

Revised March 23, 2017

LQA43-201109-C-107B PLC-695-A

RECEIVED: 11/9/20	REVIEWER: DM	TYPE: PLC	APP NO: pDM2022041218
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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: PLC-695 ----- Hyperion State #137H, #202H, #205H, #217H wells	API: 30-025-46765, 46766, 46660, 46767
Pool: WC-025 G-09 S243310P; UPPER WOLFCAMP	Pool Code: 98135

**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 holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☒ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ 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

11/9/2020

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

November 9, 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, to amend Surface Commingling Order PLC-695 to add certain wells and spacing units, and to authorize pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Hyperion State Tank Battery located in the W/2 W/2 of Section 20, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Dear Ms. Sandoval:

Under Administrative Order PLC-527, attached as **Exhibit 1**, the Division approved Tap Rock Operating, LLC's (OGRID No. 372043) ("Tap Rock") request for pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Hyperion State Tank Battery of production from the following spacing units:

- (a) The 160-acre, more or less, spacing unit in the Triple X; Bone Spring, West (96674) underlying the W/2 W/2 of Section 20. The spacing unit is currently dedicated to the **Hyperion State #141H well** (API No. 30-025-46126); and
- (b) The 160-acre, more or less, spacing unit in the WC-025 G-09 S243310P; Upper Wolfcamp (98135) underlying the W/2 W/2 of Section 20. The spacing unit is currently dedicated to the **Hyperion State #221H well** (API No. 30-025-45842).

Pursuant to 19.15.12.7 NMAC, Tap Rock seeks to amend the terms of Administrative Order PLC-695 to add to the terms of the order production from *all existing and future infill wells drilled in the following spacing unit*:

- (a) The 160-acre, more or less, spacing unit in the WC-025 G-09 S243310P; Upper Wolfcamp (98135) underlying the W/2 E/2 of Section 20. The spacing unit is currently dedicated to the **Hyperion State #137H well** (API No. 30-025-46765).

November 9, 2020

Page 2

(b) The 160-acre, more or less, spacing unit in the WC-025 G-09 S243310P; Upper Wolfcamp (98135) underlying the E/2 W/2 of Section 20. The spacing unit is currently dedicated to the **Hyperion State #202H well** (API No. 30-025-46766), the **Hyperion State #205H well** (API No. 30-025-46660), and the **Hyperion State #217H well** (API No. 30-025-46767); and

(c) Pursuant to 19.15.12.10.C(4)(g), *future spacing units connected to this central tank battery* with notice provided only to the interest owners within the future spacing units.

Oil and gas production from these “spacing units” will be commingled and sold at the Hyperion State Tank Battery located in the W/2 W/2 of Section 20. Prior to commingling, gas production from each “spacing unit” will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each “spacing unit” will also be separately metered using turbine meters.

Exhibit 2 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units. There are no available production reports for the wells.

Exhibit 3 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Bill Ramsey, Regulatory Analyst with Tap Rock, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Exhibit 4 is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the New Mexico State Land Office since state lands are involved.

Finally, the proposed communitization agreement for the acreage subject to this application is attached as **Exhibit 5**.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



Kaitlyn A. Luck
ATTORNEY FOR TAP ROCK OPERATING, LLC

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY TAP ROCK OPERATING, LLC**

ORDER NO. PLC-695

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Tap Rock Operating, LLC (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from an infill well which produces from a pool and spacing unit dedicated to a well identified in Exhibit A.

EXHIBIT 1

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to surface commingle and off-lease measure, as applicable, oil and gas production from an infill well producing from the same pool and spacing unit dedicated to a well identified in Exhibit A.

2. The allocation of oil and gas production to an infill well shall be determined in the same manner as oil and gas production to the well dedicated to the pool and spacing unit.
3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
4. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
5. Applicant shall measure the commingled gas at a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.

7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingle application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B via the OCD Fee Portal in accordance with 19.15.12.10(C)(4)(g) NMAC.
9. Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau identifying an infill well prior to commingling and off-lease measuring, as applicable, oil and gas production from an infill well with the production from another well.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 10/05/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-695

Operator: Tap Rock Operating, LLC (372043)

Central Tank Battery: Hyperion State Tank Battery

Central Tank Battery Location (NMPM): W/2 W/2 Section 20, Township 24 South, Range 33 East

Gas Custody Transfer Meter Location (NMPM): W/2 W/2 Section 20, Township 24 South, Range 33 East

Pools

Pool Name	Pool Code
WC-025 G-09 S243310P; UPPER WOLFCAMP	98135
TRIPLE X; BONE SPRING, WEST	96674

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
VB 01790004 (WC)	W/2 W/2	Sec 20-T24S-R33E
VB 01790004 (BS)	W/2 W/2	Sec 20-T24S-R33E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-45842	Hyperion State 221H	D-20-24S-33E	98135	
30-025-46126	Hyperion State 141H	D-20-24S-33E	96674	

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 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

EXHIBIT 2

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46765	² Pool Code 98135	³ Pool Name WC025 G09 S243310P; UPPER WOLFCAMP
⁴ Property Code 325410	⁵ Property Name HYPERION STATE	⁶ Well Number 137H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3543'

