TAP ROCK RESOURCES, LLC

March 22, 2023



Engineering Bureau New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Re: Application for Pool Commingling of Oil and Gas Production. Dingo Federal Com #111H, 115H, 121H, 131H, 201H

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval for pool commingling of oil and gas production for the following wells located in Lot 4, SW/4NW/4, W/2SW/4 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, Lea County, New Mexico and any additional infill wells that produce from the same pools within the subject lands with notice provided only to the interest owners within these future spacing units pursuant to 19.15.12.10.C(4)(g) NMAC:

API	Well Name	Unit	Section-	Pool Name
(30-025-)	w en manie	Letter	Township-Range	(Pool Code)
51133	DINGO FEDERAL COM #111H	Е	S12-T24S-R34E	Red Hills; Bone Spring
				North (96434)
51134	DINGO FEDERAL COM #115H	Е	S12-T24S-R34E	Red Hills; Bone Spring
51154	DINGO I EDERAL COM #11511	Ľ	512-1245-KJ4L	North (96434)
51125	DINICO FEDERAL COM #12111	Б	C12 T24C D24E	Red Hills; Bone Spring
51135	DINGO FEDERAL COM #121H	E	S12-T24S-R34E	North (96434)
51120	DINICO FEDERAL COM #12111	Б	C12 T24C D24E	Red Hills; Bone Spring
51136	DINGO FEDERAL COM #131H	Ε	S12-T24S-R34E	North (96434)
51127	DINCO FEDERAL COM #20111	Б	C12 T24C D24E	Antelope Ridge;
51137	DINGO FEDERAL COM #201H	E	S12-T24S-R34E	Wolfcamp (2220)

Oil and gas production from these pools, wells, and lands will be commingled and sold at the Dingo Fed Com CTB located in Section 12, Township 24 South, Range 34 East. Prior to commingling, gas production from each separator will be separately metered with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each separator will also be separately metered using turbine meters.

This Application contains the following exhibits:

- **Exhibit A** Administrative Application Checklist;
- **Exhibit B** Application for Surface Commingling (Form C-107-B);
- **Exhibit C** The written statement of Jeff Trlica, Regulatory Specialist with Tap Rock, identifying each of the wells and Tap Rock's central tank battery and the facilities and the measurement devices to be utilized; Surface facilities schematic; A copy of the Federal Communitization Agreement associated with the subject lands; tract maps identifying the locations of the

wellbores, tracts, and approved participating areas; and gas sample analyses.

Exhibit D Self-affirmed statement from the landman familiar with this application and the subject lands certifying the ownership is diverse between the above-described pools and acreage as defined in 19.15.12.7 NMAC.

Thank you for your time and consideration in this matter.

Respectfully submitted,

TAP ROCK OPERATING, LLC

Michael Rodriguez Staff Attorney 720-245-2606 Mdrodriguez@taprk.com

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RECEIVED:	REVIEWER:	TYPE:	APP NO:
	NEW MEXICO O	ABOVETHISTABLE FOR OCC DIVISION USE ONLY IL CONSERVATION DI Engineering Bureau	
	1220 South St. Francis	s Drive, Santa Fe, NM	87505
		E APPLICATION CHEC	-
TH	IIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRA' REGULATIONS WHICH REQUIRE PROCES		
pplicant:	Tap Rock Operating, LLC	OGRID Numbe	r: <u>372043</u>
/ell Name(s):	Dingo Federal Com 111H, 115H, 121H, 131H, 201H	API:	30-015-51133, 51134, 51135, 51136, 51137
ool(s):	Red Hills; Bone Spring North & Antelope Ridge; Wolfcamp	Pool Code:	96434, 2220
	NSL NSP (PROJECT AREA one only for [] or [] mmingling – Storage – Measurem DHC CTB PLC		unit) []SD]OLM
[] Inje	ection – Disposal – Pressure Increc	ase – Enhanced Oil Rec] PPR
A. ☐ Offs B. ■ Roy C. ☐ App D. ☐ Not E. ■ Not F. ☐ Surf G. ☐ For	IN REQUIRED TO: Check those whi et operators or lease holders alty, overriding royalty owners, re plication requires published notice ification and/or concurrent appro- ace owner all of the above, proof of notifica- notice required	e oval by SLO oval by BLM	FOR OCD ONLY Notice Complete Application Content Complete
approval is a	-	est of my knowledge. I d	his application for administrative also understand that no action will be ions are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Michael Rodriguez	_03/22/2023
Print or Type Name	Date
MAR	720-772-5092
Signature	Phone Number
	mdrodriguez@taprk.com Email Address

Received by OCD: 3/22/2023 3:55:22 PM

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 1220 S. St Francis Dr, Santa Fe, NM 87505 State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION 1220 S. St Francis Drive

Santa Fe, New Mexico 87505

Revised August 1, 2011

Form C-107-B

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

Exhibit B

APPLICATION FOR SURFACE COMMINGLING	G (DIVERSE OWNERSHIP)
-------------------------------------	-----------------------

OPERATOR NAME:	Tap Rock Operating				
OPERATOR ADDRESS:	523 Park Point Dr. Suite 200. C	olden, CO 80401			
APPLICATION TYPE:					
Pool Commingling Lease C	Commingling Pool and Lease Con	mmingling Off-Lease	Storage and Measur	ement (Only if not Surface	e Commingled)
LEASE TYPE: Fee					
	ing Order? □Yes ⊠No If agement (BLM) and State Land				ingling
\square Yes \square No	lagement (BLM) and State Land	i office (SLO) been not	med in writing c	of the proposed comm	inging
		DL COMMINGLIN is with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See attached well list.					
		1			
		1			
(2) Are any wells producing at					
	notified by certified mail of the property ∇	posed commingling?	\square Yes \square No.		
	etering Other (Specify) the value of production? Yes	⊠No If "ves". descri	be why commingli	ng should be approved	
			, 6	6 11	
		SE COMMINGLIN s with the following in			
(1) Pool Name and Code.	i icase attach sheet	is with the following fi			
(2) Is all production from same					
	notified by certified mail of the prop	oosed commingling?	□Yes □N	0	
(4) Measurement type: Met	tering Other (Specify)				
	(C) POOL and	LEASE COMMIN	GLING		
		s with the following in	iformation		
(1) Complete Sections A and E					
	(D) OFF-LEASE ST	ORACE and MEA	SURFMENT		
		ets with the following			
(1) Is all production from same					
(2) Include proof of notice to a	l interest owners.				
	(E) ADDITIONAL INFO			pes)	
(1) A schematic diagram of fac	ility, including legal location.	s with the following in			
	s showing all well and facility location	ons. Include lease numbe	ers if Federal or Sta	te lands are involved.	
	ell Numbers, and API Numbers.				
L hereby certify that the information	on above is true and complete to the	hest of my knowledge on	d belief		
No the second se	-				
SIGNATURE:	T	TLE: <u>Regulatory Anal</u>	<u>yst</u> D	ATE: <u>3/2/2023</u>	-
TYPE OR PRINT NAME	<u>Frlica</u>	TELEPHONE NO.:	720-772-5910		
E-MAIL ADDRESS: jtrlica@)taprk.com				

Page 4 of 56

TAP ROCK RESOURCES, LLC

523 Park Point Drive, Suite 200 - Golden, Colorado 80401



March 2, 2023

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Application of Tap Rock Operating, LLC for administrative approval for approval to surface commingle (pool commingle) oil and gas production from the spacing units comprised of Lot 4, SW/4NW/4, W/2SW/4 (ADA W/2W/2) Section 1 and W/2NW/4 Section 12, Township 24S, Range 34E Lea County, New Mexico (the "Lands")

To Whom This May Concern,

Tap Rock Operating, LLC ("Tap Rock"), OGRID No. 372043, requests to commingle current oil and gas production from five (5) distinct wells located on the Lands and future production from the Lands as described herein. The wells will be metered through individual liquid coriolis flow meters for oil and orifice meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and orifice meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations.

