<u>District I</u> 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 341123

	APPLICATION FOR PERIVIT	TO DRILL, RE-ENTER,	, DEEPEN, PLUGBACI	N, UK ADD /	AZONE
1 Operator Name and Address	·	•	•		2 OGRID Nui

Operator Name and Address		2. OGRID Number
TAP ROCK OPERATING, LLC	372043	
523 Park Point Drive	3. API Number	
Golden, CO 80401		30-025-51583
4. Property Code	5. Property Name	6. Well No.
334067	QUEEN KEELY STATE COM	132H

7 Surface Location

ſ	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	С	21	21S	33E	С	946	N	2116	W	Lea

8. Proposed Bottom Hole Location

ſ	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	N	28	21S	33E	N	5	S	2145	W	Lea

9. Pool Information

WC-025 G-08 S213304D;BONE SPRING	97895

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
New Well	OIL		State	3744
16. Multiple	17. Proposed Depth	18. Formation	19. Contractor	20. Spud Date
N	22078	3rd Bone Spring Sand		6/20/2023
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

	21. Froposed dasing and dement Frogram										
	Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC				
	Surf	14.75	11.75	42	1800 943		0				
Ī	Int1	11	8.625	32	5594	862	0				
	Prod	7 875	5.5	20	22078	2537	0				

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

ZZIT TOPOGGA BIOWGAT TOTORIAGIT TOGICAL									
Туре	Working Pressure	Test Pressure	Manufacturer						
Annular	5000	2500							
Double Ram	10000	5000							
Pipe	10000	5000							

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				OIL CONSERVATIO	ON DIVISION	
Signature:						
Printed Name:	Printed Name: Electronically filed by Christian Combs			Paul F Kautz		
Title: Regulatory Manager			Title:	Geologist		
Email Address: ccombs@taprk.com			Approved Date:	Approved Date: 6/9/2023 Expiration Date: 6/9/2025		
Date:	Date: 6/1/2023 Phone: 720-360-4028			oval Attached	_	

<u>District I</u> 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 Prione: (5/5) /48-1285 Fax: (5/5) /48-9/20 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

FORM C-102 Revised August 1, 2011 Submit one copy to appropriate **District Office**

AMENDED REPORT

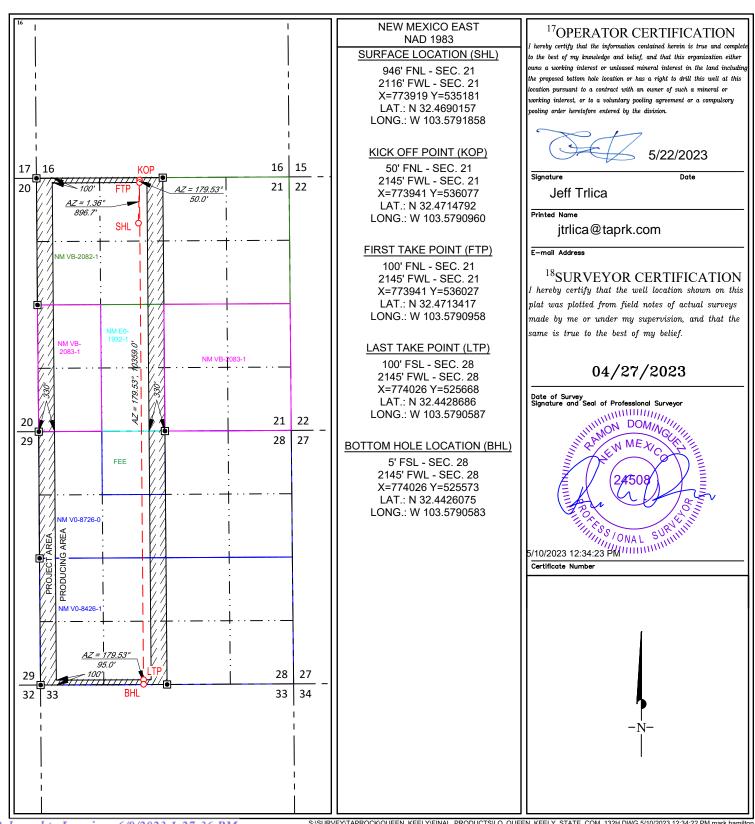
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number ² Pool Code 30-025- 97895		³ Pool Name WC-025 G-08 S213304D;BONE SPRING		
⁴ Property Code 334067	·		roperty Name ELY STATE COM	⁶ Well Number 132H
70GRID No. 372043		TAP ROCK	⁹ Elevation 3744'	

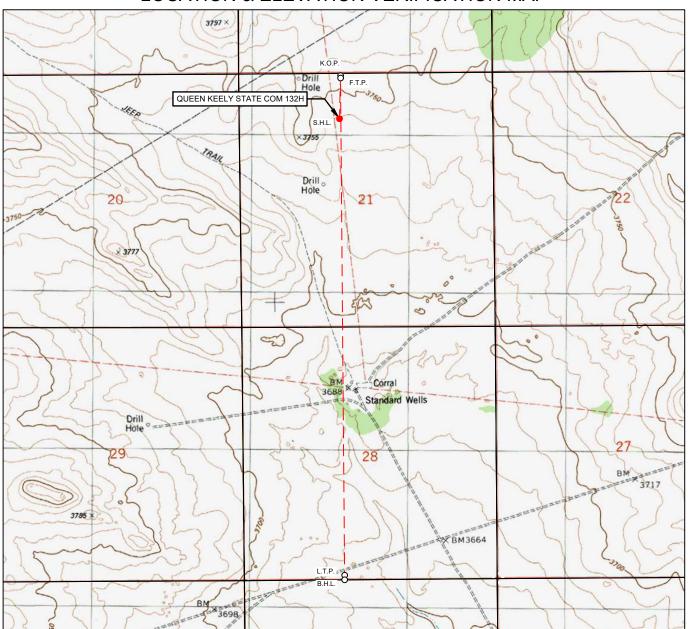
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
С	21	21-S	33-E	_	946'	NORTH	2116'	WEST	LEA
			11]	Bottom Ho	le Location If D	Different From Su	rface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	28	21-S	33-E	-	5'	SOUTH	2145'	WEST	LEA
12Dedicated Acres	¹³ Joint or l	Infill 14Co	nsolidation Co	de ¹⁵ Ord	er No.				
640									