¹⁰Surface Location

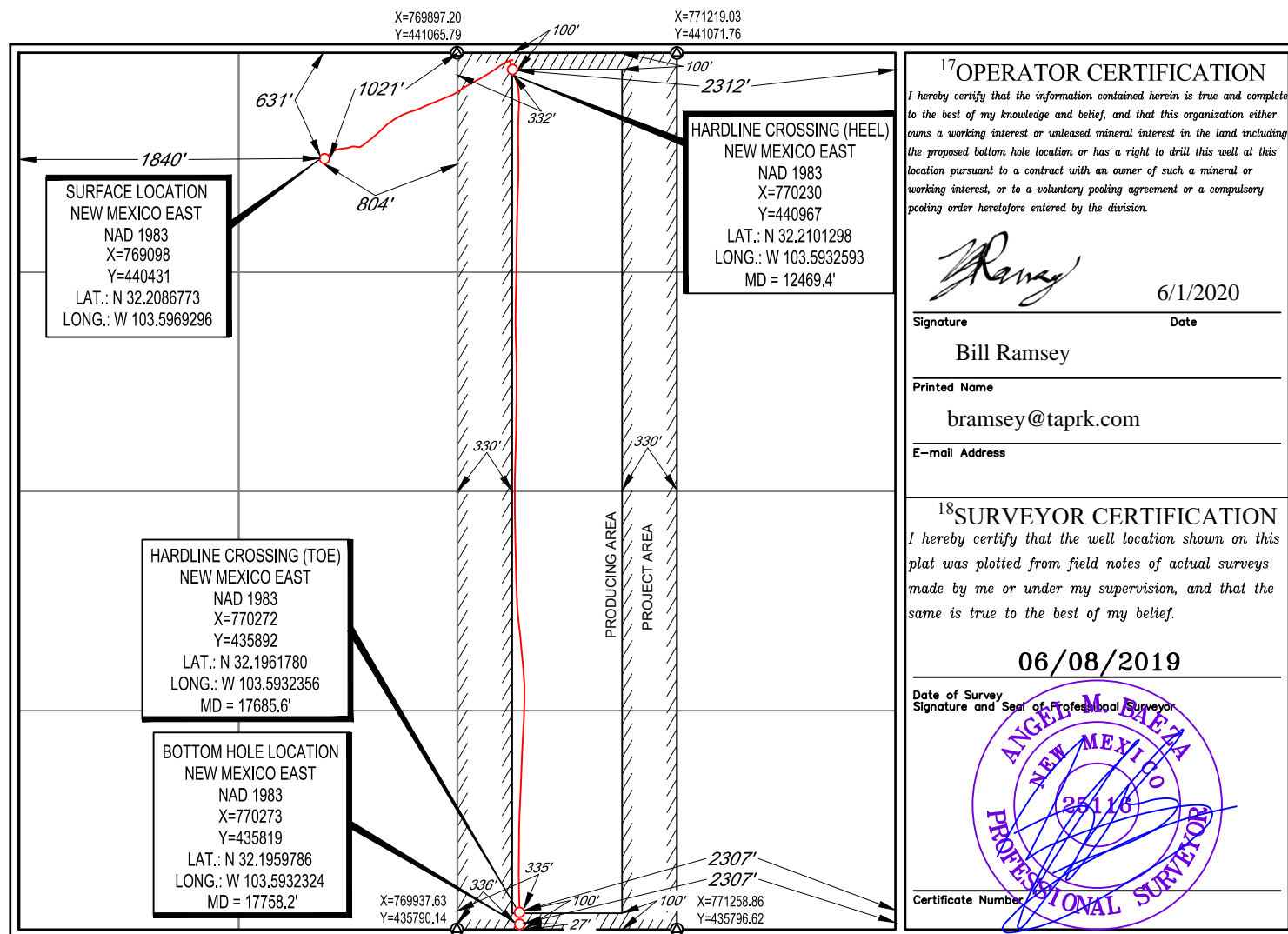
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	24-S	33-E	-	631'	NORTH	1840'	WEST	LEA

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
O	20	24-S	33-E	-	27'	SOUTH	2307'	EAST	LEA

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

¹⁷OPERATOR 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.

Bill Ramsey

6/1/2020

Signature

Date

Bill Ramsey

Printed Name

bramsey@taprk.com

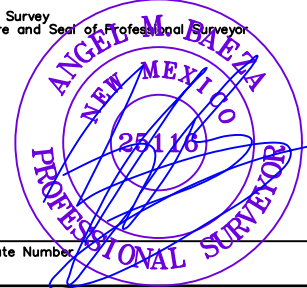
E-mail Address

¹⁸SURVEYOR 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.

06/08/2019

Date of Survey
Signature and Seal of Professional Surveyor



Certificate Number

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 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
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46766	² Pool Code 98135	³ Pool Name WC025 G09 S243310P; UPPER WOLFCAMP
⁴ Property Code 325410	⁵ Property Name HYPERION STATE	⁶ Well Number 202H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3544'

¹⁰Surface Location

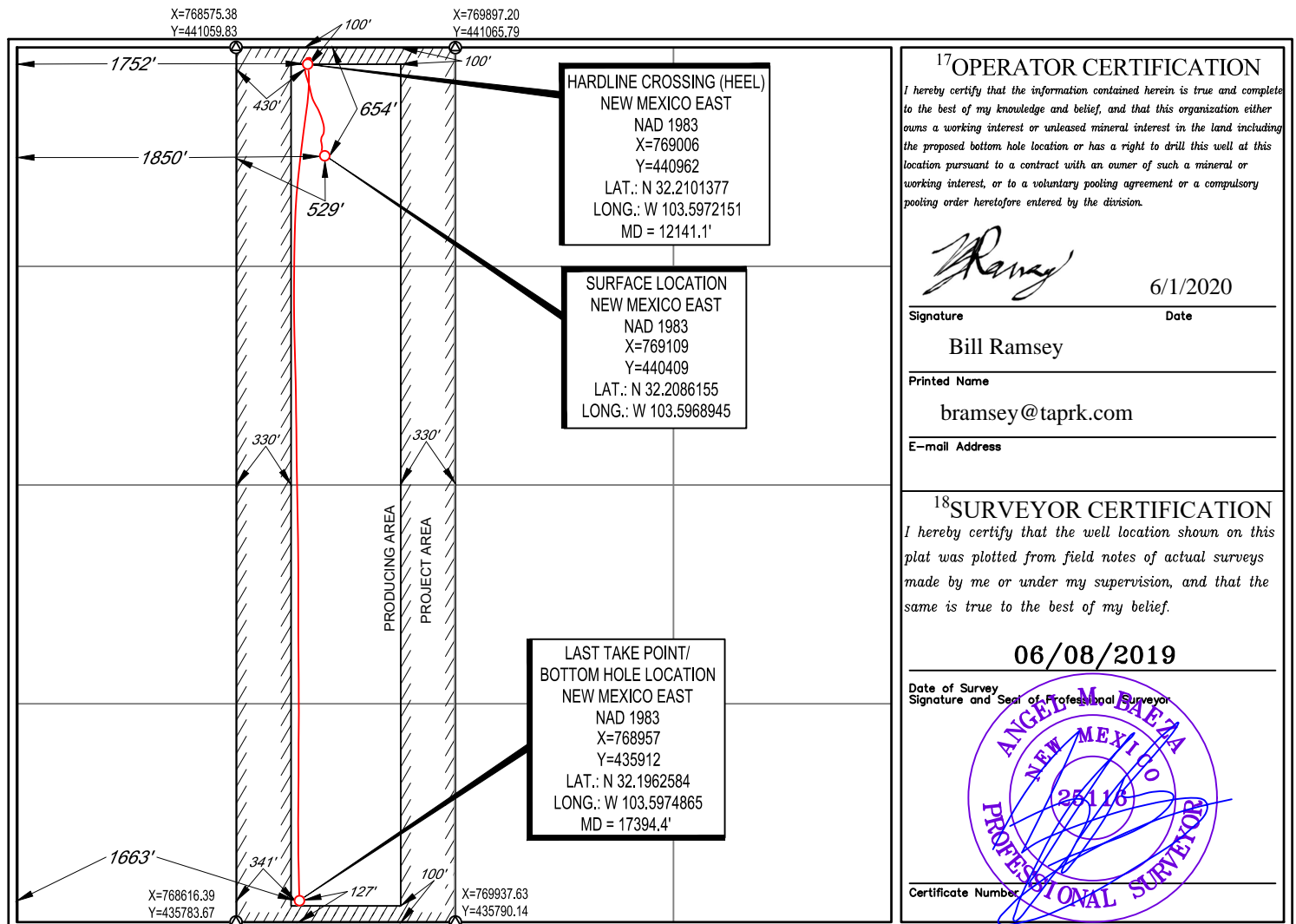
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	24-S	33-E	-	654'	NORTH	1850'	WEST	LEA

