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

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

CASE NOS: 22929 22930

APPLICATIONS OF TAP ROCK OPERATING,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
AUGUST 4, 2022  
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
WILLIAM BRANCARD and TECHNICAL EXAMINER JOHN GARCIA on  
Thursday, August 4, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

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A P P E A R A N C E S

For the Applicant:

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I N D E X

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1 HEARING EXAMINER BRANCARD: With that I believe  
2 we have four cases, but maybe only two. So I will call  
3 cases 22929, 22930, 22931, 22932, Tap Rock Operating.

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

6 HEARING EXAMINER BRANCARD: I believe in two of  
7 these cases we have an appearance by EOG Resources.

8 MR. PARROT: Good morning, this is James Parrot  
9 with EOG.

10 HEARING EXAMINER BRANCARD: So, Mr. Rodriguez, I  
11 think you have a late-filed motion to dismiss; is that  
12 correct?

13 MR. RODRIGUEZ: That's correct. However, I would  
14 like to provide a little more context, as I might be trying  
15 to call (unclear audio) see how this works out, but in a  
16 long-winded version of the events that occurred in the last  
17 48 hours, which is a more stressed and anxious version than  
18 I'm used to.

19 But to summarize the circumstances pertaining to  
20 these two Bone Spring applications, which are 22929 and  
21 22930, they were originally set up as oil wells, and we  
22 noticed the pool was not correct.

23 And when we received the correct pool from the  
24 Aztec OCD office, we realized that that pool pertained to a  
25 gas pool. And so we reached back out to the Aztec office to

1 confirm that that was the case given that nearby wells next  
2 to the wells that we are proposing, these allocations are in  
3 oil pools.

4 We did that not hear back from OCD on Tuesday,  
5 which is why I filed a notice of dismissal around 5:30 last  
6 last night being it would be improper to file -- or go  
7 forward with those applications with oil spacing.

8 However, this morning at 7:50, the OCD got back  
9 to us and said these would actually fall into an oil pool,  
10 which we assumed -- which we were hoping for all along.  
11 And since these -- the pool code (unclear audio) what is in  
12 the applications which are submitted today, which is also an  
13 oil pool, albeit incorrect oil pool compared to the one we  
14 were assigned, they share the same offset and spacing  
15 requirements, we request that we be allowed to withdraw our  
16 motion to dismiss and either move forward today as planned,  
17 or an alternative, continue the matters to the next docket  
18 on August 18 at -- which will allow time to submit revised  
19 exhibits reflecting the current pool code and move forward  
20 as well.

21 And I know this is all very confusing, and I'm  
22 sure it's -- but we are planning to drill these wells by the  
23 end of the year, and we believe that this matter be heard as  
24 as soon as possible as it's in the best interest of the  
25 parties. I throw myself at the mercy of the Division on how

1 they would like to handle this.

2 HEARING EXAMINER BRANCARD: So just to be clear,  
3 we are just talking about 22929 and 22930, correct, at this  
4 point?

5 MR. RODRIGUEZ: Correct. Those are the Bone  
6 Spring wells.

7 HEARING EXAMINER BRANCARD: Thank you. I will go  
8 then to Mr. Parrot. Do you have any objections to what Mr.  
9 Rodriguez has proposed, which I would summarize as  
10 withdrawing his notice of dismissal, however, I will  
11 continue these cases for them to clarify the pools and go  
12 with that. Do you have any objection, Mr. Parrot?

13 MR. PARROT: I have struggled with pool codes  
14 myself, I can't possibly object to what counsel is  
15 proposing. I have no problems -- EOG has no problem if you  
16 would like to move forward with that today.

17 HEARING EXAMINER BRANCARD: Mr. Rodriguez, I  
18 think what we'll do is -- and, Mr. Garcia, do you have any  
19 comments?

20 TECHNICAL EXAMINER GARCIA: I have no comments.  
21 I was wondering (unclear audio).

22 HEARING EXAMINER BRANCARD: So if you can revise  
23 your -- you don't need to revise your application, just  
24 revise your checklist and maybe the landman's affidavit or  
25 whatever and we can schedule this for the next hearing on

1 August 18.

2 Is that all possible, Mr. Rodriguez?

3 MR. RODRIGUEZ: Absolutely. I appreciate that  
4 flexibility.

5 HEARING EXAMINER BRANCARD: Thank you, all right.  
6 So cases 22929 and 22930 will be continued to August 18, and  
7 you don't need to file a continuance.

8 (Continued.)

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STATE OF NEW MEXICO  
COUNTY OF BERNALILLO

REPORTER'S CERTIFICATE

I do hereby certify that I reported the foregoing virtual proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings to the best of my ability.

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

I FURTHER CERTIFY that the Virtual Proceeding was of poor to good quality.

Dated this 4th day of August 2022.

Irene Delgado  
Court Reporter  
License Expires: 12-31-22

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