

NSL

Initial

Application



RECEIVED: <b>04/20/21</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>pLEL2112537278</b>
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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:** Cypress 34 Federal #235H well **API:** 30-015-47264  
**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

04/20/2021

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



April 20, 2021

**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 Cypress 34 Federal #235H Well in the W/2 of Section 34, Township 23 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 **Cypress 34 Federal #235H Well** (API No. 30-015-47264) to be completed within the Purple Sage; Wolfcamp Pool (98220) underlying the W/2 of Section 34, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

This well will be drilled from a surface location 323 feet from the north line and 226 feet from the west line (Unit D) of Section 34, to a bottom hole location 30 feet from the south line and 1180 feet from the west line (Unit M) of Section 34.

The first take point will be located 100 feet from the north line and 1180 feet from the west line (Unit D) of Section 34 and the last take point will be 100 feet from the south line and 1180 feet from the west line (Unit M) 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 **Cypress 34 Federal #235H Well** will be unorthodox because it is closer than 330 feet to the northern and southern boundaries 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 **Cypress 34 Federal #235H Well** encroaches on the spacing units to the north and the south.

**Exhibit B** is a land plat that shows the proposed **Cypress 34 Federal #235H Well** in relation to the adjoining spacing units to the north in Section 27 and to the south in Section 3.

Ownership is diverse between the subject spacing unit and the tracts to the north and 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 north and south, including the Bureau of Land Management, together with the tracking information reflecting notice has been provided to those parties.

**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**



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

**EXHIBIT A**

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>CYPRESS 34 FEDERAL</b>	
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name <b>TAP ROCK OPERATING, LLC.</b>	<sup>6</sup> Well Number <b>235H</b>
		<sup>9</sup> Elevation <b>3049'</b>

<sup>10</sup>Surface Location

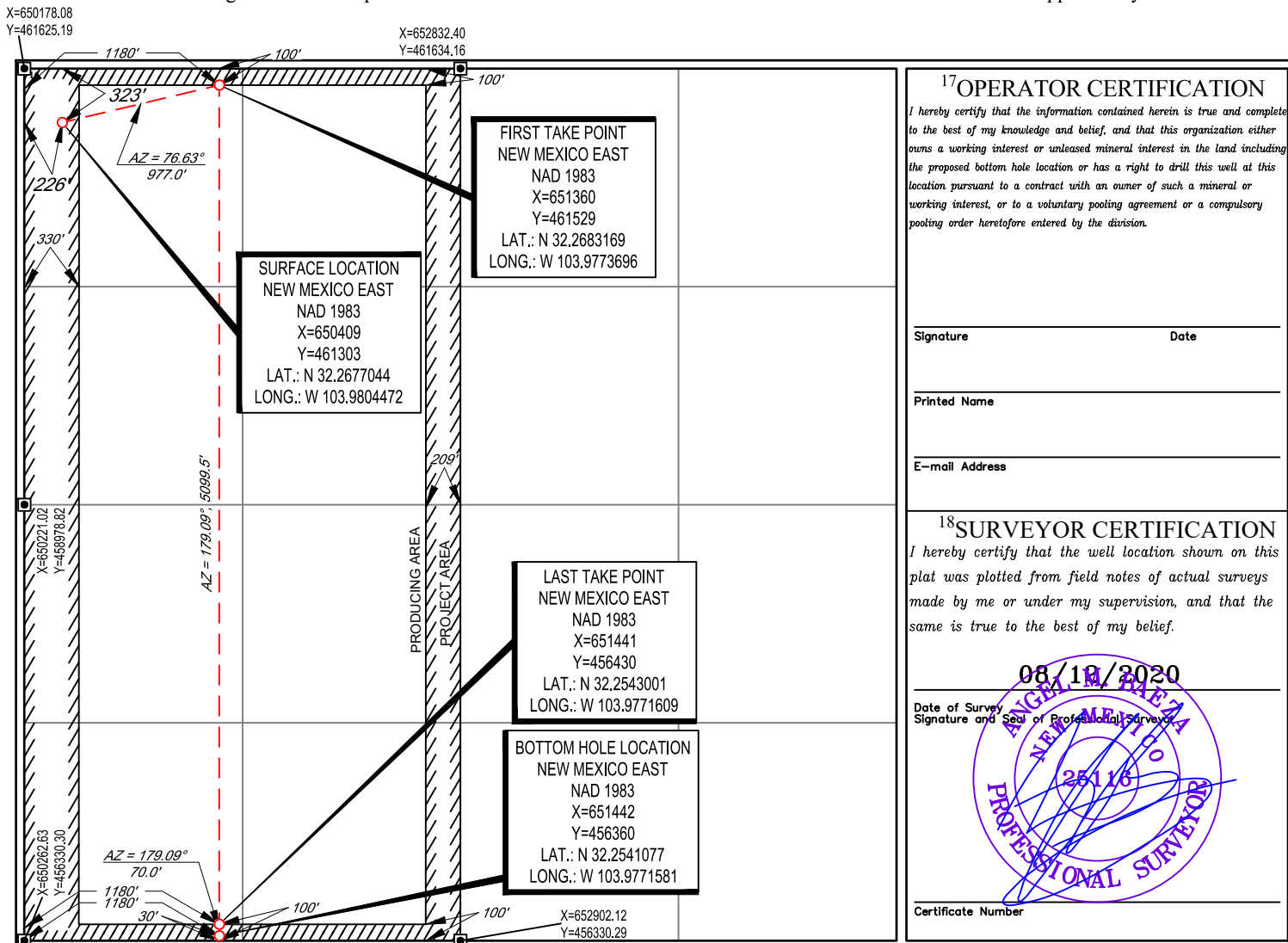
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>34</b>	<b>23-S</b>	<b>29-E</b>	<b>-</b>	<b>323'</b>	<b>NORTH</b>	<b>226'</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup>Bottom 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
<b>M</b>	<b>34</b>	<b>23-S</b>	<b>29-E</b>	<b>-</b>	<b>30'</b>	<b>SOUTH</b>	<b>1180'</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup>OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