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
N	20	24-S	33-E	-	127'	SOUTH	1663'	WEST	LEA

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



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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
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46660	² Pool Code 98135	³ Pool Name WC025 G09 S243310P; UPPER WOLFCAMP
⁴ Property Code 325410	⁵ Property Name HYPERION STATE	⁶ Well Number 205H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3538'

¹⁰Surface Location

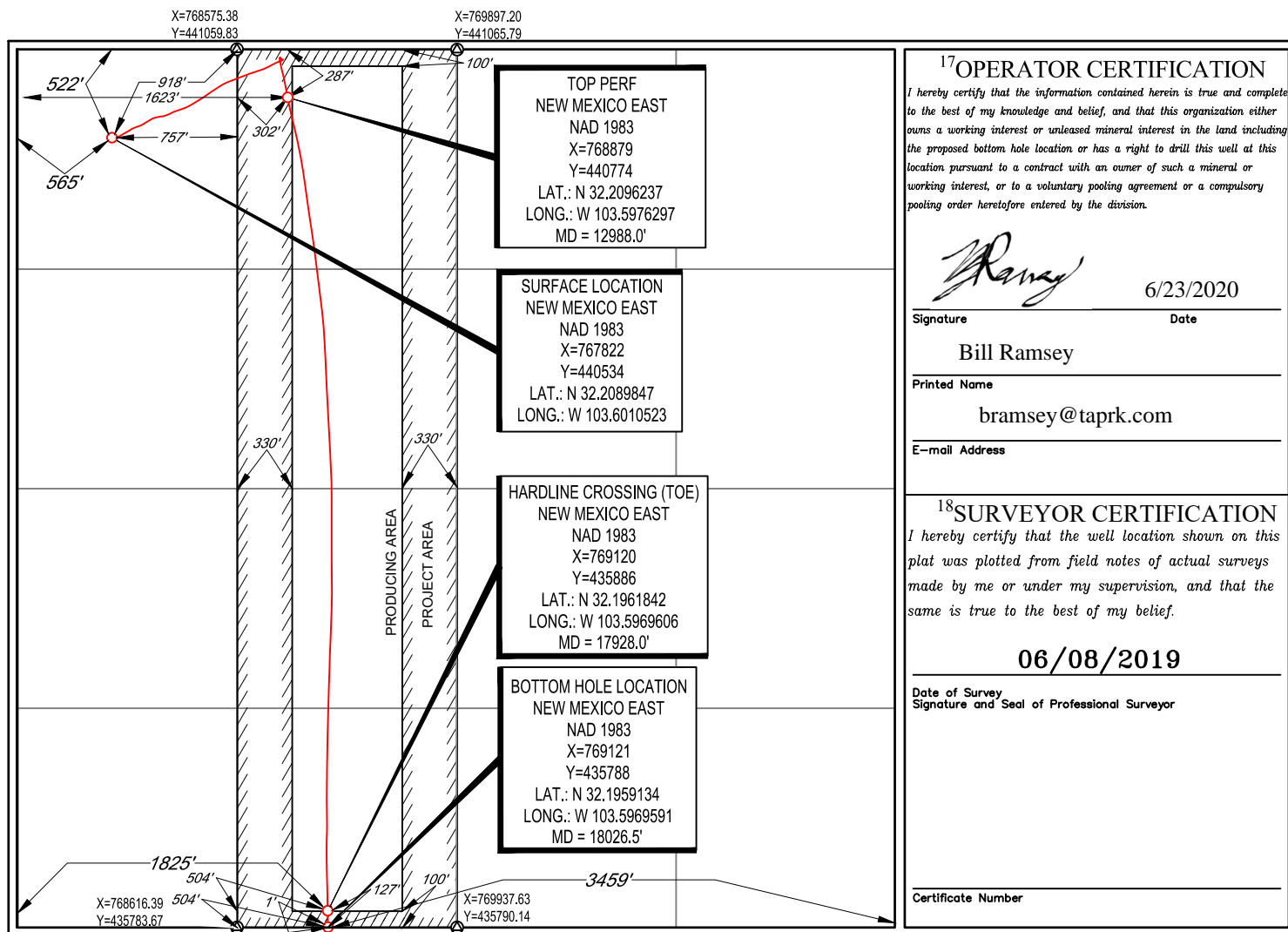
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	24-S	33-E	-	522'	NORTH	565'	WEST	LEA

