

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

Form C-101
August 1, 2011
Permit 248944

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|-------------------------------|
| 1. Operator Name and Address TAP ROCK OPERATING, LLC 602 Park Point Drive Golden, CO 80401 | | 2. OGRID Number 372043 |
| 4. Property Code 320719 | | 3. API Number 30-025-44523 |
| 5. Property Name ZEUS 24S33E0909 STATE | | 6. Well No. 108H |

7. Surface Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot P | Section 9 | Township 24S | Range 33E | Lot Idn P | Feet From 878 | N/S Line S | Feet From 241 | E/W Line E | County Lea |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot A | Section 9 | Township 24S | Range 33E | Lot Idn A | Feet From 200 | N/S Line N | Feet From 330 | E/W Line E | County Lea |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|

9. Pool Information

| | |
|----------------------------|-------|
| TRIPLE X;BONE SPRING, WEST | 96674 |
|----------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3614 |
| 16. Multiple N | 17. Proposed Depth 14700 | 18. Formation Upper Bone Spring | 19. Contractor | 20. Spud Date 5/25/2018 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 1200 | 1200 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 5200 | 1800 | 0 |
| Prod | 8.75 | 5.5 | 20 | 14700 | 2300 | 4000 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 10000 | 5000 | |
| Blind | 10000 | 5000 | |
| Annular | 10000 | 1500 | |

| | |
|--|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Clayton Sporich | Approved By: Paul Kautz |
| Title: Vice President - Land & Legal | Title: Geologist |
| Email Address: csporich@taprk.com | Approved Date: 2/27/2018 Expiration Date: 2/27/2020 |
| Date: 2/26/2018 Phone: 720-772-5093 | Conditions of Approval Attached |

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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

| | | | | | |
|----------------------------|--|--|--|------------------------|----------------------------------|
| ¹ API Number | | ² Pool Code | | ³ Pool Name | |
| ⁴ Property Code | | ⁵ Property Name ZEUS UNIT 24S33E0909 | | | ⁶ Well Number 108H |
| ⁷ GRID No. | | ⁸ Operator Name TAP ROCK OPERATING, LLC. | | | ⁹ Elevation 3614' |

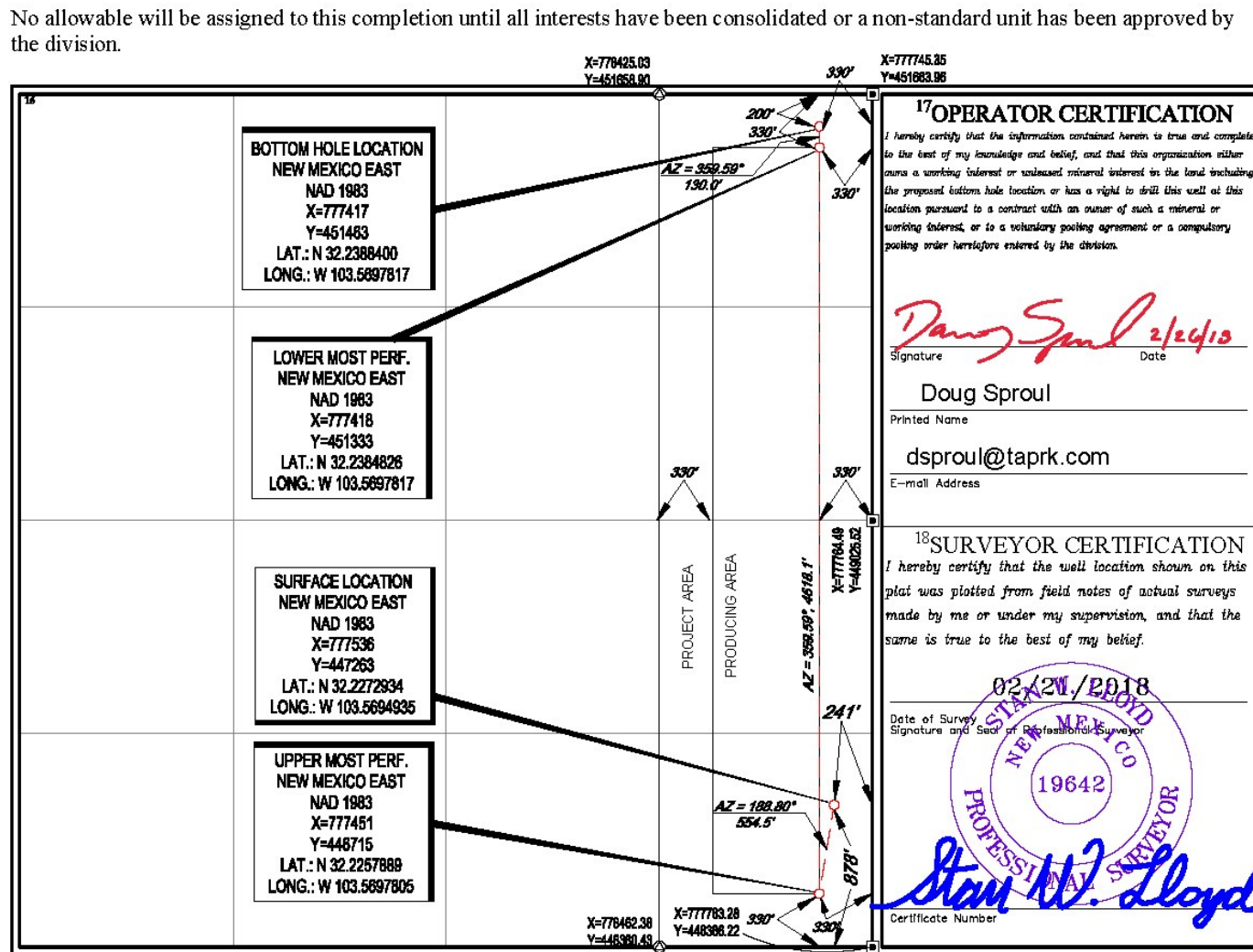
¹⁰Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 9 | 24-S | 33-E | - | 878' | SOUTH | 241' | EAST | LEA |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 9 | 24-S | 33-E | - | 200' | NORTH | 330' | EAST | LEA |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 160 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|



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Santa Fe, NM 87505

Form APD Comments

Permit 248944

PERMIT COMMENTS

| | | |
|--|--|--------------------------------------|
| Operator Name and Address: TAP ROCK OPERATING, LLC [372043] 602 Park Point Drive Golden, CO 80401 | | API Number: 30-025-44523 |
| | | Well: ZEUS 24S33E0909 STATE #108H |

| Created By | Comment | Comment Date |
|------------|-------------------------|--------------|
| CSPORICH | Upper Avalon | 2/26/2018 |
| pkautz | GCP received 02/26/2018 | 2/27/2018 |
| pkautz | GCP received 02/26/2018 | 2/27/2018 |

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Form APD Conditions

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

Permit 248944

PERMIT CONDITIONS OF APPROVAL

| | |
|--|--------------------------------------|
| Operator Name and Address: TAP ROCK OPERATING, LLC [372043] 602 Park Point Drive Golden, CO 80401 | API Number: 30-025-44523 |
| | Well: ZEUS 24S33E0909 STATE #108H |

| OCD Reviewer | Condition |
|-----------------|---|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- 3) Liner - Cement must tie back into production casing |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| pkautz | 1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104 |
| pkautz | It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD. |
| pkautz | Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe. |