

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

**Case No. 21340**

**RESPONSE OF TAP ROCK RESOURCES, LLC  
IN OPPOSITION TO MOTION TO SET ASIDE ORDER NO. R-21521**

Tap Rock Resources, LLC ("Tap Rock") submits this response in opposition to the motion to set aside Order No. R-21521 (the "Motion") filed by SRO Land & Minerals, LP, Monroe Properties, Inc., and MES Land & Minerals LP (the "SRO Entities"), and the Lee M. Stratton Living Trust (the "Stratton Trust"). In support of this response, Tap Rock states:

**A. FACTUAL BACKGROUND.**

NOTE: The facts set forth below are supplemented by **Attachment A**, the statement of Taylor Ford, Tap Rock's landman for this project, as well as the exhibits submitted by Tap Rock at hearing.

1. Tap Rock filed Case No. 21340 to pool the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of Lots 1-4 and the E/2W/2 (the W/2) of Section 19 and Lots 1-4 and the E/2W/2 (the W/2) of Section 18, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Tap Rock proposes to drill six (6) wells on the well unit.

2. There are numerous leased and unleased (fee) parties involved in this case. The notice materials (Exhibits C and D at hearing) show that Tap Rock notified sixty three (63) persons of the hearing. (There are a substantial number of persons whose interests are voluntarily committed to the proposed wells, and who were not notified of this case.)

3. The SRO Entities received notice of this case by certified mail. See Attachment B (the notice letter and certified receipts). The Stratton Trust was not notified of this case. The SRO Entities never entered an appearance in this case nor took part in the hearing itself, and are not parties of record.

4. Tap Rock acquired its interest in the well unit from a third party, and that third party had submitted APDs to the Bureau of Land Management (the “BLM”). But, the surface locations were placed in an area of cultural sensitivity, which caused a delay in the approval system. After working with the BLM, Tap Rock re-submitted federal APDs. The APDs are still not approved, as needed to commence drilling and extend many oil and gas lessees into their secondary terms. As a result, Tap Rock properly sent proposal letters to (a) leasehold working interest owners, and (b) fee mineral owners whose leases were on the verge of expiring.

5. The case was filed for the July 7, 2020 hearing, and voluntarily continued to July 23, 2020. It was involuntarily continued, despite Tap Rock’s objection, to October 22, 2020, at which time the case was heard and taken under advisement. The order was issued on November 2, 2020.

6. The SRO Entities filed the Motion with the Division on December 11, 2020.

B. ARGUMENT.

1. The SRO Entities Are Not Parties Of Record: Because the SRO Entities are not parties of record in this case they have no standing to file the Motion. Moreover, the order was never appealed *de novo* by any party of record. The case is now closed and cannot be re-opened by a motion filed by persons who never entered an appearance. As a result, the Motion must be denied. See Commission Order No. R-14097-A, submitted as **Attachment C**.

If the SRO Entities desire to pursue this matter, the only potential avenue is to file an application to re-open this case. Even then, the fact that they had 3-1/2 months to file an entry of appearance to look after their interests before the October 22 hearing militates against the efficacy of such a proceeding.

2. The Stratton Trust Was Not Notified Of This Case Because It Owns No Interest Of Record: Because the Stratton Trust owns no interest in the well unit, it was not notified of the case, and it is unaffected. Thus the Motion is not properly filed by the Stratton Trust and must be denied.

3. Tap Rock Was Truthful With The SRO Entities: Tap Rock's letters to the SRO Entities were explicit about the problems facing it in developing the well unit with leases expiring. See **Attachment A** and hearing Exhibit B-5. Thus Tap Rock proposed (a) extending the primary terms of the leases, or (b) if the leases expired, participating as working interest owners.

The SRO Entities allege that "Tap Rock simply waited for the term of the lease[s] to end" days before the October 22 hearing. Motion ¶12. As noted above, Tap Rock wanted the hearing in July or August, but that did not happen. And again, the SRO Entities could have participated in the case in July or August.

There was nothing improper in how this case was prepared or presented, and the Motion must be denied.

4. Any Dispute Should Be Filed In District Court: As noted in the Motion and **Attachment A**, due to APD and other drilling issues, Tap Rock sent a Notice of Force Majeure to the SRO Entities (and others) under the express terms of the subject oil and gas leases. As a result, the terms of the leases need to be construed. The Division and the Commission do not

have jurisdiction to resolve contractual disputes between the parties. See Order Nos. R-11700-B and R-14187-B. Thus, if the SRO Entities (and the Stratton Trust) contest the validity of the Notice of Force Majeure, they must file such action in District Court.

Tap Rock has been in contact with the SRO Entities for nine (9) months – not six (6) days as alleged in the Motion. As noted in **Attachment A ¶¶5-10 and 12**, Tap Rock will deal with the unleased mineral owners or the SRO Entities as lessors of (old or new) leases. The SRO Entities simply need to decide how to deal with their interests.

C. CONCLUSION.

There is simply no basis on which to grant the Motion, and it must be denied, or simply ignored.

Respectfully submitted,



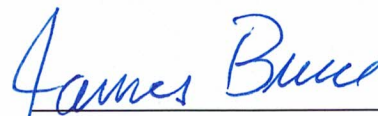
James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Tap Rock Resources, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 22nd day of December, 2020 by e-mail:

Ernest L. Padilla  
[padillalaw@qwestoffice.net](mailto:padillalaw@qwestoffice.net)

  
James Bruce



**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. 21340**

**SELF-AFFIRMED STATEMENT OF TAYLOR FORD**

I, Taylor Ford, submit the following statement of facts in this case.

