

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

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

CASE NOS: 21071, 21107

APPLICATION OF TAP ROCK RESOURCES LLC,  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

APRIL 16, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, DYLAN COSS and LEONARD LOWE, on Thursday, April 16, 2020, at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253  
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1 A P P E A R A N C E S

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14 For Franklin Mountain Energy in Case 21071:

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18 I N D E X

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23 E X H I B I T I N D E X

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1                   HEARING EXAMINER ORTH: Let's move on to Case  
2   Numbers 21071 and presumably as well, 21107, applicant Tap  
3   Rock Resources. One appears to be an amendment to the order  
4   and the other amendment is noted as miscellaneous, both  
5   related to a well named Mandelbaum.

6                   MR. BRUCE: Yes. This is Jim Bruce representing  
7   the applicant.

8                   HEARING EXAMINER ORTH: All right. I see also  
9   entries of appearance by Franklin Mountain Energy. Who is  
10   here for them?

11                  MS. BENNETT: Good morning. This is Deana  
12   Bennett on behalf of Franklin Mountain Energy from Modrall  
13   Sperling.

14                  HEARING EXAMINER ORTH: Thank you. And Marathon  
15   Oil, is there someone here for Marathon?

16                  MS. BRADFUTE: Good morning. This is Jennifer  
17   Bradfute with Marathon Oil Company.

18                  HEARING EXAMINER ORTH: Thank you. And someone  
19   for EOG?

20                  (No response.)

21                  HEARING EXAMINER ORTH: EOG? No?

22                  MS. BENNETT: Madam Hearing Examiner, Michael  
23   Rodriguez is on the phone and he might be muted. He is from  
24   EOG.

25                  HEARING EXAMINER ORTH: All right.

1 Mr. Rodriguez, can you hear me?

2 (No audible response.)

3 HEARING EXAMINER ORTH: I definitely has not  
4 muted anyone.

5 MR. BRUCE: This is Jim Bruce, Madam Examiner.  
6 And the people from COG did file an entry of appearance.

7 HEARING EXAMINER ORTH: Yes. Oh, and it appears  
8 Mr. Rodriguez is still muted, so I'm going to unmute him.  
9 Mr. Rodriguez?

10 MR. RODRIGUEZ: Hello. Can you hear me?

11 HEARING EXAMINER ORTH: Now I can.

12 MR. RODRIGUEZ: Sorry about that, I have like  
13 three screens. Good morning. Michael Rodriguez, COG  
14 Operating LLC, and we don't have any objection to these  
15 cases going by affidavit, nor do we plan to call any  
16 witnesses or anything.

17 HEARING EXAMINER ORTH: All right. Well, thank  
18 you very much.

19 MR. RODRIGUEZ: Thank you.

20 HEARING EXAMINER ORTH: Ms. Bennett, do you have  
21 any objection to the matters proceeding by affidavit?

22 MS. BENNETT: No, Madam Examiner, and just to  
23 clarify, Franklin Mountain is only in case 21071.

24 HEARING EXAMINER ORTH: Yes, I see that. Ms.  
25 Bradfute, my understanding is there for 21071 for Marathon.

1 Do you have objections to the matter proceeding by  
2 affidavit?

3 MS. BRADFUTE: No, Madam Examiner, we do not.

4 HEARING EXAMINER ORTH: I'm going to go back to  
5 you, Mr. Bruce.

6 MR. BRUCE: Submitted first in Cases 21071, both  
7 cases pertain to the same land, which is E/2 W/2 and W/2 E/2  
8 of Section 11, 24 South, 34 East. The first case speaks to  
9 pool the Wolfcamp formation, and I'll discuss that one  
10 briefly first.

11 The exhibit package does contain a list of the  
12 exhibits and contains all the Division-requested exhibits,  
13 the application, landman's affidavit, geologist's affidavit,  
14 notice that it was sent by certified mail.

15 Everyone did receive certified notice of the  
16 hearing, although they are, just to be safe, I did publish  
17 notice, and that is contained in the package. And finally,  
18 of course, the vein of my existence, the pooling checklist  
19 is attached, and notice is complete. I would ask that  
20 Exhibits A through F be admitted to the record, and that the  
21 case be taken under advisement.

22 HEARING EXAMINER ORTH: All right. Thank you.  
23 It appears that -- oh, okay. Mr. Coss, you're back with  
24 us. Dylan, are you back with us?

25 (No audible response.)

1                   HEARING EXAMINER ORTH: Mr. Lowe, do you have any  
2 questions of Mr. Bruce?

3                   EXAMINER LOWE: Just to reclarify on my side, I  
4 didn't get it earlier, 21071, the case, is that the one  
5 that's been reopened?

6                   MR. BRUCE: No. No. It's the next one. I will  
7 discuss that in a minute.

8                   EXAMINER LOWE: Okay. That's all I've got.  
9 Thank you.

10                  HEARING EXAMINER ORTH: All right. Mr. Dylan,  
11 can you hear me and can you join us?

12                  (No audible response.)

