

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



September 21, 2020

Ms. Kaitlyn A. Luck
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NON-STANDARD LOCATION

Administrative Order NSL-8077

Tap Rock Operating LLC. [OGRID 372043]
Cypress 34 Federal Well No. 242H
API No. 30-015-46699

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	571 FNL & 2578 FEL	B	34	23S	29E	Eddy
First Take Point	100 FNL & 2010 FWL	C	34	23S	29E	Eddy
Last Take Point	100 FNL & 2010 FWL	N	34	23S	29E	Eddy
Terminus	29 FSL & 2010 FWL	N	34	23S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 34	320	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on August 26, 2020.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules for the Purple Sage; Wolfcamp (Gas) Pool of and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the northern and southern edge of the boundary line. Encroachment will impact the following tract.

Section 27, encroachment to the SW/4
Section 3, 24S 29E encroachment to the NW/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location due to its preferred well spacing plan for horizontal wells in the area and thereby prevent waste within the Wolfcamp formation underlying the W/2 of Section 34.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per Subsection B of 19.15.15.13 NMAC, **Division approves this unorthodox location.**

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office