1. On March 10, 2020, Tap Rock sent a proposal to SRO Land & Minerals, LP, Monroe Properties, Inc., and MES Land & Minerals, LP (the "SRO Entities") for a lease extension on information and belief that Tap Rock would not likely have the requisite approved permits to drill on or before the expiration of the primary term of the leases (the "Leases") on October 16, 2020.
2. The offer contained in the letter, attached hereto as Exhibit "A", provided for:
  - \$1000/ net mineral acre for a two-year lease extension; or alternatively
  - \$2500/net mineral acre for a three-year lease extension.
3. Subsequently, I participated in several telephone conversations with Jairus O' Malley, who represented himself as the spokesperson for the SRO Entities. Phone records, attached hereto as Exhibit "B" show that those conversations occurred as follows:

ATTACHMENT

**A**  


- March 17: called Jairus; 18 minute phone call discussing well proposals/lease extensions
  - March 24: called Jairus – left voice mail
  - March 27: called Jairus – left voice mail
  - April 1: called Jairus – no answer
  - April 16: Jairus called; 11 minute phone call – still did not agree to extending the Leases or working towards an agreement
  - Week of April 16, Clayton Sporich, EVP Land & Legal also spoke with Jairus, but was unable to reach an agreement.
4. Despite, this good faith attempt to reach a deal, Tap Rock and the SRO Entities never came to terms on a lease extension deal as previously represented on my affidavit, acknowledged on October 20, 2020, and submitted as Exhibit B for the October 22<sup>nd</sup> hearing.
5. After sending the proposal to extend the Leases, Tap Rock discovered that the federal APDS submitted by its predecessor in interest and title, covering the interests in question, were not going to be approved because the proposed surface locations for the wells were placed in an area of cultural sensitivity.
6. Accordingly, Tap Rock submitted a notice of Force Majeure to the SRO Entities (attached as Exhibit “A” to SRO Entities Motion to Set Aside Order).
7. On April 28, 2020, Tap Rock received the letter attached hereto as Exhibit “C” from counsel representing the SRO Entities, challenging the Force Majeure status of the Leases.

8. Accordingly, and in response to the SRO Entities apparent position that Force Majeure *would not* extend the primary term of the Leases, in order to drill and produce in accordance with NMSA 1978 §70.2.17.C and Division Rules as it related to the SRO Entities' interest as well as multiple other parties, Tap Rock filed for compulsory pooling.
9. The SRO Entities each received notice of the compulsory pooling filing, as evidenced by green certified mail receipts signed on July 7, 2020 and previously entered into evidence (see response in Opposition to Motion).
10. Tap Rock originally sought to have the hearing date on July 9<sup>th</sup>, 2020, on account of other parties' requests it was continued to July 23, 2020, and then continued again against Tap Rock's wishes to October 22, 2020.
11. I properly identified the SRO Entities as unleased mineral interests on the date of the hearing based on the SRO Entities previously communicated position that they did not believe the notice of Force Majeure was valid. If the SRO Entities have now changed their position, as represented in Paragraph 13 of the Motion, Tap Rock agrees that the Leases are valid and in effect and for such period Lessee's obligations are *suspended*. It is only because the SRO Entities questioned the validity of the Force Majeure Event that Tap Rock took the conservative position of listing the SRO Entities as subject to pooling. The Force Majeure Event has not, as of today's date, lifted, despite the fact that Tap Rock re-submitted permits to the BLM on August 25, 2020.
12. To the extent that the SRO Entities wish Tap Rock to recognize the Leases as valid, it will. Tap Rock has been contacted by a third-party company named Mecca Exploration requesting additional time to negotiate with the SRO Entities for their interest. Under either circumstance the interest is unavailable to third-parties, namely (i) the Leases are

valid and in effect due to an event of Force Majeure under Paragraph 29 of the Leases and Tap Rock is the Lessee or (ii) the interest has been validly pooled after months of trying to work in good faith with the SRO Entities. The SRO Entities are merely attempting to unburden their interest, to Tap Rock's detriment, after waiving their rights.

13. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 12 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 12/21/2020

Taylor Ford

Taylor Ford

Landman for Tap Rock Operating, LLC





March 10, 2020

Via Certified Mail

Michael Harrison Moore  
P.O. Box 51570  
Midland, TX 79701

**Re: Blue Marlin Fed Com Well Proposals**  
**Township 25 South, Range 36 East, W/2 of Sections 18 & 19 (the "Wolfcamp Unit")**  
**Lea County, New Mexico (the "Wells")**

Tap Rock Resources II, LLC ("Tap") recently acquired Lilis Energy Inc.'s (ImPetro Oil & Gas, LLC) interest in the Wolfcamp Unit. Accordingly, Tap's, operating entity, Tap Rock Operating, LLC ("TRO"), hereby proposes an amended development plan for the Wolfcamp Unit to drill the following Wells by pad drilling to prevent waste and protect correlative rights. Enclosed are AFEs dated March 6, 2020 for the following:

Well Name	Surface Hole Location (SHL)	Bottom Hole Location (BHL)	Formation	TVD	MD
Blue Marlin Fed Com #201H	NW/4NW/4 Section 18	SW/4SW/4 Section 19	Wolfcamp A	11,650'	22,310'
Blue Marlin Fed Com #202H	NE/4NW/4 Section 18	SE/4SW/4 Section 19	Wolfcamp A	11,650'	22,310'
Blue Marlin Fed Com #205H	NW/4NW/4 Section 18	SW/4SW/4 Section 19	Wolfcamp A	11,650'	22,310'
Blue Marlin Fed Com #211H	NW/4NW/4 Section 18	SW/4SW/4 Section 19	Wolfcamp A	11,900'	22,560'
Blue Marlin Fed Com #212H	NE/4NW/4 Section 18	SE/4SW/4 Section 19	Wolfcamp A	11,900'	22,560'
Blue Marlin Fed Com #215H	NE/4NW/4 Section 18	SE/4SW/4 Section 19	Wolfcamp A	11,900'	22,560'
Blue Marlin Fed Com #221H	NW/4NW/4 Section 18	SW/4SW/4 Section 19	Wolfcamp B-U	12,125'	22,785'

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications. A separate AFE for facility costs is forthcoming. Your election to participate in the drilling and completion of the proposed wells will also be considered an election to participate in the construction of the production facility.