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LOCATION & ELEVATION VERIFICATION MAP





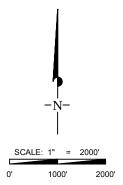
LEASE NAME & WELL NO.: QUEEN KEELY STATE COM 132H

 SECTION
 21
 TWP
 21-S
 RGE
 33-E
 SURVEY
 N.M.P.M.

 COUNTY
 LEA
 STATE
 NM
 ELEVATION
 3744'

 DESCRIPTION
 946' FNL & 2116' FWL

LATITUDE N 32.4690157 LONGITUDE W 103.5791858



THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



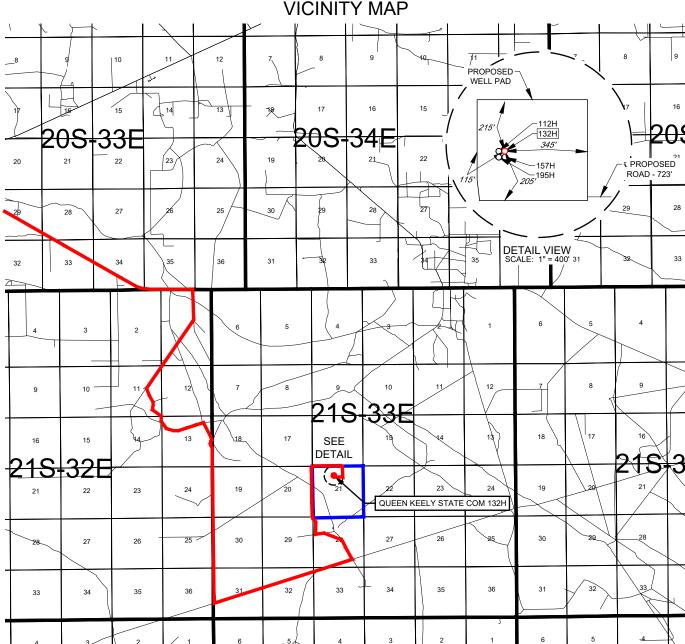
481 WINSCOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126

TELEPHONE: (817) 744-7512 • FAX (817) 744-7554

2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705

TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743

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LEASE NAME & WELL NO.: QUEEN KEELY STATE COM 132H

 SECTION
 21
 TWP
 21-S
 RGE
 33-E
 SURVEY
 N.M.P.M.

 COUNTY
 LEA
 STATE
 NM

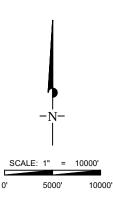
 DESCRIPTION
 946' FNL & 2116' FWL

DISTANCE & DIRECTION

FROM INT. OF NM-176 E, & COUNTY RD 28, GO SOUTH ON NM-176 E ±6.4 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD ±2.2 MILES, THENCE SOUTH (LEFT) ON A LEASE RD ±0.8 MILES, THENCE EAST (LEFT) ON DELAWARE BASIN RD. ±4.5 MILES, THENCE NORTHEAST (RIGHT) ON A LEASE RD. ±2.9 MILES, THENCE NORTH (LEFT) ON A LEASE RD. ±3.0 MILES TO A POINT ±394 FEET SOUTHEAST OF THE LOCATION.

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SECTION 21, TOWNSHIP 21-S, RANGE 33-E, N.M.P.M. LEA COUNTY, NEW MEXICO

21 22

22

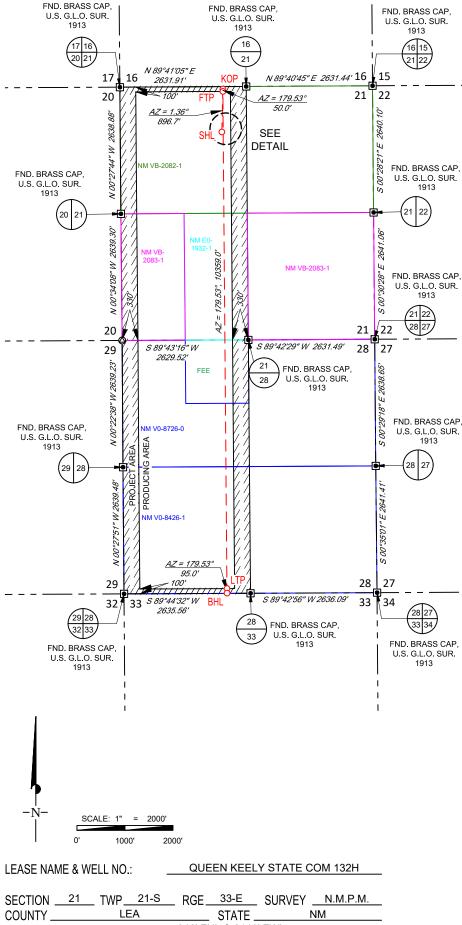
21 22

28 27

U.S. G.L.O. SUR.

