

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD GAS SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO 15728

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD GAS SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO 15729

MOTION TO CONTINUE

Tap Rock Resources LLC (Tap Rock”) moves the Division to continue Case Nos 15728 and 15729 to the July 6, 2017 Examiner Hearing Docket on the grounds that Mewbourne Oil Company (‘Mewbourne) has failed to engage in good faith efforts to reach a voluntary agreement with Tap Rock In support of this motion Tap Rock states as follows

1 In Case No 15728, Mewbourne seeks approval of 1) a non standard spacing and proration unit in the Wolfcamp formation comprised of the E/2 of Section 2 and the E/2 of Section 11 Township 25 South Range 28 East NMPM, Eddy County New Mexico and 2) compulsory pooling the mineral interests in the Wolfcamp formation underlying the non standard spacing unit Mewbourne seeks to dedicated the spacing unit to the Hoss 2/11 W2BO Fed Com No 1H Well

2 In Case No 15729 Mewbourne seeks approval of 1) a non-standard spacing and proration unit in the Bone Spring formation comprised of the W/2 E/2 of Section 2

and the W/2 E/2 of Section 11 Township 25 South Range 28 East, NMPM, Eddy County, New Mexico and 2) compulsory pooling the mineral interests in the Wolfcamp formation underlying the non standard spacing unit Mewbourne seeks to dedicated the spacing unit to the Hoss 2/11 B2BO Fed Com No 2H Well

3 Tap Rock entered into leases with Panhandle Oil and Gas, Inc , Joy Cooksey and James Cooksey Tap Rock is a lessee of record and owns an interest in each of the proposed spacing units

4 Tap Rock s lease with Panhandle Oil and Gas, Inc was recorded in Eddy County by virtue of a Memorandum Giving Notice of Paid Up Oil and Gas Lease' on February 23, 2017 See Attachment A

5 Tap Rock s lease with Joy Cooksey was recorded in Eddy County by virtue of a Memorandum of Oil and Gas Lease" on May 3, 2017 See Attachment B

6 Tap Rock s lease with James Cooksey was recorded in Eddy County by virtue of a "Memorandum of Oil and Gas Lease" on May 3 2017 See Attachment C

7 All three leases were of record at the time that Mewbourne filed its two compulsory pooling applications with the Division on May 23, 2017

8 Mewbourne s applications state that "Applicant has sought in good faith to obtain the voluntary joinder of all mineral interest owners in the [subject spacing unit] for the purposes set forth herein See Application, ¶ 3

9 Tap Rock received a well proposal letter on June 8 2017, and an AFE on June 15 2017 Tap Rock has requested, but not yet received, an operating agreement

10 The Division requires an applicant for compulsory pooling to furnish all interest owners a well proposal letter and AFE thirty days prior to filing a pooling application to satisfy good faith negotiations See R 13165 ¶ 5(a)

11 While Mewbourne did provide notice of the compulsory pooling hearings to Tap Rock, Mewbourne failed to furnish Tap Rock with a well proposal letter, AFE or operating agreement form until after the pooling application had been file The AFE was only received after multiple requests from Tap Rock and Tap Rock has still not received an operating agreement Mewbourne has therefore not engaged in good faith efforts to reach an agreement with Tap Rock prior to filing its pooling application

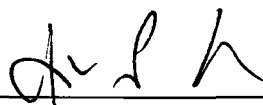
12 Tap Rock requests additional time to review an operating agreement prior to the June 22 hearing

13 Counsel for Tap Rock does not agree to a continuance

WHEREFORE, Tap Rock Resources LLC respectfully requests that the Division continue the hearing in this matter until the July 6 2017 Examiner Hearing Docket

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Jordan L. Kessler
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988 4421
(505) 983 6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com

ATTORNEYS FOR TAP ROCK RESOURCES, LLC

CERTIFICATE OF SERVICE

I hereby certify that on June 19, 2017, I served a copy of the foregoing document
to the following via electronic mail to

Jim Bruce
PO Box 1056
Santa Fe, New Mexico 87501
(505) 982-2043
jamesbruc@aol.com

**ATTORNEY FOR MEWBOURNE OIL
COMPANY**

A handwritten signature in black ink, appearing to read 'M. H. Feldewert', is written over a horizontal line.