It is our understanding that ImPetro Oil & Gas, LLC had received compulsory pooling Order R-21079 for its Case No. 20790 (the "Case") from the New Mexico Oil Conservation Division related to the Wolfcamp Unit (enclosed). As successor operator, TRO intends to re-open and amend the Case in accordance with its development plans.

EXHIBIT "A"



Our title research has shown that the lease covering your interest in the Wolfcamp Unit expires soon and TRO believes it may be prevented from obtaining production or otherwise conducting required operations before the expiration date. Therefore, if you do not wish to participate in the Operation, TRO would like to offer the following terms:

- \$1,000 per net mineral acre for a two-year lease extension or
- \$2,500 per net mineral acre for a three-year lease extension.

The lease extension offer is subject to the approval of TRO's board and verification of title.

In the event you elect to participate in the proposed Wells, please execute the enclosed AFEs and return to me within 30 days. TRO is proposing to drill these wells under the terms of the AAPL Form 610-1989 Operating Agreement which will be provided after an election to participate is received. This Operating Agreement covers the W/2 of Sections 18 and 19, Township 25 South, Range 36 East, Lea County, New Mexico.

Additionally, TRO is open to discuss possible other deal structures related to your interest in the proposed Wells. If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division to re-open the Case and compulsory pool your interest into a spacing unit for the proposed Wells to allow TRO to move forward with planning and drilling the Wells.

Should you have any questions regarding the above, please contact the undersigned.

Sincerely,

**TAP ROCK OPERATING, LLC**

A handwritten signature in black ink that reads "Taylor Ford". The signature is written in a cursive, flowing style.

**Taylor Ford**

Landman

Office: 720.459.3726

Cell: 806.445.7213

[tford@taprk.com](mailto:tford@taprk.com)



Michael Harrison Moore hereby elects to:

\_\_\_\_\_ participate in the Blue Marlin Fed Com #201H

\_\_\_\_\_ non-consent the Blue Marlin Fed Com #201H

\_\_\_\_\_ participate in the Blue Marlin Fed Com #202H

\_\_\_\_\_ non-consent the Blue Marlin Fed Com #202H

\_\_\_\_\_ participate in the Blue Marlin Fed Com #205H

\_\_\_\_\_ non-consent the Blue Marlin Fed Com #205H

\_\_\_\_\_ participate in the Blue Marlin Fed Com #211H

\_\_\_\_\_ non-consent the Blue Marlin Fed Com #211H

\_\_\_\_\_ participate in the Blue Marlin Fed Com #212H

\_\_\_\_\_ non-consent the Blue Marlin Fed Com #212H

\_\_\_\_\_ participate in the Blue Marlin Fed Com #215H

\_\_\_\_\_ non-consent the Blue Marlin Fed Com #215H

\_\_\_\_\_ participate in the Blue Marlin Fed Com #221H

\_\_\_\_\_ non-consent the Blue Marlin Fed Com #221H

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





Billing period  
Mar 13, 2020 - Apr 12, 2020  
Account number  
825410252-00001

Russell Ford

806.445.7213  
IPHONE 11 PRO MAX

### Talk activity (cont.)

Date	Time	Number	Origination	Destination	Min.	Airtime Charges	LD/Other Charges	Total
Mar 16	10:48 AM	303.312.9000	Garden, CO	Incoming, CL	4	--	--	--
Mar 16	11:53 AM	830.299.8693	Denver, CO	Incoming, CL	19	--	--	--
Mar 16	12:13 PM	830.299.8693	Denver, CO	Incoming, CL	39	--	--	--
Mar 16	4:26 PM	806.548.2750	Denver, CO	Incoming, CL	21	--	--	--
Mar 16	5:05 PM	214.458.0788	Denver, CO	Incoming, CL	5	--	--	--
Mar 16	5:30 PM	541.989.8514	Denver, CO	Incoming, CL	19	--	--	--
Mar 17	8:12 AM	318.458.9086	Denver, CO	Incoming, CL	17	--	--	--
Mar 17	9:36 AM	806.548.2750	Denver, CO	Incoming, CL	9	--	--	--
Mar 17	10:07 AM	318.458.9086	Denver, CO	Incoming, CL	1	--	--	--
Mar 17	10:39 AM	214.707.7073	Denver, CO	VM Deposit, CL	1	--	--	--
Mar 17	10:41 AM	214.707.7073	Denver, CO	Incoming, CL	5	--	--	--
Mar 17	11:11 AM	806.744.8477	Denver, CO	Lubbock, TX	3	--	--	--
Mar 17	1:11 PM	318.458.9086	Denver, CO	Shreveport, LA	15	--	--	--
Mar 17	1:38 PM	713.907.2425	Denver, CO	Houston, TX	27	--	--	--
Mar 17	2:53 PM	713.397.0640	Denver, CO	Houston, TX	18	--	--	--
Mar 17	4:38 PM	877.253.9964	Denver, CO	Incoming, CL	4	--	--	--
Mar 18	10:55 AM	541.989.8514	Denver, CO	Lexington, OR	21	--	--	--

EXHIBIT

"B"





Billing period  
Mar 13, 2020 - Apr 12, 2020  
Account number  
825410252-00001

Russell Ford

806.445.7213  
IPHONE 11 PRO MAX

## Talk activity (cont.)

Date	Time	Number	Origination	Destination	Min.	Airtime Charges	LDOther Charges	Total
Mar 26	10:15 AM	307.7630184	Denver, CO	incoming, CL	7	--	--	--
Mar 26	12:03 PM	817.2911302	Denver, CO	incoming, CL	5	--	--	--
Mar 26	12:30 PM	318.458.9096	Denver, CO	incoming, CL	7	--	--	--
Mar 26	7:46 PM	630.6618888	Denver, CO	incoming, CL	1	--	--	--
Mar 27	10:30 AM	505.263.6916	Denver, CO	incoming, CL	2	--	--	--
Mar 27	11:22 AM	713.397.0840	Denver, CO	VM Deposit, CL	1	--	--	--
Mar 27	1:20 PM	432.528.5315	Denver, CO	incoming, CL	11	--	--	--
Mar 27	1:48 PM	541.989.8514	Denver, CO	incoming, CL	14	--	--	--
Mar 27	2:45 PM	512.665.28919	Denver, CO	incoming, CL	7	--	--	--
Mar 27	4:18 PM	817.2911302	Denver, CO	incoming, CL	4	--	--	--