1913

33 34



NEW MEXICO EAST NAD 1983

SURFACE LOCATION (SHL)

946' FNL - SEC. 21 2116' FWL - SEC. 21 X=773919 Y=535181 LAT.: N 32.4690157 LONG.: W 103.5791858

KICK OFF POINT (KOP)

50' FNL - SEC. 21 2145' FWL - SEC. 21 X=773941 Y=536077 LAT.: N 32.4714792 LONG.: W 103.5790960

FIRST TAKE POINT (FTP)

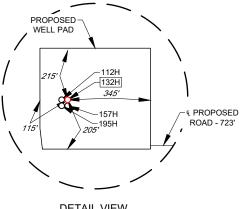
100' FNL - SEC. 21 2145' FWL - SEC. 21 X=773941 Y=536027 LAT.: N 32.4713417 LONG.: W 103.5790958

LAST TAKE POINT (LTP)

100' FSL - SEC. 28 2145' FWL - SEC. 28 X=774026 Y=525668 LAT.: N 32.4428686 LONG.: W 103.5790587

BOTTOM HOLE LOCATION (BHL)

5' FSL - SEC. 28 2145' FWL - SEC. 28 X=774026 Y=525573 LAT: N 32 4426075 LONG.: W 103.5790583



DETAIL VIEW SCALE: 1" = 400'

THE MET CHAIR 5/10/2023 12:34:25 PM

Ramon A Dominguez, P.S. No. 24508



TELEPHONE: (817) 744-7512 • FAX (817) 744-7554 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705 TELEPHONE: (432) 68 682-1653 OR (800) 767-1653 • WWW.TOPOGRAPHIC.COM 3 • FAX (432) 682-1743

946' FNL & 2116' FWL DESCRIPTION

DISTANCE & DIRECTION

FROM INT. OF NM-176 E, & COUNTY RD 28, GO SOUTH ON NM-176 E ±6.4 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD ±2.2 MILES, THENCE SOUTH (LEFT) ON A LEASE RD ±0.8 MILES, THENCE EAST (LEFT) ON DELAWARE BASIN RD. ±4.5 MILES, THENCE NORTHEAST (RIGHT) ON A LEASE RD. ±2.9 MILES, THENCE NORTH (LEFT) ON A LEASE RD. ±3.0 MILES TO A POINT ±394 FEET SOUTHEAST OF THE LOCATION.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY. PROPOSED ROAD

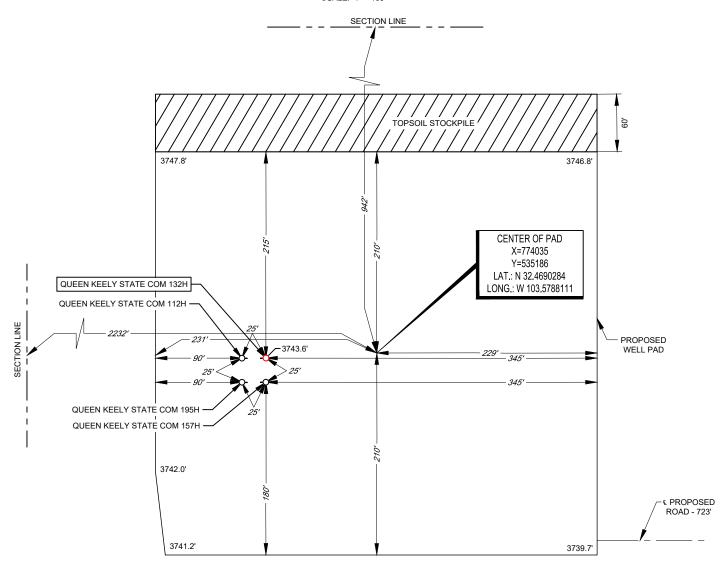
LEGEND

- SECTION LINE



SECTION 21, TOWNSHIP 21-S, RANGE 33-E, N.M.P.M. LEA COUNTY, NEW MEXICO

DETAIL VIEW SCALE: 1" = 100'



 LEASE NAME & WELL NO.:
 QUEEN KEELY STATE COM 132H

 132H LATITUDE
 N 32.4690157
 132H LONGITUDE
 W 103.5791858

CENTER OF PAD IS 942' FNL & 2232' FWL

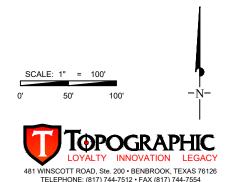
"PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE."

Ramon A Dominguez, P.S. No. 24508

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC, ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"



481 WINSCOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126 <u>TELEPHONE: (817) 744-7512 • FAX (817) 744-7554</u> 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM

Form APD Conditions

Permit 341123

District I 1625 N. French Dr., Hobbs, NM 88240 State of New Mexico

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u>

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

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
TAP ROCK OPERATING, LLC [372043]	30-025-51583
523 Park Point Drive	Well:
Golden, CO 80401	QUEEN KEELY STATE COM #132H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	R-111P CEMENT MUST CIRCULATE ON ALL STRINGS
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud
pkautz	MUST SUBMIT C-103A PRIOR TO SPUDDING WITH CORRECTED CEMENT PROGRAM

<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720 Prione: (3/3) /48-128. Fax: (3/5) /48-9/20 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-		² Pool Code 97895	3Pool Name WC-025 G-08 S213304D;BONE SPRING	
⁴ Property Code		⁵ P1	operty Name	⁶ Well Number
334067		QUEEN KE	134H	
⁷ OGRID №.		⁸ O ₁	⁹ Elevation	
372043		TAP ROCK	3751'	

