

NSL Initial Application

Received: 08/05/20

P.O. NO SG40B-200805-NSL000

Revised March 23, 2017

RECEIVED: 08/05/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2021954559
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Tap Rock Operating, LLC**OGRID Number:** 372043**Well Name:** Nailed It Fed Com #214H Well**API:** 30-015-46886**Pool:** Purple Sage; Wolfcamp**Pool Code:** 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Kaitlyn A. Luck

Print or Type Name

Signature

08/05/2020

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



Kaitlyn A. Luck
Phone (505) 954-7286
KALuck@hollandhart.com

August 05, 2020

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Nailed It Fed Com #214H Well in the SE/4 of Section 25 and the E/2 of irregular Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043) seeks administrative approval of an unorthodox well location for its **Nailed It Fed Com #214H Well** (API No. 30-015-46886) to be completed within the Purple Sage; Wolfcamp Pool (98220) underlying the SE/4 of Section 25 and the E/2 of irregular Section 36, Township 26 South, Range 30 East, Township South, Range East, N.M.P.M., Eddy County, New Mexico. The unorthodox location in this application encroaches on the state line of New Mexico and Texas.

This well will be drilled from a surface location 741 feet from the south line and 588 feet from the east line (Lot 1) of Section 36 to a bottom hole location 2465 feet from the south line and 1562 feet from the east line (Unit J) of Section 25. The first take point will be located 100 feet from the south line and 1562 feet from the east line (Lot 2) of Section 36 and the last take point will be 2336 feet from the south line and 1562 feet from the east line (Unit J) of Section 25.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool which provide for wells in the Wolfcamp formation in Eddy County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the **Nailed It Fed Com #214H Well** will be unorthodox because it is closer than 330 feet to the southern boundary of the horizontal spacing unit. Approval of the unorthodox completed interval will allow Tap Rock to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Nailed It Fed Com #214H Well** encroaches on the tracts to the south.

Exhibit B is a land plat for Sections 25 and 36 that shows the proposed **Nailed It Fed Com #214H Well** in relation to the adjoining tracts to the south in the Section 2, Block 56, Township 1 North (Loving County, Texas).

Ownership is diverse between the subject spacing unit and the tracts to the south. Since this application involves an encroachment only on the state line of Texas, Tap Rock understands the Division does not require a 20-day waiting period for approval of the unorthodox location. However, a copy of this application with all attachments has been sent by certified mail to each affected person, under the rules. **Exhibit C** is a list of the parties affected by the encroachment to the south together with the tracking information reflecting notice has been provided.

Exhibit D is a statement from Tap Rock's petroleum engineer confirming that Tap Rock's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kaitlyn A. Luck', is written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC

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

☐ **AMENDED REPORT**

BOTTOM HOLE LOCATION
NEW MEXICO EAST
NAD 1983
X=696981
Y=368765
LAT.: N 32.0128206
LONG.: W 103.8311720

LAST TAKE POINT
NEW MEXICO EAST
NAD 1983
X=696982
Y=368635
LAT.: N 32.0124632
LONG.: W 103.8311716

SURFACE LOCATION
NEW MEXICO EAST
NAD 1983
X=697977
Y=364905
LAT.: N 32.0021972
LONG.: W 103.8280170

FIRST TAKE POINT
NEW MEXICO EAST
NAD 1983
X=697006
Y=364259
LAT.: N 32.0004330
LONG.: W 103.8311587

The survey plat shows a proposed bottom hole location (red dot) and its relationship to various take points and surface locations. The plat includes the following measurements:

- Bottom Hole Location:** X=696981, Y=368765, LAT.: N 32.0128206, LONG.: W 103.8311720.
- Last Take Point:** X=696982, Y=368635, LAT.: N 32.0124632, LONG.: W 103.8311716.
- Surface Location:** X=697977, Y=364905, LAT.: N 32.0021972, LONG.: W 103.8280170.
- First Take Point:** X=697006, Y=364259, LAT.: N 32.0004330, LONG.: W 103.8311587.
- Bearings and Distances:**
 - From Last Take Point to Bottom Hole Location: AZ = 359.68°, Distance = 130.0'.
 - From Surface Location to Bottom Hole Location: AZ = 359.68°, Distance = 4376.3'.
 - From First Take Point to Bottom Hole Location: AZ = 236.35°, Distance = 1166.3'.
 - From First Take Point to Surface Location: AZ = 236.35°, Distance = 1166.3'.
 - From First Take Point to Bottom Hole Location: AZ = 741', Distance = 588'.
 - From First Take Point to Surface Location: AZ = 741', Distance = 588'.
 - From First Take Point to Bottom Hole Location: AZ = 741', Distance = 588'.
 - From First Take Point to Surface Location: AZ = 741', Distance = 588'.

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

Date of Survey _____
Signature and Seal of Professional Surveyor _____

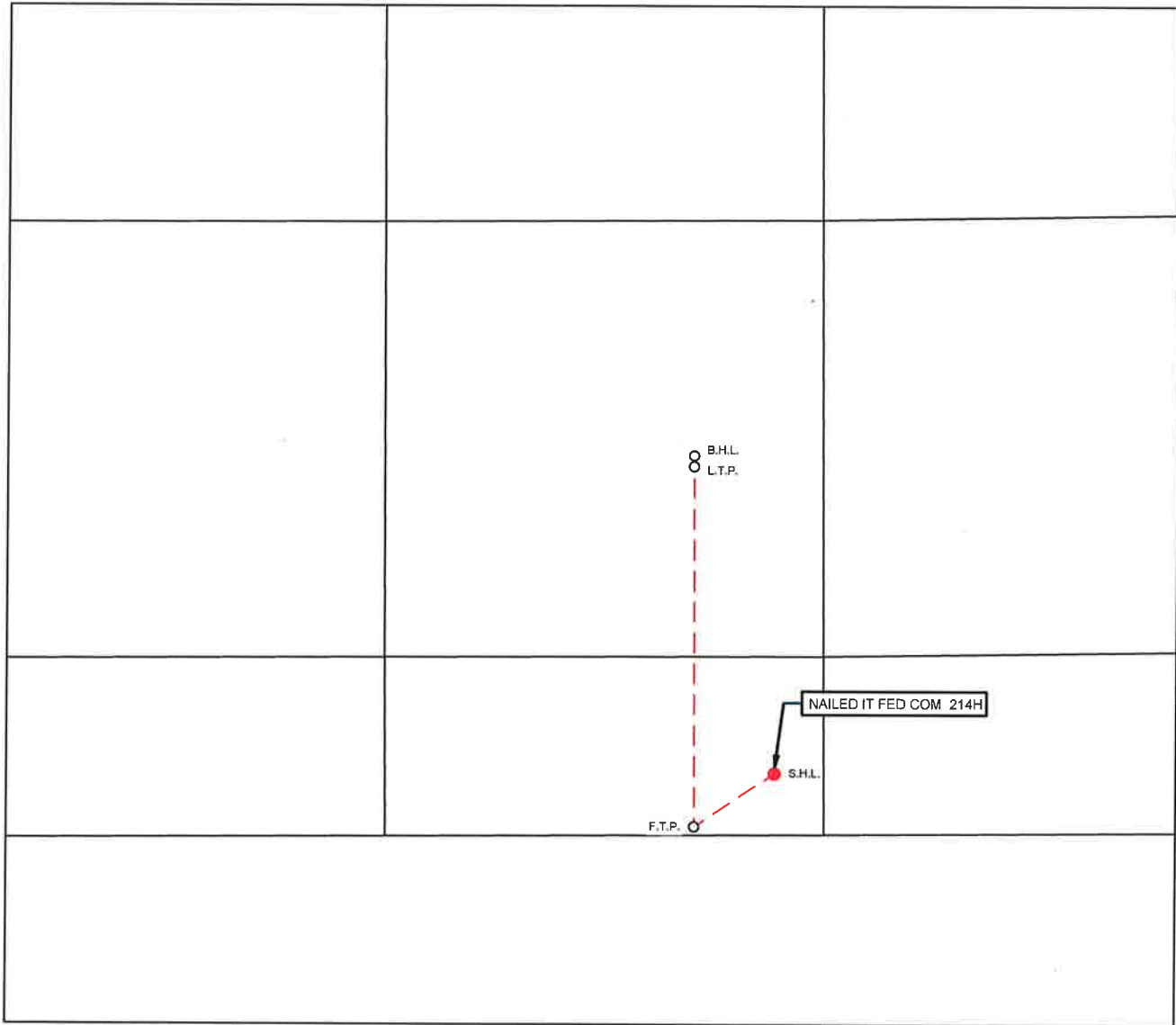
Certificate Number _____

ANGEL M. BIEZA
26116
PROFESSIONAL SURVEYOR

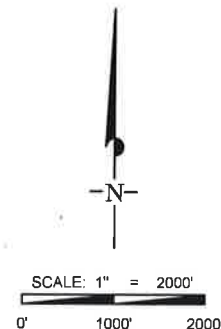
01/2M/2020

8:\SURVEY\TAPOCKNAILED IT UNIT\FINAL PRODUCTS\SLO NAILED IT.FED.COM 214H REV3.DWG 8/4/2020 11:19:26 AM kmatheny

LOCATION & ELEVATION VERIFICATION MAP

LEASE NAME & WELL NO.: NAILED IT FED COM 214H

SECTION 36 TWP 26-S RGE 30-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM ELEVATION 3044'
 DESCRIPTION 741' FSL & 588' FEL

LATITUDE N 32.0021972 LONGITUDE W 103.8280170

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.



TOPOGRAPHIC
 LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140

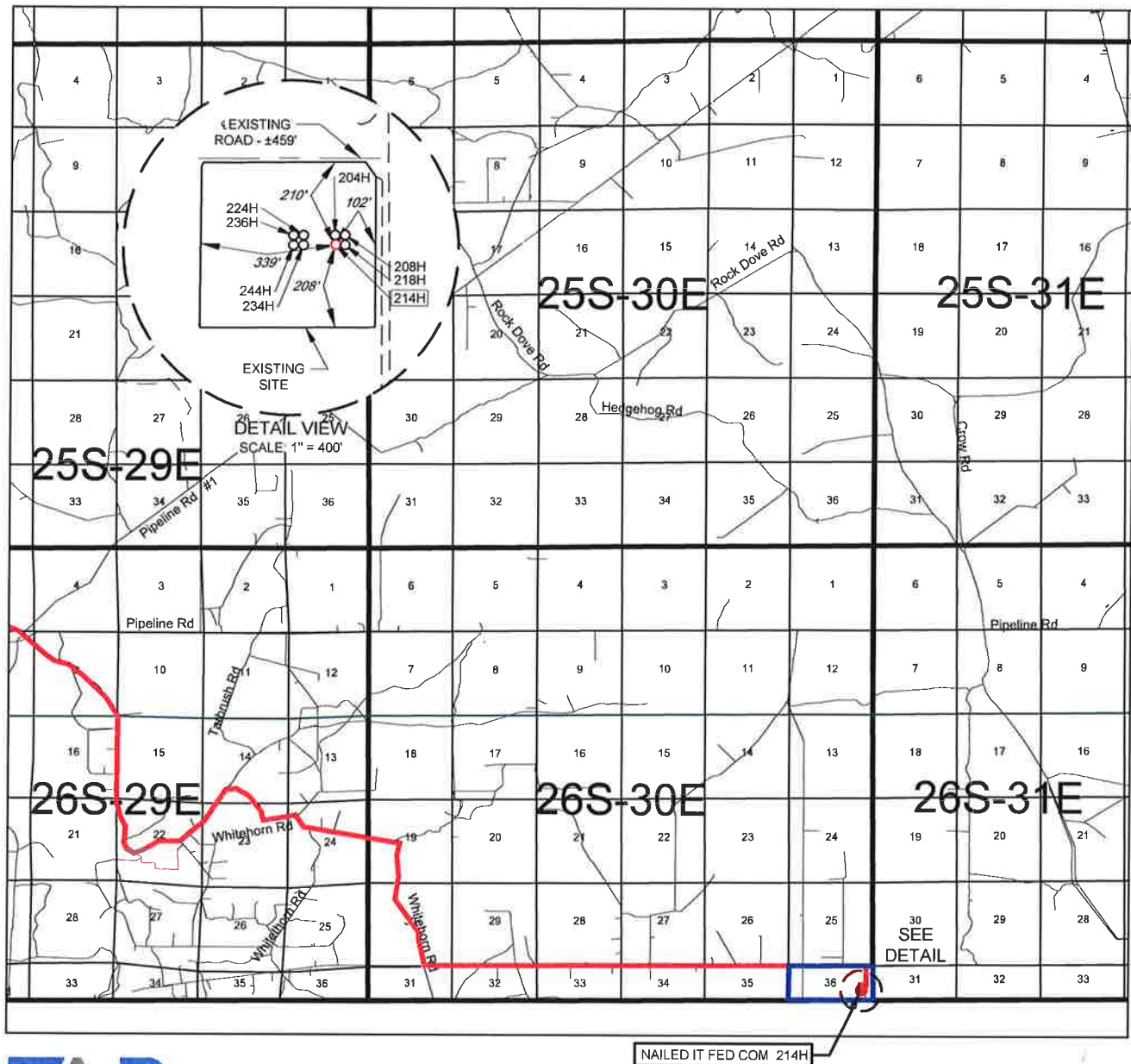
TELEPHONE: (817) 744-7512 • FAX: (817) 744-7554