Billing period  
Mar 13, 2020 - Apr 12, 2020  
Account number  
825410252-00001

Russell Ford

806.445.7213

IPHONE 11 PRO MAX

## Talk activity (cont.)

Date	Time	Number	Origination	Destination	Min.	Airtime Charges	LDOther Charges	Total
Mar 31	10:59 AM	303.807.3916	Denver, CO	Incoming, CL	14	..	..	..
Mar 31	11:21 AM	318.458.9095	Denver, CO	Shreveport, LA	12	..	..	..
Mar 31	12:18 PM	817.291.1302	Denver, CO	Incoming, CL	4	..	..	..
Mar 31	12:29 PM	720.987.7446	Denver, CO	Denver, CO	12	..	..	..
Mar 31	1:18 PM	806.2926479	Denver, CO	Incoming, CL	46	..	..	..
Mar 31	2:04 PM	806.2926479	Denver, CO	Plainview, TX	12	..	..	..
Mar 31	2:17 PM	806.2926479	Denver, CO	Plainview, TX	16	..	..	..
Mar 31	3:04 PM	575.799.3760	Denver, CO	Incoming, CL	13	..	..	..
Mar 31	3:20 PM	817.291.1302	Denver, CO	Arlington, TX	10	..	..	..
Apr 1	11:49 AM	713.973.9735	Denver, CO	Houston, TX	1	..	..	..
Apr 1	11:50 AM	713.973.9735	Denver, CO	Houston, TX	1	..	..	..
Apr 1	1:48 PM	575.361.7028	Denver, CO	Incoming, CL	4	..	..	..
Apr 1	3:41 PM	214.707.7073	Denver, CO	Incoming, CL	14	..	..	..
Apr 1	4:01 PM	541.989.8514	Denver, CO	Lexington, OR	13	..	..	..
Apr 1	4:13 PM	214.300.9779	Denver, CO	VM Deposit, CL	1	..	..	..
Apr 1	4:14 PM	720.987.7446	Denver, CO	Denver, CO	12	..	..	..
Apr 2	9:15 AM	609.504.2340	Denver, CO	Incoming, CL	13	..	..	..



Billing period  
Apr 13, 2020 - May 12, 2020  
Account number  
825410252-00001

Russell Ford

806.445.7213  
IPHONE 11 PRO MAX

Talk activity (cont.)

Date	Time	Number	Origination	Destination	Min.	Airtime Charges	LD/Other Charges	Total
Apr 14	2:55 PM	303.881.1530	Lubbock, TX	Incoming, CL	12	..	..	..
Apr 14	3:21 PM	817.291.1302	Lubbock, TX	Arlington, TX	7	..	..	..
Apr 14	3:35 PM	806.239.1851	Lubbock, TX	Lubbock, TX	1	..	..	..
Apr 14	5:14 PM	575.263.1709	Lubbock, TX	Incoming, CL	23	..	..	..
Apr 15	10:04 AM	918.779.6616	Lubbock, TX	Incoming, CL	11	..	..	..
Apr 15	10:27 AM	214.707.7073	Lubbock, TX	Incoming, CL	3	..	..	..
Apr 15	10:41 AM	806.239.1851	Lubbock, TX	Incoming, CL	2	..	..	..
Apr 15	10:45 AM	214.707.7073	Lubbock, TX	Incoming, CL	1	..	..	..
Apr 15	11:25 AM	806.292.1098	Lubbock, TX	Planned, TX	18	..	..	..
Apr 15	11:43 AM	806.292.6479	Lubbock, TX	Planned, TX	4	..	..	..
Apr 15	12:00 PM	806.292.6479	Lubbock, TX	Planned, TX	11	..	..	..
Apr 15	12:10 PM	817.291.1302	Lubbock, TX	Incoming, CL	7	..	..	..
Apr 15	12:37 PM	806.292.6479	Lubbock, TX	Planned, TX	30	..	..	..
Apr 16	10:45 AM	503.927.7900	Lubbock, TX	Incoming, CL	8	..	..	..
Apr 16	10:53 AM	214.707.7073	Lubbock, TX	VM Deposit, CL	1	..	..	..
Apr 16	10:53 AM	214.707.7073	Lubbock, TX	Incoming, CL	8	..	..	..
Apr 16	11:38 AM	512.655.28919	Lubbock, TX	Incoming, CL	11	..	..	..
Apr 16	11:49 AM	512.736.9083	Lubbock, TX	VM Deposit, CL	1	..	..	..
Apr 16	12:03 PM	512.655.28919	Lubbock, TX	Incoming, CL	6	..	..	..
Apr 16	1:37 PM	512.736.9083	Lubbock, TX	Incoming, CL	10	..	..	..
Apr 16	3:00 PM	713.397.0840	Lubbock, TX	Incoming, CL	11	..	..	..
Apr 16	3:22 PM	214.707.7073	Lubbock, TX	Grand prairie, TX	11	..	..	..
Apr 16	6:15 PM	720.987.7446	Lubbock, TX	Denver, CO	11	..	..	..
Apr 16	6:26 PM	303.881.1530	Lubbock, TX	Denver, CO	1	..	..	..
Apr 16	6:31 PM	505.888.0011	Lubbock, TX	Albuquerque, NM	1	..	..	..

