

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: 21239, 21078, 21079

APPLICATION OF COLGATE OPERATING LLC  
FOR COMPULSORY POOLING, NON-STANDARD  
SPACING AND PRORATION UNIT,  
EDDY COUNTY, NEW MEXICO.

CASE NOS: 21189, 21190,  
21191, 21192

APPLICATION OF APACHE CORPORATION  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

JUNE 25, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, KURT SIMMONS and LEONARD LOWE on Thursday, June 25, 2020, through 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

A P P E A R A N C E S

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

For Colgate:

PADILLA LAW FIRM  
ERNEST PADILLA  
1512 St. Frances Drive  
Santa Fe, NM 87505

For XTO:

DREW CLOUTIER  
HINKLE SHANOR LLP  
P.O. Box 0268  
Santa Fe, NM 87504  
505-982-4554

For Apache Corporation:

CANDACE CALLAHAN  
BEATY & WOZNIAK PC  
500 Don Gaspar Avenue  
Santa Fe, NM 87505  
505-670-2924

For Magnum Hunter:

SHARON SHAHEEN  
MONTGOMERY & ANDREWS  
325 Paseo de Peralta  
Santa Fe, NM 87501

For COG Resources:

ABADIE & SCHILL, PC  
DARIN C. SAVAGE  
214 McKenzie Street  
Santa Fe, NM 87501  
970-395-4401  
darin@abadieschill.com

I N D E X

CASES CALLED

STATUS CONFERENCE

REPORTER CERTIFICATE

1

2 HEARING EXAMINER ORTH: In order to accommodate a  
3 conflict with one of the counsel and another court  
4 appearance, I'm going to move to the end of the docket  
5 first. If you look between lines 16 and 22 there, these are  
6 matters 21239, 21078, 21079. Those are matters which  
7 Colgate Operating is the applicant for all compulsory  
8 pooling applications. The well names are Weaver and Big  
9 Burro.

10 And then matters 21189, 21190, 21191 and 21192,  
11 in those matters Apache is the applicant, also compulsory  
12 pooling. The wells are named Palmillo.

13 So if I could have appearances, please.

14 (No audible response.)

15 Mr. Padilla, are you on line with us?

16 HEARING EXAMINER ORTH: All right. I see Mr.  
17 Padilla here.

18 (Audio interference.)

19 HEARING EXAMINER ORTH: Ms. Shaheen is there.  
20 Okay.

21 MR. CLOUTIER: Good morning, Your Honor -- or  
22 good morning, Madam Hearing Officer. This is Drew Cloutier  
23 for XTO.

24 THE COURT: Thank you. Mr. Padilla? I do not  
25 have you muted, Mr. Padilla. Self muted? Mr. Padilla, let

1 me encourage you to call in again, if you could. I can't  
2 hear you if you are speaking.

3 Let's see. Is there someone here from Beatty  
4 Wozniak?

5 MS. CALLAHAN: Candace Callahan here appearing on  
6 behalf of Apache Corporation.

7 HEARING EXAMINER ORTH: Good morning. And  
8 somebody from Abade & Schill?

9 (No audible response.)

10 HEARING EXAMINER ORTH: Someone here from Abade &  
11 Schill?

12 MR. SAVAGE: Yes, Madam Examiner. Darin Savage  
13 from Abade & Schill, COG Resources.

14 HEARING EXAMINER ORTH: And Ms. Shaheen is with  
15 us from Montgomery & Andrews.

16 MS. SHAHEEN: Yes, Madam Examiner, good morning.  
17 Here for Magnum Hunter.

18 HEARING EXAMINER ORTH: I had noted at one point  
19 that Holland & Hart had entered an appearance on behalf of  
20 Oxy USA. They withdrew. I did not see them substitute  
21 counsel. Can anyone clarify for me whether Oxy remains a  
22 party in this collection of actions?

23 MR. FELDEWERT: Madam Examiner, this is Michael  
24 Feldewert with Holland & Hart. It's my understanding that  
25 Oxy has not chosen to appear with other counsel.

1                   HEARING EXAMINER ORTH: All right. Thank you,  
2 Mr. Feldewert.

3                   All right. Mr. Padilla, do we have you yet?

4                   (No audible response.)

5                   HEARING EXAMINER ORTH: All right. I'm going to,  
6 in order to get Mr. Cloutier off the line and into his court  
7 appearance, going to say that I did receive the joint  
8 stipulation, and it looks like very much what we have asked  
9 you, counsel to put together in these contested cases.

10                  The Division -- I'm not available on August 11 or  
11 12. We are available on August 14. That's the date I would  
12 plug in there as one of the three dates proposed. Knowing  
13 that that's the date I would plug in and probably ask  
14 whoever has the last draft of that document to send it to me  
15 in Word so that I can actually turn it into an order to  
16 sign. Is there anything else we need to talk about?  
17 Mr. Cloutier?

18                  MR. CLOUTIER: No, Madam Hearing Examiner.

19                  MS. CALLAHAN: (Inaudible) -- first  
20 version of this which I will send to you.

21                  THE COURT: Thank you very much, Ms. Callahan,  
22 and I think I just heard from Mr. Padilla.

23                  MR. PADILLA: I had problems getting on video,  
24 although I can see you, everyone seemed to be talking. I'm  
25 fine with the prehearing order by Candace.

1                   HEARING EXAMINER ORTH: All right. And August 14  
2 is an acceptable date for you?

3                   MR. PADILLA: Yes.

4                   HEARING EXAMINER ORTH: All right. In that case  
5 then, thank you all very much. I will get that order out  
6 after I plug in the August 14 date, and I would like to  
7 start at 8:30 in the morning.

8                   MS. CALLAHAN: Thank you, Madam Examiner.

9                   HEARING EXAMINER ORTH: Thank you all very much.

10                  MR. PADILLA: Thank you. Nice seeing the group.

11                  HEARING EXAMINER ORTH: I'm sorry?

12                  MR. PADILLA: I was just telling the group, nice  
13 seeing you.

14                  HEARING EXAMINER ORTH: Oh, yes.

15                  MR. PADILLA: (Inaudible) see everybody all the  
16 time.

17                  HEARING EXAMINER ORTH: All right. I will --  
18 just a reminder, if you're not speaking, if you would just  
19 mute yourself to cut down on the ambient noise.

20                  (Status conference concluded.)

21

22

23

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

16 I FURTHER CERTIFY that the Virtual Proceeding was  
17 of fair quality.

18 Dated this 25th day of June 2020.

19

/s/ Irene Delgado

20

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

21

22

23

24

25