

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



May 2, 2018

**NON-STANDARD PROJECT AREA**

C/o Adam Rankin, Attorney  
Tap Rock Operating, LLC (OGRID 372043)

**Cosmo K 24S35E3328 Well No. 213H (API No. 30-025-44656)**

SHL: Unit G, Section 33, T24S, R35E, Lea County

BHL: Unit G, Section 28, T24S, R35E, Lea County

**WC-015 G-09 S243532E; Wolfbone Pool (Pool Code 98098) Statewide Rules Apply**  
**Proposed 200 Acre, Standard Project Area**

Consisting of the following lands:

Township 24 South, Range 35 East, Lea County, New Mexico

Section 28: SW/4 NE/4, and W/2 SE/4

Section 33: W/2 NE/4

**Pertinent Rules:**

Division Rule 19.15.15.9 A NMAC Oil Well Acreage, 40-acre Spacing.

Division Rule 19.15.16.7 H/M NMAC Definitions, Standard and Non-Standard Project Area.

Division Rule 19.15.16.15 E NMAC Horizontal Wells, Formation of Project Areas.

Division Rule 19.15.16.15 E (2) NMAC Notice Requirements, Non-Standard Project Area.

Reference is made of your application received on April 4, 2018 for approval of the above described non-standard project area, some of which are cited above.


This pool is spaced on standard 40-acre spacing and proration units. You propose to form a non-standard project area consisting of portions of five oil spacing units for purposes of drilling the above mentioned or other horizontal well(s).

The NW/4 NE/4 of Section 28 is excluded from the Unit. Pursuant to Division Rule 19.15.16.15 (E) NMAC, and Division Rule 19.15.4.12 (A) NMAC the mineral interest owner was notified, because the acreage is unleased.

Additional or alternately named wells may be drilled and produce from this non-standard project area.

Any horizontal well wholly completed within this 200-acre, project area and not completed in all the spacing units comprising this project area shall be dedicated to only those spacing units in which that well is completed. If the Division redefines this 200-acre, project area as one spacing unit, this restriction shall not apply.

These approvals are subject to the operator following all other applicable Division rules. Jurisdiction is retained for the entry of such further orders as the Division may deem necessary.



**HEATHER RILEY**

**Director**

HR/mam

cc: Oil Conservation Division – Hobbs District Office  
Bureau of Land Management – Carlsbad Field Office  
Well File 30-025-44656

RECEIVED: <b>4/10 4/08/2018</b>	REVIEWER: <b>MAM</b>	TYPE: <b>NSP</b>	APP NO: <b>PMAM1809359950</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:** Cosmo K 24S35E3328 No. 213H Well

**API:** Pending **30-025-44656**

**Pool:** Wolfbone Pool

**Pool Code:** 98098

**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.

Adam G. Rankin

Print or Type Name

Signature

April 3, 2018

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address

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

<sup>1</sup> API Number <b>30-02-5-44656</b>	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>COSMO K 24S35E3328</b>	<sup>6</sup> Well Number <b>213H</b>
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name <b>TAP ROCK OPERATING, LLC.</b>	<sup>9</sup> Elevation <b>3289'</b>