2803 NORTH BIG SPRING • MIDLAND, TEXAS 79705

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

WWW.TOPOGRAPHIC.COM

EXHIBIT 2 VICINITY MAP



LEASE NAME & WELL NO.: NAILED IT FED COM 214H

SECTION 36 TWP 26-S RGE 30-E SURVEY N.M.P.M.

COUNTY EDDY STATE NM

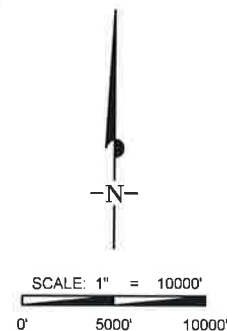
DESCRIPTION 741' FSL & 588' FEL

DISTANCE & DIRECTION

FROM INT. OF US-285 & COUNTY RD 396, GO SOUTH ON US-285 ±12.6 MILES, THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE NORTH (LEFT) ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON WHITEHORN RD. ±3.3 MILES, THENCE WEST (RIGHT) ON PROPOSED RD. ±3.0 MILES, THENCE EAST (LEFT) ON STATE LINE RD. ±7.0 MILES, THENCE SOUTH (RIGHT) ON A LEASE RD. ±0.2 MILES, THENCE WEST (RIGHT) ON PROPOSED RD. ±1242 FEET TO A POINT ±248 FEET NORTHEAST OF THE LOCATION.

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, L.L.C. 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.



