

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: 21071, 21107

APPLICATION OF TAP ROCK RESOURCES LLC,
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

APRIL 16, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, DYLAN COSS and LEONARD LOWE, on Thursday, April 16, 2020, at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
505-843-9241

1 A P P E A R A N C E S

2 For the Applicant:

3 JAMES BRUCE
4 P.O. Box 1056
5 Santa Fe, NM 87504-1056
6 505-982-2151
7 jamesbruce@aol.com

8 For COG Operating:

9 MICHAEL RODRIGUEZ
10 1048 Paseo de Peralta
11 Santa Fe, NM 87501-3034
12 505-428-0485
13 mrodriguez@concho.com

14 For Franklin Mountain Energy in Case 21071:

15 DEANA BENNETT
16 MODRALL SPERLING ROEHL HARRIS & SISK PA
17 500 4th Street, NW, Suite 1000
18 Albuquerque, NM 87102
19 505-848-9710
20 deana.bennett@modrall.com

21 For Marathon Oil:

22 JENNIFER BRADFUTE
23 MARATHON OIL COMPANY
24 5555 San Felipe Street, RM 2518
25 Houston TX 77056

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1 HEARING EXAMINER ORTH: Let's move on to Case
2 Numbers 21071 and presumably as well, 21107, applicant Tap
3 Rock Resources. One appears to be an amendment to the order
4 and the other amendment is noted as miscellaneous, both
5 related to a well named Mandelbaum.

6 MR. BRUCE: Yes. This is Jim Bruce representing
7 the applicant.

8 HEARING EXAMINER ORTH: All right. I see also
9 entries of appearance by Franklin Mountain Energy. Who is
10 here for them?

11 MS. BENNETT: Good morning. This is Deana
12 Bennett on behalf of Franklin Mountain Energy from Modrall
13 Sperling.

14 HEARING EXAMINER ORTH: Thank you. And Marathon
15 Oil, is there someone here for Marathon?

16 MS. BRADFUTE: Good morning. This is Jennifer
17 Bradfute with Marathon Oil Company.

18 HEARING EXAMINER ORTH: Thank you. And someone
19 for EOG?

20 (No response.)

21 HEARING EXAMINER ORTH: EOG? No?

22 MS. BENNETT: Madam Hearing Examiner, Michael
23 Rodriguez is on the phone and he might be muted. He is from
24 EOG.

25 HEARING EXAMINER ORTH: All right.

1 Mr. Rodriguez, can you hear me?

2 (No audible response.)

3 HEARING EXAMINER ORTH: I definitely has not
4 muted anyone.

5 MR. BRUCE: This is Jim Bruce, Madam Examiner.
6 And the people from COG did file an entry of appearance.

7 HEARING EXAMINER ORTH: Yes. Oh, and it appears
8 Mr. Rodriguez is still muted, so I'm going to unmute him.
9 Mr. Rodriguez?

10 MR. RODRIGUEZ: Hello. Can you hear me?

11 HEARING EXAMINER ORTH: Now I can.

12 MR. RODRIGUEZ: Sorry about that, I have like
13 three screens. Good morning. Michael Rodriguez, COG
14 Operating LLC, and we don't have any objection to these
15 cases going by affidavit, nor do we plan to call any
16 witnesses or anything.

17 HEARING EXAMINER ORTH: All right. Well, thank
18 you very much.

19 MR. RODRIGUEZ: Thank you.

20 HEARING EXAMINER ORTH: Ms. Bennett, do you have
21 any objection to the matters proceeding by affidavit?

22 MS. BENNETT: No, Madam Examiner, and just to
23 clarify, Franklin Mountain is only in case 21071.

24 HEARING EXAMINER ORTH: Yes, I see that. Ms.
25 Bradfute, my understanding is there for 21071 for Marathon.

1 Do you have objections to the matter proceeding by
2 affidavit?

3 MS. BRADFUTE: No, Madam Examiner, we do not.

4 HEARING EXAMINER ORTH: I'm going to go back to
5 you, Mr. Bruce.

6 MR. BRUCE: Submitted first in Cases 21071, both
7 cases pertain to the same land, which is E/2 W/2 and W/2 E/2
8 of Section 11, 24 South, 34 East. The first case speaks to
9 pool the Wolfcamp formation, and I'll discuss that one
10 briefly first.

11 The exhibit package does contain a list of the
12 exhibits and contains all the Division-requested exhibits,
13 the application, landman's affidavit, geologist's affidavit,
14 notice that it was sent by certified mail.

15 Everyone did receive certified notice of the
16 hearing, although they are, just to be safe, I did publish
17 notice, and that is contained in the package. And finally,
18 of course, the vein of my existence, the pooling checklist
19 is attached, and notice is complete. I would ask that
20 Exhibits A through F be admitted to the record, and that the
21 case be taken under advisement.

22 HEARING EXAMINER ORTH: All right. Thank you.
23 It appears that -- oh, okay. Mr. Coss, you're back with
24 us. Dylan, are you back with us?

25 (No audible response.)