Michael H Feldewert
Jordan L Kessler

9939304_1

**MEMORANDUM GIVING NOTICE OF
PAID UP OIL AND GAS LEASE**

STATE OF NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS THAT

COUNTY OF EDDY

PANHANDLE OIL AND GAS INC (the "Lessor") whose address is 5400 N Grand Blvd Suite 300 Oklahoma City Ok 73112, and Tap Rock Resources, LLC (the "Lessee") whose address is 602 Park Point Drive Suite 200 Golden, Colorado 80401 have entered into a Paid Up Oil and Gas Lease (the Agreement ') dated February 6 2017 ("Effective Date")

The Agreement is for a primary term of three (3) years from the Effective Date and covers and includes that certain tract of land, together with any reversionary rights therein, situated in the County of Eddy State of New Mexico described as follows to-wit

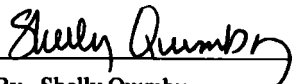
SE/4 NE/4 of Section 11 Township 25 South, Range 28 East containing 40 00 acres more or less (the "Lands")

In the Agreement, Lessor has granted Lessee the sole and exclusive right to investigate explore prospect drill and operate for and produce oil gas and associated hydrocarbons on the Lands A fully executed copy of the Agreement is in possession of Lessor and Lessee

This Memorandum is signed by Lessor and Lessee as of the date of acknowledgment of their signatures below but is effective for all purposes as of the Effective Date

LESSOR

PANHANDLE OIL AND GAS, INC


By Shelly Quimby

Its Manager Land, Acquisitions and Divestitures

LESSEE

Tap Rock Resources LLC


By Clayton Sparch

Its Vice President Land Legal

Reception 1702048 Book 1092 Page 0078 Pages 2
Recorded 02/23/2017 01 11 PM Fee \$25 00
Eddy County New Mexico - Robin Van Natta, County Clerk



TW

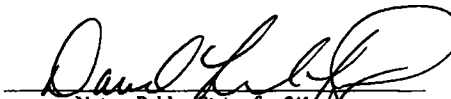
Please Return to
ONSHORE LAND SERVICES
8205 Camp Bowie West, Suite 203
Fort Worth, TX 76116

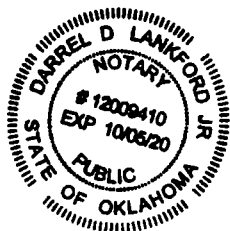
ATTACHMENT A

{Acknowledgements}

STATE OF OKLAHOMACOUNTY OF OKLAHOMA

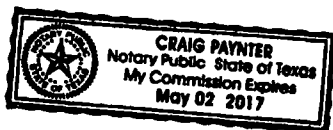
This instrument was acknowledged before me on February 7, 2017 by
Shelly Quimby as Manager Land Acquisitions and Divestitures of Permian Oil and Gas Inc an
Oklahoma corporation


Notary Public State of OK

STATE OF TexasCOUNTY OF Harris

This instrument was acknowledged before me on February 15th, 2016 by
Clayton Sparich as Vice President and Legal of
Top Rock Resources, LLC a Delaware corporation on
behalf of said corporation


Notary Public State of _____



NOTICE OF CONFIDENTIALITY RIGHTS IF YOU ARE A NATURAL PERSON YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER S LICENSE NUMBER

MEMORANDUM OF OIL AND GAS LEASE

STATE OF NEW MEXICO §
COUNTY OF EDDY §

WHEREAS James Monroe Cooksey III (hereinafter called Lessor) whose address is P O Box 103 Malaga NM 88263 and Tap Rock Resources, LLC (hereinafter called Lessee) whose address is 602 Park Point Drive Suite 200 Golden Colorado 80401 have entered into an Oil and Gas Lease dated April 23rd 2017 (the Lease) and

WHEREAS the Lessee and Lessor have mutually agreed not to record the Lease in its entirety in the records of Eddy County and instead have agreed to record this Memorandum of Lease