The oil is measured via the coriolis flow meter in accordance with API Chapter 5.6 on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an orifice meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other well's metered gas. The gathering line is then metered by another orifice meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter is tested and calibrated in accordance with industry specifications and volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its

own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

Regards,

TAP ROCK OPERATING, LLC

Jeff Trlica Regulatory Analyst

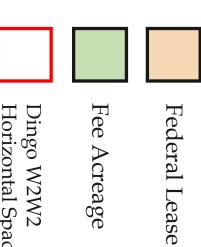
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APPLICATION TO POOL COMMINGLE, STORAGE AND SALES FOR OIL AND GAS PRODUCTION AT DINGO CTB

Pool	API	WellName		OCD Unit	Section	Section Township Range	Range		Anticipated Production	Oil	Gas	Gravity	BTU/ɗ
TOOL	2		Number	Letter	JECTION	ow isinp	Nalige	Online	Type	(MBOD)	(MCFD)	Glavity	0,0,0
[96434] RED HILLS; BONE SPRING, NORTH 30-025-51133 DINGO FEDERAL COM	30-025-51133	DINGO FEDERAL COM	Л #111H	E	12	24S	34E	7/1/2023 C	7/1/2023 Oil, Gas, Produced Water	780	1460	45	1300
[96434] RED HILLS; BONE SPRING, NORTH 30-025-51134 DINGO FEDERAL COM	30-025-51134	DINGO FEDERAL COM	#115H	E	12	24S	34E	7/1/2023 C	7/1/2023 Oil, Gas, Produced Water	780	1460	45	1300
[96434] RED HILLS; BONE SPRING, NORTH 30-025-51135 DINGO FEDERAL COM	30-025-51135	DINGO FEDERAL COM	#121H	E	12	24S	34E	7/1/2023 C	7/1/2023 Oil, Gas, Produced Water	1360	1500	45	1300
[96434] RED HILLS; BONE SPRING, NORTH 30-025-51136 DINGO FEDERAL COM #131H	30-025-51136	DINGO FEDERAL COM	#131H	m	12	24S	34E	7/1/2023 C	7/1/2023 Oil, Gas, Produced Water	1320	3360	45	1300
[2220] ANTELOPE RIDGE; WOLFCAMP	30-025-51137	30-025-51137 DINGO FEDERAL COM	#201H	Е	12	24S	34E	7/1/2023 C	7/1/2023 Oil, Gas, Produced Water	1320	3360	45	1200

)ingo
	W2W
1	V2 U
	Unit
)	

	80 Acres	111H 131H 121H 121H 201H 3 115H	Tract 2 Fee Leases 40 Acres	120.02 Acres	Federal Lease NMNM 113417	Tract 1	Township C
							ip 24 South, Range 34 County New Mexico
	Section 12				Section 1		24 South, Range 34 I ounty New Mexico
							East, Lea

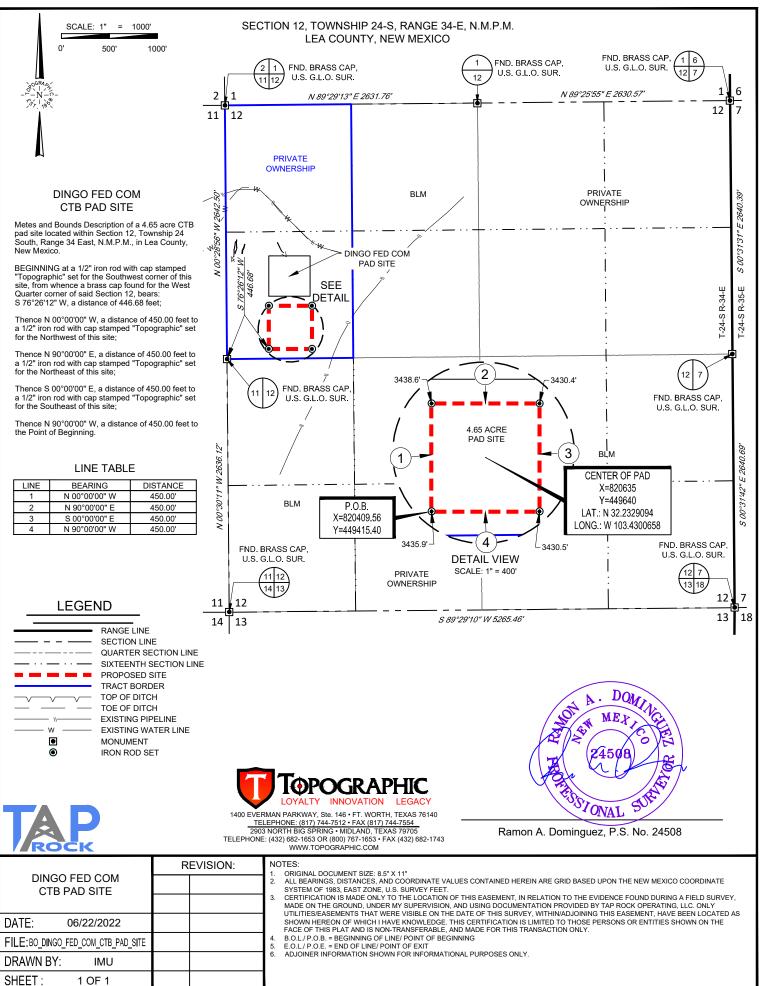






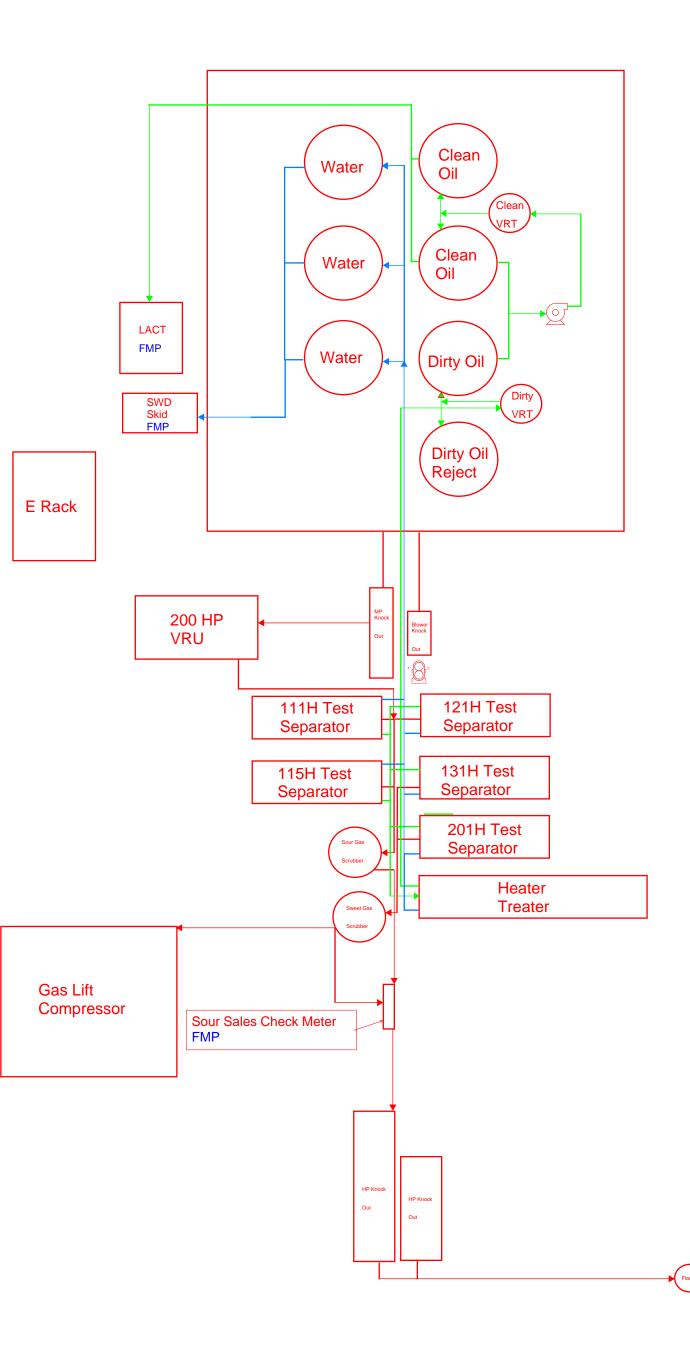
Dingo Wolfcamp Wells **Dingo Bone Spring Wells**

