Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary

Mr. Adam Rankin AGRankin@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8323

Tap Rock Operating, LLC [OGRID 372043] Cypress 33 Federal Com Well No. 214H API No. 30-015-47845

Proposed Location

-	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	48 FSL & 974 FEL	Р	33	23S	29E	Eddy
First Take Point	330 FNL & 895 FEL	А	33	23S	29E	Eddy
Last Take Point	100 FSL & 895 FEL	Р	33	23S	29E	Eddy
Terminus	30 FSL & 895 FEL	Р	33	23S	29E	Eddy

Proposed Horizontal Gas Units

Description	Acres	Pool	Pool Code
E/2 of Section 33	320	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on February 8th, 2022.

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, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool 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 edge of the horizontal spacing unit. Encroachment will impact the following tract.

Section 4, T24S, R29E, encroachment the NE/4

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.



Adrienne E. Sandoval, Director Oil Conservation Division Administrative Order NSL-8323 Tap Rock Operating, LLC Page 2 of 2

Division understands you are seeking this unorthodox location to increase the effective lateral length thereby increasing ultimate recovery of reserves and preventing waste within the Wolfcamp formation underlying the E/2 of section 33.

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

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

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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

Date: _4/28/2022

AES/lrl

Division Director