NOW THEREFORE in consideration of the valuable consideration given this date the receipt and sufficiency of which is hereby acknowledged and of the other terms of the lease Lessor hereby grants leases and lets unto the Lessee for the purpose of exploring drilling operating for and producing oil and gas from the following described land in Eddy County New Mexico

Township 25 South, Range 28 East, N.M.P.M
Section 11 N/2 NE/4 & S/2 NE4 &
Section 14 NE/4 NE/4

All in accordance with the terms and conditions of the Lease the Lease shall be effective for a primary term of Three (3) years from the date of the Lease or as long thereafter as oil or gas or other substances covered thereby are produced from said land Should there be any conflict between this Memorandum of Lease and the Lease herein referred to then in all cases the Lease shall take precedence

The provisions hereof shall extend to and be binding upon the heirs successors and legal representatives and assigns of the parties hereto

EXECUTED this 26th day of April 2017

LESSOR

James Monroe Cooksey III

PRINTED NAME James Monroe Cooksey III

ACKNOWLEDGMENT

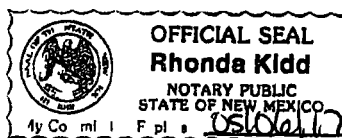
STATE OF NEW MEXICO
COUNTY OF EDDY

This instrument was acknowledged before me this 26th day of April 2017
By James Monroe Cooksey III

Rhonda Kidd

Notary Public State of New Mexico

Please Return to
ONSHORE LAND SERVICES
8205 Camp Bowie West Suite 203
Fort Worth TX 76116



Reception 1705203 Book 1084 Page 0881 Pages 1

Recorded 05/03/2017 01:18 PM Fee \$25.00 MSnd

Eddy County New Mexico ~ Robin L. Natta, County Clerk

ATTACHMENT B

NOTICE OF CONFIDENTIALITY RIGHTS IF YOU ARE A NATURAL PERSON YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

MEMORANDUM OF OIL AND GAS LEASE

STATE OF NEW MEXICO §

COUNTY OF EDDY §

WHEREAS Joy Elizabeth Cooksey (hereinafter called Lessor) whose address is P O Box 45 Carlsbad NM 88220 and Tap Rock Resources, LLC (hereinafter called Lessee) whose address is 602 Park Point Drive Suite 200 Golden Colorado 80401 have entered into an Oil and Gas Lease dated April 23rd 2017 (the Lease) and

WHEREAS the Lessee and Lessor have mutually agreed not to record the Lease in its entirety in the records of Eddy County and instead have agreed to record this Memorandum of Lease

NOW THEREFORE in consideration of the valuable consideration given this date the receipt and sufficiency of which is hereby acknowledged and of the other terms of the lease Lessor hereby grants leases and lets unto the Lessee for the purpose of exploring drilling operating for and producing oil and gas from the following described land in Eddy County New Mexico

Township 25 South, Range 28 East, N.M.P.M.
Section 11 N/2 NE/4 & S/2 NE4 &
Section 14 NE/4 NE/4

All in accordance with the terms and conditions of the Lease the Lease shall be effective for a primary term of Three (3) years from the date of the Lease or as long thereafter as oil or gas or other substances covered thereby are produced from said land Should there be any conflict between this Memorandum of Lease and the Lease herein referred to then in all cases the Lease shall take precedence

The provisions hereof shall extend to and be binding upon the heirs successors and legal representatives and assigns of the parties hereto

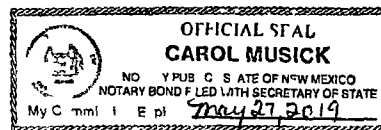
EXECUTED this 23rd day of April 2017

LESSOR


PRINTED NAME Joy Elizabeth Cooksey

ACKNOWLEDGMENT

STATE OF New Mexico
COUNTY OF Eddy



This instrument was acknowledged before me this 23rd day of April 2017
By Joy Elizabeth Cooksey

Notary Public State of New Mexico

Carol Musick

Please Return to
ONSHORE LAND SERVICES
8205 Camp Bowl West Suite 203
Fort Worth TX 76116



ATTACHMENT C