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
N	20	24-S	33-E	-	1'	SOUTH	3459'	EAST	LEA

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



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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
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46767	² Pool Code 98135	³ Pool Name WC025 G09 S243310P; UPPER WOLFCAMP
⁴ Property Code 325410	⁵ Property Name HYPERION STATE	⁶ Well Number 217H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3543'

¹⁰Surface Location

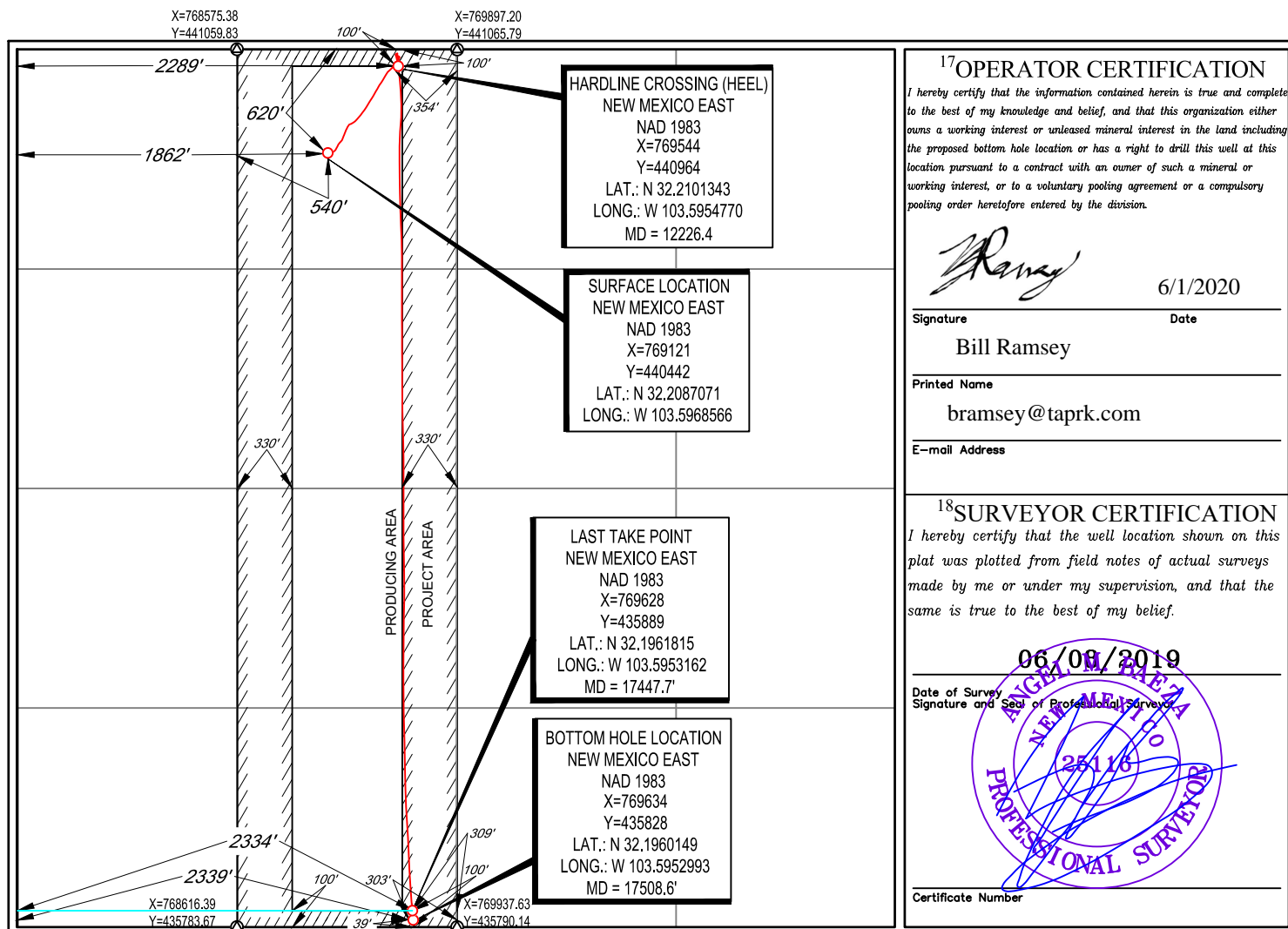
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	24-S	33-E	-	620'	NORTH	1862'	WEST	LEA

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
N	20	24-S	33-E	-	39'	SOUTH	2339'	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.

¹⁷OPERATOR 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.

Bill Ramsey

6/1/2020

Signature Date

Bill Ramsey

Printed Name

bramsey@taprk.com

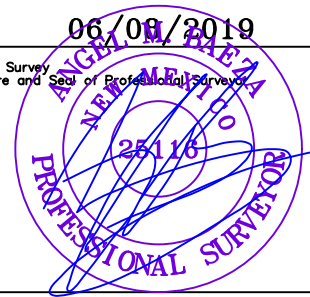
E-mail Address

¹⁸SURVEYOR 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.