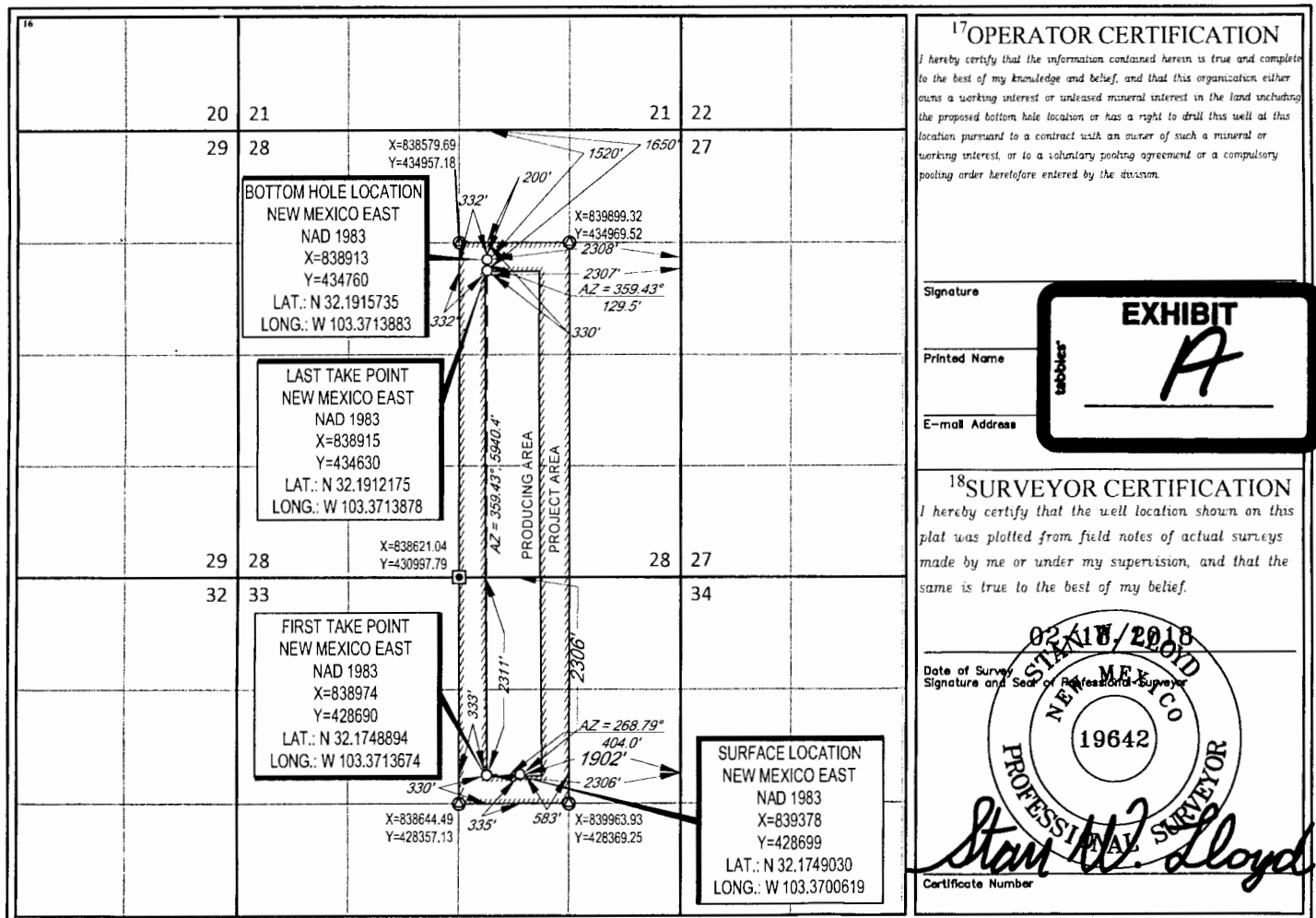
<sup>10</sup>Surface Location

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>G</b>	<b>33</b>	<b>24-S</b>	<b>35-E</b>	<b>-</b>	<b>2306'</b>	<b>NORTH</b>	<b>1902'</b>	<b>EAST</b>	<b>LEA</b>

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>G</b>	<b>28</b>	<b>24-S</b>	<b>35-E</b>	<b>-</b>	<b>1520'</b>	<b>NORTH</b>	<b>2308'</b>	<b>EAST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>200</b>	<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.





April 3, 2018

**VIA HAND DELIVERY**

APR 03 2018 PM 04:15

Heather Riley  
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 a 200-acre non-standard project area and non-standard spacing and proration unit in the SW/4 NE/4, W/2 SE/4 of Section 28 and the W/2 NE/4 of Section 33, Township 24 South, Range 35 East, NMPM, Eddy County, New Mexico.**

Dear Ms. Riley:

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval of a 200-acre non-standard project area and non-standard spacing and proration unit comprised of the SW/4 NE/4, W/2 SE/4 of Section 28 and the W/2 NE/4 of Section 33, Township 24 South, Range 35 East, NMPM, Eddy County, New Mexico, pursuant to NMAC 19.15.15.11.B(2) and 19.15.15.13. The proposed non-standard project area and non-standard spacing and proration unit will be dedicated to the **NSP** (API No. Pending), a horizontal well to be drilled from a surface location 2,306 feet from the north line, 1,902 feet from the east line (Unit G) of Section 33 to a standard bottom hole location 1,520 feet from the north line, 2,308 feet from the east line (Unit G) of Section 28.

The **Cosmo K 24S35E3328 No. 213H Well** will develop said non-standard project area in a Wildcat Wolfbone Pool (WC-025 G-09 S243532M; Wolfbone Pool (Pool Code 98098)). Said pool is subject to the Division's statewide rule providing for 40-acre spacing units. The Division rules, NMAC 19.15.16.15.E, allow a non-standard project area to be formed if one spacing unit is excluded from what would be a standard project area and notice is provided to all affected persons in the excluded spacing unit.