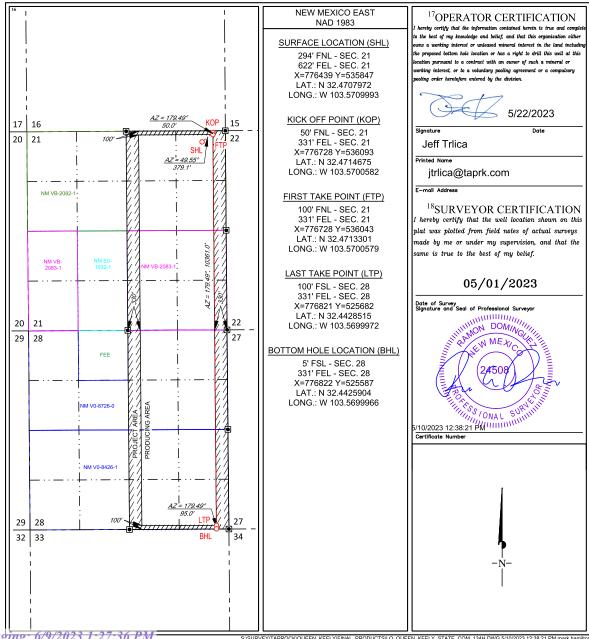
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	21	21-S	33-E	_	294'	NORTH	622'	EAST	LEA
		11							

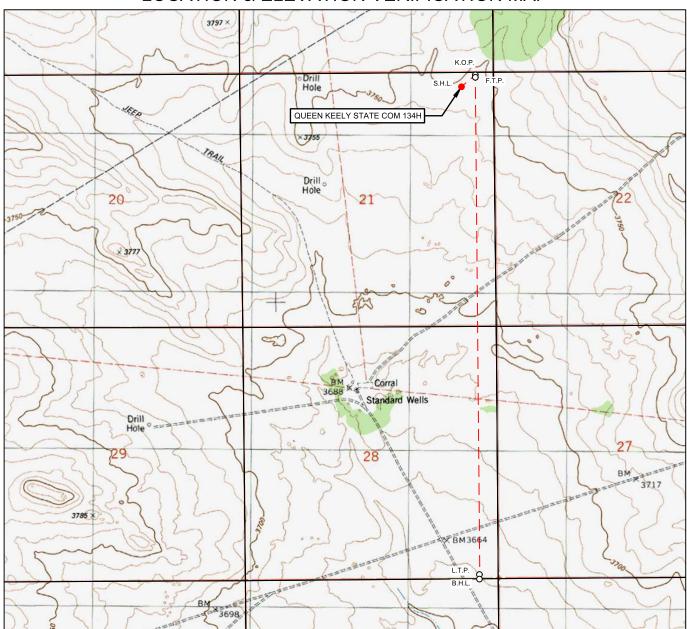
¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section 28	Township 21-S	Range 33-E	Lot Idn —	Feet from the 5 '	North/South line SOUTH	Feet from the 331'	East/West line EAST	LEA
¹² Dedicated Acres 640	¹³ Joint or 1	nfill 14Co	nsolidation Co	de ¹⁵ Ord	er No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LOCATION & ELEVATION VERIFICATION MAP





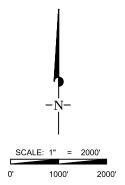
LEASE NAME & WELL NO.: QUEEN KEELY STATE COM 134H

 SECTION
 21
 TWP
 21-S
 RGE
 33-E
 SURVEY
 N.M.P.M.

 COUNTY
 LEA
 STATE
 NM
 ELEVATION
 3751'

 DESCRIPTION
 294' FNL & 622' FEL

LATITUDE N 32.4707972 LONGITUDE W 103.5709993



THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

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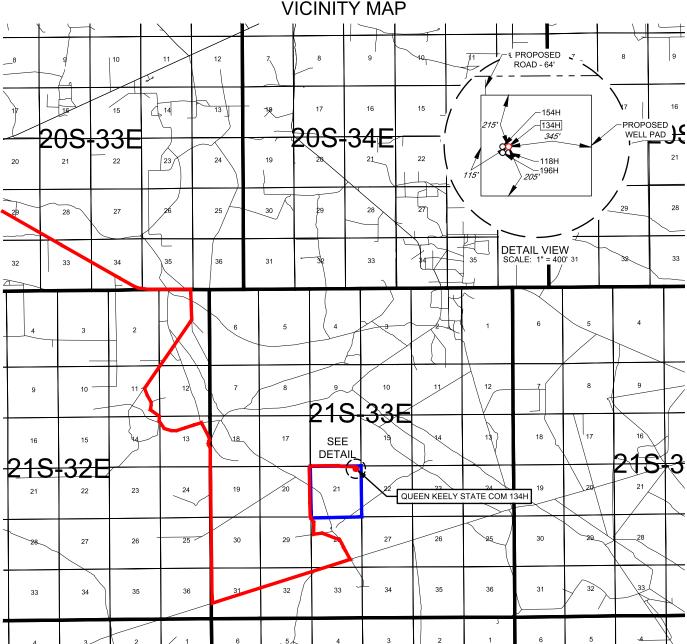


TELEPHONE: (817) 744-7512 • FAX (817) 744-7554

2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705

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LEASE NAME & WELL NO.: QUEEN KEELY STATE COM 134H

 SECTION
 21
 TWP
 21-S
 RGE
 33-E
 SURVEY
 N.M.P.M.

