

NSL Initial Application

Received: 08/05/20

P.O. No. XT4UH-200805-NSL000

Revised March 23, 2017

RECEIVED: 08/05/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2021953636
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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:** Nailed It Fed Com #204H Well**API:** 30-015-46859**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 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

08/05/2020

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

August 05, 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 Nailed It Fed Com #204H Well in the SE/4 of Section 25 and the E/2 of irregular Section 36, Township 26 South, Range 30 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 **Nailed It Fed Com #204H Well** (API No. 30-015-46859) to be completed within the Purple Sage; Wolfcamp Pool (98220) underlying the SE/4 of Section 25 and the E/2 of irregular Section 36, Township 26 South, Range 30 East, Township South, Range East, N.M.P.M., Eddy County, New Mexico. The unorthodox location in this application encroaches on the state line of New Mexico and Texas.

This well will be drilled from a surface location 766 feet from the south line and 588 feet from the east line (Lot 1) of Section 36 to a bottom hole location 2466 feet from the south line and 1100 feet from the east line (Unit I) of Section 25. The first take point will be located 100 feet from the south line and 1100 feet from the east line (Lot 1) of Section 36 and the last take point will be 2336 feet from the south line and 1100 feet from the east line (Unit I) of Section 25.

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 **Nailed It Fed Com #204H 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 **Nailed It Fed Com #204H Well** encroaches on the tracts to the south.

Exhibit B is a land plat for Sections 25 and 36 that shows the proposed **Nailed It Fed Com #204H Well** in relation to the adjoining tracts to the south in the Section 2, Block 56, Township 1 North (Loving County, Texas).

Ownership is diverse between the subject spacing unit and the tracts to the south. Since this application involves an encroachment only on the state line of Texas, Tap Rock understands the Division does not require a 20-day waiting period for approval of the unorthodox location. However, a copy of this application with all attachments has been sent by certified mail to each affected person, under the rules. **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,

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

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 NAILED IT FED COM	⁶ Well Number 204H
⁷ OGRID No.	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3046'

¹⁰Surface Location

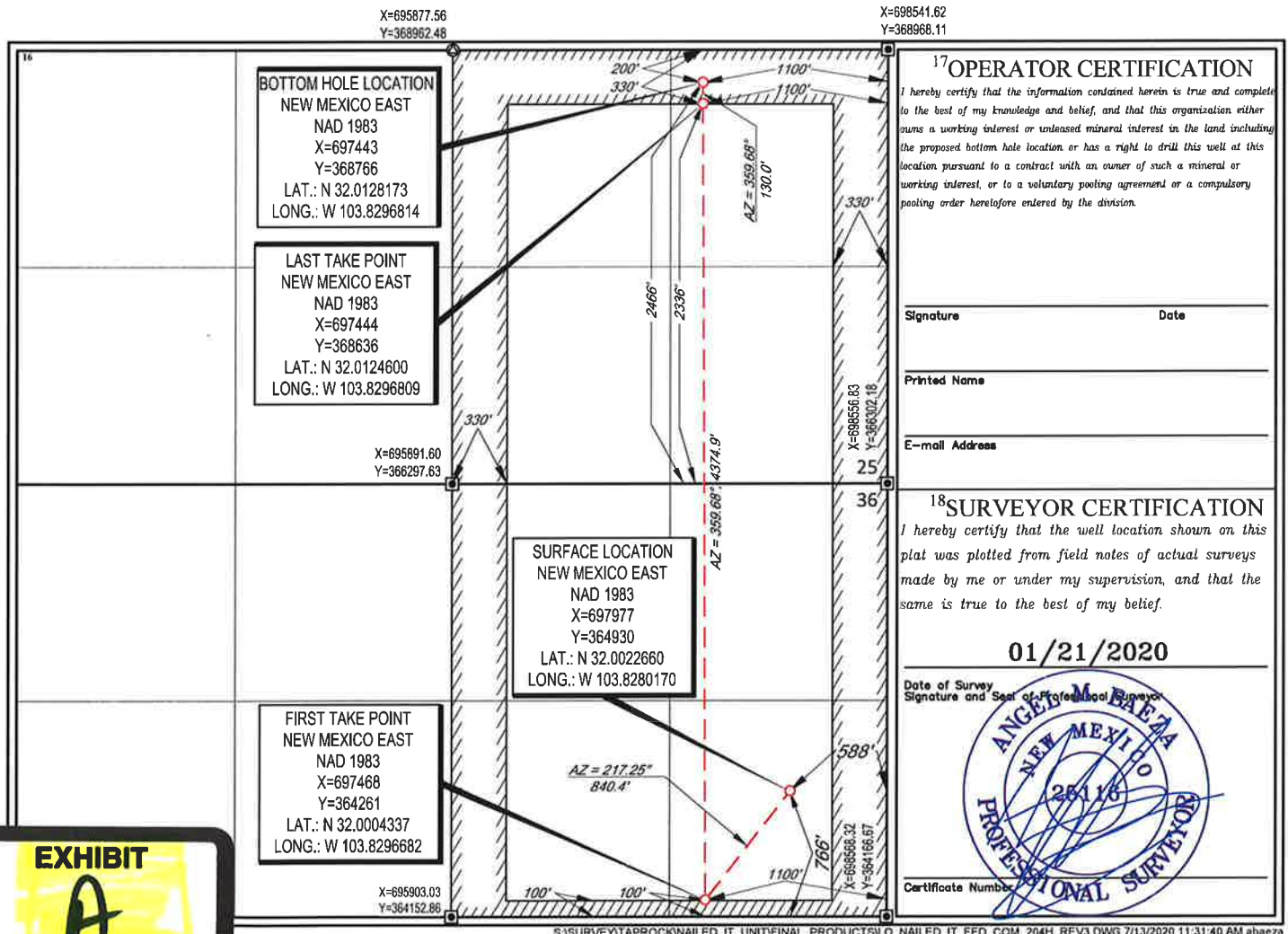
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	36	26-S	30-E	-	766'	SOUTH	588'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