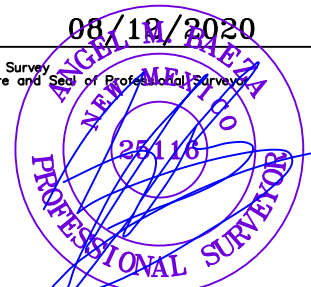
E-mail Address \_\_\_\_\_

<sup>18</sup>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.

08/18/2020

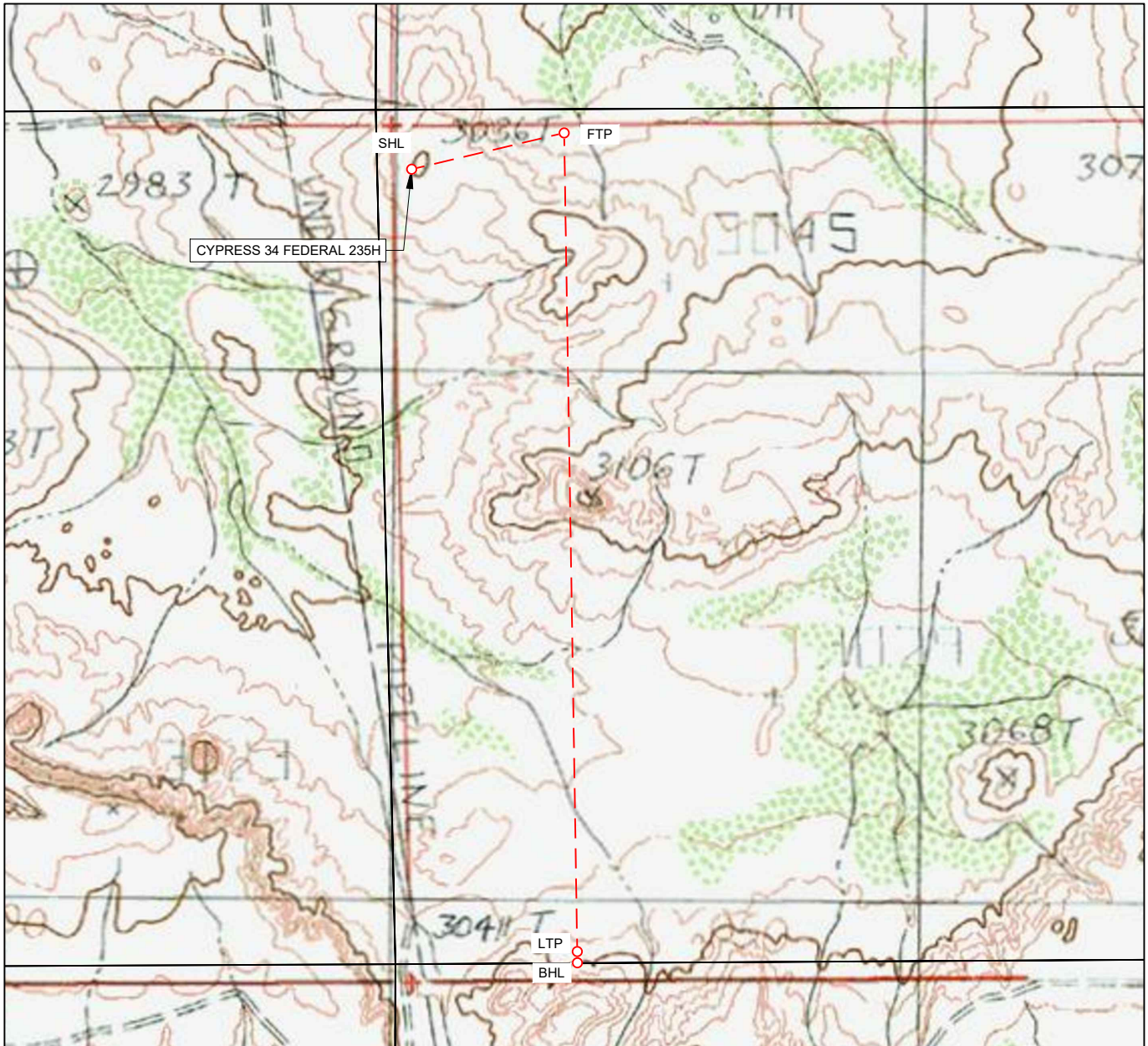
Date of Survey \_\_\_\_\_ Signature and Seal of Professional Surveyor \_\_\_\_\_



Certificate Number \_\_\_\_\_



# LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 235H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM ELEVATION 3049'  
 DESCRIPTION 323' FNL & 226' FWL

LATITUDE N 32.2677044 LONGITUDE W 103.9804472



SCALE: 1" = 1000'  
 0' 500' 1000'

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.

