

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:

CASE NO. 21341

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

THURSDAY, SEPTEMBER 24, 2020

This matter came on for hearing before the
New Mexico Oil Conservation Division, Felicia Orth,
Hearing Examiner, Kathleen Murphy and Scott Cox,
Technical Examiners, via the Cisco Webex Video
Conferencing Platform

Reported by: Mary T. Macfarlane, CCR
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A P P E A R A N C E S

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C O N T E N T S

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APPLICANT WITNESSES BY AFFIDAVIT:	
TAYLOR FORD (Landman)	7
EMILY LANGE (Geologist)	8

E X H I B I T I N D E X

APPLICANT TAP ROC RESOURCES, LLC EXHIBITS	ADMITTED
A Application and Proposed Ad	10
B Affidavit of Taylor Ford (Landman)	10
C Affidavit of Emily Lange (Geologist)	10
D Affidavit of Notice	10
E Affidavit of Publication	10
F Pooling Checklist	10

1 (Time Noted 8:41 a.m.)

2 HEARING EXAMINER ORTH: Let's move then to case
3 21341. The Applicant is Tap Rock Resources, Compulsory
4 Pooling Application; the well name is is Black Marlin.

5 Mr. Bruce, you are here for the Applicant?

6 MR. BRUCE: Yes, I am.

7 HEARING EXAMINER ORTH: Thank you.

8 We have a number of other parties who
9 entered appearances: Allar, Franklin Mountain Energy,
10 Sandia Minerals, Advance Energy Partners, Starboard
11 Permian, Monticello Minerals, and Max Permian.

12 Let me start with Mr. Padilla.

13 Mr. Padilla, are you still with us? Let me make sure I
14 haven't muted him.

15 Okay. Mr. Padilla.

16 MR. PADILLA: Yes. I'm here for Allar Company,
17 and for Emily Keatley. We filed an entry of appearance
18 yesterday for Ms. Keatley.

19 HEARING EXAMINER ORTH: All right. Thank you.

20 Do we have someone here from Modrall
21 Sperling?

22 MS. BENNETT: Good morning, Madam Examiner.
23 This is Deana Bennett from Modrall Sperling on behalf of
24 Franklin Mountain Energy and Sandia Minerals, LLC.

25 HEARING EXAMINER ORTH: Thank you.

1 From Hinkle, Shanor?

2 MS. HARDY: Good morning, Madam Examiner. Dana
3 Hardy with the Santa Fe office of Hinkle, Shanor on behalf
4 of Advanced Energy Partners, LLC.

5 HEARING EXAMINER ORTH: Thank you.

6 And from Holland & Hart?

7 MS. LUCK: Madam Examiner, it's Kaitlyn Luck
8 with the Santa Fe office of Holland & Hart on behalf of
9 Monticello Minerals.

10 HEARING EXAMINER ORTH: Thank you.

11 MS. LUCK: Sorry. And also Starboard Permian.

12 HEARING EXAMINER ORTH: Thank you. Is there
13 anyone else entering an appearance in this matter?

14 No. Okay. All Right.

15 Mr. Bruce, how are we going to be
16 proceeding this morning?

17 MR. BRUCE: I was intending to proceed by
18 affidavit but before I begin I would like to refer the
19 examiners to -- I think the best way is Exhibit B-4, which
20 shows the parties. In essence, it shows the parties who
21 are being pooled. And, as you can see, one is the Estate
22 of Louise Kincaid, one is the Ohio State University, and
23 one is Meridian 102, LP.

24 Also listed is Mr. Padilla's client The
25 Allar Company, but just a few days ago Tap Rock came to

1 terms with them. They are not seeking to force pool them.
2 Likewise, Mr. Padilla's other client Emily Keatley, Tap
3 Rock does not seek to force pool her.

4 And since this list was just made up a
5 couple of days ago, Ms. Hardy's client Advance Energy,
6 they are working on a JOA but they have agreed to terms,
7 and therefore Tap Rock does not seek to force pool them.

8 Insofar as Franklin Mountain, the only
9 party, the only interest that Franklin -- I think there
10 are a couple of entities, but it's an overriding royalty
11 interest. So several overrides are being force pooled,
12 but obviously they are not costbearing and it's just a
13 matter to get them committed to the well unit.

14 And finally, Holland & Hart's clients, they
15 have come to terms with Tap Rock and Tap Rock does not
16 seek to force pool Starboard. I think that was the only
17 one mentioned; there might be one other company. But Tap
18 Rock does not seek to force pool Holland & Hart's clients.

