

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

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

Case No. 20242

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

Seth C. McMillan
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873
smcmillan@montand.com

Dana Arnold
Tap Rock Resources, LLC
602 Park Point Drive, Suite 200
Golden, CO 80401
darnold@taprk.com

OPPONENT

None

OPPONENT'S ATTORNEYS

n/a

STATEMENT OF THE CASE

In Case No. 20242, Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 of Section 13,

 **SCANNED**

Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage-Wolfcamp; Pool code 98220) underlying the standard unit. Said horizontal spacing unit is to be assigned to the proposed initial **Delirium State Com #244H well**, to be horizontally drilled from an approximate surface location 449' FSL and 1046' FEL of Section 13 to a bottom hole location 200' FNL and 750' FEL of Section 13. This is the "defining well" for this unit. Also to be drilled is the following infill well: **Delirium State Com #234H well**, to be horizontally drilled from an approximate surface location 449' FSL and 1021' FEL of Section 13 to a bottom hole location 200' FNL and 332' FEL of Section 13. The completed intervals and first and last take points for these wells are within the setbacks required by the Purple Sage-Wolfcamp 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 7 miles Southwest of Malaga, New Mexico.

PROPOSED EVIDENCE

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

PROCEDURAL MATTERS

These matters should be consolidated for purposes of hearing. Assuming no opposition by time of hearing, Tap Rock will present these matters by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: Seth C. McMillan
Seth C. McMillan
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873
smcmillan@montand.com

Dana Arnold
Tap Rock Resources, LLC
602 Park Point Drive, Suite 200
Golden, CO 80401
darnold@taprk.com

Attorneys for Tap Rock Operating, LLC