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S:\SURVEY\TAPROCK\DINGO UNIT\FINAL PRODUCTS\BO DINGO FED COM CTB PAD SITE.DWG 6/24/2022 10:29:21 AM rdoming

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Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the **1st** day of **March**, **2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 34 East, N.M.P.M. Section 1: W2W2 Section 12: W2NW4 Lea County, New Mexico

Containing **240.02** acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be **Tap Rock Operating, LLC, 523 Park Point Drive, Suite 200, Golden, CO, 80401**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the owners of the working interest in the communitized area andfour (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

- The royalties payable on communitized substances allocated to the individual 6. leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized

area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is March 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Tap Rock Operating, LLC

Date: 2 22 2023

By:

Name: Clayton Sporich Title: EVP – Land & Legal

ACKNOWLEDGEMENT

STATE OF COLORADO

) ss. COUNTY OF JEFFERSON)

On this 22 day of lebruary 2023, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of Tap Rock Operating, LLC, a Delaware limited liability company, the limited liability company that executed the foregoing instrument, and acknowledged to me such company

executed the same.	BAILYN JULIANNE SALSBURY
(SEAL)	NOTARY PUBLIC - STATE OF COLORADO NOTARY ID 20224045259 MY COMMISSION EXPIRES NOV 30, 2026
11/30/20	
My Commission Exp	pires:

nderenz

I, the undersigned, hereby certify, on behalf of **Tap Rock Operating, LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record andoperating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

Date: 2/22/2023

By: C

Name: Clayton Sporich Title: EVP – Land & Legal

ACKNOWLEDGEMENT

STATE OF COLORADO)) ss. COUNTY OF JEFFERSON)

On this <u>22</u> day of <u>EDrucky</u> 2023, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Operating, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

BAILYN JULIANNE SALSBURY NOTARY PUBLIC - STATE OF COLORADO NOTARY ID 20224045259 COMMISSION EXPIRES NOV 30, 2026

11/30/2026

The Allar Company

Date: _ 2/10/23

By: Name CHILES 62AHAM Title:

ACKNOWLEDGEMENT

STATE OF <u>TEXAS</u>)) ss. COUNTY OF <u>Young</u>)

On this <u>10th</u> day of <u>February</u>, 2023, before me, a Notary Public for the State of <u>Texas</u>, personally appeared <u>John Chiles Graham</u>, known to me to be the <u>President</u> of <u>The Allar Company</u>, <u>a Texas Corporation</u>, the <u>Corporation</u> that executed the foregoing instrument and acknowledged to me such <u>Corporation</u> executed the same.

(SRENNE UNKART Notary Public, State of Texas Comm. Expires 08-30-2023 Notary ID 1172285-2

My Commission Expires:

Kant otary Public

.

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Chevron Midcontinent, L.P.

Date:	By:
	Name:
	Title:
	ACKNOWLEDGEMENT
STATE OF)
) ss.
COUNTY OF)
On thisday of	, 2023, before me, a Notary Public for the State
	in a second seco

of	_, personally appear	red		-	, knov	wn to
me to be the		of				,
the	that	executed	the	foregoing	instrument	and
acknowledged to me su	ch			executed the	same.	

(SEAL)

My Commission Expires:

Notary Public

COG Operating, LLC

Date: 2-9-23

By: Rym D. Owen Atto Acy-in-Prot Name: H Title:

ACKNOWLEDGEMENT

STATE OF <u>Texas</u>)
COUNTY OF Midland) ss.
On this <u>9</u> ^m day of <u>February</u> , 2023, before me, a Notary Public for the State of <u>Texas</u> , personally appeared Ryan D. Dwen known to
ne to be the Attorney in Fact of COG Operating LLC,
he that executed the foregoing instrument and
executed to me such executed the same.
MARIBEL S. TORRES
My Notary ID # 128111746 Expires March 11, 2026

3/11/2026 My Commission Expires:

Notary Public

EXHIBIT "A"

Plat of communitized area covering 240.02 acres in W2W2 of Section 1 and W2NW of Section 12, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Tract 1 Federal Lease NMNM 113417Section 1120.02 AcresSection 1Tract 2 Fee Leases 40 AcresImage: Comparison of the section 1Tract 3 Fee Leases S0 AcresSection 12	Federal Lease NMNM 113417Section 1120.02 AcresSection 1120.02 AcresSection 1Tract 2 Fee Leases 40 AcresSection 1Tract 3 Fee Leases S0 AcresSection 1
Fee Leases	Fee Leases
40 Acres Tract 3	40 Acres Tract 3
Fee Leases	Fee Leases
80 Acres	80 Acres
Fee Leases	Fee Leases
80 Acres	80 Acres

EXHIBIT "B"

To Communitization Agreement dated **March 1, 2023**, embracing the following described land in W2W2 of Section 1 and W2NW of Section 12, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: Tap Rock Operating, LLC

DESCRIPTION OF LEASES COMMITTED

<u>Tract No. 1</u>

Lease Serial Number:	NMNM 113417
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 34 East, N.M.P.M.</u> Section 1: Lot 4, SWNW, & NWSW
Number of Acres:	120.02
Current Lessee of Record:	The Allar Company (100%)
Name of Working Interest Owners:	COG Operating, LLC (25%) Chevron Midcontinent, L.P. (75%)

Tract No. 2

Description of Land Committed:	Township 24 South, Range 34 East, N.M.P.M. Section 1: SWSW
Number of Gross Acres:	40.00
Authority for Pooling:	Fee Lease
Lessor:	Fee Lease

•

Tract No. 3

Description of Land Committed:	Township 24 South, Range 34 East, N.M.P.M. Section 12: W2NW
Number of Gross Acres:	80.00
Authority for Pooling:	Fee Leases
Lessor:	Fee Leases

RECAPITULATION

<u>No.</u>	No. of Acres Committed	Percentage of Interest Tract in Communitized Area
1	120.02	50.0041%
2	40.00	16.6653%
3	80.00	33.3306%
Total	240.02	100.0000%

Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the **1st** day of **March**, **2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 34 East, N.M.P.M. Section 1: W2W2 Section 12: W2NW4 Lea County, New Mexico

Containing **240.02** acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be **Tap Rock Operating, LLC, 523 Park Point Drive, Suite 200, Golden, CO, 80401**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the owners of the working interest in the communitized area andfour (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands area shall fulfill the Federal lands to the committed tracts within the communitized area shall fulfill the Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

- The royalties payable on communitized substances allocated to the individual 6. leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized

area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is March 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Tap Rock Operating, LLC

Date: 2 22 2023

Name: Clayton Sporich Title: EVP – Land & Legal

ACKNOWLEDGEMENT

STATE OF COLORADO

) ss. COUNTY OF JEFFERSON)

On this <u>77</u> day of <u>FCbruan</u> 2023, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Operating, LLC**, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company

executed the same.	BAILYN JULIANNE SALSBURY
(SEAL)	NOTARY PUBLIC - STATE OF COLORADO NOTARY ID 20224045259 MY COMMISSION EXPIRES NOV 30, 2026
11/30/20	26
My Commission Exp	pires:

on Dalany

I, the undersigned, hereby certify, on behalf of **Tap Rock Operating, LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record andoperating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

Date: 7 2212023

By:

Name: Clayton Sporich Title: EVP – Land & Legal

ACKNOWLEDGEMENT

STATE OF COLORADO)) ss, COUNTY OF JEFFERSON)

On this 22 day of <u>Colorado</u>, 2023, before me, a Notary Public for the State of Colorado, personally appeared Clayton Sporich, known to me to be the EVP-Land & Legal of **Tap Rock Operating**, LLC, a Delaware limited liability company, the limited liability company that executed the foregoing instrument and acknowledged to me such company executed the same.