06/09/2019

Date of Survey Signature and Seal of Professional Surveyor



Certificate Number

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District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised August 1, 2011

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Tap Rock Operating
OPERATOR ADDRESS: 523 Park Point Dr. Suite 200. Golden, CO 80401
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC-695
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See Attached					

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types) Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Bill Ramsey TITLE: Regulatory Analyst DATE: 10/19/2020

TYPE OR PRINT NAME Bill Ramsey TELEPHONE NO.: 720-360-4028

E-MAIL ADDRESS: bramsey@taprk.com

EXHIBIT 3

TAP ROCK RESOURCES, LLC

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



October 19, 2020

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Tap Rock Operating, LLC for administrative approval for approval of additional wells to surface commingle (pool and lease commingle) oil and gas production from the spacing units comprised of Section 20, Township 24S, Range 33E LEA County, New Mexico (the "Lands")

To Whom This May Concern,

Tap Rock Operating, LLC ("Tap Rock"), OGRID No. 372043, requests the addition to commingle current oil and gas production from four (4) distinct wells located on the Lands and future production from the Lands as described herein. The additional wells will be metered through individual liquid coriolis flow meters for oil and ultrasonic flow meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and ultrasonic flow meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations. We have attached a sample gas analysis from the one producing well on the Lands at **Exhibit B**.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an ultrasonic flow meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other well's metered gas. The gathering line is then metered by another ultrasonic flow meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter is tested and calibrated in accordance with industry specifications and

volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

Regards,

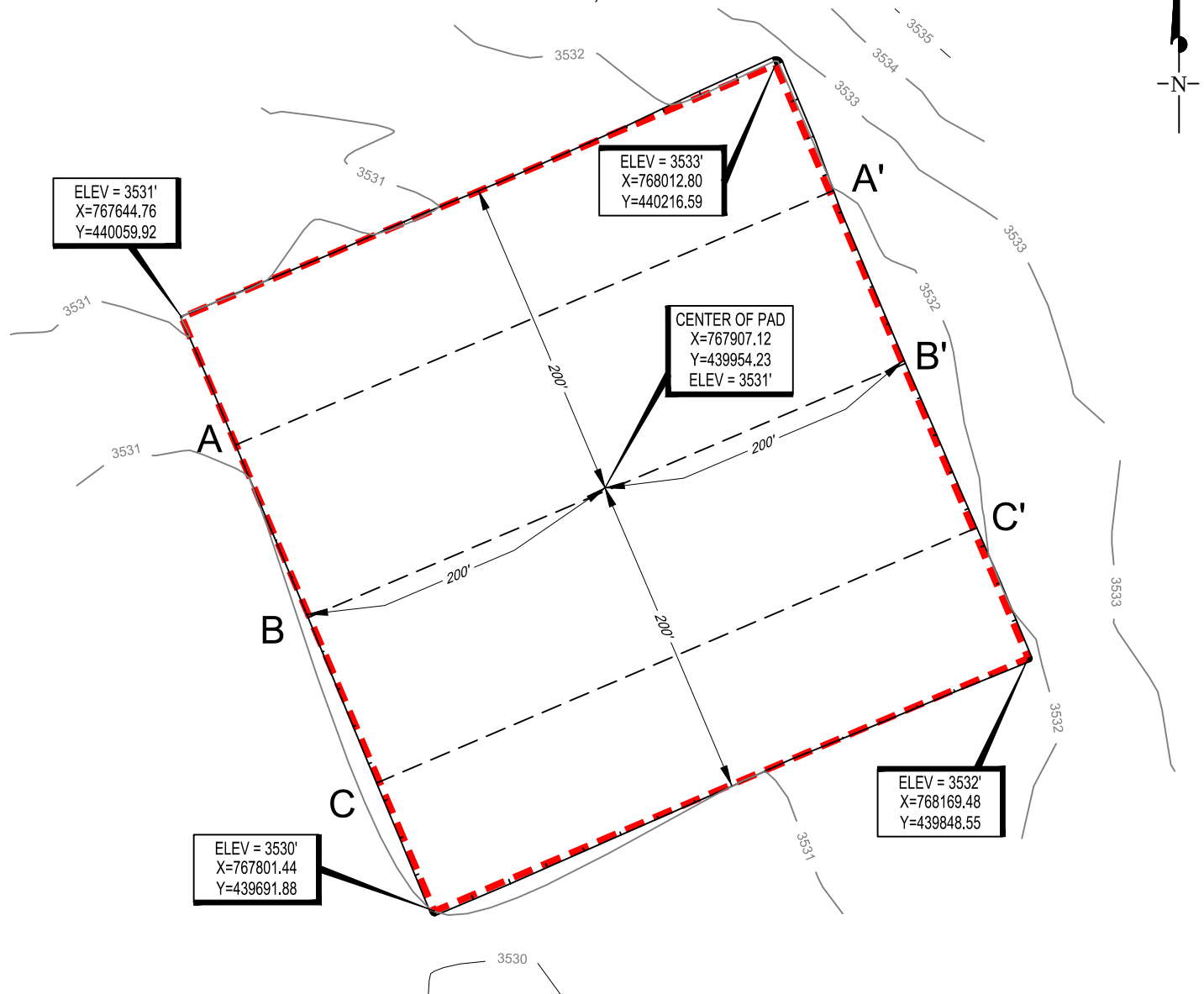
TAP ROCK OPERATING, LLC

A handwritten signature in black ink, appearing to read "Ramsey", written in a cursive style.

