

**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,
EDDY COUNTY, NEW MEXICO**

CASE NO. 16467

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

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OPPONENT

Marathon Oil Company

OPPONENT'S ATTORNEYS

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STATEMENT OF THE CASE

Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 640-acre, more or less, standard horizontal spacing and proration unit comprised of the N/2 of Section 7 and the N/2 of Section 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico and (2) pooling all uncommitted interests in the Bone Spring formation (Cass Draw Bone Spring; Pool code 10380) underlying the standard unit. Said horizontal spacing unit is to be assigned to the proposed initial **Old Chub 23S27E0807 Fed Com #131H** well, to be horizontally drilled from an approximate surface location 742' FNL and 396' FEL of Section 8 to a bottom hole location 660' FNL and 5' FWL of Section 7. This well is the "defining well" for this unit. Also to be drilled is the following infill well: **Old Chub 23S27E0807 Fed Com #132H** well, to be horizontally drilled from an approximate surface location 1785' FNL and 390' FEL of Section 8 to a bottom hole location 1980' FNL and 5' FWL of Section 7. The completed intervals and first and last take points for these wells are within the setbacks required by state-wide 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 4 miles South of Carlsbad, New Mexico.

Opponent Marathon Oil Company opposes the application for the reasons set forth in its Pre-Hearing Statement.

PROPOSED EVIDENCE

APPLICANT'S WITNESSES

EST. TIME

EXHIBITS

Erica Hixson, Land

20 min. per case

6 per case

Clayton Sporich, Land (alternate)

Adam Smith, Geologist

20 min. per case

4 per case

Rob Tonnsen, Engineer

20 min. per case

4 per case

PROCEDURAL MATTERS

None at this time. The parties are discussing continuance.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: Seth C. McMillan

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Attorneys for Tap Rock Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served on the following by email on October 25,
2018:

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