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

NSL-7929

Revised March 23, 2017

| US/15/19 LRL NSL pLEL1922754983 ABOVE THIS TABLE FOR OCCIDIVISION 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 OGRID Number: <u>372043</u> APPLICATION CHECKLIST OGRID Number: <u>372043</u> | | | 1 |
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| NEW MEXICO OLI CONSERVATION DIVISION Decision of the province of the proprevince of the province of the province of the provinc | | | |
| THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SAMTA FE Applicant: Tap Rock Operating, LLC OGRID Number: 372043 Yell Name: WTG Fed Com #201H Well API: Pending Pool Code: 98220 Pool Code: 98220 SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW INTYPE OF APPLICATION: Check those which apply for [A] A. Location – Spacing Unit – Simulfaneous Dedication III TYPE OF APPLICATION: Check those which apply for [A] A. Location – Spacing Unit – Simulfaneous Dedication III I injection – Disposal – Pressure Increase – Enhanced Oil Recovery III I injection – Disposal – Pressure Increase – Enhanced Oil Recovery WFX PMX SWD IPI EQUATION and/or concurrent approval by SLO E. Motification and/or concurrent approval by SLO E. Motification and/or concurrent approval by SLM F. Surface owner G. For all of the above, proof of notification or publication is attached, and/or, H. No notice required SUBMIT ACCURATION: I hereby certify that the information submitted with this application and not for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will | NEW MEXICO OI - Geological & 1220 South St. Francis | L CONSERVATION Engineering Bure Drive, Santa Fe, | A DIVISION eau – NM 87505 |
| Veil Name: WTG Fed Com #201H Well API: Pending. 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 Image: Image | THIS CHECKLIST IS MANDATORY FOR ALL ADMIN | ISTRATIVE APPLICATIONS F | OR EXCEPTIONS TO DIVISION RULES AND |
| Provide 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 Image: Starting of the | Applicant: Tap Rock Operating, LLC | | OGRID Number: 372043 |
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| INDICATED BELOW 1) TYPE OF APPLICATION: Check those which apply for [A] A. Location – Spacing Unit – Simultaneous Dedication Image: Im | Pool: Purple Sage; Wolfcamp | | Pool Code: 98220 |
| 9. Check one only for [1] or [1] [1] Commingling – Storage – Measurement DHC CTB PLC PC OLS OLM [1] 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 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: Stelement must be completed by an Individual with managerial and/or supervisor capacity. | A. Location – Spacing Unit – Simultaneou | us Dedication | |
| 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 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. | B. Check one only for [1] or [1] [1] Commingling – Storage – Measure DHC CTB PLC [[1] Injection – Disposal – Pressure Inc WFX PMX SWD [| ement PC OLS rease – Enhanced IPI EOR | □OLM I Oil Recovery □ PPR |
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| Kaitlyn A. Luck Date | | · · · · · · · · · · · · · · · · · · · | |
| | Kaitlyn A. Luck | Da | te |

Print or Type Name

505-954-7286

Phone Number

kaluck@hollandhart.com e-mail Address

Signature



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,

Kaitlyn A. Luck ATTORNEY FOR TAP ROCK OPERATING, LLC



District J 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

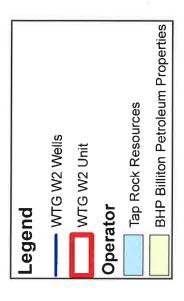
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number ²Pool Code ³Pool Name Property Code Property Name Well Number WTG FED COM 201H OGRID No. ⁸Operator Name Elevation 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-S29-E 496' NORTH 420' WEST **EDDY** ¹¹Bottom Hole Location If Different From Surface UL or lot no. Township Lot Idn Feet from the North/South line Section Range Feet from the East/West line County 34 26-S 29-E 5' SOUTH 638' EDDY 9 WEST ¹²Dedicated Acres Joint or Infill Consolidation Code ⁵Order 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.