Bill Ramsey
Regulatory Analyst

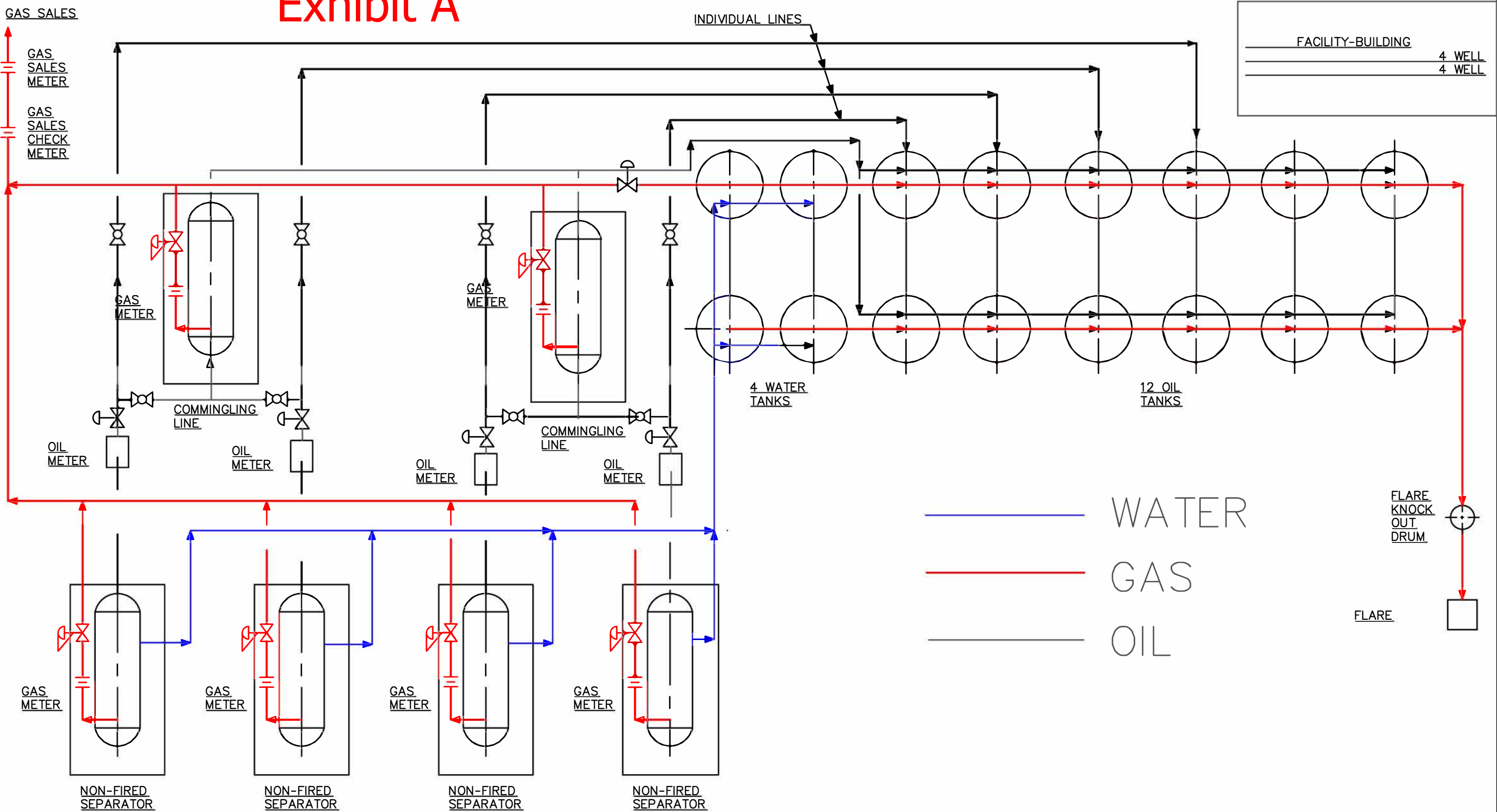
APPLICATION FOR ADDITION OF WELLS TO POOL COMMINGLE, STORAGE AND SALES FOR OIL AND GAS PRODUCTION

Lease Name	Property Code	Well Name	API	Surface Location	Pool		Date Online	Oil (BOD)	Gas (MCFD)	Gravity	BTU/cf
Hyperion State	325410	Hyperion State 217H	30-025-46767	C-20-24S-33E	98135	WC-025 G-09 S243310P, UPPER WOLFCAMP	7.30.20	<u>700</u>	<u>1317</u>	<u>51</u>	<u>1275</u>
Hyperion State	325410	Hyperion State 137H	30-025-46765	C-20-24S-33E	98135	WC-025 G-09 S243310P, UPPER WOLFCAMP	8.6.20	<u>741</u>	<u>1326</u>	<u>46</u>	<u>1275</u>
Hyperion State	325410	Hyperion State 202H	30-025-46766	C-20-24S-33E	98135	WC-025 G-09 S243310P, UPPER WOLFCAMP	8.19.20	<u>745</u>	<u>1401</u>	<u>47</u>	<u>1275</u>
Hyperion State	325410	Hyperion State 205H	30-025-46660	D-20-24S-33E	98135	WC-025 G-09 S243310P, UPPER WOLFCAMP	7.23.20	<u>435</u>	<u>2146</u>	<u>47</u>	<u>1275</u>

PRELIMINARYSECTION 20, TOWNSHIP 24-S, RANGE 33-E, N.M.P.M.
LEA COUNTY, NEW MEXICOSCALE: 1" = 100'
0' 50' 100'**TAP**
ROCK**TOPOGRAPHIC**
LOYALTY INNOVATION LEGACY1400 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

HYPERION W/2 FACILITY SITE	REVISION:		NOTES: 1. ORIGINAL DOCUMENT SIZE: 8.5" X 11" 2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.
DATE: 02/23/19			
FILE:CD_HYPERION_W2_FACILITY_SITE			
DRAWN BY: IMU			
SHEET: 1 OF 3			

Exhibit A



NOTES	REFERENCE DRAWINGS	NO.	REVISIONS				BY	CHK.	DATE	APPR.	TEXAS FABCO SOLUTIONS, INC 178 RANCH ROAD 962 EAST ROUND MOUNTAIN, TX 78663	TAP ROCK OPERATING FACILITY COMMINGLING DIAGRAM						
		A	ISSUED FOR CLIENT REVIEW				CF	AH	10/22/18	PROC/PROJ								
											DRAWN CF	CHECKED AH	APPROVED PROCESS PROJECT		JOB NO.	DRAWING NO.	1300-18-D-1000	REV. A
											DATE 10/19/18	DATE 10/19/18	SCALE					

Atchafalaya Measurement, Inc.
 416 East Main Street Artesia, NM 88210 575-746-3481

Exhibit B

Inficon Micro GC Fusion F08904 R03RR2

	Sample Information
Sample Name	Taprock__ Bettis 20 State Com 5H__ GC1-31819-01
Station Number	7060009
Lease Name	Bettis 20 State Com 5H
Analysis For	Taprock Operating
Producer	Taprock Operating
Field Name	128
County/State	Lea,NM
Frequency/Spot Sample	Spot
Sampling Method	Fill Empty
Sample Deg F	62
Atmos Deg F	48
Flow Rate	401.909
Line PSIG	34.2
Date/Time Sampled	3-13-19
Cylinder Number	N/A
Cylinder Clean Date	N/A
Sampled By	Cameron Rivera
Analysis By	Pat Silvas
Verified/Calibration Date	3-18-19
Report Date	2019-03-18 08:04:07