BAILYN JULIANNE SALSBURY NOTARY PUBLIC - STATE OF COLORADO (SEAL) NOTARY ID 20224045259 MY COMMISSION EXPIRES NOV 30, 2026 My Commission Expires:

The Allar Company

Date: _ 2/10/23

By: Name CHILES 62AHAM Title:

ACKNOWLEDGEMENT

STATE OF <u>TEXAS</u>)) ss. COUNTY OF <u>Young</u>)

On this <u>10th</u> day of <u>February</u>, 2023, before me, a Notary Public for the State of <u>Texas</u>, personally appeared <u>John Chiles Graham</u>, known to me to be the <u>President</u> of <u>The Allar Company</u>, <u>a Texas Corporation</u>, the <u>Corporation</u> that executed the foregoing instrument and acknowledged to me such <u>Corporation</u> executed the same.

(SRENNE UNKART Notary Public, State of Texas Comm. Expires 08-30-2023 Notary ID 1172285-2

My Commission Expires:

Kant otary Public

Chevron Midcontinent, L.P.

By:	
Name:	
Title:	

ACKNOWLEDGEMENT

STATE OF _____)) ss. COUNTY OF _____)

On this	day of		, 2023, befo	ore me	e, a Notary P	ublic for the	State
of	, persor	nally appear	red			, knov	vn to
me to be the _			of				,
the		that	executed	the	foregoing	instrument	and
acknowledged	to me such			(executed the	same.	

(SEAL)

My Commission Expires:

Notary Public

EXHIBIT "A"

Plat of communitized area covering 240.02 acres in W2W2 of Section 1 and W2NW of Section 12, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Township 24 South, Range 34 East, Lea County New Mexico			
Tract 1 Federal Lease NMNM 113417 120.02 Acres		Section 1	
Tract 2 Fee Leases 40 Acres			
Tract 3 Fee Leases 80 Acres		Section 12	2



Federal Lease



Fee Acreage



Dingo W2W2 Horizontal Spacing Unit

EXHIBIT "B"

To Communitization Agreement dated **March 1, 2023**, embracing the following described land in W2W2 of Section 1 and W2NW of Section 12, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: Tap Rock Operating, LLC

DESCRIPTION OF LEASES COMMITTED

<u>Tract No. 1</u>

Lease Serial Number:	NMNM 113417
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 34 East, N.M.P.M.</u> Section 1: Lot 4, SWNW, & NWSW
Number of Acres:	120.02
Current Lessee of Record:	The Allar Company (100%)
Name of Working Interest Owners:	The Allar Company (25%) Chevron Midcontinent, L.P. (75%)

Tract No. 2

Description of Land Committed:	Township 24 South, Range 34 East, N.M.P.M. Section 1: SWSW
Number of Gross Acres:	40.00
Authority for Pooling:	Fee Lease
Lessor:	Fee Lease

•

Tract No. 3

Description of Land Committed:	Township 24 South, Range 34 East, N.M.P.M. Section 12: W2NW
Number of Gross Acres:	80.00
Authority for Pooling:	Fee Leases
Lessor:	Fee Leases

RECAPITULATION

<u>No.</u>	No. of Acres Committed	Percentage of Interest Tract in Communitized Area
1	120.02	50.0041%
2	40.00	16.6653%
3	80.00	33.3306%
Total	240.02	100.0000%



Alex Batista Taprock 602 Park Point Drive Ste. 200 Golden, CO 80401

Station Name: Cosmo Fee 223H LG Station Number: 7060339 Sample Point: Meter Run Formation: Quarterly County: Lea, NM Type of Sample: Spot-Cylinder Heat Trace Used: N/A Sampling Method: Fill and Purge Sampling Company: SPL

Certificate of Analysis

Number: 6030-22100279-002A

Artesia Laboratory 200 E Main St. Artesia, NM 88210 Phone 575-746-3481

Oct. 20, 2022

Sampled By: Francisco Romero Sample Of: Gas Spot Sample Date: 10/18/2022 Sample Conditions: 1002.8 psig, @ 52 °F Ambient: 54 °F Effective Date: 10/18/2022 GPA-2261M Method: Cylinder No: 1111-002354 Instrument: 70104251 (Inficon GC-MicroFusion) Last Inst. Cal.: 10/17/2022 0:00 AM Analyzed: 10/20/2022 11:41:44 by EBH

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia		
Hydrogen Sulfide	0.000	0.000	0.000		GPM TOTAL C2+	6.013
Nitrogen	6.479	6.652	8.256		GPM TOTAL C3+	3.089
Methane	68.899	70.732	50.276		GPM TOTAL iC5+	0.557
Carbon Dioxide	1.568	1.610	3.139			
Ethane	10.612	10.895	14.515	2.924		
Propane	5.670	5.821	11.373	1.609		
Iso-butane	1.017	1.044	2.689	0.343		
n-Butane	1.784	1.832	4.718	0.580		
Iso-pentane	0.443	0.455	1.454	0.167		
n-Pentane	0.396	0.407	1.301	0.148		
Hexanes Plus	0.538	0.552	2.279	0.242		
	97.406	100.000	100.000	6.013		
Calculated Physical	Properties	Тс	otal	C6+		
Relative Density Rea		0.78	318	3.2176		
Calculated Molecular		22	.57	93.19		
Compressibility Factor	or	0.99	964			
GPA 2172 Calculation	on:					
Calculated Gross B	TU per ft ³ @ 14.73 p	sia & 60°F				
Real Gas Dry BTU			217	5141		
Water Sat. Gas Base	e BTU	11	197	5052		
Ideal, Gross HV - Dry	/ at 14.73 psia	121	3.0	5141.1		
Ideal, Gross HV - We		119	1.9	5051.6		
Net BTU Wet Gas - r	eal gas	10	087			

Comments: H2S Field Content 2.5 ppm

Hydrocarbon Laboratory Manager

Quality Assurance:

The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Alex Batista Taprock 602 Park Point Drive Ste. 200 Golden, CO 80401

Station Name: Mandelbaum 137H Station Number: 7060230 Sample Point: Meter run Formation: Quarterly County: Lea Type of Sample: Spot-Cylinder Heat Trace Used: N/A Sampling Method: Fill and Purge Sampling Company: SPL

Certificate of Analysis

Number: 6030-22100003-005A

Artesia Laboratory 200 E Main St. Artesia, NM 88210 Phone 575-746-3481

Oct. 04, 2022

Sampled By: FR Sample Of: Gas Spot Sample Date: 09/30/2022 Sample Conditions: 16.2 psig, @ 72 °F Ambient: 69 °F Effective Date: 09/30/2022 Method: GPA-2261M Cylinder No: 1111-002587 Instrument: 70104251 (Inficon GC-MicroFusion) Last Inst. Cal.: 10/03/2022 0:00 AM Analyzed: 10/03/2022 14:40:46 by EBH