 COUNTY
 LEA
 STATE
 NM

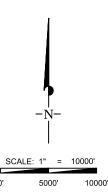
 DESCRIPTION
 294' FNL & 622' FEL

DISTANCE & DIRECTION

FROM INT. OF NM-176 E. & COUNTY RD 28. GO SOUTH ON NM-176 E ±6.4 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD ±2.2 MILES, THENCE SOUTH (LEFT) ON A LEASE RD ±0.8 MILES, THENCE EAST (LEFT) ON DELAWARE BASIN RD. ±4.5 MILES, THENCE NORTHEAST (RIGHT) ON A LEASE RD. ±2.9 MILES, THENCE NORTH (LEFT) ON A LEASE RD. ±3.0 MILES TO A POINT ±236 FEET NORTHWEST OF THE LOCATION.

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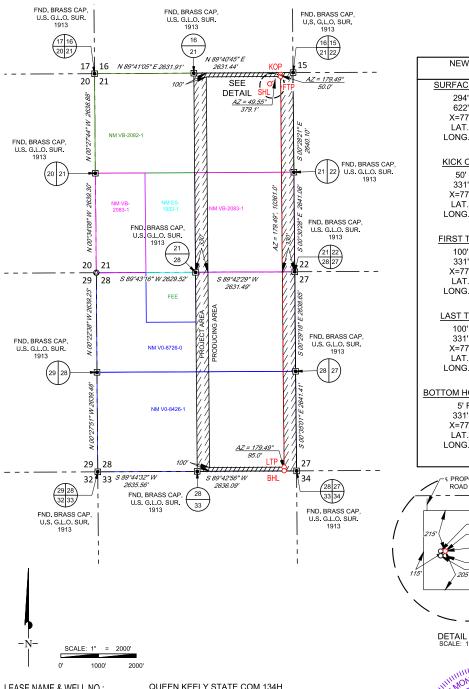
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705

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SECTION 21, TOWNSHIP 21-S, RANGE 33-E, N.M.P.M. LEA COUNTY, NEW MEXICO



NEW MEXICO EAST NAD 1983

SURFACE LOCATION (SHL) 294' FNL - SEC. 21 622' FEL - SEC. 21

X=776439 Y=535847 LAT.: N 32.4707972 LONG.: W 103.5709993

KICK OFF POINT (KOP)

50' FNL - SEC. 21 331' FEL - SEC. 21 X=776728 Y=536093 LAT.: N 32.4714675 LONG.: W 103.5700582

FIRST TAKE POINT (FTP)

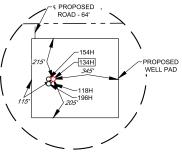
100' FNL - SEC. 21 331' FEL - SEC. 21 X=776728 Y=536043 LAT.: N 32.4713301 LONG.: W 103.5700579

LAST TAKE POINT (LTP)

100' FSL - SEC. 28 331' FEL - SEC. 28 X=776821 Y=525682 LAT.: N 32.4428515 LONG.: W 103.5699972

BOTTOM HOLE LOCATION (BHL)

5' FSL - SEC. 28 331' FEL - SEC. 28 X=776822 Y=525587 LAT.: N 32.4425904 LONG.: W 103.5699966



DETAIL VIEW SCALE: 1" = 400'

QUEEN KEELY STATE COM 134H LEASE NAME & WELL NO .:

SECTION 21 TWP 21-S RGE 33-E SURVEY N.M.P.M. LEA STATE COUNTY. NM DESCRIPTION 294' FNL & 622' FEL

DISTANCE & DIRECTION

FROM INT. OF NM-176 E. & COUNTY RD 28, GO SOUTH ON NM-176 E ±6.4 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD ±2.2 MILES, THENCE SOUTH (LEFT) ON A LEASE RD ±0.8 MILES, THENCE EAST (LEFT) ON DELAWARE BASIN RD. ±4.5 MILES, THENCE NORTHEAST (RIGHT) ON A LEASE RD. ±2.9 MILES, THENCE NORTH (LEFT) ON A LEASE RD. ±3.0 MILES TO A POINT ±236 FEET NORTHWEST OF THE LOCATION.

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Ramon A Dominguez, P.S. No. 24508



TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM

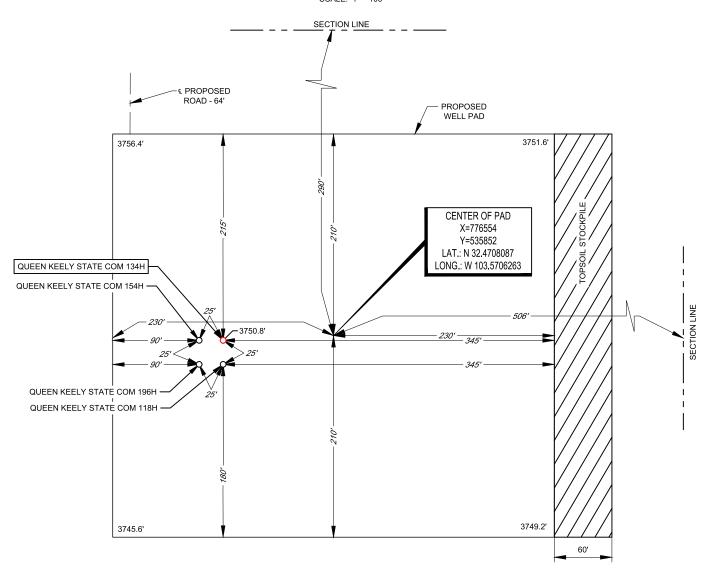
LEGEND



SECTION LINE
PROPOSED ROAD

SECTION 21, TOWNSHIP 21-S, RANGE 33-E, N.M.P.M. LEA COUNTY, NEW MEXICO

DETAIL VIEW SCALE: 1" = 100'



 LEASE NAME & WELL NO.:
 QUEEN KEELY STATE COM 134H

 134H LATITUDE
 N 32.4707972
 134H LONGITUDE
 W 103.5709993

CENTER OF PAD IS 290' FNL & 506' FEL

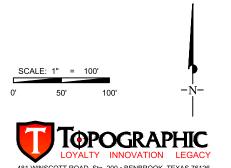
"PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE."

