

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 NO. 21342

APPLICATION OF TAP ROCK RESOURCES, LLC,
FOR A COMPULSORY POOLING AND AN UNORTHODOX
WELL LOCATION, LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, AUGUST 20, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the
New Mexico Oil Conservation Division, FELICIA ORTH Hearing
Examiner, and Technical Examiners SCOTT COX and DEAN
McCLURE on Thursday, August 20, 2020, Via Webex Video
conferencing

REPORTED BY: Mary Therese Macfarlane
New Mexico CCR 122
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1 A P P E A R A N C E S.

2 FOR THE APPLICANT TAP ROCK RESOURCES, LLC:

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5 Santa Fe, NM 87504
6 (505) 982-2043
7 jamesbruc@aol.com

8 FOR FRANKLIN MOUNTAIN ENERGY, LLC:

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13 (505) 848-1834
14 deana.bennett@modrall.com

15 FOR STARBOARD PERMIAN, MAX PERMIAN AND MONTICELLO
16 MINERALS:

17 Kaitlyn Luck, Esq.
18 Holland & Hart
19 110 North Guadalupe, Suite 1
20 Santa Fe, New Mexico 87501
21 (505) 954-7286
22 kaluck@hollandhart.com

23 FOR ALLAR CORPORATION: Ernest L. Padilla, Esq.
24 Padilla Law Firm
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 (505) 988-7677
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 ALSO PRESENT: Joanne Blount

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1 I N D E X

2	CASE NUMBER 21342 CALLED	PAGE
3	APPLICANT WITNESSES:	
4	TAYLOR FORD (By affidavit):	7
5	EMILY LANGE (By affidavit):	7
6	TAKEN UNDER ADVISEMENT:	10

7

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

9	APPLICANT TAP ROCK RESOURCES, LLC	ADMITTED
10	A Application and Proposed Ad.	10
11	B Affidavit of Taylor Ford (Landman) with attachments	10
12	C Affidavit of Emily Lange (geologist) with attachments	10
13	D Affidavit of Notice	10
14	E Affidavit of Publication	10
15	F Pooling Checklist	10

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1 (Time Noted 9:056 a.m.)

2 HEARING EXAMINER ORTH: All right. Let's move,
3 then, to Case 21342. Tap Rock Resources is the Applicant,
4 Compulsory Pooling Application and then Application for
5 Unorthodox Well Location. The name of the well is Black
6 Marlin.

7 Mr. Bruce, you're here for the Applicant?

8 MR. BRUCE: Yes, I am.

9 HEARING EXAMINER ORTH: Okay. There's a number
10 of other parties: Franklin Mountain Energy, and then
11 Sandia Minerals.

12 Let's see. I got you, Ms. Bennett.

13 MS. BENNETT: Good morning, Madam Examiner. It
14 is me, Ms. Bennett from Modrall Sperling on behalf of
15 Franklin Mountain Energy, LLC, I believe in this case, and
16 Sandia Minerals, LLC. Thank you.

17 HEARING EXAMINER ORTH: Thank you. And then
18 Allar. Mr. Padilla?

19 Let's see. Mr. Padilla.

20 MR. PADILLA: Why --

21 HEARING EXAMINER ORTH: Sorry? Mr. Padilla?

22 MR. PADILLA: Yes.

23 HEARING EXAMINER ORTH: Okay. Thank you.

24 Then with Starboard Permian, Max Permian
25 and Monticello Minerals, who's here from Holland & Hart

1 for those parties?

2 MS. LUCK: Kaitlyn Luck with Holland & Hart.

3 HEARING EXAMINER ORTH: All right. Thank you,
4 Ms. Luck.

5 And finally Advanced Energy.

6 MS. HARDY: Good morning, Madam Examiner. Dana
7 Hardy with the Santa Fe office of Hinkle, Shanor. I'm
8 listed here as having entered an appearance but I believe
9 I actually only entered an appearance in Tap Rock Case
10 21341, which has been continued to another docket.

11 HEARING EXAMINER ORTH: Ah. Okay. Thank you
12 for that.

13 MS. HARDY: Thank you.

14 HEARING EXAMINER ORTH: Let me ask if there are
15 any other appearances this morning.

16 MS. BLOUNT: Yes, ma'am. I am Joanne Blount,
17 and I am also representing my siblings Jane Berry, John
18 Brown, Jim Brown. And I'm just here to support Mr. Bruce
19 if he needs any other information from my family.

20 HEARING EXAMINER ORTH: Oh, thank you, Ms.
21 Blount.

22 All right. So in the pleadings I saw,
23 Mr. Bruce submitted some pleadings noting that some
24 parties have been removed. I see that the exhibits were
25 sent timely.

1 Are there any objections from anyone to
2 Mr. Bruce proceeding by affidavit?

3 MR. PADILLA: None from me. This is Ernie
4 Padilla.

5 MS. BENNETT: This is Deana Bennett. None from
6 me.

7 HEARING EXAMINER ORTH: All right. Thank you
8 very much.

9 Mr. Bruce, if you would, please.

10 MR. BRUCE: Yes. This is a case seeking to pool
11 uncommitted interest owners in the Wolfcamp Formation in a
12 horizontal unit comprised of the east half/east half of
13 Section 18 and east half/east half of Section 19, 25
14 South, 36 East in Lea County for the purpose of drilling
15 three Wolfcamp wells which are identified in the
16 application.