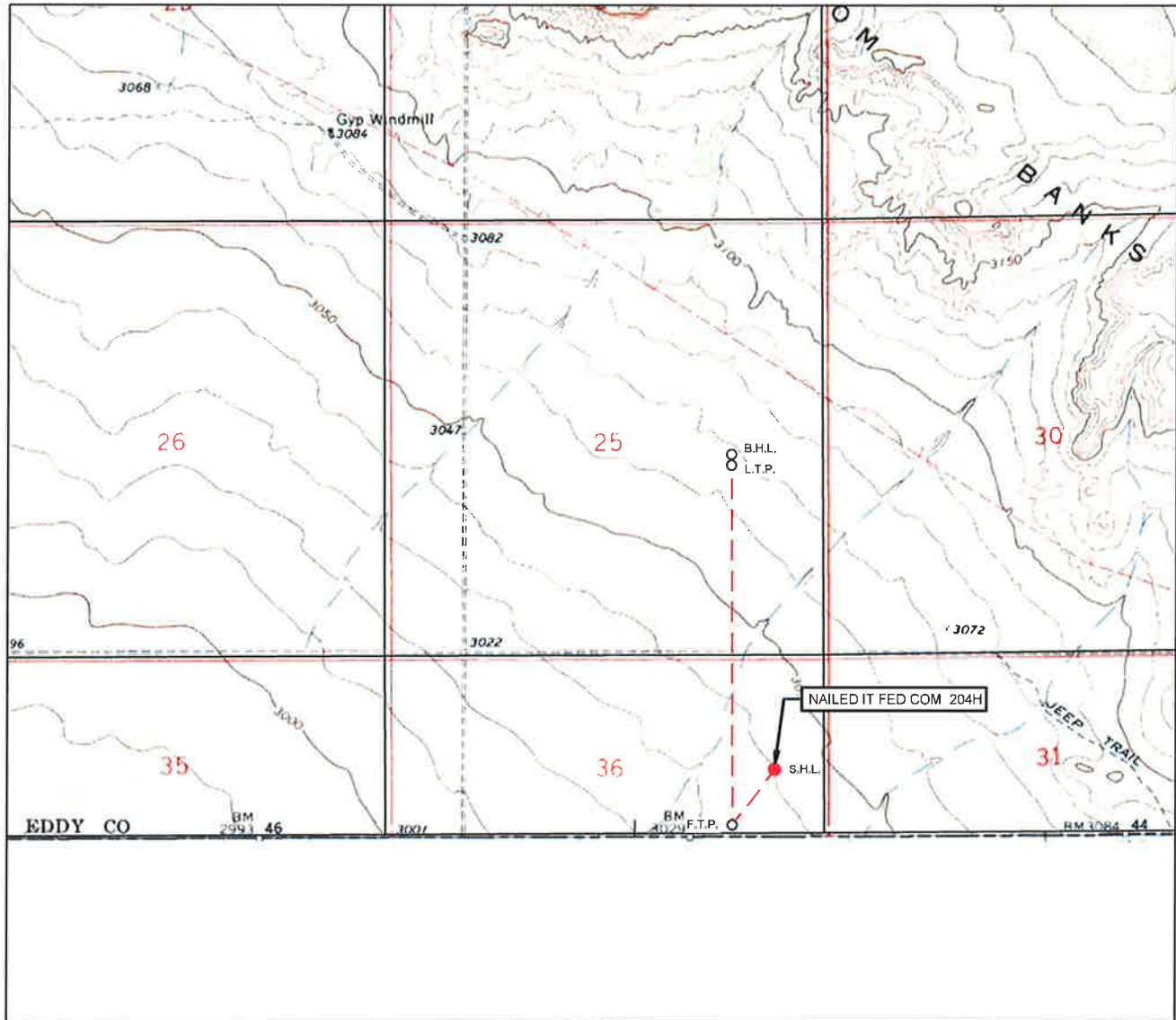
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	26-S	30-E	-	2466'	SOUTH	1100'	EAST	EDDY