Ramon A Dominguez, P.S. No. 24508

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"



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State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

			1 – Pla		escription , 2021	·	ŕ			-
I. Operator:Tap	Rock Oper	ating LLC	OGR	í D: _	372043_		Da	te: _6/1/2	23	
II. Type: ⊠ Original □] Amendmer	nt due to □ 19.15.27	7.9.D(6)(a)	NMA	AC □ 19.15.27.9.	D(6)(b) N	NMAC	☐ Other.		
If Other, please describe:										
III. Well(s): Provide the be recompleted from a si						f wells pi	roposed	to be dri	lled o	or proposed to
Well Name		ULSTR		Footages		Anticipated Oil BBL/D		Anticipated Gas MCF/D		Anticipated Produced Water
Queen Keely State 132F	ł	Sec 21 T21S R33E	E 946	FNL.	, 2116 FWL	1277		2327		6491
V. Anticipated Schedule proposed to be recomple	e: Provide the	ne following informatingle well pad or cor	ation for eac	ch nev	w or recompleted ral delivery point	well or s				
Well Name	API	Spud Date	TD Reac Date		Completic Commenceme			al Flow k Date	Fir	st Production Date
Queen Keely State 132H	7/13/23 10/1/23 11/13/23		12/10/23		/23	12/	10/23			
VI. Separation Equipm VII. Operational Pract Subsection A through F of the VIII. Best Management during active and planner.	ices: ⊠ Atta of 19.15.27.8 t Practices:	ach a complete desc 3 NMAC.	cription of	the ac	ctions Operator w	vill take t	to comp	oly with t	he re	quirements of

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

🖾 Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in
				, and the second

XI. Map. Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the
production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system [\square will \square will not have	capacity to gather 100%	of the anticipated natural gas
production volume from the well prior to the date of first	t production.		

XIII. Line Pressure. Operator \square does \square does not anticipate that its existing well(s) connected to the sa	ame segment, or portion, c	of the
natural gas gathering system(s) described above will continue to meet anticipated increases in line pressu	are caused by the new wel	ll(s).

$\overline{}$	4 1 0		4 .		4			1 11	
	Attach On	erator′s r	olan to	manage n	roduction	in response	to the inc	reased line r	ressure

XIV. Confidentiality: Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in
Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information
for which confidentiality is asserted and the basis for such assertion.

(i)

Section 3 - Certifications <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal: 🖂 Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system: or ☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following: Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or Venting and Flaring Plan.

Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including: power generation on lease; (a) **(b)** power generation for grid; compression on lease; (c) (d) liquids removal on lease; reinjection for underground storage; (e) **(f)** reinjection for temporary storage; (g) reinjection for enhanced oil recovery; fuel cell production; and (h)

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

other alternative beneficial uses approved by the division.

- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- (b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:
Printed Name: Jeff Trlica
Title: Regulatory Specialist
E-mail Address: jtrlica@taprk.com
Date: 6/1/2023
Phone: 720-772-5910
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

VI. **Separation Equipment:** Attach a complete description of how Operator will size separation equipment to optimize gas capture:

Each surface facility design includes the following process equipment: 3-phase separators (1 separator per well), a sales gas scrubber, one or two 3-phase heater treaters, a vapor recovery tower (VRT), a VRU compressor, multiple water and oil tanks, as well as flare knockouts (HP & LP), and flares (HP & LP). All process vessels will be sized to separate oil, water, gas based upon typical/historical & predicted well performance. Each process vessel will be fitted with an appropriately sized PSV as per ASME code requirements to mitigate vessel rupture and loss of containment. Additionally, the process vessels will be fitted with pressure transmitters tied to the facility control system which will allow operations to monitor pressures and when necessary, shut-in the facility to avoid vessel over-pressure and the potential vent of natural gas. Natural gas will preferentially be sold to pipeline, and only during upset/emergency conditions will gas be directed to the HP flare system. Flash gas from both the 3-phase heater treater and the VRT will be recompressed using a VRU compressor and this gas will also preferentially be directed to the gas sales pipeline. Oil tanks & water tanks will be fitted with 16 oz thief hatches as well as PVRVs to protect the tanks from rupture/collapse. Additionally, the tank vapor outlets and tank vapor capture system will be sized to keep tank pressures below 12 oz. The tank vapor capture system will include a tank vapor blower & knockout as well as a lowpressure flare and knockout. Tank vapors will preferentially be directed to the VRU and the sales gas pipeline. Only during process upsets/emergency conditions will tank vapors be directed to the LP flare system.

VII. **Operational Practices:** Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC. ← See attached reg for requirements.

