

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF TAP ROCK OPERATING, LLC  
FOR A STANDARD HORIZONTAL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 20321**

**PRE-HEARING STATEMENT**

Tap Rock Operating, LLC provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

Tap Rock Operating, LLC

**APPLICANT'S ATTORNEYS**

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**OPPONENT**

None

**OPPONENT'S ATTORNEYS**

n/a

**STATEMENT OF THE CASE**

In this case, Applicant seeks an order from the Division (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 of Section 13, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all

uncommitted interests in the Wolfcamp formation (Purple Sage-Wolfcamp; Pool code [98220]) underlying the standard unit. The HSU is to be dedicated to the proposed **Delirium State Com #201H well**, to be horizontally drilled from an approximate surface location 334' FSL and 826' FWL of Section 13 to a bottom hole location 200' FNL and 330' FWL of Section 13. This is the "defining well" for this unit. Also to be drilled as an infill well is the **Delirium State Com #215H well**, to be horizontally drilled from an approximate surface location 334' FSL and 851' FWL of Section 13 to a bottom hole location 200' FNL and 990' FWL of Section 13.

The completed intervals and first and last take points for both wells are within the setbacks required by the Purple Sage-Wolfcamp Pool rules. The wells and lands are located approximately 7 miles Southwest of Malaga, New Mexico.

Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells.

#### **PROPOSED EVIDENCE**

<u>APPLICANT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Matt Phillips, Land	20 min.	6
Adam Smith, Geologist	20 min.	4

#### **PROCEDURAL MATTERS**

This matter may be consolidated with Case No. 20320 for purposes of hearing. Assuming no opposition by time of hearing, Tap Rock will present these matters by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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