Component Results

Component Name	Ret. Time	Peak Area	Norm%	PPMV	GPM (Dry) (Gal. / 1000 cu.ft.)
Nitrogen	22.520	10829.2	2.10632	21063.200	0.000
H2S	46.000	0.0	0.00049	4.900	0.000
Methane	23.320	283296.9	70.85291	708529.100	0.000
Carbon Dioxide	27.380	1385.5	0.22581	2258.100	0.000
Ethane	36.620	90125.9	13.47948	134794.800	3.620
Propane	77.600	70659.3	7.87286	78728.600	2.178
i-butane	28.720	71299.2	1.03277	10327.700	0.339
n-Butane	30.260	194626.4	2.71627	27162.700	0.860
i-pentane	35.360	43408.9	0.51396	5139.600	0.189
n-Pentane	37.440	46440.7	0.53521	5352.100	0.195
Hexanes Plus	120.000	58780.0	0.66392	6639.200	0.289
Total:			100.00000	1000000.000	7.670

Results Summary

Result	Dry	Sat. (Base)
Total Raw Mole% (Dry)	101.19427	
Pressure Base (psia)	14.730	
Temperature Base	60.00	
Gross Heating Value (BTU / Ideal cu.ft.)	1353.6	1330.1
Gross Heating Value (BTU / Real cu.ft.)	1359.6	1336.5
Relative Density (G), Ideal	0.7988	0.7957
Relative Density (G), Real	0.8020	0.7992
Compressibility (Z) Factor	0.9956	0.9952

Hyperion State #221, #215, #201, #205, #137, #217, #202

Partner Name	Address1	Address2	City	State	Zip
B. F. Albritton	PO BOX 26		GRAHAM	TX	76450
C. D. Martin	P.O. BOX 1		MIDLAND	TX	79702-0012
Cardinal Plastics, Inc.	P.O. BOX 9		ODESSA	TX	79760-0935
G. E. Rogers, LLC	P.O. BOX 1		GRAHAM	TX	76450
Kastman Oil Company	PO BOX 59		LUBBOCK	TX	79408-5930
Tap Rock Resources, LLC	523 PARK F SUITE 200		GOLDEN	CO	80401
Davenport Conger Properties, LP	PO BOX 35		MIDLAND	TX	79702
TC Energy, LLC	PO BOX 14		GRAHAM	TX	76450
The Allar Company	PO BOX 15		GRAHAM	TX	76450



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

November 9, 2020

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Tap Rock Operating, LLC, to amend Surface Commingling Order PLC-695 to add certain wells and spacing units, and to authorize pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Hyperion State Tank Battery located in the W/2 W/2 of Section 20, Township 24 South, Range 33 East, NMPM, Lea 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 by Tap Rock Operating, LLC ("Tap Rock") (OGRID No. 372043). Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

In accordance with Rule 19.15.12.10(C)(4)(g) NMAC, Tap Rock requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

For questions regarding this application, please contact Dana Arnold, General Counsel for Tap Rock Operating, LLC, at (720)-460-3497.

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

ParentID	MailDate	Name	DeliveryAddress	City	ST	Zip	Mail Service	USPS #	Label Ref.
31309	11/09/2020	B. F. Albritton	PO Box 266	Graham	TX	76450-0266	Certified with Return Receipt (Signature)	9414811898765826724288	69636 - Tap Rock - Hyperion amend PLC695 - notice list - 1
31309	11/09/2020	C. D. Martin	PO Box 12	Midland	TX	79702-0012	Certified with Return Receipt (Signature)	9414811898765826724233	69636 - Tap Rock - Hyperion amend PLC695 - notice list - 2
31309	11/09/2020	Cardinal Plastics, Inc.	PO Box 935	Odessa	TX	79760-0935	Certified with Return Receipt (Signature)	9414811898765826724271	69636 - Tap Rock - Hyperion amend PLC695 - notice list - 3
31309	11/09/2020	G. E. Rogers, LLC	PO Box 1424	Graham	TX	76450-7424	Certified with Return Receipt (Signature)	9414811898765826724813	69636 - Tap Rock - Hyperion amend PLC695 - notice list - 4
31309	11/09/2020	Kastman Oil Company	PO Box 5930	Lubbock	TX	79408-5930	Certified with Return Receipt (Signature)	9414811898765826724851	69636 - Tap Rock - Hyperion amend PLC695 - notice list - 5
31309	11/09/2020	Tap Rock Resources, LLC	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Certified with Return Receipt (Signature)	9414811898765826724868	69636 - Tap Rock - Hyperion amend PLC695 - notice list - 6
31309	11/09/2020	Davenport Conger Properties, LP	PO Box 3511	Midland	TX	79702-3511	Certified with Return Receipt (Signature)	9414811898765826724820	69636 - Tap Rock - Hyperion amend PLC695 - notice list - 7
31309	11/09/2020	TC Energy, LLC	PO Box 1461	Graham	TX	76450-7461	Certified with Return Receipt (Signature)	9414811898765826724806	69636 - Tap Rock - Hyperion amend PLC695 - notice list - 8
31309	11/09/2020	The Allar Company	PO Box 1567	Graham	TX	76450-7567	Certified with Return Receipt (Signature)	9414811898765826724899	69636 - Tap Rock - Hyperion amend PLC695 - notice list - 9



602 Park Point Dr, Suite 200
Golden, CO 80401

May 20, 2020

New Mexico State Land Office
Attn: Niranjan Khalsa
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148

Re: Hyperion State #137H Communitization Agreement

Ms. Khalsa:

Enclosed please find the following items pertaining to the Hyperion State #137H Communitization Agreement covering the W/2E/2 of Section 20, Township 24 South, Range 33 East, Lea County, New Mexico:

- 1) Communitization Agreement Form
- 2) 3X original signature pages
 - a. Hyperion State #137H Operator Tap Rock Operating LLC
 - b. VB-0179 Record Title Owner Tap Rock Resources LLC
 - c. V0-2884 Record Title Owner Tap Rock Resources LLC
- 3) Check #26674 in the amount of \$100.00

Please let us know if you need anything else.

