

1 STATE OF NEW MEXICO
2 DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
3 OIL CONSERVATION DIVISION
4 APPLICATION OF TAP ROCK OPERATING
5 LLC FOR COMPULSORY POOLING, LEA
6 COUNTY, NEW MEXICO.

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11 Case Nos. 22877, 22878
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14 REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
15 July 21, 2022
16 SANTA FE, NEW MEXICO
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19 This matter came on for virtual hearing
20 before the New Mexico Oil Conservation Division,
21 HEARING OFFICER WILLIAM BRANCARD and TECHNICAL
22 EXAMINER LEONARD LOWE on Thursday, July 21, 2022,
23 through the Webex Platform.
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Reported by: PAUL BACA COURT REPORTERS
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Albuquerque, New Mexico 87102
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APPEARANCES

FOR TAP ROCK, LLC:

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FOR COG OPERATING, LLC

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1 HEARING OFFICER BRANCARD: All right. Our
2 last two cases of the day. Saving the best for
3 last, Cases 22877, 22878, Tap Rock Operating.

4 MR. RODRIGUEZ: Hi. Good morning.
5 Michael Rodriguez with Tap Rock Operating LLC.

6 HEARING OFFICER BRANCARD: And an entry of
7 appearance for COG Operating.

8 MS. MUNDS-DRY: Thank you, Mr. Hearing
9 Examiner. Ocean Munds-Dry with COG Operating, LLC.

10 HEARING OFFICER BRANCARD: Are there any
11 other entries then for Cases 22877, 22878?

12 Hearing none, Ms. Munds-Dry, does COG
13 object to this case going forward by affidavit?

14 MS. MUNDS-DRY: COG does not object to
15 this case going forward. And, in fact, we've signed
16 an agreement with Tap Rock so we believe we will no
17 longer be pooled in this case.

18 HEARING OFFICER BRANCARD: Okay.

19 Hearing that, Mr. Rodriguez please
20 proceed.

21 MR. RODRIGUEZ: Thank you. And
22 Ms. Munds-Dry is correct. The exhibit should
23 reflect that COG is no longer a pooled party in
24 these two cases.

25 And with that, these cases seek orders

1 pooling all uncommitted interest within the Bone
2 Spring and Wolfcamp formations in Lea County, New
3 Mexico. Specifically, Case No. 22877, Tap Rock
4 requests an order pooling all uncommitted interests
5 in the Red Hills, Bone Spring North pool within the
6 Bone Spring formation underlying a 240-acre
7 horizontal spacing unit comprised of the W/2W/2 of
8 Section 1 and the W/2NW/4 of Section 12 in Township
9 24 South, Range 34 East. And it seeks to dedicate
10 this unit to it's Dingo Federal Com 11H, 115H and
11 121H Wells.

12 In Case No. 22878, Tap Rock requests a
13 pooling order in the Antelope Ridge; Wolfcamp pool
14 within the Wolfcamp formation underlying a similar
15 240-acre horizontal spacing unit within the same
16 acreage directly below the Bone Spring unit. And it
17 seeks to dedicate this unit to the Dingo Federal Com
18 131H and 201H.

19 Exhibit packet submitted in these cases
20 are identical and contain the compulsory pooling
21 checklists. Exhibit A which is the landman's
22 testimonies and related exhibits. Exhibit B which
23 is the geologist's testimony and related geology
24 exhibits. And the notice exhibits can be found in
25 A-7, which contains a sample notice of hearing

1 letter and the tracking list and the current status
2 of the parties who are notified of this hearing via
3 certified mail. In Exhibit A-8 is the affidavit of
4 publication, these two exhibits demonstrate that all
5 motion requirements for these applications have been
6 met.

7 And with that, I ask that Exhibits A
8 through A-7 and B through B-6 be admitted into the
9 record, and Cases 877 and 878 be taken under
10 advisement.

11 HEARING OFFICER BRANCARD: Thank you.

12 Ms. Munds-Dry, any questions?

13 MS. MUNDS-DRY: No questions and no
14 objections. Thank you.

15 HEARING OFFICER BRANCARD: Thank you.

16 Mr. Lowe?

17 TECHNICAL EXAMINER LOWE: Good morning.

18 MR. RODRIGUEZ: Good morning.

19 TECHNICAL EXAMINER LOWE: I'm looking at
20 your exhibits for the latter case, the case 22878.
21 That case is for the Wolfcamp formation; is that
22 correct?

23 MR. RODRIGUEZ: Yes, that's right.

24 TECHNICAL EXAMINER LOWE: And I'm looking
25 at your C-102s here and it looks like -- well,

1 what's the pool on the formation that these wells
2 are being -- I mean, I know it's Wolfcamp but what's
3 the pool code?

4 MR. RODRIGUEZ: So the pool for the
5 Wolfcamp is, the pool code is 2220. And that is for
6 the Antelope Ridge; Wolfcamp pool. And for the Bone
7 Spring, it is the Red Hills; Bone Spring North, pool
8 code 96434.

9 TECHNICAL EXAMINER LOWE: Okay. In
10 general, I understand Wolfcamp formation to be gas.
11 And is that, I think the Antelope 1, is that 40-acre
12 spacing units; is that correct?