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.



LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: NAILED IT FED COM 204H

SECTION 36 TWP 26-S RGE 30-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM ELEVATION 3046'
 DESCRIPTION 766' FSL & 588' FEL

LATITUDE N 32.0022660 LONGITUDE W 103.8280170



SCALE: 1" = 2000'
 0' 1000' 2000'

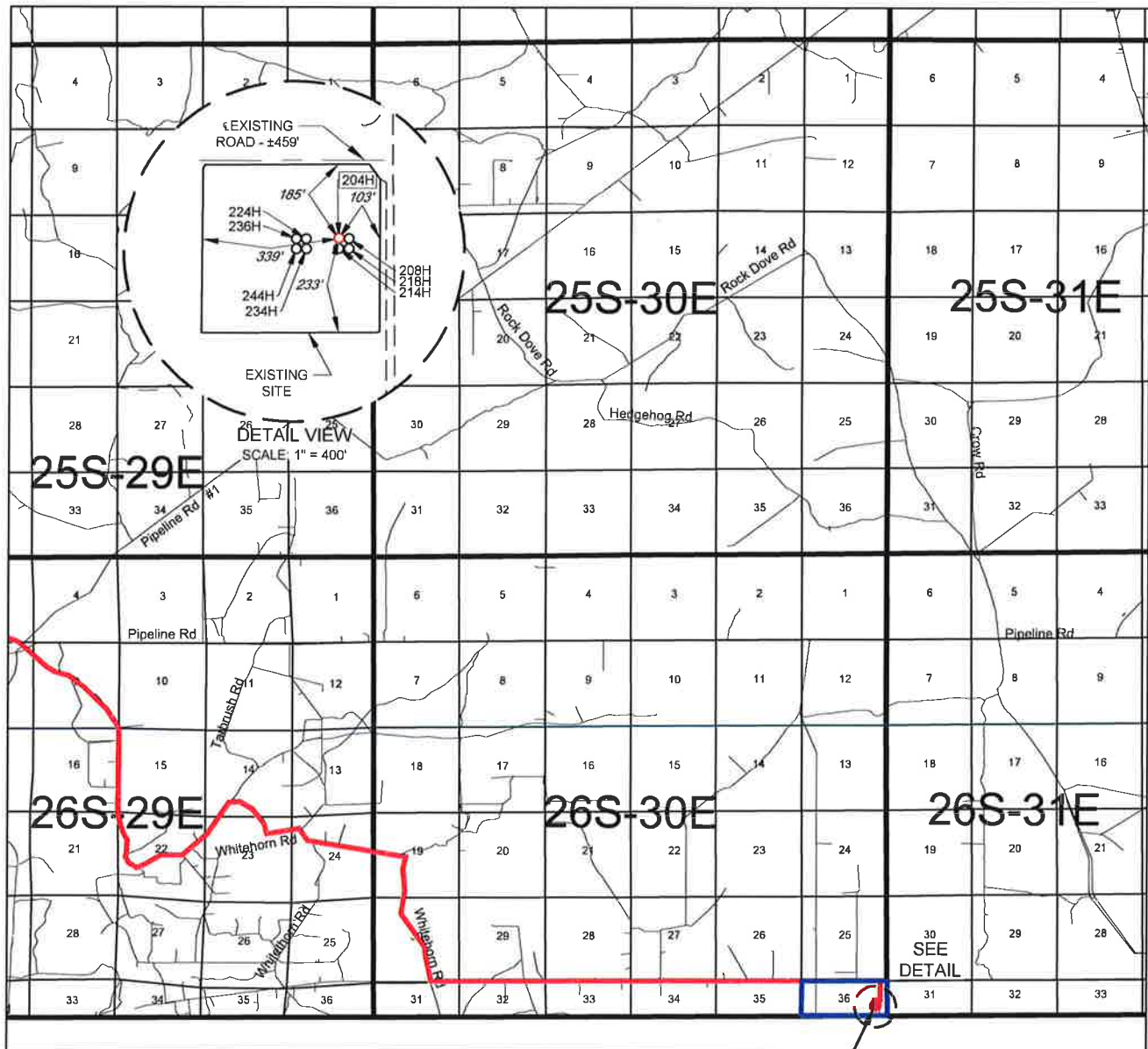
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
 WWW.TOPOGRAPHIC.COM