13                  HEARING EXAMINER ORTH: All right. I understand  
14 Dylan is having issues with the audio. So Dylan, we are  
15 going to wait just a moment. If you have a question for  
16 Mr. Bruce, okay, put it in the chat.

17                  EXAMINER COSS: (Communicating by chat.)

18                  HEARING EXAMINER ORTH: And what he put in the  
19 chat is, "Sorry, I do not have any questions."

20                  Thank you for that.

21                  So, Mr. Bruce, the packet is accepted and will be  
22 taken under advisement. Thank you for your presentation.  
23 We move on to the next one, please.

24                  MR. BRUCE: Yes, this exhibit package is a little  
25 different. This application is to allow Tap Rock Resources

1 to drill infill wells under an existing Division pooling  
2 order. The same lands are involved that I just discussed,  
3 but the original pooling order pooled only the Bone Spring  
4 formation. That is contained as Exhibit A in the exhibit  
5 package.

6 That was granted at the request of COG Operating  
7 last year, almost a year ago, and a well -- a well was  
8 drilled by COG and it is the -- let me just -- the well  
9 drilled by COG is a proximity tract well and is identified  
10 in the pooling checklist.

11 The rest of the exhibit packet -- exhibit package  
12 contains the Division rule regarding well proposal by  
13 working interest owners rather than the operator under an  
14 order. The application and proposed ad and then the usual  
15 land geology is in there.

16 Notice is complete. Everyone received certified  
17 notice, so there is no affidavit of publication. And then  
18 finally the pooling checklist is attached as Exhibit G.

19 So with that, I ask if anybody has any questions.

20 HEARING EXAMINER ORTH: Mr. Rose, have you  
21 regained your audio, or will you tell me in the chat if you  
22 have any questions?

23 (No audible response.)

24 HEARING EXAMINER ORTH: Mr. Lowe, do you have any  
25 questions of Mr. Bruce?

1 EXAMINER LOWE: One question for you, Mr. Bruce.

2 MR. BRUCE: Yes.

3 EXAMINER LOWE: You indicated that this other  
4 well is seeking the same formation as previously noted in  
5 the previous case.

6 MR. BRUCE: Yes, it was drilled -- this -- this  
7 case, 21107, the Bone Spring, it's not called a pooling  
8 application because the Bone Spring in this 320 acres was  
9 already pooled by COG under order R-20583. And that well is  
10 the Van Gogh Fee Well Number 101H, and that is -- that well  
11 is identified in the pooling checklist. And Tap Rock seeks  
12 to utilize the Division rule on infill drilling under an  
13 existing order, and that's what this case is about.

14 EXAMINER LOWE: Okay. Another question, these  
15 exhibits that you are presenting today, are they already  
16 submitted to the OCD online and can we view them?

17 MR. BRUCE: Yes. They have been submitted. Now,  
18 I must admit they were a little late because I was working  
19 on these last week, and I thought I had done everything  
20 correctly, and I looked at them late, late Tuesday, and so  
21 they were late filed. I throw myself on the mercy of the  
22 court since this is the first time we have had to submit  
23 exhibits like this.

24 EXAMINER LOWE: Okay. That's all I got for now.  
25 Thank you, sir.



1 HEARING EXAMINER ORTH: All right.

2 MR. BRUCE: With that I'd move the admission of  
3 the exhibits.

4 HEARING EXAMINER ORTH: All right. Mr. Coss is  
5 asking if Terry has any questions. Would that be  
6 Mr. Warnell?

7 EXAMINER COSS: Am I heard at this point?

8 HEARING EXAMINER ORTH: Now I can hear you, thank  
9 you.

10 EXAMINER COSS: I don't know what happened, but  
11 glad it's working again. And I thought I would put  
12 Mr. Warnell on the spot and see if he had any questions.

13 HEARING EXAMINER ORTH: Thank you. Mr. Warnell,  
14 do you have any questions?

15 (No response.)

16 HEARING EXAMINER ORTH: He may have stepped away.  
17 All right. Thank you, very much, Mr. Bruce. Your packet is  
18 accepted and will be taken under advisement. We are all  
19 becoming accustomed to this provisional method of hearing,  
20 so I won't hold the late filing of exhibits.

21 MR. BRUCE: Thank you.

22 (Exhibits admitted.)

23 (Taken under advisement.)

24

25

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

5

6 I, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing proceedings in stenographic shorthand and that the  
9 foregoing pages are a true and correct transcript of those  
10 proceedings that were reduced to printed form by me to the  
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of  
13 the proceedings truly and accurately reflects the exhibits,  
14 if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither employed by  
16 nor related to any of the parties or attorneys in this case  
17 and that I have no interest in the final disposition of this  
18 case.

19 Dated this 16th day of April 2020.

20

21

Irene Delgado, NMCCR 253  
License Expires: 12-31-20

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