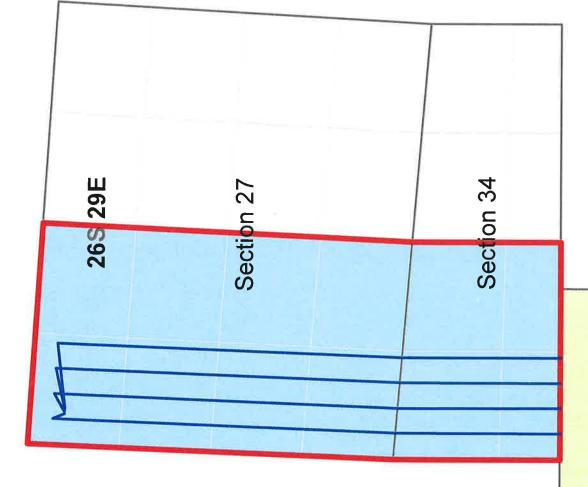
| X=650676.03 Y=371562.63 | <i>138'</i> | X=653380.81 Y=371363.22 | |
|---|--|--|---|
| SURFACE LOCATION NEW MEXICO EAST NAD 1983 X=651080 Y=371035 LAT.: N 32.0195621 LONG.: W 103.9792363 | 5882 5882 5882 | > 330' FIRST TAKE POINT NEW MEXICO EAST NAD 1983 X=651303 Y=371186 LAT.: N 32.0199727 LONG.: W 103.9785165 | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and compiled to the best of my knowledge and belief, and that this organization either gums a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well al this location pursuant to a contract with an ouner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order herelofore entered by the division. |
| P.I. NEW MEXICO EAST NAD 1983 | AZ = 181.78' 4910.3' PRODUCING AREA | X=653278.42 Y=368723.92 | Signature Date Printed Name E-mail Addrese |
| X=551151 Y=366278 LAT.: N 32.0064824 LONG.: W 103.9790593 X=550515.63 Z8 Y=306337.66 33 | | x=653176.09 27 Y=366085.99 34 | 18 SURVEYOR CERTIFICATION 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 to the best of my belief. |
| NEW MEXICO EAST NAD 1983 X=651159 Y=364054 LAT.: N 32.0003698 LONG.: W 103.9790556 | VZ = 120 101 - 223 0. | BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 X=651160 Y=363959 LAT.: N 32.0001087 LON.: W 103.9790555 | Date of Survey of RoleMolal Syrvey of A |
| X=650521.48 Y=363951.55 | 100° | X=653177.77 Y=363961.75 | Certificate Number |

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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

| 1 | EXHIBIT |
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| | Shipment Date: | 08/05/2019 |
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| this form online, must match the labeled packages being presented to the USPS [®] employee with this form. | Shipped From: | |
| Tap Rock - NSL -WTG Fed Com #201H, 205H, 211H, 215H | Name: | HOLLAND & HART LLP |
| CM# 93477.0001 | Address: | 110 N GUADALUPE ST # 1 |
| | City: | SANTA FE |
| | State: | NM ZIP+4®_87501 |

| Type of Mail | Volume |
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| Priority Mail Express [®] * | |
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| 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.





| Name and Address of Sender Check type of mail or service Pr Holland & Hart LLP Adult Signature Required Required Delivery Restricted Delivery Restricted Delivery Restricted Delivery Restricted Delivery Restricted Delivery Signature Restricted Delivery Restricted Delivery Restricted Delivery Restricted Delivery Restricted Delivery Signature Restricted Delivery Signature Restricted Delivery Restricted Mail Restricted Delivery Signature Restricted Delivery Signature Restrited Delivery Signature Restrited D | Priority Mail Express Registered Mail Return Receipt for Merchandise Signature Confirmation Signature Confirmation Restricted Delivery State, & ZIP Code TM) | Affi) (if iss certit | Affix Stamp Here | H D D D | | | | | | | | | |
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TAP ROCK RESOURCES, LLC

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

CONNER WOOD ASSET MANAGER GWOOD@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

Conner Wood Asset Manager and Reservoir Engineer

