

Approved

NSL

Order

Approved: 03/06/20

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



March 6, 2020

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7993

**Tap Rock Operating, LLC [OGRID 372043]
Gipple Federal Com Well No. 138H
API No. 30-025-46670**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	175 FSL & 645 FEL	P	33	24S	35E	Lea
First Take Point	100 FSL & 51 FEL	P	33	24S	35E	Lea
Last Take Point	100 FNL & 51 FEL	A	28	24S	35E	Lea
Terminus	5 FNL & 51 FEL	A	28	24S	35E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 33	320	Wildcat; Middle Bone Spring	98294
E/2 E/2 of Section 28			

Reference is made to your application received on February 21, 2020.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 51 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 34, encroachment to the W/2 W/2
Section 27, encroachment to the W/2 W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. All waivers were signed; therefore, the notice duration is no longer valid.

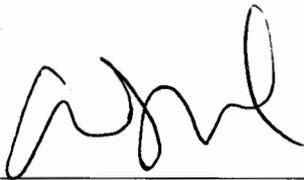
Division understands you seek this unorthodox location as your preferred well spacing plan for horizontal wells in the area and thus preventing waste within the formation underlying the E/2 E/2 of Section 33 and E/2 E/2 Section 28.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, March 9, 2020 9:45 AM
To: 'Kaitlyn A. Luck'
Cc: Mike Bratcher (mike.bratcher@state.nm.us); Kautz, Paul, EMNRD; 'jglover@blm.gov'; 'drossmango@blm.gov'; 'lisa@rwbyram.com'; Goetze, Phillip, EMNRD; Rose-Coss, Dylan H, EMNRD; Murphy, Kathleen A, EMNRD; Warnell, Terry G, EMNRD; McClure, Dean, EMNRD; Lamkin, Baylen, EMNRD; Simmons, Kurt, EMNRD; Garcia, John A, EMNRD; Cox, Scott, EMNRD
Subject: APPROVED NSL-7993_Tap Rock Operating, LLC_Gipple Federal Com Well No. 138H_SEC 33 24S 35E
Attachments: NSL-7993_ORDER.pdf

Importance: High

Ms. Kaitlyn A. Luck,

The following NSL Administrative Order has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

A copy of the approved order is also attached.

NSL-7993

Tap Rock Operating, LLC

WELL: Gipple Federal Com Well No. 138H [30-025-46670]

POOL: Wildcat; Middle Bone Spring [98294]

Leonard R. Lowe

Engineering Bureau

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