# Jairus O'Malley

SRO Land & Minerals



message



work



video



pay

November 30, 2020

12:49 PM **Outgoing Call**

17 minutes

phone **RECENT**

(713) 397-0640

work

(713) 973-9735

FaceTime



Notes





GRAVES  
DOUGHERTY  
HEARON &  
MOODY

John B. McFarland  
Board Certified, Oil, Gas & Mineral Law  
Texas Board of Legal Specialization

512.480.5618  
512.480.5818 (fax)  
jmcfarland@gdhm.com

MAILING ADDRESS:  
P.O. Box 98  
Austin, TX 78767-9998

April 28, 2020

Ms. Taylor Ford  
Landman  
Tap Rock Resources II, LLC  
602 Park Point Drive, Suite 200  
Golden, CO 80401  
via email: tford@taprk.com

RE: Oil and Gas Lease dated October 16, 2017 from SRO Land & Minerals, L.P., et al. to Ameredev New Mexico, LLC, memorandum recorded at Bok 2126, Page 151, Lea County, N.M.

Dear Ms. Ford:

The lessors under the above-referenced lease have asked me to respond to your letter to them of April 14, 2020, seeking to invoke the force majeure clause of the lease.

My clients certainly are aware of the current conditions in the oil and gas industry and the challenges that companies like yours are now facing. In many ways we are all going through uncharted waters, and the future of the industry is uncertain.

Your letter concludes by saying that Tap Rock "is entitled to the protections afforded by Paragraph 29 of the Lease." We agree that paragraph 29 is intended to provide the lessee certain protections in the event that unforeseen events beyond the lessee's control prevent it from conducting drilling or reworking operations or producing oil and gas. You have enumerated several circumstances which you believe are cause for providing relief under paragraph 29. We would have to know much more about those circumstances before we could judge whether they might justify extending the lease term as force majeure events.

However, we think it is premature to judge whether such events will in fact prevent Tap Rock from conducting operations on the lease sufficient to maintain the lease beyond its primary term. The end of the primary term is more than five months away, and as we have recently experienced, many things can change between now and then. We assume that Tap Rock is continuing to pursue the necessary permits to drill a well; no one expects state or federal offices to remain closed much longer, and difficulties in pursuing the permits may soon be resolved. The market for oil and gas may very well have returned by October 17.

3599703.v1

EXHIBIT "C"

Mr. Taylor Ford  
April 28, 2020  
Page 2

Paragraph 29 requires the lessee to pursue good-faith efforts to comply with the lease, and it is only if the lessee is unable to comply despite such efforts because of a force majeure event that the paragraph provides relief. We must therefore await the unfolding of events between now and the end of the primary term, and Tap Rock's efforts to resolve its issues with permitting, equipment and service providers, and storage and transportation, before we can judge whether Tap Rock is entitled to rely on Paragraph 29 to extend the lease term.

In the meantime, the lessors would be happy to continue discussions with Tap Rock to address its concerns in light of the market conditions that now face it and all others in the industry.

Very truly yours,



John B. McFarland

JBM/dkl

Enclosures

cc: SRO Land & Minerals

JAMES BRUCE  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

July 2, 2020

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

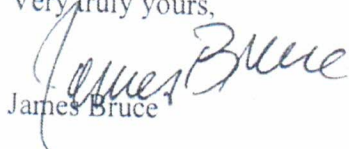
Ladies and gentlemen:

Enclosed is an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Tap Rock Resources, LLC, regarding Wolfcamp wells to be drilled in the W/2 of Section 18 and the W/2 of Section 19, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

This case is scheduled for hearing at 8:15 a.m. on Thursday, July 23, 2020 at a place to be determined by the Division. **The hearing may be conducted remotely.** You are not required to attend this hearing, but as an interest owner that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us). She can also provide information to you on the hearing location and how to participate in it.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, July 16, 2020. This statement must be filed with the Division's Santa Fe office online at [ocd.hearings@state.nm.us](mailto:ocd.hearings@state.nm.us), and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for Tap Rock Resources, LLC

ATTACHMENT





## EXHIBIT

A

Michael Harrison Moore  
P.O. Box 51570  
Midland, TX 79701

---

Meridian 102 LP  
16400 N. Dallas Parkway, Suite 400  
Dallas, TX 75248

---

University of the Southwest  
6610 N. Lovington Hwy  
Hobbs, NM 88240

---

Cherokee Legacy Minerals, Ltd.  
PO Box 3217  
Albany, TX 76430

---

Mary Edwards Williams  
7787 Windfront Row  
Parker, CO 80134

---

Christopher S. Trapp  
6608 N. Western Ave. #406  
Oklahoma City, OK 73116

---

Franklin Mountain Royalty Investments, LLC  
2401 E. 2nd Ave., Ste.300  
Denver, CO 80206

---

Prevail Energy, LLC  
521 Dexter St.  
Denver, CO 80220

---

Rheiner Holdings, LLC  
P.O. Box 980552  
Houston, TX 77098

---

Monticello Minerals, LLC  
5528 Vickery Blvd.  
Dallas, TX 75206

---

Cayuga Royalties, LLC  
P.O. Box 540711  
Houston, TX 77254

MES Land & Minerals, LP  
306 West Wall, Suite 435  
Midland, TX 79701

---

SRO Land & Minerals, LP  
9575 Katy Freeway, Suite 440  
Houston, TX 77024

---

Monroe Properties, Inc.  
306 West Wall, Suite 435  
Midland, TX 79701

---

The James A. Bryant and Lucille Bryant Revocable  
Trust UTA dtd April 26, 2006, as Amended  
(Lucille Bryant, Trustee)  
8204 Indigo Court NE  
Albuquerque, NM 87122

---

The Allar Company  
P.O. Box 1567  
Graham, TX 76450

---

Geraldine Osborn  
3808 N. Dal Paso St.  
Hobbs, NM 88240

---

B&G Royalties, a partnership composed of William J.  
McCaw and Emily McCaw  
PO Box 376  
Artesia, NM 88211-0376