Thanks,

Erica Hixson

Landman
Office: 720-460-3316
602 Park Point Drive Suite 200
Golden, Colorado 80401
ehixson@taprk.com



EXHIBIT 5

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**

Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

Well Name:

Hyperion State #137H

STATE OF NEW MEXICO)
SS)

API #: 30 - **25** - **46765**

COUNTY OF **Lea**)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **March 1**, 20 **20**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Wolfcamp** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions **W/2E/2**

Of Sect(s) **20** Twnshp **24S** Rng **33E** NMPM **Lea** County, NM

containing **160** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Tap Rock Operating LLC** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Tap Rock Operating LLC**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Tap Rock Operating LLCBY: Clayton Sporich, as VP Land & Legal

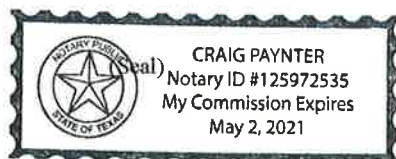
Name and Title of Authorized Agent



Signature of Authorized Agent

Acknowledgment in an Individual CapacityState of Texas)
County of Dallas)This instrument was acknowledged before me on May 15, 2020 DateBy Clayton Sporich, as VP of Land and Legal for Tap Rock Operating, LLC.
Name(s) of Person(s)

Signature of Notarial Officer

My commission expires: May 2, 2021**Acknowledgment in an Representative Capacity**State of Texas)
County of Dallas)This instrument was acknowledged before me on May 15, 2020 DateBy Clayton Sporich, as VP of Land and Legal for Tap Rock Operating, LLC.
Name(s) of Person(s)

Signature of Notarial Officer

My commission expires: May 2, 2021

VB-0179

LEASE #: _____

LESSEE OF RECORD: **Tap Rock Resources, LLC**BY: **Clayton Sporich, as VP Land & Legal**

Name & Title of Authorized Agent

Signature of Authorized Agent

Acknowledgment in an Individual CapacityState of Texas)
County of Dallas)This instrument was acknowledged before me on May 15, 2020 DateBy Clayton Sporich, as VP of Land and Legal for Tap Rock Resources, LLC.
Name(s) of Person(s)

Signature of Notarial Officer

My commission expires: May 2, 2021**Acknowledgment in an Representative Capacity**State of Texas)
County of Dallas)This instrument was acknowledged before me on May 15, 2020 DateBy Clayton Sporich, as VP of Land and Legal for Tap Rock Resources, LLC.
Name(s) of Person(s)

Signature of Notarial Officer

My commission expires: May 2, 2021

LEASE # V0-2884LESSEE OF RECORD: Tap Rock Resources, LLCBY: Clayton Sporich, as VP Land & Legal

Name & Title of Authorized Agent

CS
Signature of Authorized Agent

Acknowledgment in an Individual Capacity

State of Texas)
County of Dallas)

This instrument was acknowledged before me on May 15, 2020 DateBy Clayton Sporich, as VP of Land and Legal for Tap Rock Resources, LLC.
Name(s) of Person(s)

SK
Signature of Notarial Officer

My commission expires: May 2, 2021**Acknowledgment in an Representative Capacity**

State of Texas)
County of Dallas)

This instrument was acknowledged before me on May 15, 2020 DateBy Clayton Sporich, as VP of Land and Legal for Tap Rock Resources, LLC.
Name(s) of Person(s)

SK
Signature of Notarial Officer

My commission expires: May 2, 2021

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated **March 1, 2020**
by and between **Tap Rock Operating LLC** company and **Tap Rock Resources LLC**,

the Subdivisions **W/2E/2**,
Sect **20**, Twnshp **24S**, Rnge **33E**, NMPM **Lea** County, NM

Limited in depth from _____ ft to _____ ft. (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: **Tap Rock Operating LLC**

DESCRIPTION OF LEASES COMMITTED:**TRACT NO. 1**

Lessor: **State of New Mexico**

Lessee of Record: **Tap Rock Resources LLC**

Serial No. of Lease: **VB-0179** Date of Lease: **1/1/1988**

Description of Lands Committed:

Subdivisions: **W/2SE/4**
Sect **20** Twnshp **24S** Rng **33E** NMPM **Lea** County NM
No. of Acres: **80**

TRACT NO. 2

Lessor: **State of New Mexico**

Lessee of Record: **Tap Rock Resources LLC**

Serial No. of Lease: **V0-2884** Date of Lease: **2/1/1989**

Description of Lands Committed:

Subdivisions: **W/2NE/4**
Sect **20** Twnshp **24S** Rng **33E** NMPM **Lea** County NM
No. of Acres: **80**

TRACT NO. 3

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect	Twtnshp	Rng	NMPM	County NM
------	---------	-----	------	-----------

No. of Acres:

TRACT NO. 4

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect	Twtnshp	Rng	NMPM	County NM
------	---------	-----	------	-----------

No. of Acres:

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80	50%
No. 2	80	50%
No. 3		
No. 4		
TOTAL	160	100%

**Tap Rock Operating**

602 Park Point Drive
Suite 200
Golden, CO 80401

PAGE: 1 OF 1

VENDOR NAME	VENDOR NO.	CHECK DATE	CHECK NUMBER	NET AMOUNT
COMMISSIONER OF PUBLIC LANDS	1164	4/14/2020	26674	\$100.00

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
04-AP-544	040820A	04/08/20	100.00	0.00	100.00
TOTAL INVOICES PAID					100.00

FOR SECURITY PURPOSES, THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK

**Tap Rock Operating**

602 Park Point Drive
Suite 200
Golden, CO 80401

JP Morgan Chase

No. **26674**

12-101/1020

**COPY - ORIGINAL BEING SENT VIA
FEDEX**

DATE	CHECK NO.	AMOUNT
4/14/2020	26674	\$100.00

PAY  COMMISSIONER OF PUBLIC LANDS
TO THE PO BOX 1148
ORDER OF SANTA FE, NM 87504-1148

7

Void After 90 Days

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