

NSL Initial Application

Received: 02/21/20

P.O. No. F95HC-200221-NSL000

Revised March 23, 2017

RECEIVED: 02/21/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2005246895
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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:** Gipple Fed Com #138H**API:** 30-025-46670**Pool:** WC-025 G-07 S243517D; Middle Bone Spring**Pool Code:** 98294

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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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

February 21, 2020

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

February 21, 2020

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 Gipple Fed Com #138H Well in the E/2 E/2 of Sections 28 and 33, Township 24 South, Range 35 East, N.M.P.M., Lea 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 **Gipple Fed Com #138H Well** (API No. 30-025-46670) to be completed within the WC-025 G-07 S243517D; Middle Bone Spring Pool (48294) underlying the E/2 E/2 of Sections 28 and 33, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

This well will be drilled from a surface location 175 feet from the south line and 645 feet from the east line (Unit P) of Section 33, to a bottom hole location 5 feet from the north line and 51 feet from the east line (Unit A) of Section 28. The first take point will be located 100 feet from the south line and 51 feet from the east line (Unit P) of Section 33 and the last take point will be 100 feet from the north line and 51 feet from the east line (Unit A) of Section 28.

Since this acreage is governed by the Division's statewide rules, the completed interval for the **Gipple Fed Com #138H Well** is unorthodox because the completed interval is closer than the standard offsets to the eastern boundary of the spacing unit in Sections 27 and 34, the northeastern boundary of the spacing unit in Section 22, and the southeastern boundary of the spacing unit in Section 3, Township 25 South, Range 35 East. 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 **Gipple Fed Com #138H Well** encroaches on the spacing units to the east, northeast, and southeast.

Exhibit B is a land plat that shows the proposed **Gipple Fed Com #138H Well** in relation to the adjoining spacing units to the east in Sections 27 and 34, the northeast in Section 22, and the southeast in Section 3, Township 25 South, Range 35 East.

Ownership is diverse between the subject spacing unit and the tracts to the east in Section 34. 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 east, which includes the Bureau of Land Management, together with the tracking information reflecting notice has been provided to those parties.

Tap Rock has received a waiver as follows, which is also included with **Exhibit C**:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Quarter-Quarter</u>	<u>Owner</u>	<u>Waiver</u>
24S	35E	22	SW/4SW/4	Tap Rock Resources, LLC	N/A
24S	35E	27	W/2W/2	Tap Rock Resources, LLC	N/A
24S	35E	34	W/2NW/4, NW/4SW/4	Tap Rock Resources, LLC	N/A
24S	35E	34	SW/4SW/4	MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	YES
25S	35E	03	NW/4NW/4	Tap Rock Resources, LLC	N/A
ALL	ALL	ALL	ALL	Bureau of Land Management	

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
Phone (505) 954-7286
KALuck@hollandhart.com

February 21, 2020

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 Gipple Fed Com #138H Well in the E/2 E/2 of Sections 28 and 33, Township 24 South, Range 35 East, N.M.P.M., Lea 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.