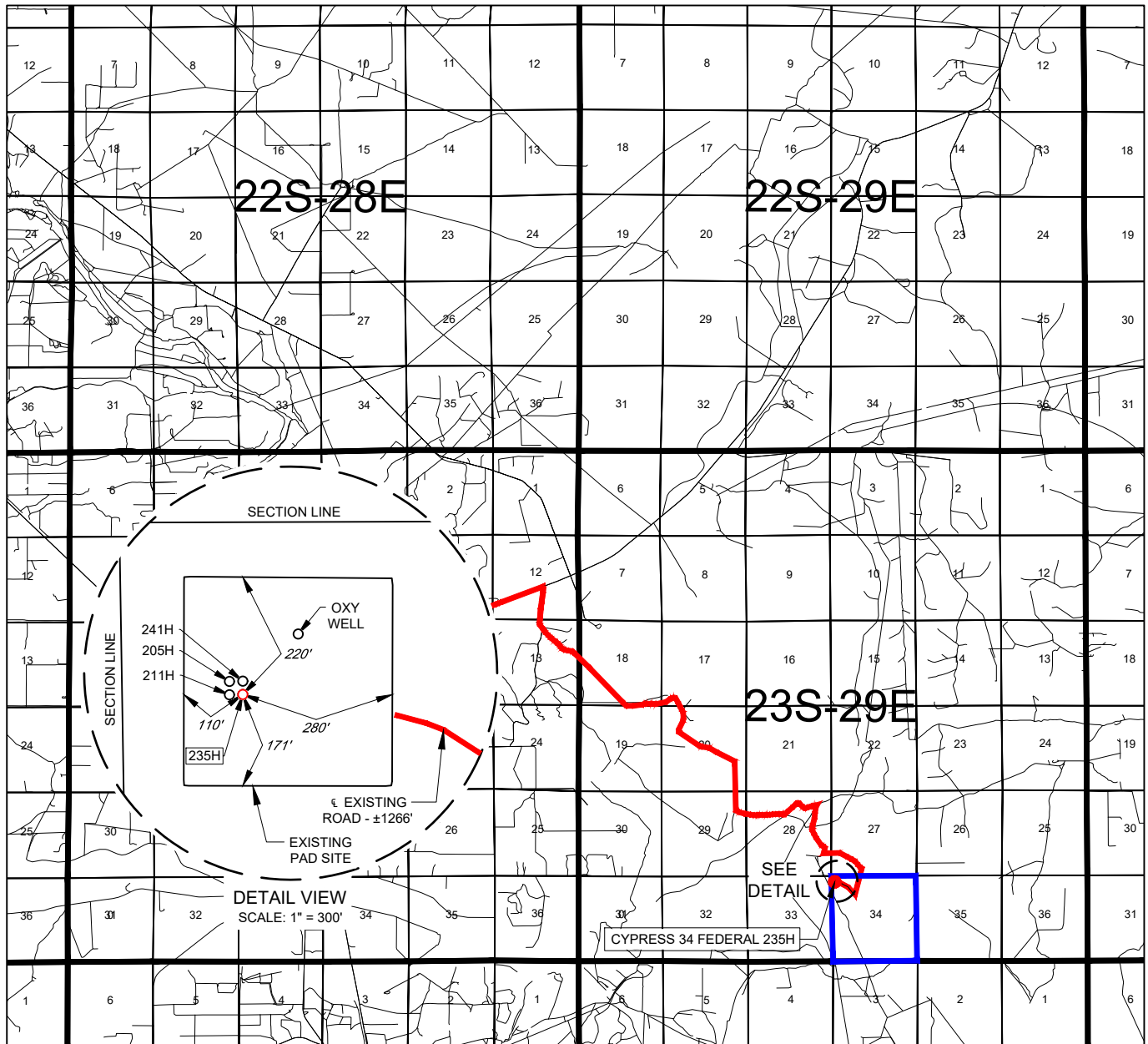


**TOPOGRAPHIC**  
 LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140  
 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



LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 235H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.  
COUNTY EDDY STATE NM  
DESCRIPTION 323' FNL & 226' FWL

DISTANCE & DIRECTION

FROM INT. OF NM-31, & STATE HWY 387, GO EAST ON NM-31 ±1.7 MILES, THENCE SOUTH (RIGHT) ON FISHERMANS LN. ±0.5 MILES, THENCE CONTINUE STRAIGHT ON A LEASE RD. ±4.8 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.6 MILES, THENCE EAST (LEFT) ON A LEASE RD. ±0.3 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.4 MILES, THENCE RIGHT (WEST) ON A PROPOSED ROAD ±1266 FEET TO A POINT ±287 FEET SOUTHEAST 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.



