

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

APPLICATION OF TAP ROCK RESOURCES,
LLC FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.

Case No. 20597

APPLICATION

Tap Rock Resources, LLC applies for an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 34, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, and in support thereof, states:

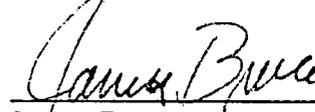
1. Applicant is a working interest owner in the E/2E/2 of Section 34, and has the right to drill a well thereon.
2. Applicant proposes to drill the Frightened Turtle Fee Well No. 134H to a depth sufficient to test the Wolfcamp formation. The E/2E/2 of Section 34 will be dedicated to the well.
3. Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the E/2E/2 of Section 34.
4. Although applicant attempted to obtain to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the E/2E/2 of Section 34, pursuant to NMSA 1978 §70-2-17.

5. The pooling of mineral interests in the Wolfcamp formation underlying the E/2E/2 of Section 34 will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interests in Wolfcamp formation underlying the E/2E/2 of Section 34;
- B. Designating Tap Rock Operating, LLC as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the costs thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk assumed by applicant in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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Attorney for Tap Rock Resources, LLC

PROPOSED ADVERTISEMENT

Case No. 20597:

Application of Tap Rock Resources, LLC for a compulsory pooling, Lea County, New Mexico.
Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 34, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Frightened Turtle Fee Well No. 134H. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15-1/2 miles west-northwest of Jal, New Mexico.