---

Jetstream Royalty Partners, LP  
PO Box 471396  
Fort Worth, TX 76147

---

Shelly K. Jackson  
1013 Roadrunner Lane NW  
Albuquerque, NM 87107

---

William C. White  
15 Desert Flower Road  
Artesia, NM 88210-0376



## EXHIBIT

A

EHW, LLC  
101 South Fourth Street  
Artesia, NM 88210

William Meadows  
693 Aberdeen Way  
Milpitas, CA 95035

Charlie Sumner  
P.O. Box 524  
Lexington, OR 97839

Sally Runyan  
5530 Northeast 199th Avenue  
Vancouver, WA 98682

Jeff Sumner  
1031 Northwest 2nd Avenue  
Hillsboro, OR 97124

Jacqueline Jones  
1029 Birmingham Street  
Medford, OR 97501

Krystle Sumner McEntire  
2753 S. Washington Street  
Seattle, WA 98144

KWF Enterprises  
HED Enterprises  
4925 Greenville Ave., Suite 500  
Dallas, TX 75206

Exile Royalty  
515 Houston Street  
Fort Worth, TX 76102

Carol A. Noonan  
6121 Woodgarden Lane  
Benbrook, TX 76132

Aaron Childress  
1400 McDonald St  
Midland, TX 79703

Hunter G. Davis  
5005 Heather Road  
Midland, TX 79703

Tierra Royalties, LLC  
2929 Allen Parkway, Suite 200  
Houston, TX 77019

Constitution Resources II, LP  
5707 Southwest Parkway, Building 1, Suite 275  
Austin, TX 78735

Michael A. Kulenguski  
279 Jones Mountain Road  
Madison, Virginia 22727

The Ohio State University  
C/O Real Estate and Property Management  
53 W. 11th Street  
Columbus Ohio 43201

Douglas A. Denton  
P.O. Box 24  
Midland, Texas, 79705

Conoco Phillips Company  
925 N. Eldridge Pkwy  
SP2 07-E384  
Houston, TX 77079

Chevron U.S.A. Inc.  
ChevronTexaco  
6301 Deauville Boulevard  
Midland, Texas 79706

Attention: Permitting Team

Theodore Dittmer  
1458 Friendship LN W  
Colorado Springs, CO 80904

Sidney "Skip" Wilbur, III  
4517 Vitex St.  
Garner, NC 27529

## EXHIBIT

A

Kassandra Dittmer  
464 S 150 E  
Ivins, UT 84738

---

Walker Royalty, LP  
4925 Greenville Ave, Suite 500  
Dallas, TX 75206

---

Blackbeard Resources, LLC  
Blackbeard Operating, LLC  
1751 River Run, Suite 405  
Fort Worth, TX 76107

---

Rowena Doss Oclon  
11N322 Gale St.  
Elgin, IL 60123

---

Nathan Dittmer  
4601 N Highway 91  
Cedar City, UT 84721

---

Mary Ann Prall  
904 S Erie Ave.  
Tulsa, OK 74112

---

St. Joseph Residence, Inc.  
P.O. Box 6429  
Tulsa, OK 74148-0429

---

Unknown heirs of Nancy Carolyn Haley  
Address unknown

---

Heirs of Albert Cole  
2423 N. Xanthus Ave  
Tulsa, OK 74110

---

Heirs of Frederick D. Moor and Joyce Jarvis Moore  
Address unknown

---

Heirs of Donald Woods  
Address unknown

---

Gary L. Schutten and Sharon Jeffreys, Trustees  
Of the Harry N. Schutten Trust  
201 East 45<sup>th</sup> Street  
Shawnee, OK 74804

---

---

**Heirs of James Aubrey Skinner:**

---

Patricia Sanders Dugger  
750 Kings Towne Pl.  
Shreveport, LA 71108

---

Mancil Jackson Sanders  
1087 S. Waccamaw Dr.  
Murrells Inlet, SC 29576

---

Renelda Glynn Wilbur  
4705 Tolley Ct.  
Raleigh, NC 27616

---

Faye Wilbur Silliman  
190 Fieldspring Lane, Apt 5  
Raleigh, NC 27606

---

Carole Helene Wilbur  
2075 N. Marine Blvd., Suite U  
Jacksonville, NC 28546

---

Sandra Dene Wilbur  
4705 Tolley Ct.  
Raleigh, NC 27616

---

Estate of Priscilla Wilbur Corbin  
1746 King Road SE  
Ludowici, GA 31316

---

Estate of Karin L. Wilbur  
2009 River Dell Run  
Clayton, NC 27527

---

Lynn Flood  
1067 Mossstree Dr.  
Apex, NC 27502



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☐ Adult Signature Required \$  
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Sent To MES Land & Minerals, LP  
306 West Wall, Suite 435  
Midland, TX 79701  
City, State, Zip+4

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

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1. Article Addressed to:

Cherokee Legacy Minerals, Ltd.  
PO Box 3217  
Albany, TX 76430

2. Article Number (Transfer from envelope label)  
7019 2970 0000 7642 3353

3. Service Type  
☐ Adult Signature  
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☒ Certified Mail<sup>®</sup>  
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☐ Collect on Delivery  
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☐ Signature Confirmation<sup>™</sup>  
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4. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

5. Article Addressed to:

Cherokee Legacy Minerals, Ltd.  
PO Box 3217  
Albany, TX 76430

6. Article Number (Transfer from envelope label)  
7019 2970 0000 7642 3353

7. Domestic Return Receipt

**SENDER: COMPLETE THIS SECTION**

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1. Article Addressed to:

MES Land & Minerals, LP  
306 West Wall, Suite 435  
Midland, TX 79701

2. Article Number (Transfer from envelope label)  
7019 2970 0000 7595 4735

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail<sup>®</sup>  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation<sup>™</sup>  
☐ Signature Confirmation Restricted Delivery

4. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

5. Article Addressed to:

MES Land & Minerals, LP  
306 West Wall, Suite 435  
Midland, TX 79701

6. Article Number (Transfer from envelope label)  
7019 2970 0000 7595 4735

7. Domestic Return Receipt

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☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage and Fees \$