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia		
Nitrogen	2.036	2.058	2.513		GPM TOTAL C2+	6.604
Methane	71.814	72.593	50.754		GPM TOTAL C3+	3.498
Carbon Dioxide	2.460	2.487	4.770		GPM TOTAL iC5+	0.785
Ethane	11.446	11.570	15.162	3.106		
Propane	6.344	6.413	12.324	1.774		
Iso-butane	0.863	0.872	2.209	0.286		
n-Butane	2.040	2.062	5.223	0.653		
Iso-pentane	0.454	0.459	1.443	0.169		
n-Pentane	0.467	0.472	1.484	0.172		
Hexanes Plus	1.003	1.014	4.118	0.444		
	98.927	100.000	100.000	6.604		
Calculated Physical P	Properties	Тс	otal	C6+		
Relative Density Real C	Gas	0.79	952	3.2176		
Calculated Molecular W	Veight	22	.95	93.19		
Compressibility Factor		0.99	959			
GPA 2172 Calculation	1:					
Calculated Gross BTL	J per ft ³ @ 14.73 p	sia & 60°F				
Real Gas Dry BTU		12	293	5141		
Water Sat. Gas Base B	BTU	12	271	5052		
Ideal, Gross HV - Dry a	at 14.73 psia	128	7.2	5141.1		
Ideal, Gross HV - Wet		126	4.8	5051.6		
Net BTU Wet Gas - rea	al gas	11	54			

Hydrocarbon Laboratory Manager

Quality Assurance:

The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

523 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401

Exhibit D



Received by OCD: 3/22/2023 3:55:22 PM

March 20, 2023

Engineering Bureau New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Re: Application for Pool Commingling and Off-lease Storage, Measurement, and Marketing of Oil and Gas Production.

To whom it may concern,

I certify that as of the date below, the ownership in the lands and pools referenced in this commingling application is **diverse** as defined in 19.15.12.7 NMAC.

Respectfully submitted,

TAP ROCK OPERATING, LLC

ean) Taylor McVean

Landman tmcvean@taprk.com

3/20/23 Date

From: To:	<u>McClure, Dean, EMNRD</u> on behalf of <u>Engineer, OCD, EMNRD</u> Michael Rodriguez
Cc:	McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Paradis, Kyle O; Walls, Christopher
Subject:	Approved Administrative Order PLC-914
Date:	Monday, September 11, 2023 3:49:57 PM
Attachments:	PLC914 Order.pdf

NMOCD has issued Administrative Order PLC-914 which authorizes Tap Rock Operating, LLC (372043) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool	
30-025-51133	Dingo Fodorol Com #1111	W/2 W/2	1-24S-34E	06424	
30-025-51155	Dingo Federal Com #111H	W/2 NW/4	12-24S-34E	96434	
20.025.51124	Dings Federal Com #1151	W/2 W/2	1-24S-34E	0(424	
30-025-51134	Dingo Federal Com #115H	W/2 NW/4	12-24S-34E	96434	
20.025.51125		W/2 W/2	1-24S-34E	0(424	
30-025-51135	Dingo Federal Com #121H	W/2 NW/4	12-24S-34E	96434	
20.025.51126		W/2 W/2	1-24S-34E	0(424	
30-025-51136	Dingo Federal Com #131H	W/2 NW/4	12-24S-34E	96434	
20.025.51125		W/2 W/2	1-24S-34E	2220	
30-025-51137	Dingo Federal Com #201H	W/2 NW/4	12-24S-34E	2220	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
DINGO FED COM	115H	3002551134	NMNM113417	NMNM113417	TAP ROCK
DINGO FED COM	121H	3002551135	NMNM113417	NMNM113417	TAP ROCK
DINGO FED COM	131H	3002551136	NMNM113417	NMNM113417	TAP ROCK
DINGO FED COM	201H	3002551137	NMNM113417	NMNM113417	TAP ROCK

NMNM113417

3002551133

Notice of Intent

Sundry ID: 2721740

DINGO FED COM

Type of Submission: Notice of Intent

Date Sundry Submitted: 03/20/2023

Date proposed operation will begin: 03/20/2023

111H

Type of Action: Commingling (Surface) Time Sundry Submitted: 12:59

NMNM113417

Sundry Print Repor

TAP ROCK

Procedure Description: Tap Rock requests surface commingling for the referenced wells located at Dingo CTB in accordance with 43 CFR 3173.14(a)(1)(iii).

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Dingo_CTB_BLM_Commingling_Application_Combined_20230320_20230320125842.pdf

Conditions of Approval

Specialist Review

Surface_Commingling_COA_20230817131902.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signatur	Signed on:	
Name: TAP ROCK OPERATIN	IG LLC	
Title: Regulatory Analyst		
Street Address: 523 PARK PO	DINT DRIVE SUITE 200	
City: GOLDEN	State: CO	
Phone: (720) 772-5910		
Email address: JTRLICA@TA	PRK.COM	
Field		
Representative Name:		
Street Address:		
City:	State:	Zip:
Phone:		

BLM Point of Contact

Email address:

BLM POC Name: JONATHON W SHEPARD BLM POC Phone: 5752345972 Disposition: Engineer Complete Signature: Jonathon Shepard

BLM POC Title: Petroleum Engineer BLM POC Email Address: jshepard@blm.gov Disposition Date: 08/17/2023 **TAP ROCK RESOURCES, LLC**



Page 42 of 56

May 5, 2023

Engineering Bureau New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Re: Application for Pool Commingling and Off-lease Storage, Measurement, and Marketing of Oil and Gas Production.

SELF-AFFIRMED STATEMENT OF MICHAEL RODRIGUEZ REGARDING NOTICE

1. I am attorney in fact and authorized representative of Tap Rock Operating, LLC, the Applicant herein.

2. On March 24, 2023, I caused notice of the captioned application to be sent by certified mail to all owners entitled to receive notice.

3. The notice letter attached as **Exhibit C-1** and the application were sent to the uncommitted interest owners. **Exhibit C-1** also contains a tracking sheet that identifies the parties and addresses that notice was sent to and the status of receipt.

4. On March 26, 2023, notice was also directed to all interested parties by publication in the Hobbs News-Sun. An Affidavit of Publication from the Publisher of the Hobbs News-Sun and a copy of the notice publication are attached as **Exhibit C-2**.

5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Michael Rodriguez

05/05/2023

Date

Michael Rodriguez – Attorney mdrodriguez@taprk.com



March 24, 2023

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO ALL AFFECTED PARTIES

Re: Application for Pool Commingling and Off-lease Storage, Measurement, and Marketing of Oil and Gas Production.

To whom it may concern:

Enclosed is a copy of the above-referenced application filed with the New Mexico Oil Conservation Division ("Division") on this date by Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043). Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, the Division may administratively approve this application.

This notice is to advise you that the enclosed application for pool and surface commingling applies to the wells listed in the application. In accordance with Rule 19.15.12.10(C)(4)(g) NMAC, Tap Rock requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

If you have any questions about this application, please contact me at (720) 245-2606 or mdrodriguez@taprk.com.

