

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

**APPLICATION OF TAP ROCK OPERATING, LLC  
FOR A NON-STANDARD SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO**

JUN 21 2018 PM04:26

**CASE NO. 16230**

**PRE-HEARING STATEMENT**

Tap Rock Operating, LLC provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

Tap Rock Operating, LLC

**APPLICANT'S ATTORNEYS**

Seth C. McMillan  
J. Scott Hall  
Montgomery & Andrews, P.A.  
P.O. Box 2307  
Santa Fe, NM 87504-2307  
(505) 982-3873  
[smcmillan@montand.com](mailto:smcmillan@montand.com)  
[shall@montand.com](mailto:shall@montand.com)

Dana Arnold  
Tap Rock Resources, LLC  
602 Park Point Drive, Suite 200  
Golden, CO 80401  
[darnold@taprk.com](mailto:darnold@taprk.com)

**OPPONENT**

COG Operating LLC

**OPPONENT'S ATTORNEYS**

Ocean Munds-Dry  
William F. Carr  
Elizabeth A. Ryan  
1048 Paseo de Peralta  
Santa Fe, NM 87501  
(505) 780-8000  
[omundsdry@concho.com](mailto:omundsdry@concho.com)  
[wcarr@concho.com](mailto:wcarr@concho.com)  
[eryan@concho.com](mailto:eryan@concho.com)

## STATEMENT OF THE CASE

Applicant seeks an order approving a non-standard spacing and proration unit comprised of the E/2 of Section 29 and the E/2 of Section 32, Township 26 South, Range 29 East, NMPM Eddy County, New Mexico, pooling all mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool) underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Money Graham 26S29E3229 208H** and **Money Graham 26S29E3229 234H** wells.

The Money Graham 26S29E3229 208H well is an approximately 1.5-mile horizontal well with a surface location approximately 320 feet from the south line and 760 feet from the east line of Section 32, and a bottom hole location 200 feet from the north line and 337 feet from the east line of Section 29.

The Money Graham 26S29E3229 234H well is an approximately 1.5-mile horizontal well with a surface location approximately 320 feet from the south line and 785 feet from the east line of Section 32, and a bottom hole location 200 feet from the north line and 337 feet from the east line of Section 29. The first and last take points for both wells will be located within the designated setbacks for the pool for the wells' project area.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 16 miles south of downtown Malaga, New Mexico.

## PROPOSED EVIDENCE

### APPLICANT'S WITNESSES

### EST. TIME

### EXHIBITS

Erica Hixson, Land

20 min.

6

Adam Smith, Geologist

20 min.

4

Rob Tonnsen, Geologist (alternate)

## PROCEDURAL MATTERS

None.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: Seth C. McMillan  
Seth C. McMillan  
J. Scott Hall  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 982-3873  
[smcmillan@montand.com](mailto:smcmillan@montand.com)  
[shall@montand.com](mailto:shall@montand.com)

*Attorneys for Tap Rock Operating, LLC*

## CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served on the following by email on June 21, 2018:

Ocean Munds-Dry  
William F. Carr  
Elizabeth A. Ryan  
1048 Paseo de Peralta  
Santa Fe, NM 87501  
(505) 780-8000  
[omundsdry@concho.com](mailto:omundsdry@concho.com)  
[wcarr@concho.com](mailto:wcarr@concho.com)  
[eryan@concho.com](mailto:eryan@concho.com)

Seth C. McMillan  
Seth C. McMillan