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
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
WWW.TOPOGRAPHIC.COM

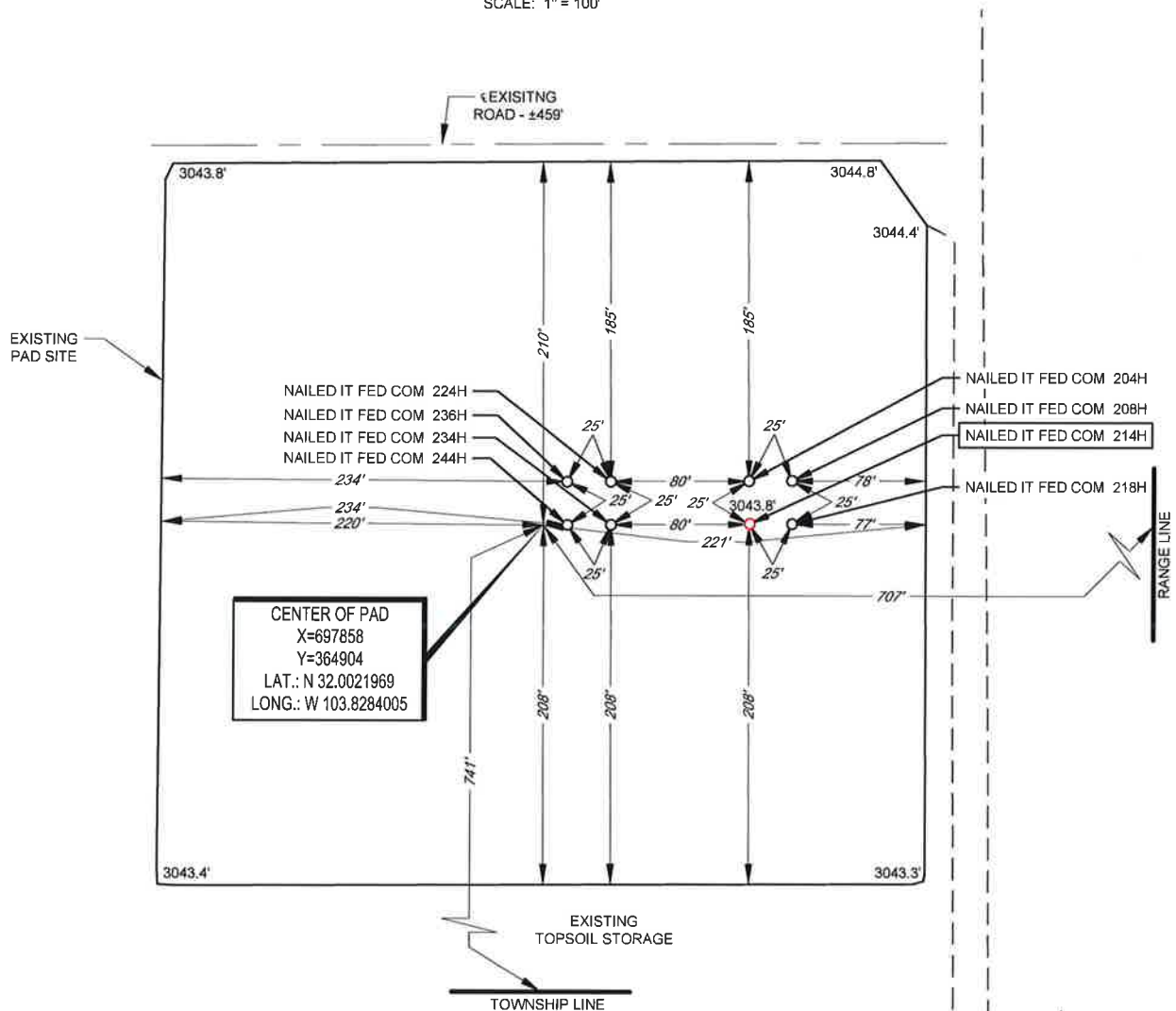


EXHIBIT 2B



SECTION 36, TOWNSHIP 26-S, RANGE 30-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: _____ NAILED IT FED COM 214H
214H LATITUDE _____ N 32.0021972 _____ 214H LONGITUDE _____ W 103.8280170

CENTER OF PAD IS 741' FSL & 707' FEL

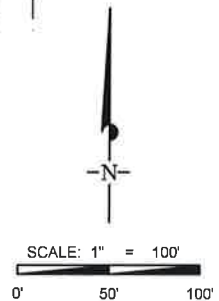


Angel M. Baeza, P.S. No. 25116

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. 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"