SCALE: 1" = 10000'  
0' 5000' 10000'



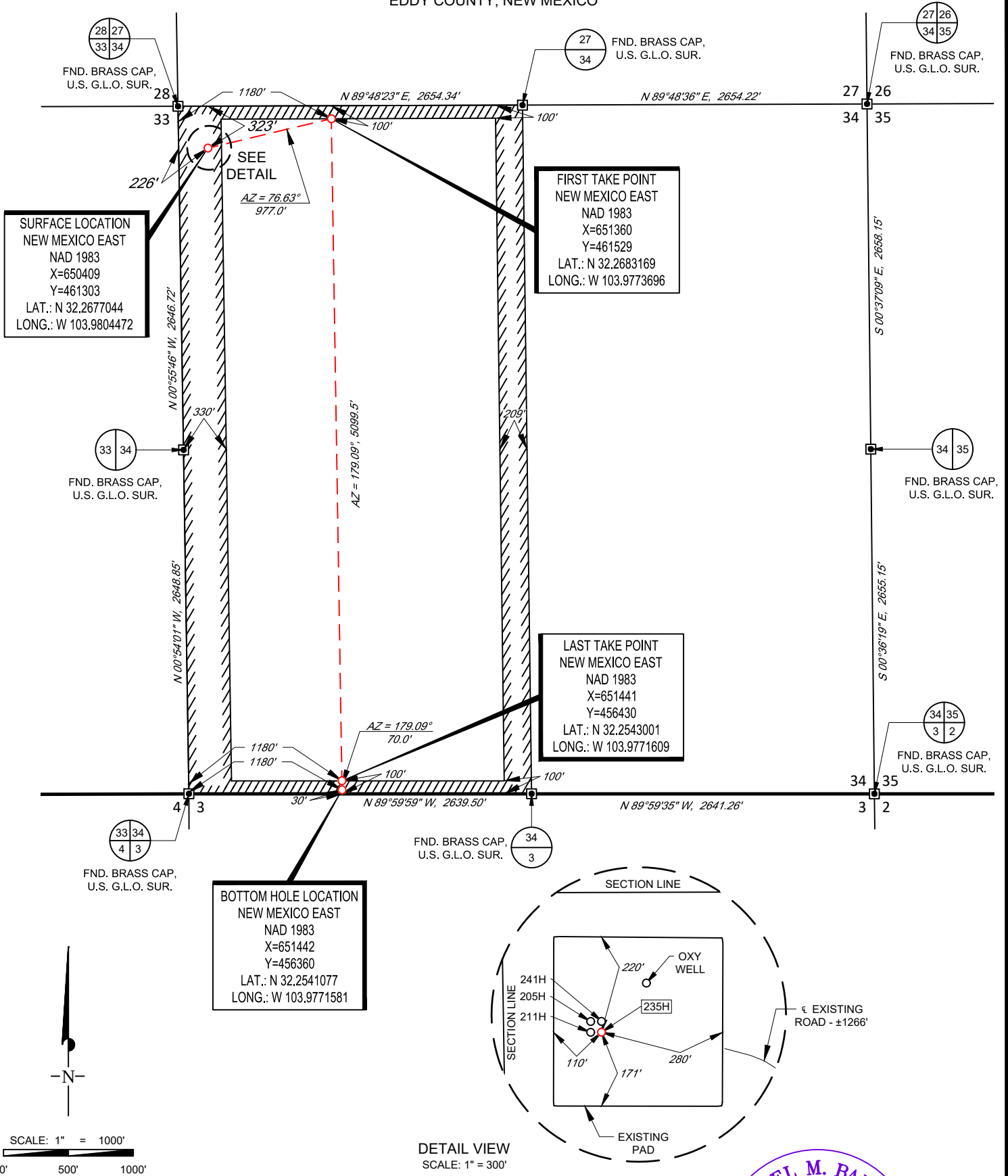
**TOPOGRAPHIC**  
LOYALTY INNOVATION LEGACY

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





SECTION 34, TOWNSHIP 23-S, RANGE 29-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 235H

SECTION 34 TWP 23-S RGE 29-E SURVEY N.M.P.M.  
COUNTY EDDY STATE NM

DESCRIPTION	323' FNL & 226' FWL
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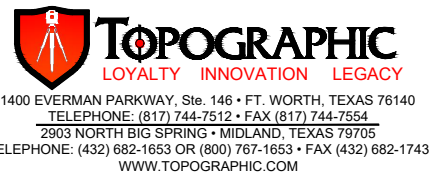
## DISTANCE & DIRECTION

