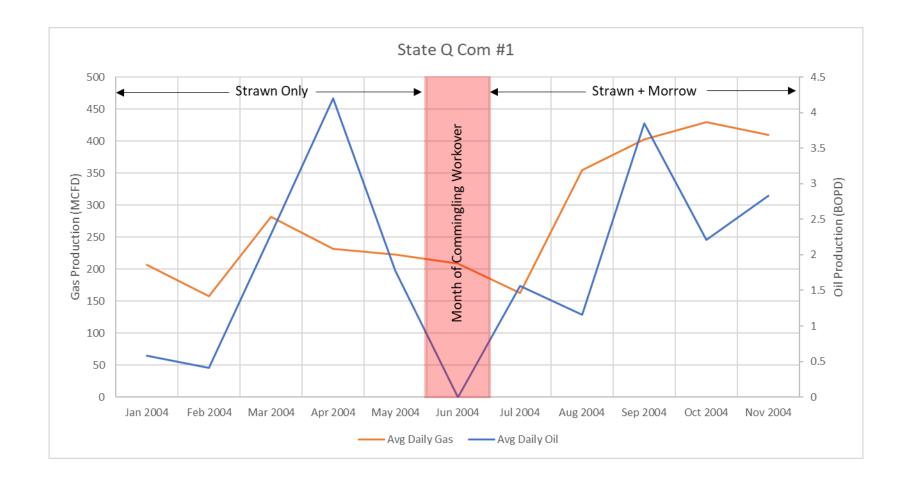
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Describe 1,980 334-6178 1220 South St. Francis Dr. STATE FEB	\ /	OIL CONSERVATION DIVISION			
Dashert N = (305) 476-3460 Santa Fe, NM 87505 6. State Oil & Gas Leuse No.	<u>District III</u> – (505) 334-6178	1220 South St. Francis Dr.			ee 🗆
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DIFFERENT RESERVOIR. USE "APPLICATION FOR PREMIT" (FORM C-101) FOR SUCH PROFONSALS.) 1. Type of Well: Oil Well Gas Well Other 8. Well Number 001 2. Name of Operator TAP ROCK OPERATING, LLC 3. Address of Operator S23 PARK POINT DR, SUITE 200, GOLDEN, CO 80401 4. Well Location Unit Letter 2235 feet from the SOUTH line and 660 feet from the WEST line and 100 feet from the WEST line and 100 feet from the South line and 100 feet from the WEST line and 100 feet from	SUNDRY NOT			7. Lease Name or Unit Agr	eement Name
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TAP ROCK OPERATING, LLC 3. Address of Operator 523 PARK POINT DR, SUITE 200, GOLDEN, CO 80401 4. Well Location Unit Letter L Section 3293 Township 218 Range 26E NMPM County EDDY 11. Elevation (Show whether DR, RRB, RT, GR, etc.) 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK PLUG AND ABANDON CHANGE PLANS PULL OR ALTERING CASING TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS PAND A CASING/CEMENT JOB PAND A CASING/CEMENT JOB OTHER: Production information for commingle allocation 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated of starting amy proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. The State Q Com 001 has downhole commingling approved under order DIC-3275 for the following two pools: [78060] HAPPY VALLEY; MORROW (GAS) TapRock proposes allocating production between the Strawn and Morrow pools according to the attached allocation methodology and historical production data depunphically. Correct production in accordance with this allocation method back to August of 2017. hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE Regulatory Analyst DATE 5/3/2022 [Vige or print name Jeff Trilica E-mail address: Jeffica@taprock.com PHONF: 720-772-5910]	1. Type of Well: Oil Well ☐ Gas Well ☑ Other				
4. Well Location Unit Letter :2235 feet from the SOUTH line and 660 feet from the WEST line Section 3293 Township 218 Range 28E NMPM County EDDY 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: REMEDIAL WORK LICENSTORE PLUG AND ABANDON CASING COMMENCE DRILLING OPNS PAND A ALTERING CASING COMMENCE DRILLING OPNS PAND A CASING/CEMENT JOB DOWNHOLE COMMINGLE ULTIPLE COMPL OTHER: Production information for commingle allocation 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. The State Q Com 001 has downhole comminging approved under order DHC-3275 for the following two pools: 178606] HAPPY VALLEY; MORROW (GAS) 178070 ILAPPY VALLEY; MORROW (GAS) 178070 ILAPPY VALLEY; STRAWN (GAS) 178070 ILAPPY VALLEY; STRAWN (GAS) 178070 ILAPPY VALLEY; MORROW (GAS) 178070 ILAPPY VALEY; MORROW (GAS) 178070 ILAPPY VALLEY; MORROW (GAS) 178070	2. Name of Operator TAP ROCK OPERATING, LL	C		9. OGRID Number 3720	43
4. Well Location Unit Letter Section 3293 Township 218 Range 26E NMPM County EDDY 11. Elevation (Show whether DR. RKB, RT. GR. etc.)	3. Address of Operator				
Unit Letter: Section 3293 Township 215 Range 26E NMPM County EDDY		200, GOLDEN, CO 80401		HAPPY VALLEY; MORROW ar	nd STRAWN
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12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:					
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Type or print name Jeff Trlica E-mail address: jtrlica@taprock.com PHONE: 720-772-5910 For State Use Only		,			
For State Use Only	SIGNATURE	TITLE Regul	atory Analyst	DATE	22
20		E-mail addre	ess: jtrlica@taprock.cor	n PHONE: 720	D-772-5910
	FOR State Use Unity	100 4			- /
APPROVED BY: Dean M Molline TITLE Petroleum Engineer DATE 05/19/2022 Conditions of Approval (if any):		TIMULUME TITLE Petro	oleum Engineer	_{DATE} 05/19	9/2022

Tap Rock proposes allocating production between the Strawn and Morrow pools on State Q Com #1 by reviewing the difference in production before and after the downhole commingling began. Below you will find the process in which an allocation percentage was calculated.

- Averaged the daily oil, gas, and water production from the State Q Com #1 for the 5 months preceding the commingling workover (Jan May 2004). During this period, the well was only producing from the Strawn.
- Ignored data from the month of the workover (June 2004)
- Averaged the daily oil, gas, and water production from the State Q Com #1 for the 5 months
 after the commingling workover (July Nov 2004). During this period, the well was producing
 from both the Strawn and the Morrow.
- Calculated the difference in daily average oil, gas, and water before and after the commingling workover and called this the Morrow production
- Using the calculated Morrow production, I calculated allocation factors for oil, gas, and water by pool

Allocation Percentages by Pool

	Oil	Oil Gas V	
Strawn	81.767%	63.124%	0.000%
Morrow	18.233%	36.876%	100.000%



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

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

Action 103618

CONDITIONS

Operator:	OGRID:	
TAP ROCK OPERATING, LLC	372043	
523 Park Point Drive	Action Number:	
Golden, CO 80401	103618	
	Action Type:	
	[C-103] Sub. General Sundry (C-103Z)	

CONDITIONS

Created B	Condition	Condition Date
dmcclur	e Correct production in accordance with this allocation method back to August of 2017.	5/19/2022