Tap Rock owns 100% working interest in the fee leases covering the proposed non-standard project area. Said non-standard project area would be a standard project area, but for the exclusion of the NW/4 NE/4 of Section 28. Said excluded spacing unit is an unleased tract owned by the United States and is not currently scheduled for leasing under any upcoming lease sale. Tap Rock has nominated the tract for the upcoming BLM sale and will attempt to

HOLLAND & HART<sup>LLP</sup>



lease it before drilling if at all possible pending BLM cooperation. Accordingly, the only party requiring notice is the BLM.

**Exhibit A** is a copy of the Well Location and Acreage Dedication Plat (Form C-102) for the **Cosmo K 24S35E3328 No. 213H Well**.

**Exhibit B** is a plat map showing the ownership of the proposed project area and the adjoining spacing units.

**Exhibit C** is a list of affected parties. 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 this application.

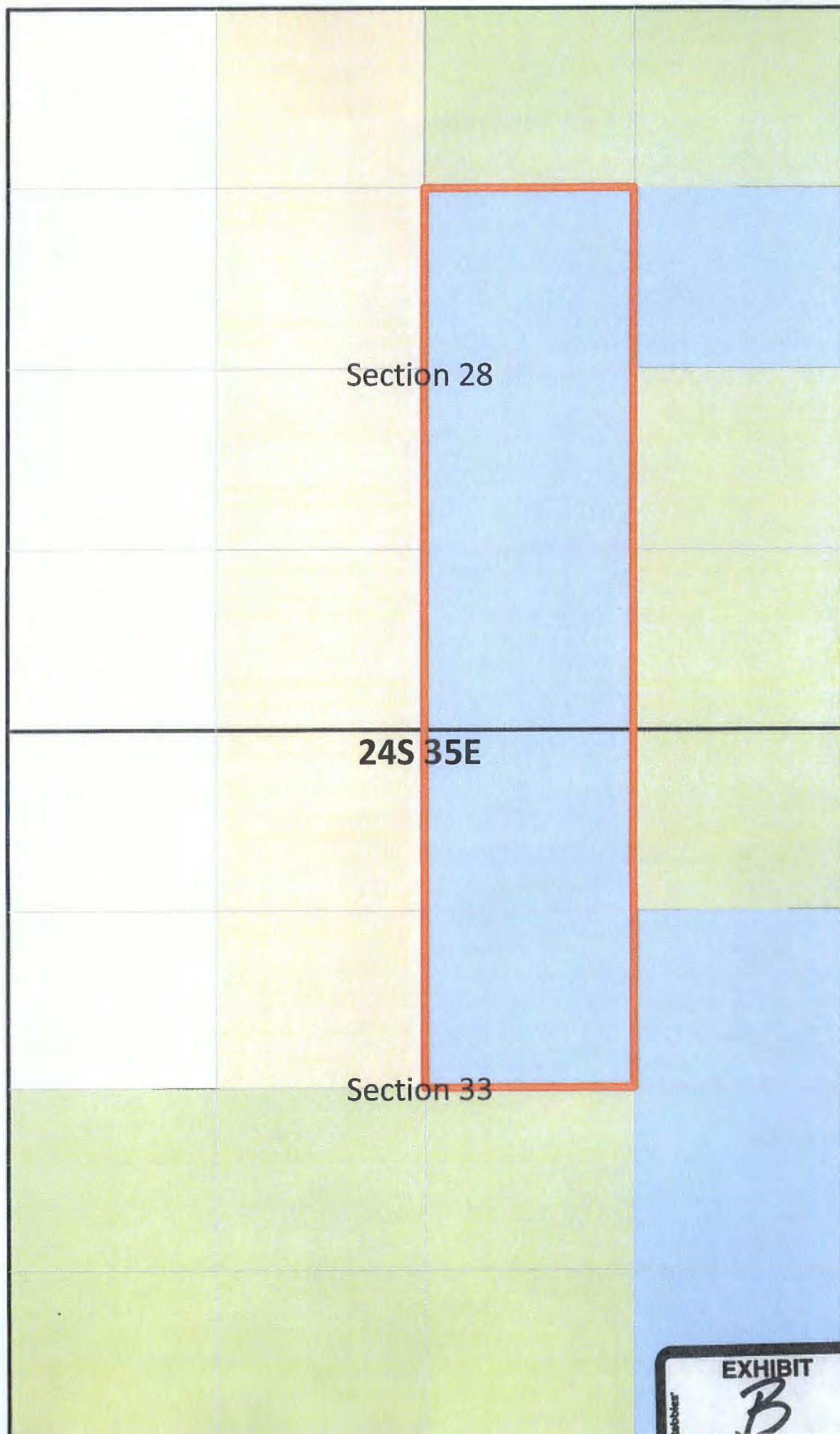
Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam G. Rankin', written over a horizontal line.

