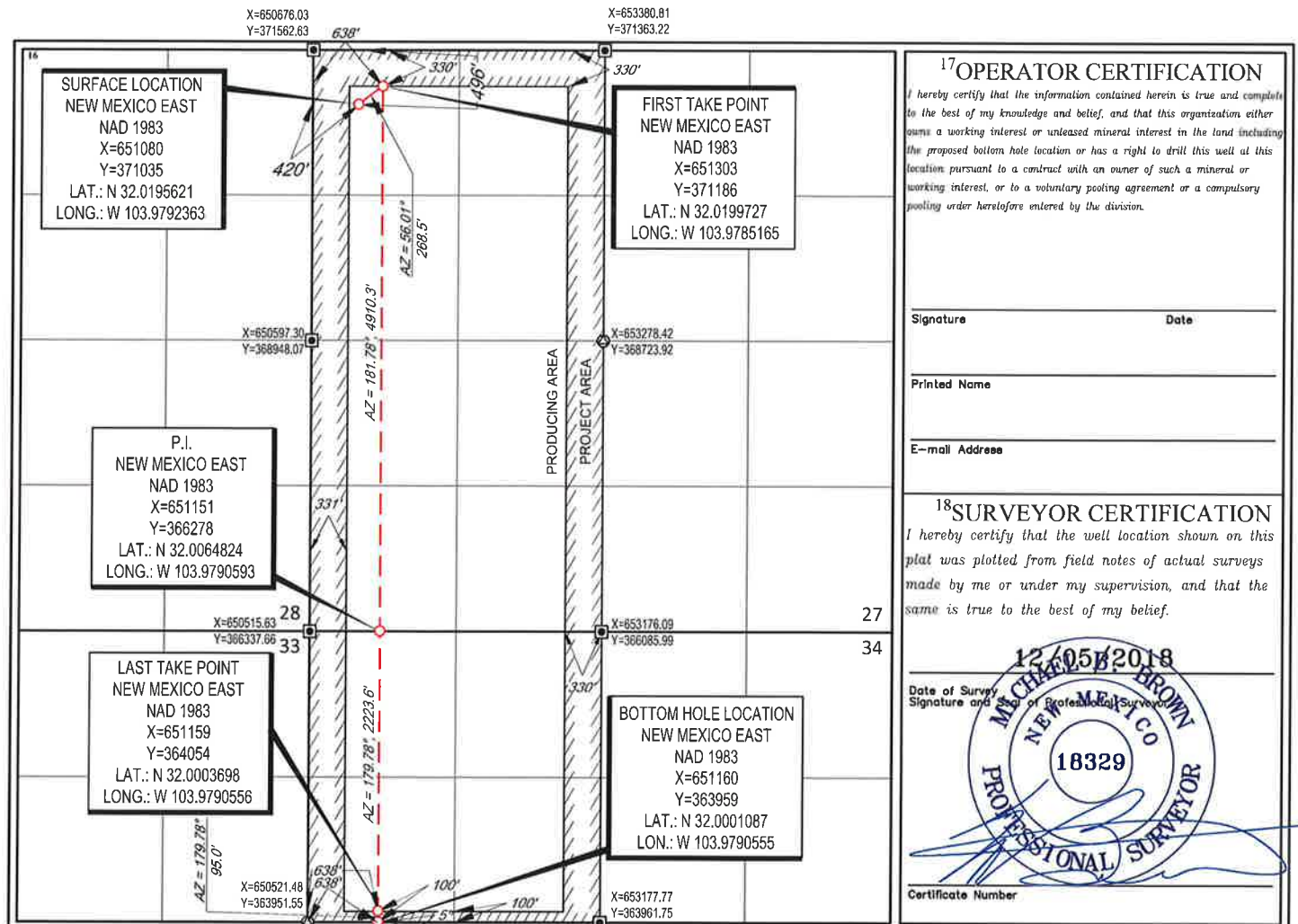
UL or lot no. D	Section 27	Township 26-S	Range 29-E	Lot Idn -	Feet from the 496'	North/South line NORTH	Feet from the 420'	East/West line WEST	County EDDY
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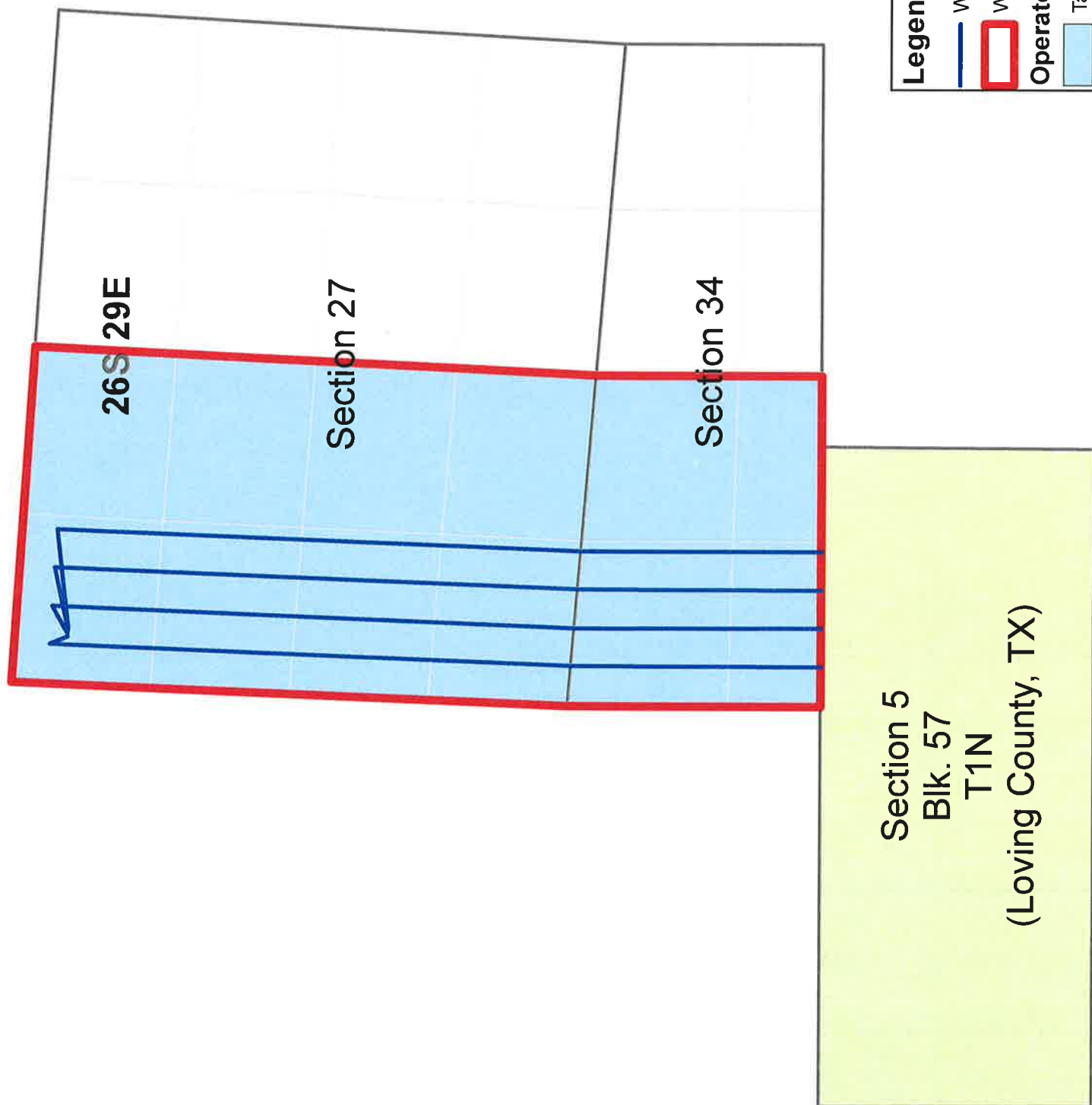
¹¹Bottom Hole Location If Different From Surface