1 HEARING EXAMINER ORTH: Mr. Lowe, do you have any
2 questions of Mr. Bruce?

3 EXAMINER LOWE: Just to reclarify on my side, I
4 didn't get it earlier, 21071, the case, is that the one
5 that's been reopened?

6 MR. BRUCE: No. No. It's the next one. I will
7 discuss that in a minute.

8 EXAMINER LOWE: Okay. That's all I've got.
9 Thank you.

10 HEARING EXAMINER ORTH: All right. Mr. Dylan,
11 can you hear me and can you join us?

12 (No audible response.)

13 HEARING EXAMINER ORTH: All right. I understand
14 Dylan is having issues with the audio. So Dylan, we are
15 going to wait just a moment. If you have a question for
16 Mr. Bruce, okay, put it in the chat.

17 EXAMINER COSS: (Communicating by chat.)

18 HEARING EXAMINER ORTH: And what he put in the
19 chat is, "Sorry, I do not have any questions."

20 Thank you for that.

21 So, Mr. Bruce, the packet is accepted and will be
22 taken under advisement. Thank you for your presentation.
23 We move on to the next one, please.

24 MR. BRUCE: Yes, this exhibit package is a little
25 different. This application is to allow Tap Rock Resources

1 to drill infill wells under an existing Division pooling
2 order. The same lands are involved that I just discussed,
3 but the original pooling order pooled only the Bone Spring
4 formation. That is contained as Exhibit A in the exhibit
5 package.

6 That was granted at the request of COG Operating
7 last year, almost a year ago, and a well -- a well was
8 drilled by COG and it is the -- let me just -- the well
9 drilled by COG is a proximity tract well and is identified
10 in the pooling checklist.

11 The rest of the exhibit packet -- exhibit package
12 contains the Division rule regarding well proposal by
13 working interest owners rather than the operator under an
14 order. The application and proposed ad and then the usual
15 land geology is in there.

16 Notice is complete. Everyone received certified
17 notice, so there is no affidavit of publication. And then
18 finally the pooling checklist is attached as Exhibit G.

19 So with that, I ask if anybody has any questions.

20 HEARING EXAMINER ORTH: Mr. Rose, have you
21 regained your audio, or will you tell me in the chat if you
22 have any questions?

23 (No audible response.)

24 HEARING EXAMINER ORTH: Mr. Lowe, do you have any
25 questions of Mr. Bruce?

1 EXAMINER LOWE: One question for you, Mr. Bruce.

2 MR. BRUCE: Yes.

3 EXAMINER LOWE: You indicated that this other
4 well is seeking the same formation as previously noted in
5 the previous case.

6 MR. BRUCE: Yes, it was drilled -- this -- this
7 case, 21107, the Bone Spring, it's not called a pooling
8 application because the Bone Spring in this 320 acres was
9 already pooled by COG under order R-20583. And that well is
10 the Van Gogh Fee Well Number 101H, and that is -- that well
11 is identified in the pooling checklist. And Tap Rock seeks
12 to utilize the Division rule on infill drilling under an
13 existing order, and that's what this case is about.

14 EXAMINER LOWE: Okay. Another question, these
15 exhibits that you are presenting today, are they already
16 submitted to the OCD online and can we view them?

17 MR. BRUCE: Yes. They have been submitted. Now,
18 I must admit they were a little late because I was working
19 on these last week, and I thought I had done everything
20 correctly, and I looked at them late, late Tuesday, and so
21 they were late filed. I throw myself on the mercy of the
22 court since this is the first time we have had to submit
23 exhibits like this.

24 EXAMINER LOWE: Okay. That's all I got for now.
25 Thank you, sir.

1 HEARING EXAMINER ORTH: All right.

2 MR. BRUCE: With that I'd move the admission of
3 the exhibits.

4 HEARING EXAMINER ORTH: All right. Mr. Coss is
5 asking if Terry has any questions. Would that be
6 Mr. Warnell?

7 EXAMINER COSS: Am I heard at this point?

8 HEARING EXAMINER ORTH: Now I can hear you, thank
9 you.

10 EXAMINER COSS: I don't know what happened, but
11 glad it's working again. And I thought I would put
12 Mr. Warnell on the spot and see if he had any questions.

13 HEARING EXAMINER ORTH: Thank you. Mr. Warnell,
14 do you have any questions?

15 (No response.)

16 HEARING EXAMINER ORTH: He may have stepped away.
17 All right. Thank you, very much, Mr. Bruce. Your packet is
18 accepted and will be taken under advisement. We are all
19 becoming accustomed to this provisional method of hearing,
20 so I won't hold the late filing of exhibits.

21 MR. BRUCE: Thank you.

22 (Exhibits admitted.)

23 (Taken under advisement.)

24

25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5

6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that the
9 foregoing pages are a true and correct transcript of those
10 proceedings that were reduced to printed form by me to the
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of
13 the proceedings truly and accurately reflects the exhibits,
14 if any, offered by the respective parties.

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

19 Dated this 16th day of April 2020.

20

21

Irene Delgado, NMCCR 253
License Expires: 12-31-20

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