FROM INT. OF NM-31, & STATE HWY 387, GO EAST ON NM-31  $\pm 1.7$  MILES, THENCE SOUTH (RIGHT) ON FISHERMANS LN.  $\pm 0.5$  MILES, THENCE CONTINUE STRAIGHT ON A LEASE RD.  $\pm 4.8$  MILES, THENCE SOUTH (RIGHT) ON A LEASE RD.  $\pm 0.6$  MILES, THENCE EAST (LEFT) ON A LEASE RD.  $\pm 0.3$  MILES, THENCE SOUTH (RIGHT) ON A LEASE RD.  $\pm 0.4$  MILES, THENCE RIGHT (WEST) ON A PROPOSED ROAD  $\pm 1266$  FEET TO A POINT  $\pm 287$  FEET SOUTHEAST OF THE LOCATION.

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

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.

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



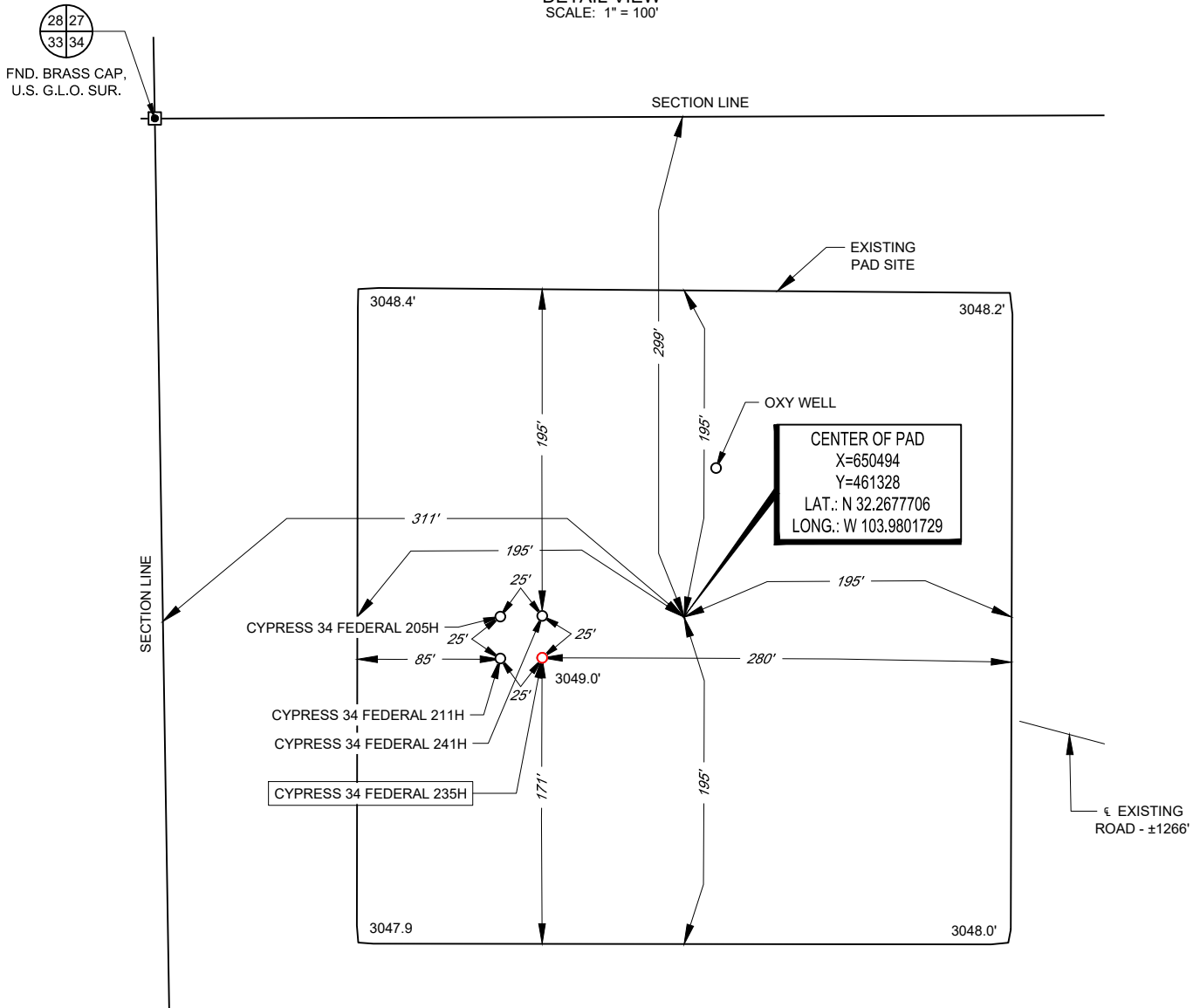