UL or lot no. 9	Section 34	Township 26-S	Range 29-E	Lot Idn -	Feet from the 5'	North/South line SOUTH	Feet from the 638'	East/West line WEST	County EDDY
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.





Legend

WTG W2 Wells

WTG W2 Unit

Operator

Tap Rock Resources

BHP Billiton Petroleum Properties

Section 5
Blk. 57
T1N
(Loving County, TX)

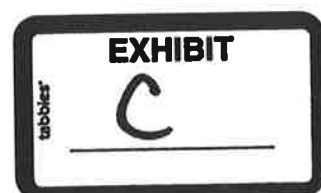
WTG Fed Com #201H, #211H, #205H, #215H NSL Address List

N/2N/2 Section 5, Block 57, Township 1 North (Loving County, Texas)

BHP Billiton Petroleum Properties

P.O. Box 22719

Houston, TX 77027





Shipment Confirmation Acceptance Notice

A. Mailer Action

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 - NSL -WTG Fed Com #201H, 205H, 211H, 215H
CM# 93477.0001

Shipment Date: 08/05/2019

Shipped From:

Name: HOLLAND & HART LLP

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	1
Total	1

*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:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. 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 0016 1498 46



Firm Mailing Book For Accountable Mail

[illegible]

TAP ROCK RESOURCES, LLC

602 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401

CONNER WOOD
ASSET MANAGER
CWOOD@TAPRK.COM



August 5, 2019

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: Non-Standard Location Request
WTG Fed Com #201H, #205H, #211H and #215H (the "Wells")**

Dear Ms. Sandoval:

Tap Rock Operating hereby requests administrative approval of a non-standard location for each of the Wells referenced above by decreasing the last take points from 330 feet to 100 feet from the horizontal plane outer boundary. The Wells are located in the Purple Sage-Wolfcamp Gas Pool (Pool Code 98220). It is Tap Rock's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. Decreasing the last take point will increase the wells effective lateral length by 230 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

TAP ROCK OPERATING, LLC

A handwritten signature in black ink, appearing to read "Conner Wood", written over a horizontal line.

Conner Wood
Asset Manager and Reservoir Engineer