Thank you,

/s/ Michael Rodriguez

Michael Rodriguez Staff Attorney Tap Rock Operating, LLC

Released											
Matelass	TrackingNo	ToCompanyName	ToName	DeliveryAddress	AddressLine2	City	State	Zip	ERR_SigDate	USPS_Status	StatusCode
Certified with Return Record (Signature) Certified with Return	94148118987658 33004595		TAP ROCK RESOURCES II	523 Park Point Dr Ste 200		Golden	CO	80401-9387	03/28/2023 01:47:16	Your item has been delivered to an agent for final delivery in GOLDEN, CO 80401 on March 27, 2023 at	D
Certified with Return Recept (Signature)	94148118987658 33005295		CROWNROCK MINERALS LP	PO Box 51933		Midland	ТХ	79710-1933		Your item was delivered to an individual at the address at 12:57 pm on March 28, 2023 in MIDLAND, TX 79705.	D
Certified with Return Rectified (Signature)	94148118987658 33005240		CHEVRON USA INC	PO Box 730436		Dallas	тх	75373-0436	03/31/2023 07:46:43	Your item was picked up at a postal facility at 4:57 pm on March 30, 2023 in DALLAS, TX 75260. Your item was delivered to an individual at the address	D
Certified with Return Recount (Signature)	94148118987658 33005288		VIPER ENERGY PARTNERS LLC	515 Central Park Dr Ste 100		Oklahoma City	OK	73105-1756	03/30/2023 01:45:59	at 9:03 am on March 29, 2023 in OKLAHOMA CITY, OK 73105.	D
Cer Hed with Return Receipt (Signature)	94148118987658 33005271		NEW MEXICO WESTERN MINERALS INC	PO Box 45750		Rio Rancho	NM	87174-5750	03/29/2023 00:44:38	Your item was picked up at the post office at 10:31 am on March 28, 2023 in RIO RANCHO, NM 87124.	D
Certified with Return Receipt (Signature)	94148118987658 33005813		BEXP I OG LLC	5914 W Courtyard Dr Ste 340		Austin	тх	78730-4928	04/02/2023 06:45:48	Your item was delivered to the front desk, reception area, or mail room at 12:35 pm on April 1, 2023 in AUSTIN, TX 78730.	D
Certified with Return Receipt (Signature)	94148118987658 33005851	C/O Personal Administrators Inc	RONALD J BYERS COMPANY LLC	3939 Bee Caves Rd Bldg C100		West Lake Hills	тх	78746-6431	04/02/2023 06:46:01	Your item was delivered to an individual at the address at 11:31 am on April 1, 2023 in AUSTIN, TX 78746.	D
Certified with Return Receipt (Signature)	94148118987658 33005868		WILLIAM C & ELAINE M WALKER FAMILY TRUST	3123 Avondale St		Fort Worth	ТХ	76109-1002	04/04/2023 07:45:24	Your item was delivered to an individual at the address at 2:17 pm on April 3, 2023 in FORT WORTH, TX 76109.	D
Certified with Return Receipt (Signature)	94148118987658 33005820	John Kyle Thoma Ttee	THE CORNERSTONE FAMILY TRUST	PO Box 558		Peyton	CO	80831-0558	03/28/2023 01:47:14	Your item was delivered to an individual at the address at 10:44 am on March 27, 2023 in PEYTON, CO 80831.	D
Certified with Return Receipt (Signature)	94148118987658 33005806		OFFICE OF NATURAL RESOURCES REVENUE	PO Box 25627		Denver	CO	80225-0627	03/28/2023 01:47:12	Your item was picked up at a postal facility at 9:05 am on March 27, 2023 in DENVER, CO 80225.	D
Certified with Return Receipt (Signature)	94148118987658 33005899		CAYUGA ROYALTIES LLC	PO Box 540711		Houston	тх	77254-0711		Your item arrived at our PHOENIX AZ DISTRIBUTION CENTER ANNEX origin facility on May 4, 2023 at 9:06 pm. The item is currently in transit to the destination.	I
Certified with Return Receipt (Signature)	94148118987658 33004540		BEXP I LP	5914 W Courtyard Dr Ste 340		Austin	тх	78730-4928	04/02/2023 06:45:48	Your item was delivered to the front desk, reception area, or mail room at 12:35 pm on April 1, 2023 in AUSTIN, TX 78730.	D
Certified with Return Receipt (Signature)	94148118987658 33005844		COG OPERATING LLC	600 W Illinois Ave		Midland	тх	79701-4882	03/30/2023 01:46:00	Your item was picked up at a postal facility at 7:49 am on March 29, 2023 in MIDLAND, TX 79702.	D
Certified with Return Receipt (Signature)	94148118987658 33005882		MALIBU RESOURCES LLC	525 Burton Hill Rd		Westworth Village	тх	76114-4242	04/04/2023 07:45:24	Your item was delivered to an individual at the address at 3:34 pm on April 3, 2023 in FORT WORTH, TX 76114.	D
Certified with Return Receipt (Signature)	94148118987658 33005837		INNOVENTIONS INC	PO Box 40		Cedar Crest	NM	87008-0040	03/28/2023 01:47:17	Your item was picked up at the post office at 11:46 am on March 27, 2023 in CEDAR CREST, NM 87008. Your item has been delivered to an agent for final	D
Certified with Return Receipt (Signature)	94148118987658 33005875		RRIG ENERGY LLC	105 Nursery Ln Ste 110		Fort Worth	тх	76114-4388	03/29/2023 00:44:36	delivery in FORT WORTH, TX 76114 on March 28, 2023 at 11:52 am.	D
Certified with Return Receipt (Signature)	94148118987658 33005714		STAGNER LLC	18753 Jones Creek Ct		Reno	NV	89508-4004	03/29/2023 00:44:37	Your item was delivered to an individual at the address at 12:50 pm on March 28, 2023 in RENO, NV 89508.	D
Certified with Return Receipt (Signature)	94148118987658 33005752	Karin Hudges, As Agent	THE MILLER FAMILY MINERAL INTEREST LLC	8311 Snoqualmie Dr		Pasco	WA	99301-6776	03/29/2023 00:44:37	Your item was delivered to an individual at the address at 11:25 am on March 28, 2023 in PASCO, WA 99301.	D

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Certified with Return Receipt (Signature)		William E. Walker II Ttee	THE WILLIAM E. WALKER LIVING TRUST	5421 Desert Paradise Dr		Las Vegas	NV	89130-3679 03/29/2023 00:44:36	Your item was delivered to an individual at the address	D
Certeined with Return Recept (Signature)	94148118987658 33005721		MARY RACHEL HEADLEY	7112 Pan American Fwy NE Unit 141		Albuquerque	NM	87109 03/28/2023 01:47:11	at 1:50 pm on March 27, 2023 in ALBUQUERQUE, NM 87109.	D
Recent (Signature)	94148118987658 33005707 94148118987658		TATE BYRNE JENNINGS	3535 23rd St		Boulder	со	80304-1907	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. Your item was delivered to an individual at the address at 1:52 pm on March 28, 2023 in COLORADO SPRINGS,	I
Record (Signature)	33005790		SCOT C MILLER	10048 Oak Knoll Ter		Colorado Springs	со	80920-2431 03/29/2023 00:44:37		D
Certified with Return Recent (Signature)	94148118987658 33004588		THE ALLAR COMPANY	PO Box 1567		Graham	тх	76450-7567 04/04/2023 07:45:24	Your item was delivered to an individual at the address at 10:16 am on April 3, 2023 in GRAHAM, TX 76450.	D
Certified with Return Recount (Signature)	94148118987658 33005745		SANDI MILLER	17 Riverside Dr		Roswell	NM	88201-3952 03/31/2023 08:01:56	Your item was picked up at the post office at 11:08 am on March 30, 2023 in ROSWELL, NM 88201.	D
Certified with Return Receipt (Signature)	94148118987658 33005783		PERCY LEE LAWRENCE, III & PATRICIA C. LAWRENCE	219 E 2nd St		Crowley	LA	70526-5131 03/30/2023 01:45:59	Your item was delivered to an individual at the address at 8:12 am on March 29, 2023 in CROWLEY, LA 70526.	
Certified with Return Receipt (Signature)	94148118987658 33005738		DAVID W. LAWRENCE & MEG DEPENDER LAWRENCE	7151 Crowley Ct		San Diego	CA	92119-1601 03/29/2023 00:44:37	Your item was delivered to an individual at the address at 1:38 pm on March 28, 2023 in SAN DIEGO, CA 92119.	
Certified with Return Receipt (Signature)	94148118987658 33005776		ANNE ELIZABETH LAWRENCE	5909 Beverly Dr E Apt 2130		Benbrook	тх	76132-5872	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	I
Certified with Return Receipt (Signature)		MICHAEL AND PAMELA MOORE REVOCABLE TRUST	Michael Herd Moore & Pamela Christine Moore,	PO Box 2893	Co-Ttees	Frisco	тх	75034-0054 04/01/2023 07:46:28	Your item was delivered to the front desk, reception area, or mail room at 12:17 pm on March 31, 2023 in FRISCO, TX 75034.	D
Certified with Return Receipt (Signature)	94148118987658 33005967		ANN AKIN A/K/A ANN ALLISON	5115 2nd St Unit 6		Lubbock	тх	79416-3144 03/29/2023 00:44:36	Your item was delivered to an individual at the address at 2:02 pm on March 28, 2023 in LUBBOCK, TX 79416.	
Certified with Return Receipt (Signature)	94148118987658 33005929	James McWhorter, Ttee	THE MARY J. MCWHORTER TRUST	PO Box 1087		Ashland	OR	97520-0037 04/01/2023 07:46:30	Your item was picked up at the post office at 11:58 am on March 31, 2023 in ASHLAND, OR 97520.	D
Certified with Return Receipt (Signature)	94148118987658 33005905		ARRINGTON OIL & GAS ROYALTY FUND LLC	PO Box 2071		Midland	тх	79702-2071 03/29/2023 00:44:37	Your item was delivered at 8:08 am on March 28, 2023 in MIDLAND, TX 79702.	D