13 MR. RODRIGUEZ: That's my understanding.

14 TECHNICAL EXAMINER LOWE: Okay. Sorry,
15 I'm still looking through your C-102s here and the
16 Well No. 201H.

17 Okay. Those are my questions for now.
18 Thank you, sir.

19 MR. RODRIGUEZ: Thank you.

20 HEARING OFFICER BRANCARD: Thank you.

21 Mr. Rodriguez, just looking through your
22 exhibits for 877, I notice -- well, I think it just
23 cut off your Exhibit A-3 on 877. There's no
24 indication of what those asterisks mean. On 878,
25 the exhibit does indicate what those asterisks mean,

1 but I think these are just RA2R already committed;
2 is that correct?

3 MR. RODRIGUEZ: Which page are you looking
4 at?

5 HEARING OFFICER BRANCARD: I'm looking at
6 page 15 of 877.

7 MR. RODRIGUEZ: I think that is supposed,
8 those asterisks are supposed to indicate what's on
9 the following page, that final interest are subject
10 to division order title verification.

11 HEARING OFFICER BRANCARD: You look at
12 878, the same has actually a little legend.

13 MR. RODRIGUEZ: Yeah, you're right.
14 That's right.

15 HEARING OFFICER BRANCARD: More
16 importantly, I'm looking at A-6. Yeah, this could
17 be a typo. I think Exhibit A-6, your letter to all
18 interested parties.

19 MR. RODRIGUEZ: Yeah, I believe these
20 cases were continued. Is that what you're talking
21 about, the date?

22 HEARING OFFICER BRANCARD: The date is
23 July 19th which is two days ago. So I don't know if
24 that's an automatic date thing or what. You know,
25 when you go to the next page, it seems to indicate

1 that they were mailed on June 10th.

2 MR. RODRIGUEZ: Right.

3 HEARING OFFICER BRANCARD: But the letter
4 that you have is July 19th.

5 MR. RODRIGUEZ: Yeah, I don't think I
6 updated that. I try to be fancy with the autofill
7 and I believe that didn't autofill. It's a user
8 error.

9 HEARING OFFICER BRANCARD: So if you can
10 get us a copy of that letter which has the correct
11 date, which is the probably June 10th, Exhibit A-6.

12 MR. RODRIGUEZ: I can absolutely do that.

13 HEARING OFFICER BRANCARD: So again
14 looking on A-6, that page that has your tiny print
15 on your postal service information, what is Chevron
16 here? Is that the "Attention MCBU land" is that
17 Chevron? I don't see Chevron on here.

18 MR. RODRIGUEZ: That's their address. So
19 sometime assuming that's the Chevron entity. And I
20 do know that Tap Rock and Chevron have been in
21 discussions. They're certainly on notice of this
22 hearing. And I believe we just need a JOA to be
23 signed shortly if it hasn't already, but that is
24 their address.

25 HEARING OFFICER BRANCARD: Yeah, I think

1 you're right. That is their address, Smith Street.
2 It just doesn't say Chevron so it's a little
3 confusing what you got back from the post total
4 service or whoever compiled this. That's all.

5 And so you know we were going to ask this
6 and yet you didn't address this, which is, is there
7 concern with stranding acreage there in Section 12
8 down near the southwest quarter?

9 MR. RODRIGUEZ: I did anticipate that
10 coming up and so I had a few conversations prior to
11 this hearing earlier this morning about it. So I
12 believe there is already development directly in the
13 tracks directly below the southwest quarter of the
14 northwest quarter; is that correct? Section 12,
15 direct below where we proposed development. So that
16 would be the, let me make sure I got my land math
17 right.

18 HEARING OFFICER BRANCARD: It's the
19 W/2SW/4 I think is what it is. This is the same
20 tract for both cases, right?

21 MR. RODRIGUEZ: That's right.

22 HEARING OFFICER BRANCARD: So you have the
23 W/2 of the NW/4, so it's the W/2 of the SW/4.

24 MR. RODRIGUEZ: Yes, that's correct.

25 HEARING OFFICER BRANCARD: So if you could

1 just get us something that says, yeah, people are
2 developing that.

3 MR. RODRIGUEZ: Sure.

4 HEARING OFFICER BRANCARD: That's all we
5 need to know.

6 MR. RODRIGUEZ: I can do that.

7 HEARING OFFICER BRANCARD: All right.

8 Thank you.

9 Are there any other persons here for cases
10 22877, 22878?

11 All right. Hearing none, Mr. Rodriguez,
12 we can take -- we can accept your exhibits into the
13 record and take these cases under advisement. You
14 will get us our revised letter for A-6 that has the
15 date on it. And then just a statement from somebody
16 maybe your landman about the acreage that we
17 discussed.

18 MR. RODRIGUEZ: Great. I'll have that
19 this afternoon.

20 HEARING OFFICER BRANCARD: Thank you.

21 MR. RODRIGUEZ: Thank you.

22 (Proceedings concluded.)
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REPORTER'S CERTIFICATE

I, EDWINA CASTILLO, DO HEREBY CERTIFY that I did, in stenographic shorthand, transcribe the Zoom Hearing set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability. The Zoom Hearing was of poor quality due to internet interference.

I FURTHER CERTIFY that I am neither employed by nor related to nor contracted with any of the parties or attorneys in this matter, and that I have no interest whatsoever in the final disposition of this matter.



EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
License Expires: 12-31-2022

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