EXHIBIT 2 VICINITY MAP



NAILED IT FED COM 204H



LEASE NAME & WELL NO.: NAILED IT FED COM 204H

SECTION 36 TWP 26-S RGE 30-E SURVEY N.M.P.M.
COUNTY EDDY STATE NM
DESCRIPTION 766' FSL & 588' FEL

DISTANCE & DIRECTION

FROM INT. OF US-285 & COUNTY RD 396, GO SOUTH ON US-285 ± 12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ± 2.4 MILES, THENCE NORTH (LEFT) ON LONGHORN RD. ± 1.9 MILES, THENCE SOUTH (RIGHT) ON WHITEHORN RD. ± 3.3 MILES, THENCE WEST (RIGHT) ON PROPOSED RD. ± 3.0 MILES, THENCE EAST (LEFT) ON STATE LINE RD. ± 7.0 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ± 0.2 MILES, THENCE WEST (RIGHT) ON PROPOSED RD. ± 1242 FEET TO A POINT ± 226 FEET NORTHEAST OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
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TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
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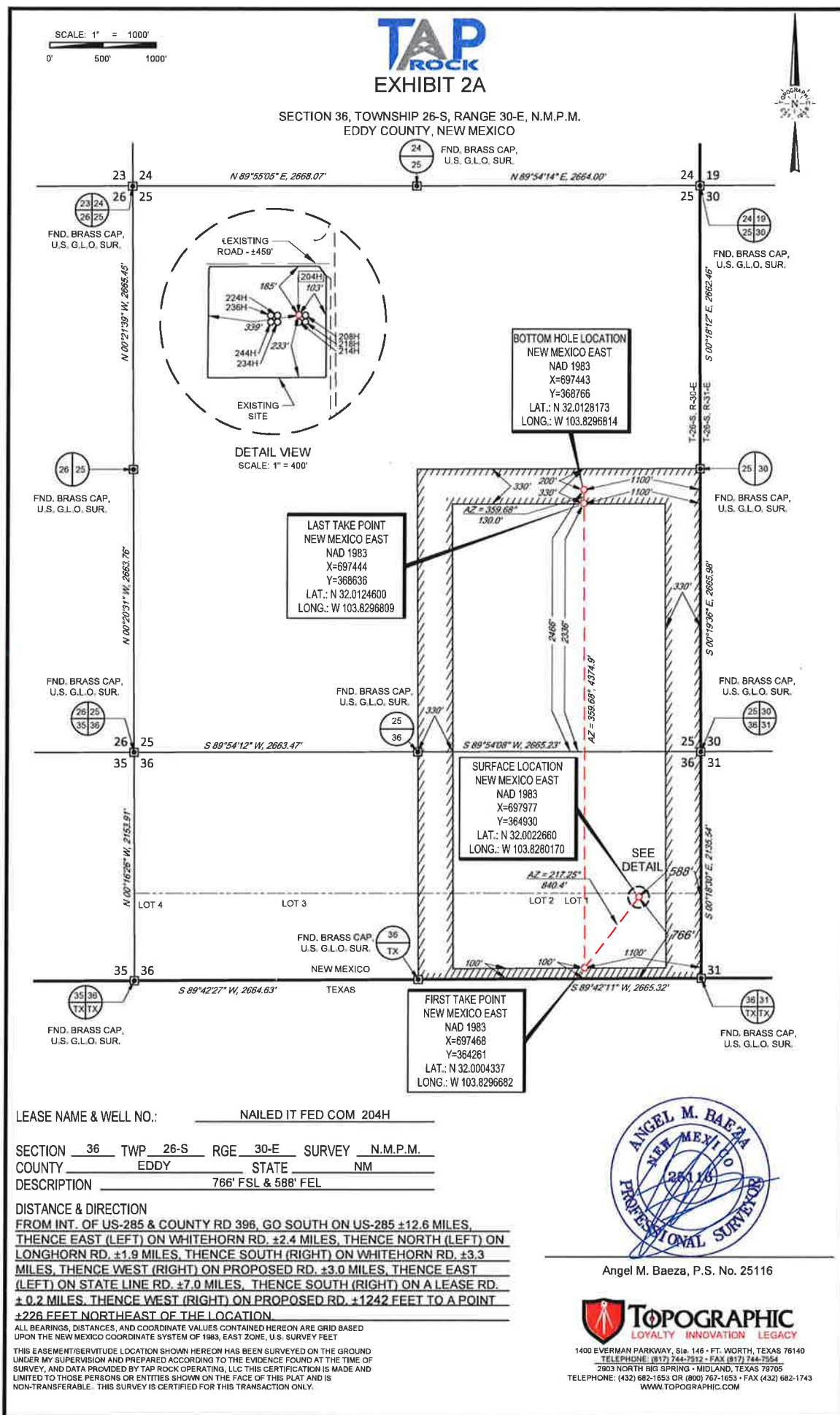
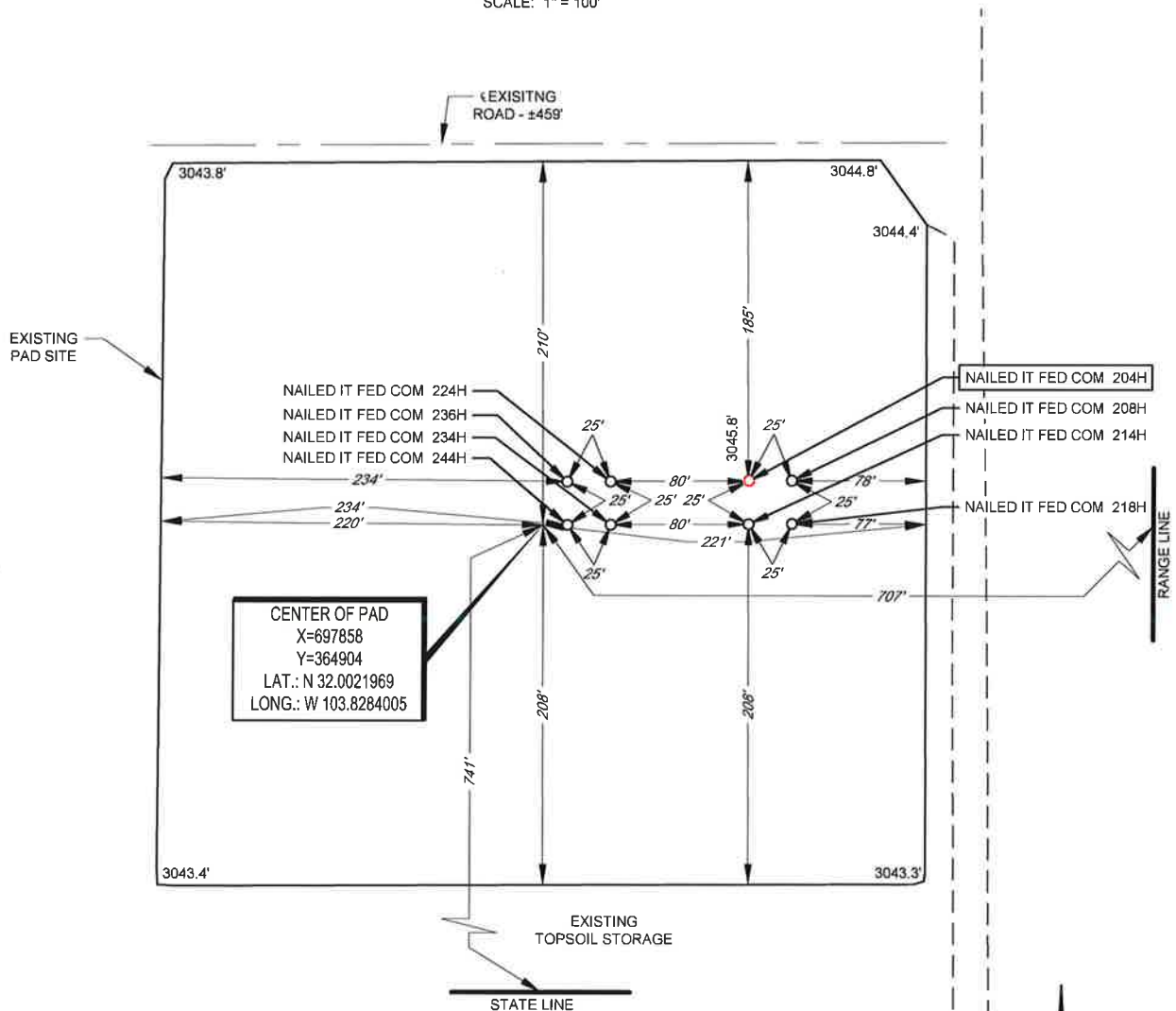