Certified with Return Receipt (Signature)	94148118987658 Brent W. 33005998 A. McWho	MCWHORTER FAMILY TRUST, DATED 10/30/2000	6140 E Voltaire Ave	Scottsdale	AZ	85254-3807	Your item arrived at our USPS facility in PHOENIX AZ DISTRIBUTION CENTER ANNEX on May 4, 2023 at 9:06 pm. The item is currently in transit to the destination.	
Certified with Return Receipt (Signature)	94148118987658 33005943	REGENERATION ENERGY CORP	PO Box 210	Artesia	NM		Your item was picked up at the post office at 10:53 am on March 29, 2023 in ARTESIA, NM 88210.	D
Certified with Return Receipt (Signature)	94148118987658 33004533	ALLAR DEVELOPMENT LLC	PO Box 1567	Graham	тх	76450-7567 04/04/2023 07:45:25	Your item was delivered to an individual at the address at 10:16 am on April 3, 2023 in GRAHAM, TX 76450.	s D
Certified with Return Receipt (Signature)	94148118987658 33005981	REGEN ROYALTY CORP	PO Box 210	Artesia	NM	88211-0210 03/30/2023 01:46:00	Your item was picked up at the post office at 10:53 am on March 29, 2023 in ARTESIA, NM 88210.	D
Certified with Return Receipt (Signature)	94148118987658 33005936	MONGOOSE MINERALS LLC	600 W Illinois Ave	Midland	тх	79701-4882 03/30/2023 01:46:01	Your item was picked up at a postal facility at 7:49 am on March 29, 2023 in MIDLAND, TX 79702.	D

				Received
со	80206-5827 03/28/2023 01:47:14	Your item was delivered to the front desk, reception area, or mail room at 3:44 pm on March 27, 2023 in DENVER, CO 80206. Your item was delivered to the front desk, reception	D	eceived by OCL
CO	80206-5827 03/28/2023 01:47:13	area, or mail room at 3:44 pm on March 27, 2023 in	D	D: 3/
тх	77098-0552 04/09/2023 07:44:25	Your item was delivered at 8:42 am on April 8, 2023 in HOUSTON, TX 77098.	D): 3/22/2023 3:55:22
CO	80220-5035 03/28/2023 01:47:14	Your item was delivered to an individual at the address at 3:41 pm on March 27, 2023 in DENVER, CO 80220.	D	3 3:5
тх	75225-6736 03/29/2023 00:44:37	Your item was delivered to an individual at the address at 1:14 pm on March 28, 2023 in DALLAS, TX 75225.	D	5:22 P

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Certified with Return	94148118987658			
Recast (Signature)	33004571	FRANKLIN MOUNTAIN ENERGY, LLC	44 Cook St Ste 1000	Denver
(Signature)	33004371		44 COOK St Ste 1000	Denver
Cereied with Return	94148118987658	FRANKLIN MOUNTAIN ROYALTY INVESTMENTS		
Recent (Signature)	33005219	LLC	44 Cook St Ste 1000	Denver
vo.				
9				
Cerimed with Return	94148118987658			
Recent (Signature)	33005257	RHEINER HOLDINGS LLC	PO Box 980552	Houston
	94148118987658			
Cerred with Return Receipt (Signature)	33005264	PREVAIL ENERGY LLC	521 Dexter St	Denver
	55005204	PREVAIL ENERGY LLC	SZI Dexter St	Deriver
Certified with Return	94148118987658			
Recent (Signature)	33005226	MONTICELLO MINERALS LLC	4128 Bryn Mawr Dr	Dallas
14 C				
2				
PM				
M				

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated March 26, 2023 and ending with the issue dated March 26, 2023.

Publisher

Sworn and subscribed to before me this 26th day of March 2023.

Business Manager

My commission expires January 29, 2027 (Seal)

STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE March 26, 2023 To all interested parties subject to notice Including: BEXP I LP: The Allar Company; Allar Development LLC: Franklin Mountain Energy, LLC; Franklin Mountain Royalty Investments LLC; Rheiner Holdings LLC; Prevail Energy LLC; Monticello Minerals LLC; Crownrock Minerals LP; Chevron Usa Inc; Viper Energy Partners LLC; New Mexico Western Minerals Inc; BEXP I OG LLC; Renald J Byers Company LLC; William C & Elaine M Walker Family Trust; The Cornerstone Family Trust; Office Of Natural Resources Revenue; Cayuga Royalites LLC; COG Operating LLC; Malibu Resources LLC; Innoventions Inc; Rrig Energy LLC; Stagner LLC; The Miller Family Mineral Interest LLC; The William E. Walker Living Trust; Mary Rachel Headley; Tate Byrne Jennings; Scot C Miller; Sandi Miller; Percy Lee Lawrence, Iii & Patricia C. Lawrence, David W. Lawrence & Meg Depender Lawrence; Anne Elizabeth Lawrence; Michael And Pamela Moore Revocable Trust; Ann Akin; Ann Allison; The Mary J. Mcwhorter Trust; Arrington Oil & Gas Royalty Fund LLC; Mcwhorter Family Trust, Dated 10/30/2000; Regeneration Energy Corp; Regen Royalty Corp; Mongoose Minerals LLC, Personal Administrators Inc., John Kyle Thoma; Karin Hudges; William E. Walker II; Michael Herd Moore; Pamela Christine Moore; James Mcwhorter; Bruth Mudges; William E. Walker II; Michael Herd Moore; Pamela Christine Moore; James Mcwhorter; Bruth W. Mewhorter; Ruth A. Mcwhorter and their successors or assigns. On March 22, 2023, Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) submitted this application requesting administrative approval for pool commingling of oil and gas production for the following wells located in Lot 4, SW/4NW/4, W/2SW/4 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, Lea County, New Mexico and any additional infill wells that produce from the same pools within the subject lands with notice provided only to the interest owners within these future spacing units pursuant to 19.15.12.10.C(4)(g) NMAC:

AP (<u>30-025-)</u> 51133	Well Name DINGO FEDERAL COM #111H	Unit <u>Letter</u> E	Section- <u>Township-Range</u> S12-T24S-R34E	Pool Name (Pool Code) Red Hills; Bone Spring
51134	DINGO FEDERAL COM #115H	E	S12-T24S-R34E	North (96434) Red Hills; Bone Spring North (96434)
51135	DINGO FEDERAL COM #121H	Е	S12-T24S-R34E	Red Hills; Bone Spring North (96434)
51136	DINGO FEDERAL COM #131H	E	S12-T24S-R34E	Red Hills; Bone Spring North (96434)
51137	DINGO FEDERAL COM #201H	Е	S12-T24S-R34E	Antelope Ridge; Wolfcamp (2220)

Oil and gas production from these pools, wells, and lands will be commingled and sold at the Dingo Fed Com CTB located in Section 12, Township 24 South, Range 34 East. Prior to commingling, gas production from each separator will be separately metered with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each separator will also be separately metered using turbine meters. Any objection to this application must be filed in writing within twenty days from the date of publication with the applicant and the New Mexico Oil Conservation Division located at 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 Jeff Trlica at (720) 772-5910.

67117307

00276977

MICHAEL RODRIGUEZ TAP ROCK OPERATING LLC 523 PARK POINT DR GOLDEN, CO 80401

From:	Michael Rodriguez
To:	McClure, Dean, EMNRD
Subject:	RE: [EXTERNAL] Action ID: 372043; PLC-914
Date:	Thursday, September 7, 2023 11:20:32 AM
Attachments:	image001.png
	image002.png
	Dingo Fed Com BLM Sundry Commingling Approved 20230817.pdf

Good afternoon Dean, attached is the BLM-approved surface commingling Sundry for the wells listed in the subject application. Noted regarding your additional notes, thank you for pointing that out.

Please let me know if there is anything else I can address.

Thank you,

Michael Rodriguez Staff Attorney (720) 245-2606 mdrodriguez@taprk.com



From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Sunday, September 3, 2023 2:45 PM
To: Michael Rodriguez <mdrodriguez@taprk.com>
Subject: [EXTERNAL] Action ID: 372043; PLC-914

[EXTERNAL] This email originated from outside your organization. Do not trust links or attachments.

To whom it may concern (c/o Michael Rodriquez for Tap Rock Operating, LLC),

The Division is reviewing the following application:

Action ID	372043
Admin No.	PLC-914
Applicant	Tap Rock Operating, LLC (372043)
Title	Dingo CTB
Sub. Date	3/22/2023

Please provide the following additional supplemental documents:

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Please provide additional information regarding the following:

• Please confirm that the BLM has received notice of this application. Please note that the federal revenue office in Denver may not be noticed in lieu of the regional BLM offices such as the one in Santa Fe or the one in Carlsbad.

Additional notes:

• Please note that the notice exceptions granted under 19.15.12.10 C.(4)(g) NMAC are not related to the infill well request. The language within this application is not sufficient to meet the requirements for 19.15.12.10 C.(4)(g) approval. Additionally, that language is not really sufficient to meet the infill well requirements either. I speculate that this application may have been submitted prior to a discussion with myself clarifying the topics. If not, please reach out independently of this application for clarification.

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval for pool commingling of oil and gas production for the following wells located in Lot 4, SW/4NW/4, W/2SW/4 of Section 1 and W/2NW/4 of Section 12, Township 24 South, Range 34 East, Lea County, New Mexico and any additional infill wells that produce from the same pools within the subject lands with notice provided only to the interest owners within these future spacing units pursuant to 19.15.12.10.C(4)(g) NMAC:

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

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

APPLICATION FOR SURFACE COMMINGLINGSUBMITTED BY TAP ROCK OPERATING, LLCORDER NO. PLC-914

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Tap Rock Operating, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 7. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

Order No. PLC-914

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 13. Applicant's defined parameters to prospectively include additional pools, leases, and wells do not comply with 19.15.12.10.C.(4)(g) NMAC.
- 14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area

Order No. PLC-914

described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

- 3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
- 4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant's request for authorization to add pools, leases, and wells prospectively pursuant to 19.15.12.10.C.(4)(g) NMAC is denied.
- 9. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 10. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 11. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

Order No. PLC-914

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAN M. FUGE DIRECTOR

DATE: <u>9/11/2023</u>

	State of New Me Energy, Minerals and Natural Re		ţ	
	Exhibit A			
	Order: PLC-914	_		
	Operator: Tap Rock Oper	rating, LLC (372043)	
	Central Tank Battery: Dingo Central	Tank Battery		
	I Tank Battery Location: UL E, Section 1			
Gas Title 7	Fransfer Meter Location: UL E, Section 1	12, Township 24 Sou	th, Range 34 Eas	st
	Pools			
	Р	ool Name	Pool Code	
	ANTELOPE RID	GE; WOLFCAMP	2220	
	RED HILLS; BONE	SPRING, NORTH	96434	
	Leases as defined in 19.15	.12.7(C) NMAC		
	Lease	UL or Q/Q	S-T-R	
	NMNM 105395477 (113417)	D E L	1-24S-34E	
	Fee	SW/4 SW/4	1-24S-34E	
	Fee	W/2 NW/4	12-24S-34E	
	Wells			
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-51133	Dingo Federal Com #111H	W/2 W/2	1-24S-34E	96434
50-025-51155		W/2 NW/4	12-24S-34E	70454
30-025-51134	Dingo Federal Com #115H	W/2 W/2	1-24S-34E	96434
00 020 0110 1		W/2 NW/4	12-24S-34E	
30-025-51135	Dingo Federal Com #121H	W/2 W/2	1-24S-34E	96434
		W/2 NW/4	12-24S-34E	
30-025-51136	Dingo Federal Com #131H	W/2 W/2	1-24S-34E	96434
	<u> </u>	W/2 NW/4	12-24S-34E	
30-025-51137	Dingo Federal Com #201H	W/2 W/2 W/2 NW/4	1-24S-34E 12-24S-34E	2220
		VV/2 IN VV/4	12-245-34E	

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-914

Operator: Tap Rock Operating, LLC (372043)

Po	oled Areas			
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105824669	W/2 W/2 W/2 NW/4	1-24S-34E 12-24S-34E	240.02	A
CA Wolfcamp NMNM 105824668	W/2 W/2 W/2 NW/4	1-24S-34E 12-24S-34E	240.02	В

Leases Comprising Pooled Areas

UL or Q/Q	S-T-R	Acres	Pooled Area ID
DEL	1-24S-34E	120.02	Α
SW/4 SW/4	1-24S-34E	40	Α
W/2 NW/4	12-24S-34E	80	Α
DEL	1-24S-34E	120.02	В
SW/4 SW/4	1-24S-34E	40	В
W/2 NW/4	12-24S-34E	80	B
	D E L SW/4 SW/4 W/2 NW/4 D E L SW/4 SW/4	D E L 1-24S-34E SW/4 SW/4 1-24S-34E W/2 NW/4 12-24S-34E D E L 1-24S-34E SW/4 SW/4 1-24S-34E SW/4 SW/4 1-24S-34E	D E L 1-24S-34E 120.02 SW/4 SW/4 1-24S-34E 40 W/2 NW/4 12-24S-34E 80 D E L 1-24S-34E 120.02 SW/4 SW/4 1-24S-34E 40

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 Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Operator:	OGRID:
TAP ROCK OPERATING, LLC	372043
523 Park Point Drive	Action Number:
Golden, CO 80401	199910
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS	i	
Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	9/11/2023

CONDITIONS

Action 199910