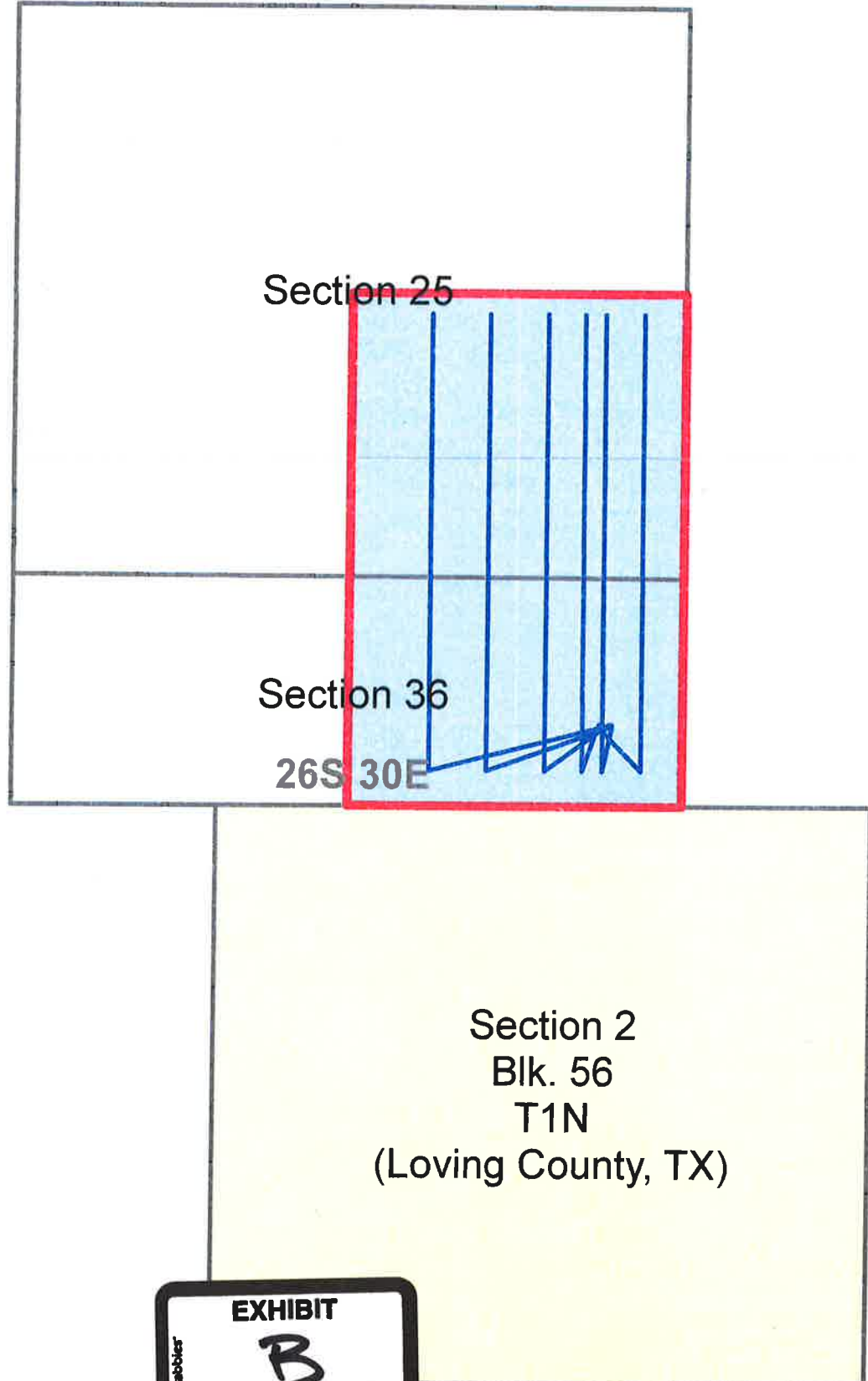
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TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

Legend

-  Nailed It Wells
-  Nailed It E2 Unit

Operator

-  Tap Rock Acreage
-  WPX Energy Permian, LLC.