- During drilling operations- Gas meters will be installed at the shakers and Volume
 Totalizers will be installed on the pits. In the event that elevated gas levels, or a pit
 gain are observed, returns will be diverted to a gas buster. Gas coming off the gas
 buster will be combusted at the flare stack. A 10' or taller flare will be located at
 least 100' from the SHL.
- During completions operations, including stimulation and frac plug drill out operations, hydrocarbon production to surface is minimized. When gas production does occur, gas will be combusted at a flare stack. A 10' or taller flare will be located at least 100' from the SHL.
- During production operations, all process vessels (separators, heater treaters, VRTs, Tanks) will recompress (where necessary) and route gas outlets into the natural gas gathering pipeline. Gas will preferentially be routed to natural gas gathering pipeline and the flare system will be used only during emergency, malfunction, or if the gas does not meet pipeline specifications. In the event of flaring off-specification gas, operations will pull gas samples twice a week and will also route gas back to pipeline as soon as the gas meets specification. Exceptions to this will include only those qualified exceptions per the regulation 19.15.27.8 Subsection D.

To comply with state performance standards, separation and storage equipment will be designed to handle the maximum anticipated throughput and pressure to minimize waste and reduce the likelihood of venting gas to atmosphere. Additionally, each storage atmospheric tank (Oil & Water) will be fitted with a level transmitter to facilitate gauging of the tank without opening of the thief hatch. Any gas collected through the tank vent system is expected to be recompressed and routed to sales. However, in the event of an emergency, the tank vapor capture system will be designed to combust the gas using a flare stack fitted with a continuous or automatic ignitor. The flare stack will be properly anchored and will be located a minimum of 100 feet from the well and storage tanks. Operators will conduct weekly AVO inspections. These AVO inspection records will be stored for the required 5-year period and will be made available upon Division request.

VIII. **Best Management Practices:** Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

• When performing routine or preventive maintenance on a vessel or tank, initially all inlet valves are closed, and the vessel or tank is allowed to depressurize through the normal outlet connections to gas sales and/or liquid tanks. Once the vessel or tank is depressurized to lowest acceptable sales outlet pressure, usually around 20 psig, a temporary low-pressure flowline is connected from the vessel or tank to the Vapor Recovery Unit (VRU) for further pressure reduction. Once depressurized to less than 1-2 psig, the remaining natural gas in the vessel or tank is vented to atmosphere through a controlled pressure relief valve. Once the vessel or tank is depressurized to atmospheric pressure, the vessel or tank can be safely opened, and maintenance performed.