EXHIBIT 2B



SECTION 36, TOWNSHIP 26-S, RANGE 30-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: NAILED IT FED COM 204H
204H LATITUDE N 32.0022660 204H LONGITUDE W 103.8280170

CENTER OF PAD IS 741' FSL & 707' FEL



Angel M. Baeza, P.S. No. 25116

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET, ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



ORIGINAL DOCUMENT SIZE: 8.5" X 11"

S:\SURVEY\TAPROCK\NAILED_IT_UNIT\FINAL_PRODUCTS\LO_NAILED_IT_FED_COM_204H_REV3.DWG 7/13/2020 11:31:43 AM abaeza





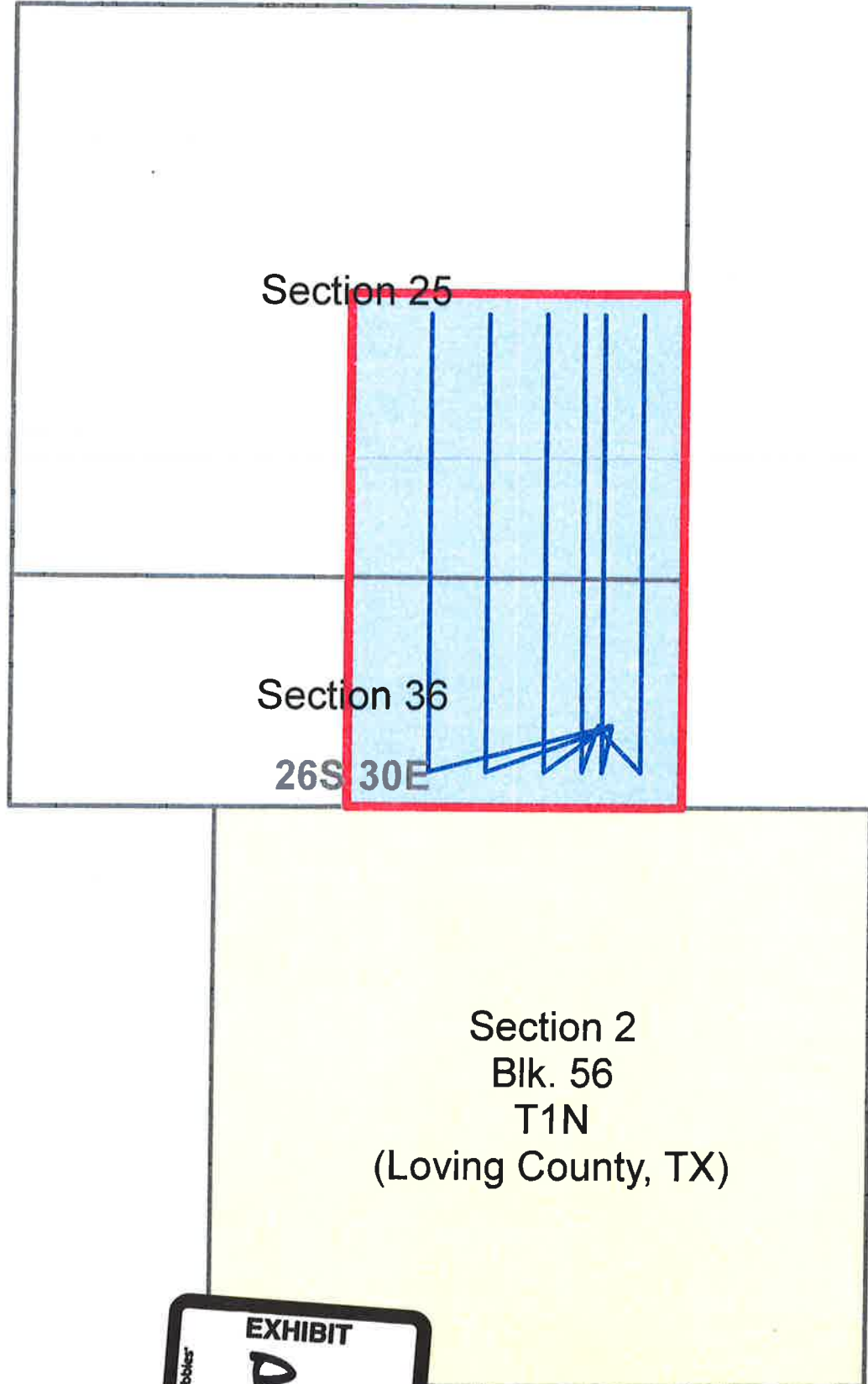
1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2803 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