# EXHIBIT 2B



SECTION 34, TOWNSHIP 23-S, RANGE 29-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO

DETAIL VIEW  
SCALE: 1" = 100'



LEASE NAME & WELL NO.: CYPRESS 34 FEDERAL 235H  
235H LATITUDE N 32.2677044 235H LONGITUDE W 103.9804472

CENTER OF PAD IS 299' FNL & 311' FWL



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. ONLY THE DATA SHOWN ABOVE IS BEING  
CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED  
TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. 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"

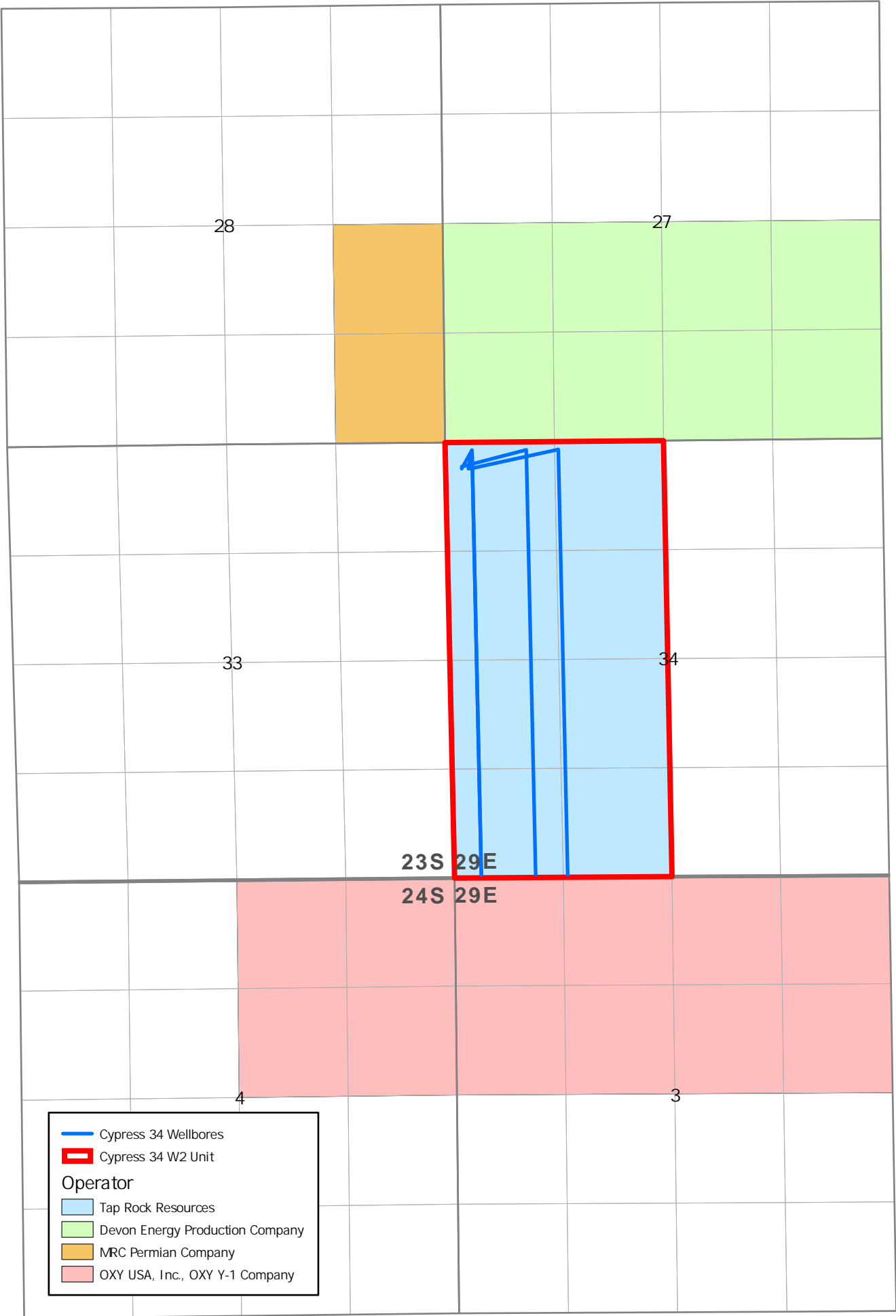
S:\SURVEY\TAPROCK\CYPRESS\_34\_23S29E3434\_AREA\FINAL\_PRODUCTS\LO\_CYPRESS\_34\_FEDERAL\_235H\_REV4.DWG 8/17/2020 10:44:50 AM kmatheny



