

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

**AMENDED APPLICATION OF TAP ROCK OPERATING, LLC
FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 20207

**AMENDED APPLICATION OF TAP ROCK OPERATING, LLC
FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 20208

PRE-HEARING STATEMENT

Tap Rock Operating, LLC provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Tap Rock Operating, LLC

APPLICANT'S ATTORNEYS

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OPPONENT

None

OPPONENT'S ATTORNEYS

n/a

STATEMENT OF THE CASE

In Case No. 20207, Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of



Sections 28 and 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in the Bone Spring formation (WC-025 G-09 S243532M; WOLFBONE pool [98098]) underlying the HSU. Said horizontal spacing unit is to be dedicated to the proposed **Gipple Fed Com #134H well**, to be horizontally drilled from an approximate surface location 175' FSL and 695' FEL of Section 33 to a bottom hole location 5' FNL and 660' FEL of Section 28. This is the "defining well" for this unit. Also to be drilled is the following infill well: **Gipple Fed Com #114H well**, to be horizontally drilled from an approximate surface location 175' FSL and 645' FEL of Section 33 to a bottom hole location 5' FNL and 51' FEL of Section 28. The completed interval and first and last take points for these wells are within the setbacks required by statewide pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 11 miles northwest of Jal, New Mexico.

In Case No. 20208, Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Sections 28 and 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S243532M; WOLFBONE pool [98098]) underlying the HSU. Said horizontal spacing unit is to be dedicated to the proposed **Gipple Fed Com #214H well**, to be horizontally drilled from an approximate surface location 175' FSL and 770' FEL of Section 33 to an approximate bottom hole location 5' FNL and 989' FEL of Section 28. This is the "defining well" for this unit. Also to be drilled is the following infill well: **Gipple Fed Com #218H well**, to be horizontally drilled from an approximate surface location 175' FSL and 670' FEL of Section 33 to an approximate bottom hole location 5'

FNL and 331' FEL of Section 28. The completed interval and first and last take points for these wells are within the setbacks required by statewide pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 11 miles northwest of Jal, New Mexico.

PROPOSED EVIDENCE

<u>APPLICANT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Erica Hixson, Land	20 min.	6
Andrew McCallister, Geologist (Adam Smith, alternate)	20 min.	4

PROCEDURAL MATTERS

Assuming there is no opposition by time of hearing, Tap Rock may present these matters by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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