Adam G. Rankin

**ATTORNEY TAP ROCK OPERATING, LLC**






Section 28

24S 35E

Section 33

**Legend**

-  Cosmo K DSU
-  BLM Unleased
-  COG

EXHIBIT

B

**Exhibit C**

Bureau of Land Management—Carlsbad District Office  
620 E. Greene Street  
Carlsbad, NM 88220  
9214 8901 9403 8305 2969 64







# 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.

TapRock / Cosmo K 24S35E3328 No. 213H Well  
CM# 93477.0001 (NSP - AdminApplication)

Shipment Date: 04/03/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

\*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 0007 8407 52



Holland & Hart LLP  
110 N Guadalupe St # 1  
Santa Fe NM 87501

☐ Adult Signature Required      ☐ Priority Mail Express  
☐ Adult Signature Restricted Delivery      ☐ Registered Mail  
☒ Certified Mail      ☐ Return Receipt for Merchandise  
☐ Certified Mail Restricted Delivery      ☐ Signature Confirmation  
☐ Collect on Delivery (COD)      ☐ Signature Confirmation Restricted Delivery  
☐ Insured Mail  
☐ Priority Mail

**Affix Stamp Here**  
*(if issued as an international  
certificate of mailing or for  
additional copies of this receipt).*  
**Postmark with Date of Receipt.**

[illegible]



**Adam G. Rankin**  
**Phone** (505) 988-4421  
**Fax** (505) 983-6043  
agrarkin@hollandhart.com

April 3, 2018

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

**Re: Application of Tap Rock Operating, LLC for administrative approval of a 200-acre non-standard project area and non-standard spacing and proration unit in the SW/4 NE/4, W/2 SE/4 of Section 28 and the W/2 NE/4 of Section 33, Township 24 South, Range 35 East, NMPM, 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:

Erica Hixson  
(720) 460-3316  
ehixson@taprk.com

Sincerely,

Adam G. Rankin  
**ATTORNEY TAP ROCK OPERATING, LLC**

Enclosures

Wells Operators Operator Data OCD Only Administration

**OCD Permitting**

Tot: Acre = 480

200 Acres

Home OCD Only Land Searches Land Details

**Section : 28-24S-35E**

Type: Normal

Total Acres: 640

County: Lea (25)

$$640 - 160 = 480$$

D (D) Fee 1 Fee 2 (25) 40	C (C) Fee 1 Fee 2 (25) 40	B (B) Fee 1 Federal 2 (25) 40	A (A) Fee 1 Federal 2 (25) 40
E (E) Fee 1 Fee 2 (25) 40	F (F) Fee 1 Fee 2 (25) 40	G (G) Fee 1 Fee 2 (25) 40	H (H) Fee 1 Fee 2 (25) 40
L (L) Fee 1 Fee 2 (25) 40	K (K) Fee 1 Fee 2 (25) 40	J (J) Fee 1 Fee 2 (25) 40	I (I) Fee 1 Federal 2 (25) 40
M (M) Fee 1 Fee 2 (25) 40	N (N) Fee 1 Fee 2 (25) 40	O (O) Fee 1 Fee 2 (25) 40	P (P) Fee 1 Federal 2 (25) 40
D (D) Fee 1 Fee 2 (25) 40	C (C) Fee 1 Fee 2 (25) 40	B (B) Fee 1 Fee 2 (25) 40	A (A) Fee 1 Federal 2 (25) 40
E (E) Fee 1 Fee 2 (25) 40	F (F) Fee 1 Fee 2 (25) 40	G (G) Fee 1 Fee 2 (25) 40	H (H) Fee 1 Fee 2 (25) 40
L (L) Fee 1 Federal 2 (25) 40	K (K) Fee 1 Federal 2 (25) 40	J (J) Fee 1 Federal 2 (25) 40	I (I) Fee 1 Fee 2 (25) 40
M (M) Fee 1 Federal 2 (25) 40	N (N) Fee 1 Federal 2 (25) 40	O (O) Fee 1 Federal 2 (25) 40	P (P) Fee 1 Fee 2 (25) 40

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Drive | Santa Fe, NM 87505 | P: (505) 476-3200 | F: (505) 476-3220

EMNRD Home OCD Main Page OCD Rules Help

**Section : 33-24S-35E**