Legend

-  Nailed It Wells
-  Nailed It E2 Unit

Operator

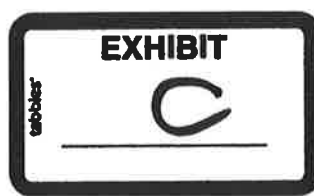
-  Tap Rock Acreage
-  WPX Energy Permian, LLC.



Nailed It Fed Com #204H, #208H, #214H, #218H, #224H, #234H Notice List

N/2 Section 2, Blk. 56, Township 1 North (Loving County, Texas)

WPX Energy Permian, LLC
3500 One Williams Center
Tulsa, OK 74172





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

August 05, 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 Nailed It Fed Com #204H Well in the SE/4 of Section 25 and the E/2 of irregular Section 36, Township 26 South, Range 30 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 with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, and this application may be approved administratively by the Division if no objection is received.

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

Matt Phillips
Tap Rock Resources
(720) 459-3724
mphilips@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



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.

Shipment Date: 08/05/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

Tap Rock - Nailed It 204H,208H, 214H, 218H, 224H, 234H NSL

City: SANTA FE

CM# 93477.0001

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 0023 3906 99

TAP ROCK OPERATING

CONNER WOOD
ASSET MANAGER
CWOOD@TAPRK.COM

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



July 29, 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
Nailed It Fed Com #204H, #208H, #214H, #218H, #224H, #234H (the "Wells")

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") hereby requests administrative approval of a non-standard location for each of the Wells referenced above by decreasing the first take point 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 first 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.

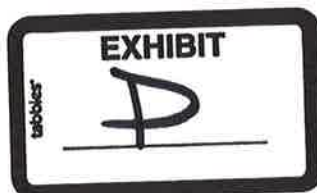
Sincerely,

TAP ROCK OPERATING, LLC

Conner Wood

Conner Wood (Jul 29, 2020 14:47 MDT)

Conner Wood
Asset Manager and Reservoir Engineer








Engineering Affidavit - Nailed It E2E2

Final Audit Report

2020-07-29

Created:	2020-07-29
By:	Conner Wood (cwood@taprk.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAi1PWUYHkfNdIFzC9ZQiJRDYC1V1K_JA5

"Engineering Affidavit - Nailed It E2E2" History

-  Document created by Conner Wood (cwood@taprk.com)
2020-07-29 - 8:45:25 PM GMT- IP address: 73.14.216.7
-  Document emailed to Conner Wood (conner.wood@gmail.com) for signature
2020-07-29 - 8:46:01 PM GMT
-  Email viewed by Conner Wood (conner.wood@gmail.com)
2020-07-29 - 8:46:17 PM GMT- IP address: 66.102.6.149
-  Document e-signed by Conner Wood (conner.wood@gmail.com)
Signature Date: 2020-07-29 - 8:47:03 PM GMT - Time Source: server- IP address: 73.14.216.7
-  Signed document emailed to Conner Wood (conner.wood@gmail.com) and Conner Wood (cwood@taprk.com)
2020-07-29 - 8:47:03 PM GMT



Adobe Sign