

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT.  
OIL CONSERVATION DIVISION

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

Application of TAP ROCK RESOURCES, LLC  
for Compulsory Pooling,  
Eddy County, New Mexico Case No. 22208

Application of TAP ROCK RESOURCES, LLC,  
for Compulsory Pooling,  
Eddy County, New Mexico Case No. 22209

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, OCTOBER 7, 2021

EXAMINER HEARING

This matter came on for hearing before the  
New Mexico Oil Conservation Division, William  
Brancard, Esq. Hearing Examiner, Dylan Rose-Coss,  
Technical Examiner, on Thursday, October 7, 2021,  
via Webex Virtual Conferencing Platform hosted  
by the New Mexico Department of Energy, Minerals and  
Natural Resources

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

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A P P E A R A N C E S

FOR TAP ROCK RESOURCES, LLC:

James Bruce, Esq.  
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(505) 982-2043  
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C O N T E N T S

|                                     |      |
|-------------------------------------|------|
| TAP ROCK RESOURCES, LLC, APPLICANT: | PAGE |
| CASE NOS. 22208, 2209 CALLED:       | 3    |
| TAKEN UNDER ADVISEMENT:             | 7    |

I N D E X O F E X H I B I T S

|                                    |      |
|------------------------------------|------|
| TAP ROCK RESOURCES, LLC, EXHIBITS: | PAGE |
| CASE NO. 22208.                    |      |
| 1 Application and Proposed Notice  | 7    |
| 2 Landman's Affidavit              | 7    |
| 3 Geologist's Affidavit            | 7    |
| 4 Notice Affidavit                 | 7    |
| 5 Pooling Checklist                | 7    |
| CASE NO. 22209                     |      |
| 1 Application and Proposed Notice  | 7    |
| 2 Landman's Affidavit              | 7    |
| 3 Geologist's Affidavit            | 7    |
| 4 Notice Affidavit                 | 7    |
| 5 Pooling Checklist                | 7    |

(Time noted 10:36 a.m.)

1           EXAMINER BRANCARD: With that, moving on to  
2 Items 44 and 45, Cases 22208 and 22209, Tap Rock.

3           MR. BRUCE: Mr. Examiner, Jim Bruce representing  
4 Tap Rock.

5           EXAMINER BRANCARD: Thank you. Are there any  
6 other interested parties for Cases 22208, 22209? (Note:  
7 Pause.)

8           Hearing none, you may proceed, Mr. Bruce.

9           MR. BRUCE: Mr. Examiner, in Case -208 Tap  
10 Rock seeks to pool, as to the Bone Spring Formation, the  
11 west half/west half of Section 16 and west half/west half  
12 of Sections 21, in 26 South, 35 East.

13           With the second case, 22209, Tap Rock seeks  
14 to force pool the east half/west half of each of those  
15 sections in the same Township and Range. Although again  
16 there is an affidavit in each case, they are virtually  
17 identical.

18           The landman Taylor Ford has submitted --  
19 her affidavit is submitted as Exhibit 2. There's a land  
20 plat. The land plat in both cases will show that the  
21 entire west half of these two sections contain identical  
22 ownership and identical leases. There are two leases in  
23 the west half, two state leases in the west half of  
24 Section 16, and one lease covering the west half of  
25 Section 21.

1                   There is a Proposal Letter in this package,  
2     in each of these packages, an AFE that contains the usual  
3     information. The Applicant is requesting \$7,000 a month  
4     for drilling the well, \$700 a month for a producing the  
5     well, and requesting the 200 percent risk charge.

6                   The geologist's affidavits, I mean, are  
7     identical in each case, other than the fact that they  
8     might outline a different well unit, but it's the same  
9     Bone Springs zone being tested, and the affidavit  
10    discusses the geology and how it is uniform across the  
11    west half of these two sections, and that horizontal  
12    development is proper and that each quarter/quarter  
13    section will produce more or less equally from each well.

14                  As I said, both of the affidavits are  
15    virtually identical.

16                  The Affidavit of Notice by me is submitted  
17    as Exhibit D. I have not received back some of the green  
18    cards but there is an Affidavit of Publication which is  
19    for both cases, which is marked Exhibit E. So people  
20    received Notice either by Certified Mail or by  
21    publication. I'm certain I'll receive some additional  
22    green cards back, but proper Notice has been given as to  
23    each case, and as a -- result and of course the Pooling  
24    Checklists are marked as Exhibit F.

25                  As a result, I would move the admission of

1 Exhibits A through F in each case.

2 EXAMINER BRANCARD: Thank you.

3 Mr. Rose-Coss, questions?

4 EXAMINER ROSE-COSS: Good morning, Mr. Bruce.

5 MR. BRUCE: Good morning.

6 EXAMINER ROSE-COSS: One question that came up  
7 as you were speaking just now, is that the Bone Spring is  
8 being tested in this area. Are you able to identify a  
9 particular pool for this Bone Spring Formation or are we  
10 in wildcat territory here, or is this all well developed  
11 in the area?

12 MR. BRUCE: It is. I mean it is Wildcat.

13 If you look at the bottom of Exhibit B in  
14 either case, the first page of the landman's affidavit,  
15 she does give a pool identification, but it does have WC  
16 at the beginning, so it's not in an otherwise-named pool.

17 So it is Wildcat, and it does give the pool  
18 code in there, too.

19 EXAMINER ROSE-COSS: Interesting. Just  
20 verifying that as we were going through. So I'll make a  
21 note in my notes.

22 But other than that, I don't have any  
23 questions.

24 MR. BRUCE: Thank you.

25 EXAMINER BRANCARD: Thank you. I don't have any

1 questions. I'll just note I hope you did your Notice  
2 correctly because one of my Alma Maters is one of our  
3 overriding royalty interests on here.

4 MR. BRUCE: Harvard?

5 EXAMINER BRANCARD: Yeah. (Note: Laughing)

6 MR. BRUCE: I thought maybe you told them to  
7 reject my Notice out of hand.

8 EXAMINER BRANCARD: So are there any other  
9 questions or concerns on Cases 22208 and 22209? (Note:  
10 Pause.)

11 Hearing none, these cases will be taken  
12 under advisement.

13 MR. BRUCE: Thank you.

14 EXAMINER BRANCARD: And your exhibits will be  
15 admitted into the record.

16 (Time noted 10:42 a.m.)

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1 STATE OF NEW MEXICO )

2 : ss

3 COUNTY OF TAOS )

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday,

8

October 7, 2021, the proceedings in the above-captioned

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matter were taken before me; that I did report in

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stenographic shorthand the proceedings set forth herein,

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and the foregoing pages are a true and correct

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transcription to the best of my ability and control.

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I FURTHER CERTIFY that I am neither employed by

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nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

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that I have no interest whatsoever in the final

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disposition of this case in any court.

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/s/ Mary Macfarlane

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

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License Expires: 12/31/2021

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