Sent To Cherokee Legacy Minerals, Ltd.  
PO Box 3217  
Albany, TX 76430  
City, State, Zip+4

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Monroe Properties, Inc.  
306 West Wall, Suite 435  
Midland, TX 79701



9590 9402 5751 0003 3956 22

2. Article: *Monroe Properties, Inc. (label)*

7019 2970 0000 7595 4759

PS Form 3811, July 2015 PSN 7530-02-000-9053

TRW

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Postmark  
Here

Total Postage and Fees \$

Sent To

Monroe Properties, Inc.  
306 West Wall, Suite 435  
Midland, TX 79701

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SRO Land & Minerals, LP  
9575 Katy Freeway, Suite 440  
Houston, TX 77024



9590 9402 5751 0003 3956 39

2. Art

7019 2970 0000 7595 4742

PS Form 3811, July 2015 PSN 7530-02-000-9053

TRW

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *COVID-19* ☒ Agent ☐ Addressee

B. Received by (Printed Name)

*SIN* ☒ C. Date of Delivery *7-6-20*

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type  
☐ Adult Signature  
☒ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
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4742

7019 2970 0000 7595 4742

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Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hard-copy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postmark  
Here

Total Postage and Fees \$

Sent To

SRO Land & Minerals, LP  
9575 Katy Freeway, Suite 440  
Houston, TX 77024

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7019 2970 0000 7595 4742

7019 2970 0000 7595 4759



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

**APPLICATION OF MATADOR  
PRODUCTON COMPANY FOR A  
NON-STANDARD OIL SPACING AND  
PRORATION UNIT, COMPULSORY  
POOLING, AND NON-STANDARD LOCATION,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 15366 (De Novo)  
ORDER NO. R-14097-A**

**ORDER OF THE COMMISSION**

This matter came before the New Mexico Oil Conservation Commission ("Commission") for hearing on February 11, 2016, at Santa Fe, New Mexico, to consider the motion of Matador Production Company ("Matador") to dismiss the appeal filed by Amtex Energy, Inc. ("Amtex") of Order No. R-14097. The Commission, having considered the Motion, the briefs and arguments of counsel, and being otherwise fully advised, enters the following findings of fact, conclusions of law and orders.

**THE COMMISSION FINDS THAT:**

(1) This matter concerns the definition of a "party of record" under the New Mexico Oil and Gas Act ("Act"), Sections 70-2-1 et seq., and, therefore, who has the right to apply for a de novo hearing before the Commission after a decision on an adjudicatory matter is rendered by the Oil Conservation Division of the Energy, Minerals and Natural Resources Department ("Division"). Section 70-2-13 NMSA 1978.

(2) On August 3, 2015, Matador filed an application ("Application") with the Division seeking approval of a non-standard 160-acre, more or less, oil spacing and proration unit (project area) in the Bone Spring formation, Quail Ridge, Bone Spring Pool (pool code 50460) comprised of the W/2 E/2 of Section 16, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico (the "Unit"). The Application sought an order pooling all uncommitted interests in the Unit and approval of a non-standard location for the well. Order R-14097 Findings 2, 4.

(3) Matador owns or controls 100% of the interest in north half of the Unit and Amtex owns approximately 92.8% working interest in the south half of the Unit. Notice of the Application was provided to all uncommitted mineral interest owners, including Amtex. Order R-14097 Findings 6, 12.

ATTACHMENT

**C**

(4) An evidentiary hearing was held on the Application by the Division on September 3, 2015, which was presided over by a technical hearing examiner, Phillip Goetze, and a legal hearing examiner, Gabriel Wade. Matador appeared at the Division hearing and presented evidence in support of the Application. Prior to the hearing, no other person filed a written entry of appearance. No other party appeared at the hearing, or otherwise opposed the granting of the application. Order R-14097 Finding 7.

(5) On September 25, 2015, 22 days after the Division hearing was held, an Entry of Appearance was filed by Amtex Energy, Inc. and William Savage stating they opposed the application. The entry of appearance did not assert the basis for opposing the application, nor did it request that the record be reopened for further evidence. Matador filed a Motion to Quash Entry of Appearance. Order R-14097 Findings 8, 9.

(6) On December 14, 2015, the Division entered Order No. R-14097 granting the Application and ordering that the "Entry of Appearance filed by Amtex Energy, Inc. on September 25, 2015 for this case is untimely and no further testimony will be accepted." Order R-14097, ¶20.

(7) On January 7, 2016, Amtex filed a De Novo Hearing Application with the Commission regarding Division Order No. R-14097 to request that the case be heard de novo before the Commission pursuant to NMSA 1978 §70-2-13 and Rule 19.15.4.23(A) NMAC.

(8) On January 26, 2016, Matador filed a Motion to Dismiss Amtex's Appeal. On February 2, 2016, Amtex filed its Response to the Motion and on February 10, 2016, Matador filed its Reply. On February 11, 2016 the Commission held a hearing on the Motion to Dismiss and heard oral arguments from counsel for Matador and Amtex.

(9) The Act provides that after a matter is referred to a Division hearing examiner and a decision is then rendered by the Division, "any party of record adversely affected shall have the right to have the matter heard de novo before the commission upon application filed with the division within thirty days from the time any such decision is rendered." Section 70-2-13 NMSA 1978. (emphasis added). There is no claim that Amtex is "adversely affected" by the Division Order. The only issue is whether Amtex is a "party of record".

(10) The Act does not define "party of record". The term does appear several other times in the Act to determine who may request a rehearing of, or appeal, a decision of the Commission.

Any party of record to the proceeding before the commission or any person adversely affected by a rule adopted under the Oil and Gas Act may appeal to the court of appeals within thirty days after filing of the rule under the State Rules Act.

Section 70-2-12.2(C).