17 Before we get going I think there is a
18 couple of things. One of those is at an unorthodox
19 location but the client didn't get me the offset notice
20 information in time, so I would ask that this Application
21 only be considered a pooling application, and we will file
22 for the unorthodox location administratively.

23 And then secondly, yesterday I filed some
24 Notices of Dismissal. Ms. Blount's family, the four
25 family members she identified are dismissed from the

1 Application. They are subject to a lease. And we have
2 also dismissed the Allar Company, Starboard Permian,
3 Monticello Minerals and Max Permian. Tap Rock continues
4 to work with them on this and the other Marlin wells that
5 are upcoming on the Division's docket next month or over
6 the next couple of months.

7 There is a landman's affidavit that
8 contains the usual C-102s; land plats; statement of the
9 types of interest the interest owners own; and the AFEs;
10 geologist's affidavit discussing the Wolfcamp geology in
11 detail.

12 Notice was sent by Certified Mail, and so
13 an Affidavit of Notice is there. Some people I didn't get
14 green cards back from, but they were notified by an
15 Affidavit of Publication which is marked Exhibit E.

16 And finally the pooling checklist is
17 attached as Exhibit F.

18 I think everyone has been timely noticed
19 and all of the information required by the Division is in
20 the exhibit package, so I would move the admission of
21 Exhibits A through F and ask that the case be taken under
22 advisement.

23 HEARING EXAMINER ORTH: Thank you, Mr. Bruce.

24 Ms. Bennett, do you have any questions?

25 MS. BENNETT: No questions. And one thing I did

1 want to say at the outset that I forgot to say was just
2 that we are entering our appearance, or I'm entering my
3 appearance on behalf of the Franklin Mountain and Sandia
4 Minerals, LLC, entities to reserve our right to appeal in
5 the event that that's is necessary. But no questions and
6 no objections to the admission of the exhibits.

7 HEARING EXAMINER ORTH: All right. Thank you.

8 Are there questions from anyone else?

9 MR. PADILLA: Yes, Madam Examiner. Ernest
10 Padilla.

11 It was my understanding that Mr. Bruce is
12 also going to dismiss this case against Emily Keatley
13 (phonetic).

14 MR. BRUCE: Oh. Uhm, Mr. Padilla, Emily Keatley
15 does not own an interest in this well. She owns an
16 interest in Case 21340 only.

17 MR. PADILLA: Okay.

18 MR. BRUCE: But she will be dismissed from that
19 action, as well as Allar.

20 MR. PADILLA: Okay. Thank you.

21 HEARING EXAMINER ORTH: Thank you, Mr. Padilla.

22 Any other questions?

23 MS. LUCK: Madam Examiner.

24 HEARING EXAMINER ORTH: Yes. Ms. Luck.

25 MS. LUCK: I just wanted to say on the record no

1 objection and no questions from Starboard Permian, Max
2 Permian, or Monticello Minerals.

3 HEARING EXAMINER ORTH: Thank you, Ms. Luck.

4 Let me ask the technical examiners if they
5 have questions.

6 Mr. Cox.

7 (Note: No response.)

8 Mr. Cox.

9 EXAMINER COX: Oh, sorry. Was I muted still?

10 Oh, sorry. I was saying yes. Thank you,
11 Madam Examiner.

12 I just want to remind you, Mr. Bruce, that
13 the Applications cases actually have to be filed for
14 administratively, they can't be filed for at hearing. So
15 that's perfect.

16 MR. BRUCE: Okay.

17 EXAMINER COX: Another thing I want to ask is:
18 Do you have any Special Pay Provisions in this one?

19 MR. BRUCE: No, I do not.

20 EXAMINER COX: Can you please use the newer
21 checklist we have posted in the future, it includes that
22 line on it, for me?

23 MR. BRUCE: I did not know that. Okay. I will
24 do that.

25 EXAMINER COX: Thank you.

1 MR. BRUCE: And if you want me to include it on
2 the -- I could resubmit the one that I sent.

3 EXAMINER COX: Oh, no, that will be fine. We
4 can accept this one. I just want it for the future,
5 please. Thank you.

6 HEARING EXAMINER ORTH: All right. Thank you,
7 Mr. Cox.

8 Mr. McClure, any other questions?

9 MR. McCLURE: No, ma'am. I have no questions at
10 this point.

11 HEARING EXAMINER ORTH: All right. Thank you.
12 If there's nothing else, the exhibits will be submitted
13 and the matter will be taken under advisement.

14 MR. BRUCE: Thank you.

15 (Time noted: 9:11 a.m.)

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1 STATE OF NEW MEXICO)
 2 : SS
 3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, Mary Therese Macfarlane, a duly licensed
 7 Certified Court Reporter for the State of New Mexico, do
 8 hereby certify that on Thursday, August 20, 2020, the
 9 proceedings in the above-captioned matter were taken
 10 before me; that I did report in stenographic shorthand the
 11 proceedings set forth herein, and the foregoing pages are
 12 a true and correct transcription to the best of my ability
 13 and control.

14 I further certify that I am neither employed by
 15 nor related to nor contracted with (unless excepted by the
 16 rules) any of the parties or attorneys in this case, and
 17 that I have no interest whatsoever in the final
 18 disposition of this case in any court.

19

/s/ Mary Macfarlane

20

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