Nailed It Fed Com #204H, #208H, #214H, #218H, #224H, #234H Notice List

N/2 Section 2, Blk. 56, Township 1 North (Loving County, Texas)

WPX Energy Permian, LLC
3500 One Williams Center
Tulsa, OK 74172





Kaitlyn A. Luck
Phone (505) 954-7286
KALuck@hollandhart.com

August 05, 2020

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Tap Rock Operating, LLC, for administrative approval of an unorthodox well location for its Nailed It Fed Com #214H Well in the SE/4 of Section 25 and the E/2 of irregular Section 36, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, and this application may be approved administratively by the Division if no objection is received.

If you have any questions about this application, please contact the following:

Matt Phillips
Tap Rock Resources
(720) 459-3724
mphilips@taprk.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 08/05/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Tap Rock - Nailed It 204H,208H, 214H, 218H, 224H, 234H NSL
CM# 93477.0001

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0023 3906 99



Firm Mailing Book For Accountable Mail

Name and Address of Sender

Holland & Hart LLP (1)
1110 N Guadalupe St # 1
Santa Fe NM 87501

Affix Stamp Here
(for additional copies of this receipt).
Postmark with Date of Receipt.

[illegible]PSN 7530-02-000-9098
PS Form 3877, January 2017 (Page 1 of 1)

Complete in Ink

Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy.

PSN 7530-02-000-9098

JobId: 22000047

TAP ROCK OPERATING

CONNER WOOD
ASSET MANAGER
CWOOD@TAPRK.COM

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



July 29, 2020

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Non-Standard Location Request
Nailed It Fed Com #204H, #208H, #214H, #218H, #224H, #234H (the "Wells")

Dear Ms. Sandoval:

Tap Rock Operating, LLC ("Tap Rock") hereby requests administrative approval of a non-standard location for each of the Wells referenced above by decreasing the first take point from 330 feet to 100 feet from the horizontal plane outer boundary. The Wells are located in the Purple Sage – Wolfcamp Gas Pool (Pool Code 98220). It is Tap Rock's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. Decreasing the first take point will increase the Wells effective lateral length by 230 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

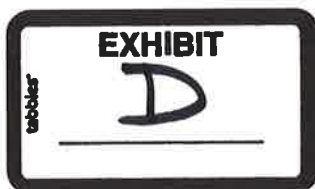
Sincerely,

TAP ROCK OPERATING, LLC

Conner Wood

Conner Wood (Jul 29, 2020 14:47 MDT)

Conner Wood
Asset Manager and Reservoir Engineer



Engineering Affidavit - Nailed It E2E2

Final Audit Report

2020-07-29

Created:	2020-07-29
By:	Conner Wood (cwood@taprk.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAi1PWUYHkfNdIFzC9ZQiJRDYC1V1K_JA5

"Engineering Affidavit - Nailed It E2E2" History



Document created by Conner Wood (cwood@taprk.com)

2020-07-29 - 8:45:25 PM GMT- IP address: 73.14.216.7



Document emailed to Conner Wood (conner.wood@gmail.com) for signature

2020-07-29 - 8:46:01 PM GMT



Email viewed by Conner Wood (conner.wood@gmail.com)

2020-07-29 - 8:46:17 PM GMT- IP address: 66.102.6.149



Document e-signed by Conner Wood (conner.wood@gmail.com)

Signature Date: 2020-07-29 - 8:47:03 PM GMT - Time Source: server- IP address: 73.14.216.7



Signed document emailed to Conner Wood (conner.wood@gmail.com) and Conner Wood (cwood@taprk.com)

2020-07-29 - 8:47:03 PM GMT



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