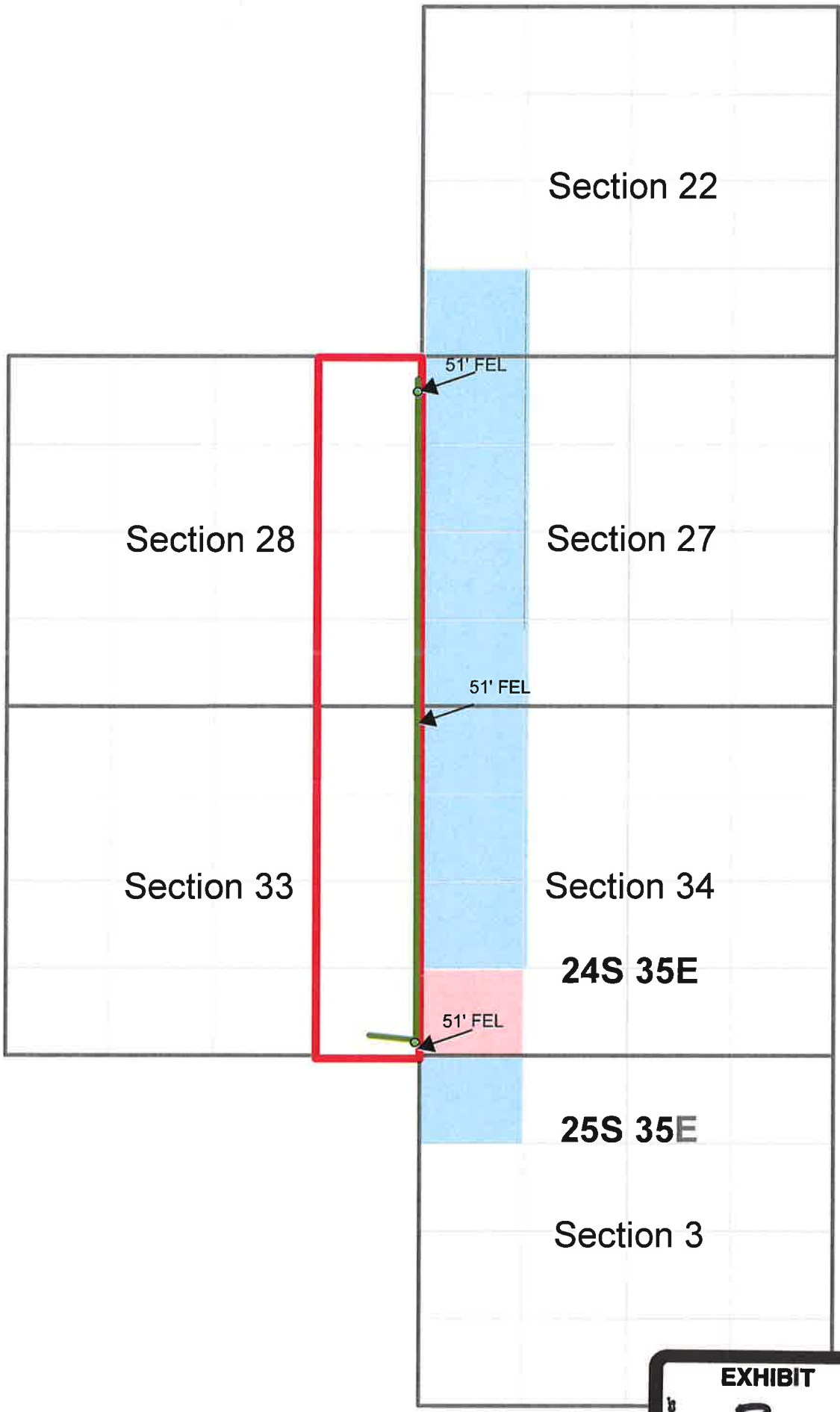
If you have any questions about this application, please contact the following:

Erica Hixson
Tap Rock Resources
(720) 460-3316
ehixson@taprk.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC



Legend

- Gipple Well
- Gipple Unit
- Tap Rock Resources
- Matador Resources

EXHIBIT
B

Gipple Fed Com #138H Offset Owner List

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Quarter-Quarter</u>	<u>Owner</u>
24S	35E	22	SW/4SW/4	Tap Rock Resources, LLC
24	35E	27	W/2W/2	Tap Rock Resources, LLC
24S	35E	34	W/2NW/4, NW/4SW/4	Tap Rock Resources, LLC
24S	35E	34	SW/4SW/4	MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240
25S	35E	03	NW/4NW/4	Tap Rock Resources, LLC

ALL TRACTS:

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

Located in Lea County, New Mexico, NMPM





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 - GIPPLE #138H -NSL
CM# 93477.0001**

