

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:

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

Case No. 22845

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
June 2, 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
HEARING OFFICER JOHN GARCIA on Thursday, June 2,
2022, through the Webex Platform.

Reported by: PAUL BACA COURT REPORTERS
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1 HEARING OFFICER BRANCARD: All right. I'm
2 on Item Number 26. This is case 22845, Tap Rock
3 Operating.

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

6 HEARING OFFICER BRANCARD: Thank you,
7 Mr. Rodriguez.

8 I have EOG Resources.

9 MR. FELDERWERT: Good morning,
10 Mr. Examiner, Michael Feldewert with the Santa Fe
11 office of Holland & Hart.

12 HEARING OFFICER BRANCARD: Marathon Oil
13 Permian.

14 MS. BENNETT: Good morning, Mr. Examiner,
15 Deana Bennett on behalf of Marathon Oil Permian,
16 LLC.

17 HEARING OFFICER BRANCARD: And,
18 Ms. Bennett, Marathon has filed an objection to this
19 case going forward by affidavit?

20 MS. BENNETT: That's correct. And I also
21 understand that EOG may be filing some competing
22 applications and I'll differ to EOG on that. So,
23 but, yes, Marathon did file an objection to the case
24 proceeding by affidavit.

25 HEARING OFFICER BRANCARD: Thank you.

1 Is Marathon planning on filing
2 applications?

3 MS. BENNETT: I don't have that
4 information right now, Mr. Examiner, but I'm happy
5 to find that out. But it was my understanding that
6 because EOG was planning on filing competing
7 applications, that EOG had an interest in having
8 this case and EOG's competing applications be -- or
9 EOG had an independent reason for having these cases
10 continued, which is why I did not -- or this case
11 continued, which is why I haven't yet followed up
12 with Marathon.

13 HEARING OFFICER BRANCARD: Thank you.
14 Let's try you, Mr. Feldewert, EOG's
15 position.

16 MR. FELDEVERT: Thank you, Mr. Examiner.
17 EOG has sent out recently competing well
18 proposals. They do involve the same acreage that's
19 involved here. They will -- my anticipation is that
20 those cases, if the parties do not reach an
21 agreement that the cases will be filed for the
22 August 4th docket, so they will appear on the
23 August 4th docket.

24 My suggestion is that we set August 4th
25 for a status conference since you'll have these

1 cases and then the Tap Rock cases on the docket at
2 that point in time and figure out where we are and
3 determine if we need to have a contested hearing.

4 HEARING OFFICER BRANCARD: Thank you.

5 Mr. Rodriguez, back to you.

6 MR. RODRIGUEZ: Thank you. So it's my
7 understanding that the parties are currently in
8 discussion to resolve their differences. However,
9 this is a high priority project for Tap Rock and
10 it's eager to develop its acreage. And so we would
11 schedule -- we would request that the Division
12 schedule these matters for their earliest contested
13 hearing date available in light of those
14 considerations. If we did set a contested
15 hearing -- I'm sorry, a status conference on
16 August 4th, we just request that if this matter was
17 set for a contested hearing that it would be
18 sometime, maybe the second docket in August, which
19 would be August 18th.

20 HEARING OFFICER BRANCARD: Well, I think
21 if we have a status conference on August 4th, we're
22 not going to have a hearing on August 18th, it would
23 be sometime later than that. So the issue is
24 whether to set this as a status conference or a
25 contested hearing.

1 Mr. Feldewert, I think you seem to be
2 hopeful this might get concluded?

3 MR. FELDEVERT: Well, I'm hopeful,
4 obviously. You know, I've been hopeful before, but
5 so, you know, I don't -- I understand
6 Mr. Rodriguez's position. I think I leave it up to
7 you, Mr. Examiner, and Mr. Rodriguez if we really
8 think we need a contested hearing set at this point
9 in time. I understand that, if that's -- if that's
10 what they think they need.

11 HEARING OFFICER BRANCARD: Ms. Bennett, do
12 you have a position on timing?

13 MS. BENNETT: Not per se, although I was
14 under the impression that the cases would at least
15 be continued to August 4th for EOG to file its
16 competing applications.

17 HEARING OFFICER BRANCARD: Okay.
18 Mr. Feldewert, can you get your cases filed by then?

19 MR. FELDEVERT: Yes, Mr. Examiner. You
20 know there's more than one -- there's more parties
21 involved than just three on the phone here today, or
22 the Webex. We anticipate filing the applications
23 for the August 4th docket, so they will be on the
24 August 4th docket.

25 HEARING OFFICER BRANCARD: Okay. So we

1 will set this for a hearing on August 4th.

2 Mr. Feldewert, whenever you file your cases, please
3 let us know so we can amend the prehearing order to
4 add them in.

5 MR. FELDEVERT: Certainly.

6 HEARING OFFICER BRANCARD: And then if the
7 parties are in the midst of negotiations, you can
8 always turn August 4th into a status conference.

9 MR. RODRIGUEZ: Sounds good. Thank you.

10 MS. BENNETT: Thank you.

11 MR. FELDEVERT: Thank you, Mr. Examiner.

12 (Matter concluded.)

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REPORTER'S CERTIFICATE

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 2, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
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