SCALE: 1" = 100'  
0' 50' 100'

**TOPOGRAPHIC**  
LOYALTY INNOVATION LEGACY  
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 B**



**Cypress 34 Federal #205H, #211H, #235H, #241H Offset Notice List**

**S/2 Section 27, Township 23 South, Range 29 East (Eddy County, NM)**

Devon Energy Production Company  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

**E/2SE/4 Section 28, Township 23 South, Range 29 East (Eddy County, NM)**

MRC Permian Company  
One Lincoln Centre  
5400 LBJ Freeway, Ste. 1500  
Dallas, TX 75240

**N/2 Section 3, Township 24 South, Range 29 East (Eddy County, NM)  
NE/4 Section 4, Township 24 South, Range 29 East (Eddy County, NM)**

OXY USA, Inc.  
5 Greenway Plaza, Suite 110  
Houston, TX 77046

OXY Y-1 Company  
P.O. Box 27570  
Houston, TX 77227

**EXHIBIT C**





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

April 19, 2021

**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 Cypress 34 Federal #235H Well in the W/2 of Section 34, Township 23 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:

Matthew C. Phillips  
Tap Rock Resources  
(720) 459-3724  
mphillips@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



ParentID	Mail Date	Name	DeliveryAddress	City	ST	Zip	MailClass	TrackingNo	Well
31309	04/19/2021	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	9414811898765896705538	70352 - BLM Carlsbad Notice - 1
31309	04/19/2021	Devon Energy Production Company	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Certified with Return Receipt (Signature)	9414811898765896705408	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 1
31309	04/19/2021	MRC Permian Company	5400 Lbj Fwy Ste 1500 One Lincoln Centre	Dallas	TX	75240-1017	Certified with Return Receipt (Signature)	9414811898765896705484	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 2
31309	04/19/2021	OXY USA, Inc.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Certified with Return Receipt (Signature)	9414811898765896705514	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 3
31309	04/19/2021	OXY Y-1 Company	PO Box 27570	Houston	TX	77227-7570	Certified with Return Receipt (Signature)	9414811898765896705569	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 4
31309	04/19/2021	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	9414811898765896705590	70352 - Tap Rock - Cypress 205H, 211H, 235H, 241H NSL - notice list - 5





April 12, 2021

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**  
**Cypress 34 Federal #205H, #211H, #235H, #241H (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 and 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 first and last take points will increase the Wells effective lateral length by 460 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

**TAP ROCK OPERATING, LLC**

A handwritten signature in blue ink, appearing to read "C Wood", written over the company name.

Conner Wood  
Asset Manager and Reservoir Engineer

**EXHIBIT D**