Received by OCD: 6/1/2023 8:21:46 AM Tap Rock Resources, LLC
Project: Lea County, NM (NAD 83 NME)
Site: (Queen Keely State Com) Sec-21_T-21-S_R-33-E
Well: Queen Keely State Com #132H Azimuths to Grid North True North: -0.40° Magnetic North: 5.92° Wellbore: OWB **Magnetic Field** Design: Plan #1 Strength: 47468.8nT Lat: 32° 28' 8.461 N Dip Angle: 60.20° Long: 103° 34' 45.072 W Date: 05/22/2023 Pad GL: 3744.0 Model: IGRF2015 KB: KB @ 3770.0usft To convert a Magnetic Direction to a Grid Direction, Add 5.92° Boone 16 State #2H (OFFSET)/AW WELL DETAILS: Queen Keely State Com #132H Boone 16 State Com #3H (OFFSET)/AWE Boone 16 State Com #4H (OFFSET)/AWI 3744.0 **Easting** Longitude +E/-W Latittude Northing 32° 28' 8.461 N 103° 34' 45.072 W HOLD - 3768.6 at 7473.5 MD 535181.00 1050 1200-KOP - Build 10.00 NUDGE - Build 1.00 DROP - -1.00 1300.0 **SECTION DETAILS** Dleg TFace VSect Azi **Annotation** 0.00 0.00 0.000.00 0.0 0.0 0.00 1300.0 **NUDGE - Build 1.00** 11160 11168.6 Build 10.00 HOLD - 4173.8 at 2299.9 MD 2294.8 Rustler 6405.2 0.00 DROP - -1.00 7473.5 0.00 7400.0 1.00 180.00 HOLD - 3768.6 at 7473.5 MD HOLD - 4173.8 at 2299.9 MD EOC/TRN - DLS 2.00 TFO 90.07 0.00 0.00 11168.6 0.00 0.00 **KOP - Build 10.00** 11242.1 Queen Keely State Com #111H HOLD - 4173.8 at 2299.9 MD NUDGE - Build 1.00 2100 87.70 180.00 11741.1 -345.5 **EOC/TRN - DLS 2.00 TFO 90.07** 12119.1 10.00 180.00 Start 498.9 hold at 12282.5 MD 2.00 90.07 -182.3 0.00 0.00 315.1 Start 498.9 hold at 12282.5 MD 87.70 183.27 11747.7 87.70 183.27 11767.7 Start Turn -2.00 Start 1494.5 hold at 12968.2 MD 2.00 -90.08 501.7 87.70 179.53 11775.2 11240-2450 Start Turn -2.00 eely State Com #151H/Plan # 0.00 1995.0 Start DLS 2.00 TFO -0.03 87.70 179.53 11835.2 88.50 179.53 11836.5 -0.03 2035.2 Start 2965.8 hold at 14503.0 MD Start 1494.5 hold at 12968.2 MD Start DLS 2.00 TFO 0.19 88.50 179.53 11913.9 0.00 5000.0 11280-0.19 5019.8 Start 4589.6 hold at 17488.7 MD 88.90 179.53 11914.3 2.00 2800 88.90 179.53 12002.3 0.00 9608.6 TD at 22078.2 0.00 DESIGN TARGET DETAILS 11320-**Easting Northing** Name FTP (Queen Keely State Com #132H) 11755.0 11755.0 773941.00 KOP (Queen Keely State Com #132H) 896.0 773941.00 11360--1600-11835.3 2000'VS (Queen Keely State Com #132H) 773963.71 533181.30 11913.9 5000'VS (Queen Keely State Com #132H) 773988.27 12002.3 PBHL (Queen Keely State Com #132H) -9608.0 774026.00 Start DLS 2.00 TFO -0.03 525573.00 LTP (Queen Keely State Com #132H) 12022.0 _ 11400 -9513.0 525668.00 774026.00 **FORMATIONS** 2000'VS (Queen Keely State Com #132H) Start 2965.8 hold at 14503.0 MD ^ॼ 11440--2400-**TVDPath MDPath Formation** 1775.0 1775.5 Rustler 2203.7 Top Salt 5420.0 5485.0 Base Salt 5473.3 .ల్లో 11480 5539.3 **Delaware** 5490.0 5544.3 Lamai 5510.0 5564.7 5520.0 [□] 11520 5574.8 Ramsey 5970.0 6031.7 Cherry 6985.0 7058.2 **Brushy** 8730.0 8803.5 **Bone Spring** 11560-8920.0 8993.5 **Bone Spring Base** Avalon Middle 9255.0 9328.5 9915.0 9988.5 1st Bone Spring 3rd Bone Spring Sand 2nd Bone Spring Carb 10358.5 11600-10558.5 2nd Bone Spring Sand 10485.0 **=** -4000-11138.5 **3rd Bone Spring Carb** 3rd Bone Spring Sand 3rd Bone Spring W Sand 12099.9 11640 11785.0 Wolfcamp A X 13213.0 Cherr 11820.0 14085.1 Wolfcamp A Y 11850.0 15020.8 **Wolfcamp A Lower** 11860.0 15404.0 Wolfcamp B 6300 6405.2 11680 5000'VS (Queen Keely State Com #132H) 15404.0 Wolfcamp B1 Start DLS 2.00 TFO 0.19 16745.1 11895.0 Wolfcamp C 11720-6650 11760 KOP (Queen Kerry State) Com #1321) 7000 Brushy Vertical Section at 179.53° (40 usft/in) HOLD - 3768.6 at 7473.5 MD 7350 7400.0 Boone 16 State Com #3H (OFFSET)/AWB West(-)/East(+) (200 usivin) West(-)/East(+) (100 usft/in)-500 -450 -400 -350 -300 -250 -200 -150 -100 -50 0 50 100 150 200 250 300 350 400 450 500 -1000 -900 -800 -700 -600 -500 -400 -300 -200 -100 0 100 200 300 400 500 600 700 800 900 1000 DROP - -1.00 HOLD - 3768.6 at 7473.5 MD --8850 100'FKQP - Build 10.00 FIRST TAKE LINE **-800** -8900-KOP (Queen Keely State Com #132H) --8950 **-700** -8950--9000---9000 FTP (Queen Keely State Com #132H) -9050---9050 EOC/TRN - DLS 2.00 TFO 90.0 -9100---9100 Bone Spring Queen Keely State Com #113H/Plan #1 HOLD - 4173.8 at 2299.9 MD Start 498.9 hold at 12282.5 MD Bone Spring Base –200≘ -9200---92050 NUDGE - Build 1.00 -100≥ **-\<u>\alpha</u>250**--**-925**2 Avalon Middle 11018 **-9**300-Start Turn -2.00 Warbler State Com #2Y (OFFSET)/AWB **=**200---200₹ LTP (Queen Keely State Com #132H) Start 1494.5 hold at 12968.2 MD -9450 1st Bone Spring **--300** -9450-Warbler State Com #2\ (OFFSET)/AWB --400 PBHL (Queen Keely State Com #132H) LAST TAKE LINE --500 TD at 22078.2 TD at 22078.2 2nd Bone Spring Carb **-**9600-**--600** 2nd Bone Spring Sand -700-Queen Keely State Com #195H/Plan #1 Queen Keely \$tate Com #112H/Plan #1 **--700** Queen Keely State Com #132H/Plan #1 EASE Love Keely State Com #126H/Plan Queen Keely State Com #132H/Plan #1 Queen Keely State Com #152H/Plan #1 LEASE LINE **--800** n Keely State Com #157H/Plai **KOP - Build 10.00** 13/66 Spring Carb Queen Keely State Com #113H/Plan #1 -1000 -900 -800 -700 -600 -500 -400 -300 -200 -100 0 100 200 300 400 500 600 700 800 900 1000 -500 -450 -400 -350 -300 -250 -200 -150 -100 -50 0 50 100 150 200 250 300 350 400 450 500 -350 West(-)/East(+) (100 usft/in) Queen Keely State Com #193H/Plan #1 Vertical Section at 179.53° (350 usft/in) West(-)/East(+) (400 usft/in)Queen Keely State Com #153H/Plan # EOC/TRN - DLS 2.00 TFO 90.07 TRGT WNDW: 10'ABOVE / 10'BELOW 3rd Bone Spring Sand Start 498.9 hold at 12282.5 MD Start Turn -2.00 Start 2965.8 hold at 14503.0 MD ž 11700-Start 1494.5 hold at 12968.2 MD Start DLS 2.00 TFO -0.03 Start 4589.6 hold at 17488.7 MD Queen Keely State Com #132H/Plan #1 Start DLS 2.00 TFO 0.19 TD at 22078.2 Wolfcamp C 2000'VS (Queen Keely State Com #132H) 12000-5000'VS (Queen Keely State Com #132H) LTP (Queen Keely State Com #132H) 3900 PBHL (Queen Keely State Com #132H) Vertical Section at 179.53° (300 usft/in)

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