Shipment Date: 02/21/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

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	2
Total	2

*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 0020 4590 85



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.	
Name and Address of Sender Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501	USPS Tracking/Article Number 1. 9214 8901 9403 8307 1341 34	<input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail	<input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery	Postage 0.65	
		Addressee (Name, Street, City, State, & ZIP Code TM) Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508		Handing Charge 3.55	
	2. 9214 8901 9403 8307 1341 41			Handling Charge - if Registered and over \$50,000 in value	
				Adult Signature Required Adult Signature Restricted Delivery Restricted Delivery Return Receipt Signature Confirmation Signature Confirmation Restricted Delivery Special Handling	
				Due Sender if COD	
				Insured Value	
				Actual Value if Registered	
				ASR Fee ASRD Fee RD Fee RR Fee SC Fee SCRD Fee SH Fee	
				Postmaster, Per (Name of receiving employee)	
				Total Number of Pieces Listed by Sender 2	
				Total Number of Pieces Received at Post Office	

From: [Jonathan Filbert](#)
To: [Dana Arnold](#)
Cc: [Clayton Sporich](#); [Adam Lange](#); [Erica Hixson](#); [David Johns](#); [Nick Weeks](#)
Subject: RE: Gipple Fed Com #138H Unorthodox Location Waiver
Date: Thursday, February 13, 2020 5:13:50 PM
Attachments: [image003.png](#)

Dana,

Matador grants the Gipple Fed Com #138H Unorthodox Location Waiver, being 51' from the western boundary of Section 34, 24S, 35E.

Thank you, Jon

Jonathan Filbert
Vice President of Land

Matador Resources Company
One Lincoln Centre
5400 LBJ Freeway
Suite 1500
Dallas, Texas 75240

Phone: 972-371-5275
Cell: 972-814-6347
jfilbert@matadorresources.com



From: Dana Arnold [mailto:darnold@taprk.com]
Sent: Wednesday, February 12, 2020 6:50 PM
To: Jonathan Filbert <jfilbert@matadorresources.com>
Cc: Clayton Sporich <csporich@taprk.com>; Adam Lange <alange@taprk.com>; Erica Hixson <ehixson@taprk.com>
Subject: Gipple Fed Com #138H Unorthodox Location Waiver

****EXTERNAL EMAIL****

Filbert,

As discussed, one out of the 4 Gipple wells that you are participating in is only 51' from the western boundary of Section 34, 24S, 35E (the Mulva Unit--where MRC has also elected to participate). MRC is an affected party due to its interest in the S/2SW/4 of Section 34, 24S, 35E. Would MRC please consent to the unorthodox location of the Gipple Fed Com 138H as identified in the attached plat and waive its right to protest?

If you have any questions both Adam and I are around tomorrow.

Hope you feel better soon and appreciate your help.

Thanks-

Dana

Dana Arnold

General Counsel



darnold@taprk.com

(214) 300-9779

This email has been scanned for spam and malware by The Email Laundry.

This message is strictly confidential and is for the sole use of the intended recipient. If you are not the intended recipient of this message, you may not disclose, print, copy, disseminate or otherwise use this message or the information included herein. If you are not the intended recipient, please reply and notify the sender (only) and promptly delete the message.

TAP ROCK RESOURCES, LLC

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

CONNER WOOD
ASSET MANAGER
CWOOD@TAPRK.COM



February 20, 2020

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
Gipple #138H, (the "Well")**

Dear Ms. Sandoval:

Tap Rock Operating hereby requests administrative approval of a non-standard location for the Well referenced above by decreasing the East-West footages from 330 feet to 50 feet from the eastern boundary of Section 33, T24S R35E. The Well is located in the WC-025 G-07 S243517D; MIDDLE BONE SP (Pool Code 98294). It is Tap Rock's responsibility as a prudent operator to optimize well spacing. Decreasing the distance from the boundary of the section by 280 feet increases ultimate recovery of reserves and thereby prevents waste of natural resources.

Sincerely,

TAP ROCK OPERATING, LLC

A handwritten signature in black ink, appearing to read "Conner Wood". The signature is fluid and cursive, written over a light blue horizontal line.

Conner Wood
Asset Manager and Reservoir Engineer

