



Approved

NSL

Order

Approved: 09/13/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



September 13, 2019

Ms. Kaitlyn A. Luck
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NON-STANDARD LOCATION

Administrative Order NSL-7934

Tap Rock Operating, LLC [OGRID 372043]
Cypress 34 23S29E3434 Well No. 243H
API No. 30-015-PENDING

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	241 FNL & 1196 FEL	1	3	26S	29E	Eddy
First Take Point	100 FSL & 2430 FEL	O	34	26S	29E	Eddy
Last Take Point	100 FNL & 2430 FEL	B	34	26S	29E	Eddy
Terminus	5 FNL & 2430 FEL	B	34	26S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 Section 34	320	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on August 19, 2019.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules for the Purple Sage; Wolfcamp (Gas) Pool of and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the southern/northern edge and 210 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tract.

Section 3 24S 29E, encroachment to the NE/4
Section 27 23S 29E, encroachment to the SE/4
Section 34 23S 29E, encroachment to the W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

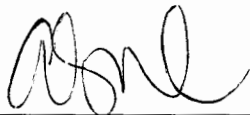
Division understands you seek this unorthodox location as your optimum location for the recovery of reserves which will thereby prevent waste of natural resources within the Wolfcamp formation underlying the E/2 of Section 34.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office