Within twenty days after entry of an order or decision of the commission, a party of record adversely affected may file with the commission an application for rehearing in respect of any matter determined by the order or decision...

Section 70-2-25(A)

A party of record to the rehearing proceeding dissatisfied with the disposition of the application for rehearing may appeal to the district court pursuant to the provisions of Section 39-3-1.1 NMSA 1978.

Section 70-2-25(B).

(11) The Division's rules regarding adjudicatory hearings do not define "party of record" but do define who is, or who may become, a "party" in an adjudicatory proceeding before either the Division or the Commission. Rule 19.15.4.10 NMAC reads in part:

A. The parties to an adjudicatory proceeding shall include:

1. the applicant;
2. a person to whom statute, rule or order requires notice (not including those persons to whom 19.15.4.9 NMAC requires distribution of hearing notices, who are not otherwise entitled to notice of the particular application), who has entered an appearance in the case; and
3. a person who properly intervenes in the case.

B. A person entitled to notice may enter an appearance at any time by filing a written notice of appearance with the division or the commission clerk, as applicable, or, subject to the provisions in Subsection C of 19.15.4.10 NMAC, by oral appearance on the record at the hearing.

C. A party who has not entered an appearance at least one business day prior to the pre-hearing statement filing date provided in Paragraph (1) of Subsection B of 19.15.4.13 NMAC shall not be allowed to present technical evidence at the hearing unless the commission chairman or the division examiner, for good cause, otherwise directs.

(12) Amtex argues that it only needed to qualify as a "party" in the Division proceeding in order to be a "party of record" and therefore have the right to a de novo Commission hearing. As a person who was entitled to notice, Amtex therefore only needed to file an entry of appearance to be a "party" under 19.15.4.10(A), and that entry of appearance could be filed "at any time" under 19.15.4.10(B). At oral argument, Amtex argued that the entry of appearance could be filed at the same time an application for a de novo hearing is filed up to 30 days after the Division order is issued, 19.15.4.23(A) NMAC. Amtex further argued that participation in the Division hearing is unnecessary since the Commission hearing will be de novo. Matador argued that given the limitations in 19.15.4.10(B) and (C), a person must file an entry of appearance prior to the hearing in order to be a party.



(13) In New Energy Economy, Inc. v. Vanzi, the New Mexico Supreme Court considered which participants in several administrative proceedings below had the right to intervene in an appeal to the Court of Appeals. 2012-NMSC-005. The Court found that those who had participated “in a legally significant manner” had the right to intervene. Vanzi, ¶ 47. These included entities that had been petitioners below or who had presented technical evidence at a hearing. However, the Court rejected the right to intervene of an entity that did appear and speak at an adjudicatory proceeding but did not file any entry of appearance or request to intervene prior to the hearing. “This decision not to take formal steps to participate before [the agency] bears significant consequences.” Vanzi, ¶ 53

(14) The Supreme Court chose to adopt the “legally significant” participation standard rather than rely on whether someone was classified as a “party” by the agency below. “We recognize, however, that if we were to allow all parties or other participants in an underlying rule-making proceeding automatically to be made parties to an appeal, then serious unintended consequences could arise.” Vanzi, ¶ 48. “[W]e recognize that the administrative definition of a “party” to a rule-making proceeding is something of a moving target. As discussed earlier, administrative rules may be changed to define a party more broadly or narrowly, such that “party” may not always mean the same thing.” Vanzi, ¶ 49

(15) The Commission finds that Amtex did not take the necessary actions to become a “party of record” in the Division proceeding and therefore have the right to a de novo Commission proceeding. Amtex did not take any actions to become part of the record in the proceeding either by submitting any evidence or arguments in writing or at the hearing, or by filing an entry of appearance prior to, or at, the hearing, or by appearing at the hearing. Amtex filed an entry of appearance well after the record was closed and the case was under advisement by the Division. Even then, Amtex offered no excuses for its late filing and did not request the record be reopened or offer to submit any new evidence.

(16) The Commission does not agree that the term “party of record” should be given an overly broad meaning simply because the Commission proceeding will be de novo. First, “party of record” is used in the Act to determine who has the right to appeal both Division and Commission decisions, and Commission decisions are subject to record review proceedings in the district court and the Court of Appeals. Sections 70-2-12.2 and 70-2-25 NMSA 1978. Second, the Act and the Commission rules intend for a full and fair proceeding before the Division hearing examiners and the Division Director, including notice to all affected parties, in the hopes that the issues will be fully developed and addressed by the Division. Finally, if a person wants the Commission to hear the case initially, they can request that the Division Director assert his authority under the Act to hold the hearing before the Commission. “In addition, any hearing on any matter may be held before the commission if the division director, in his discretion, determines that the commission shall hear the matter.” Section 70-2-6(B) NMSA 1978.

**THE COMMISSION CONCLUDES THAT:**

(1) The Commission has jurisdiction over the parties and the subject matter of this case.

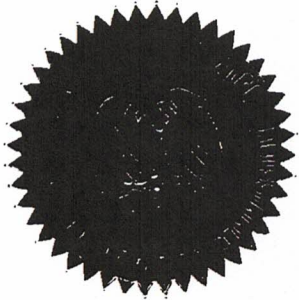


(2) Amtex is not a "party of record" in Case 15366 and therefore does not have the right to a de novo Commission hearing.

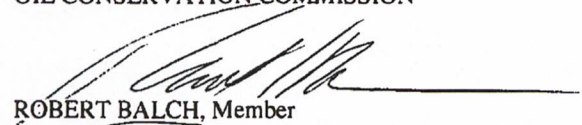
**IT IS THEREFORE ORDERED THAT:**

(1) The Motion to Dismiss Amtex's Appeal filed by Matador is granted. Case 15366 (De Novo) is hereby dismissed.

DONE at Santa Fe, New Mexico this 10<sup>th</sup> day of March, 2016.



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
ROBERT BALCH, Member

  
PATRICK PADILLA, Member

  
DAVID R. CATANACH, Chair

SEAL