19 HEARING EXAMINER ORTH: All right. Thank you
20 for that, Mr. Bruce.

21 Let me pause, then, just a moment in the
22 event anyone would like to object to your proceeding by
23 affidavit given this understanding of those you are
24 seeking to force pool and those you have already reached
25 agreement with.

1 I'm hearing no objection. If you would
2 then please proceed.

3 MR. BRUCE: Madam Examiner, I have submitted to
4 you a package with six exhibits.

5 Exhibit A, the Application and proposed
6 Notice.

7 Exhibit B is the landman's affidavit by
8 Taylor Ford. She is not previously qualified before the
9 Division but she gives her educational and employment
10 background, and I would ask that she be allowed to present
11 this testimony by affidavit

12 HEARING EXAMINER ORTH: All right. Yes, we will
13 accept her testimony. Please go ahead.

14 MR. BRUCE: And Exhibit B, Taylor Ford's
15 affidavit contains the usual. In this case Tap Rock seeks
16 to force pool the west half/east half of both Sections 18
17 and 19 for three Wolfcamp wells, the Black Marlin wells.
18 The landman's affidavit contains information on the tracts
19 involved, the owners who are sought to be pooled in each
20 tract and their working interest. Uh, slightly over 3
21 percent of the interest in the well is currently
22 uncommitted. That does not count overriding royalties.
23 I'm just talking working interests.

24 Exhibit C is the geologist -- and the other
25 usual information which contains the affidavit, the

1 proposal letters, AFE's, et ceteral.

2 Exhibit C is the geologist's affidavit.
3 The geologist is Emily Lang, and she has previously
4 testified and qualified as an expert before the Division.
5 And it contains the usual exhibits, the gun barrel pattern
6 of the wells in this area, structure map, cross sections,
7 and wellbore sketches.

8 Exhibit D is my Affidavit of Notice. Notice
9 was sent out to a number of people but, as noted
10 beforehand, only a few of them are being force pooled.
11 And the green cards that I did receive are attached along
12 with the white cards. Some people at least did not
13 receive Certified Mail Notice but Exhibit E is the
14 Affidavit of Publication from the Hobbs newspaper showing
15 that everybody did receive Notice by Publication

16 And Exhibit F is the pooling checklist.

17 So I think the exhibit package is complete,
18 and with that I would move the admission of Exhibits A
19 through F.

20 HEARING EXAMINER ORTH: All right. Thank you,
21 Mr. Bruce. Exhibits A through F are admitted.

22 Let me pause for a moment, without calling
23 on each of the folks individually, to see if there are
24 questions from anyone who is being pooled.

25 All right. I hear nothing.

1 Ms. Murphy, do you have questions.

2 TECHNICAL EXAMINER MURPHY: I just have one
3 question.

4 And thank you for pointing out that
5 recapitulation table.

6 So are you force pooling the Ohio State
7 University?

8 MR. BRUCE: Yes. Yes, I am. I've done it a
9 number of times. They are obviously locatable but they
10 never respond to anything; I've probably force pooled them
11 10 times now. And they get the Notice, and I know
12 landmen have called them, and they just say they're not --
13 I don't know what the problem is, but they never respond
14 to lease offers or anything else.

15 TECHNICAL EXAMINER MURPHY: You should maybe get
16 the code to the Buckeyes.

17 I sometimes feel bad for not donating to
18 the alumni association, but now I can feel good, I
19 suspect.

20 I just wondered how that worked with the
21 Ohio State University.

22 MR. BRUCE: I'm sure they probably received this
23 under somebody's will; that's the most likely. I didn't
24 talk with them on this.

25 But I guess what I always find amazing is

1 they get force pooled in these unleased mineral interests,
2 and they could get a much better royalty rate if they
3 would sign a lease and they never do.

4 TECHNICAL EXAMINER MURPHY: I'll maybe mention
5 that to the alumni association.

6 MR. BRUCE: I would appreciate it.

7 TECHNICAL EXAMINER MURPHY: That's interesting.

8 I have no more questions. Thank you.

9 HEARING EXAMINER ORTH: All right. Thank you
10 very much, Ms. Murphy and Mr. Bruce.

11 Mr. Bruce, the matters will be taken under
12 advisement. That is with 21341.

13 MR. BRUCE: Thank you.

14 (Time noted 8:47 a.m.)

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1 STATE OF NEW MEXICO)

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3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Certified

7

No. 122, DO HEREBY CERTIFY that on Thursday, September 24,

8

2020, the proceedings in the above-captioned matter were

9

taken before me; that I did report in stenographic

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shorthand the proceedings set forth herein, and the

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foregoing pages are a true and correct transcription to

12

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

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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.

18

/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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