Page 1

STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

Application of Tap Rock Resources for Compulsory Pooling, Lea County, New Mexico Case No. 22135

Application of Tap Rock Resources for Compulsory Pooling, Lea County, New Mexico Case No. 22136

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, SEPTEMBER 9, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, Kurt Simmons, Technical Examiner, on September 9, 2021, via Webex Virtual Conferencing Platform hosted by New Mexico Department of Energy, Minerals and Natural Resources.

Reported by: Mary Therese Macfarlane New Mexico CCR #122 PAUL BACA PROFESSIONAL COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 APPEARANCES For Tap Rock Operating: 2 James Bruce, Esq. Post Office Box 1056 3 Santa Fe, NM 87504 (505) 982-2043 jamesbruc@aol.com 4 5 CONTENTS 6 CASE NOS. 22135, 22136 PAGE 7 3 CASES CALLED: 8 4 TAKEN UNDER ADVISEMENT: 9 10 INDEX OF EXHIBITS 11 NO. DESCRIPTION ADMITTED. 12 Applications and Proposed Notices 4 А 4 13 В Affidavit of Erica Hixson, Landman 14 С Affidavit of Emily Lange, Geologist 4 Affidavit of Notice 15 4 D 16 E Compulsory Pooling Checklists 4 17 18 19 20 21 22 23 24 25

Page 3 1 (Time noted 9:50 a.m.) 2 EXAMINER BRANCARD: With that I'll call Case 3 22135 and 22136, Tap Rock Operating. 4 MR. BRUCE: Mr. Examiner, Jim Bruce representing 5 Tap Rock. EXAMINER BRANCARD: Thank you. Any other 6 7 interested persons in Cases 22135 and 22136? (Note: Pause.) Hearing none, you may proceed, Mr. Bruce. 8 MR. BRUCE: Mr. Examiner in those cases, in -135 9 Tap Rock seeks to pool the Bone Springs Formation in the 10 west half/west half of Section 9, 24 South, 34 East. 11 In 12 the other case they seek to pool the east half/west half of Section 9, 24 South, 34 East. 13 14 The Applications and proposed ads are 15 marked Exhibit A. 16 Exhibit B is the Affidavit of Erica Hixson, 17 landman for Tap Rock. It includes all of the usual information: The C-102s; the land tract. It shows the 18 status of acreage and listing interest owners by tract. 19 The only party not to be pooled in this matter is COG 20 21 Operating. There is a Proposal Letter and an AFE -- or two AFEs, I should say, and I think the exhibit package 22 contains everything that OCD is used to seeing. 23 24 Exhibit C is the Affidavit of Emily Lange, 25 a geologist for Tap Rock, and contains the usual Locator

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

Page 4 Map, a Plat showing the usual zones of interest, a 1 2 Structure Map; and a Cross Section showing that the 3 acreage is -- the zone is continuous across each of the 4 well units, and therefore they should contribute more or less equally to production from each quarter/quarter 5 section. б 7 Then my Affidavit of Notice. COG did receive actual notice and there's a Green Card. 8 Then Exhibit E contains both of the Pooling 9 Checklists. 10 So with that I would ask that Exhibits A 11 12 through E be admitted into the record and these cases be 13 taken under advisement. 14 EXAMINER BRANCARD: Thank you. Mr. Simmons? 15 EXAMINER SIMMONS: Appears to be in order. 16 Thank you. We will get in contact if any questions come 17 up. 18 MR. BRUCE: Thank you. EXAMINER BRANCARD: Okay. Are there any other 19 interested persons for Cases 22135 and 22136, Tap Rock? 20 21 Hearing none, the exhibits are admitted into the record and Cases 22135 and 22136 are taken under 22 23 advisement. 24 MR. BRUCE: Thank you. 25 (Time noted 9:56 a.m.)

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

	Page 5
1	STATE OF NEW MEXICO)
2	: ss
3	COUNTY OF TAOS)
4	
5	REPORTER'S CERTIFICATE
6	I, MARY THERESE Macfarlane, New Mexico Reporter
7	CCR No. 122, DO HEREBY CERTIFY that on Thursday,
8	September 9, 2021, the proceedings in the above-captioned
9	matter were taken before me; that I did report in
10	stenographic shorthand the proceedings set forth herein,
11	and the foregoing pages are a true and correct
12	transcription to the best of my ability and control.
13	I FURTHER CERTIFY that I am neither employed by
14	nor related to nor contracted with (unless excepted by the
15	rules) any of the parties or attorneys in this case, and
16	that I have no interest whatsoever in the final
17	disposition of this case in any court.
18	/s/ Mary Macfarlane
19	
20	MARY THERESE Macfarlane, CCR NM Certified Court Reporter No. 122
21	License Expires: 12/31/2021
22	
23	
24	
25	

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102