

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 NO. 21395

APPLICATION OF COLGATE OPERATING  
LLC FOR COMPULSORY POOLING OF A  
NON-STANDARD PRORATION UNIT  
IN EDDY COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS.

EXAMINER HEARING

THURSDAY, SEPTEMBER 10, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Felicia Orth,  
Hearing Examiner, Scott Cox Technical Examiner, on  
Thursday, September 10, 2020 via Webex Virtual Event  
Platform

Reported by: Mary Therese Macfarlane  
New Mexico CCR NO. 122  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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1 A P P E A R A N C E S.

2 For the Applicant Colgate Operating, LLC:

3 Ernest L. Padilla, Esq.  
 4 P.O. Box 2523.  
 5 Santa Fe, NM 87104  
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 padillalaw@questoffice.net

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7 C O N T E N T S

8	CASE NUMBER 21395 CALLED	PAGE
9	CALLED:	3
10	STATEMENT BY MR. PADILLA:	3
11	TAKEN UNDER ADVISEMENT:	6
12	APPLICANT WITNESSSES:	
13	MARK HADJIK (Landman)	4
14	SERGIO OJEDA (Petroleum Engineer)	4

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

17	APPLICANT EXHIBITS	ADMITTED
18	1	6
19	2	6
20	3	6
21	4	6
22	5	6
23	6	6

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1 (Time noted 8:49 a.m.)

2 HEARING EXAMINER ORTH: Let's move then to  
3 21395. The Applicant is Colgate Operating. This is an  
4 Application For Compulsory Pooling, a nonstandard spacing  
5 relating to a well named Toro. For Toro 22.

6 Mr. Padilla, are you with us on behalf of  
7 the Applicant?

8 (Note: No response.)

9 Mr. Padilla, you are muted. I'm unmuting  
10 you. Mr. Padilla?

11 MR. PADILLA: Can you hear me now?

12 HEARING EXAMINER ORTH: Yes.

13 MR. PADILLA: Okay. We're having computer  
14 issues on a big download from The Cloud and we were told  
15 that the download would be completed overnight. And it  
16 apparently hasn't, and I don't have the band width to  
17 appear on video, according to my computer.

18 So I am appearing on behalf of Colgate  
19 Operating for a Compulsory Pooling Order for the Toro 22  
20 State and Federal 122H, and the Toro 22 Federal and State  
21 132H.

22 I don't think there is any opposition to  
23 this application.

24 HEARING EXAMINER ORTH: Let me ask if there are  
25 any other appearances this morning? (Note: Pause.) No?

1                   Go ahead, please, Mr. Padilla.

2                   MR. PADILLA: We've submitted affidavits of Mark  
3 Hajdik and Sergio Ojeda. Mr. Ojeda is a geologist and Mr.  
4 Hajdik is a landman. They have appeared at the Division  
5 and their credentials have been accepted as a matter of  
6 record. In fact in Case 21339, again Order 21406 which  
7 was issued about a month ago, we made application for  
8 Wells 121H and the 131H, also in Section 22 of 19 South,  
9 28 East.

10                  The application and the affidavit are  
11 pretty much in line to what we submitted in the prior  
12 case. The reason that these two wells we are considering  
13 today were not included in that prior application was just  
14 simply a matter of communication between Colgate and this  
15 office. So these two wells were not included in the prior  
16 application.

17                  They are one-mile laterals to test the  
18 Second and Third Bone Spring. The applications are very  
19 straightforward, both from a land standpoint and from a  
20 geologic standpoint. There are no impediments such as  
21 fault, as far as geology is concerned, and all 40-acre  
22 tracts within the wellbore are believed to contribute  
23 equally to oil and gas production from the wells.

24                  The third exhibit, which is Exhibit C, is  
25 my Affidavit of Notice. We did have to publish for a

1 couple of interest owners who we were not able to contact,  
2 but that is included in Exhibit C.

3 With that, unless you have any questions, I  
4 would ask that Exhibits A, B and C be admitted into the  
5 record and the case be taken under advisement.

6 HEARING EXAMINER ORTH: All right. Thank you,  
7 Mr. Padilla.

8 Mr. Cox, do you have any questions.

9 MR. COX: I'm having trouble locating your  
10 exhibits. When did you send those in to us?

11 MR. PADILLA: They were sent Tuesday.

12 MR. COX: Okay. Through our hearing email?

13 MR. PADILLA: UH, yes. And also to Ms. Orth.

14 MR. COX: I'm not seeing them here. Perhaps  
15 they got misplaced. Would you mind resending those?

16 MR. PADILLA: I certainly will.

17 MR. COX: Okay. Thank you. I have no  
18 questions.

19 HEARING EXAMINER ORTH: All right. I will also  
20 forward these right now.

21 MR. COX: Do you have them there?

22 HEARING EXAMINER ORTH: Yes.

23 MR. COX: That's great.

24 HEARING EXAMINER ORTH: All right.

25 MR. PADILLA: Do you want me -- Mr. Cox, do you

1 still want me to send the exhibits? As I said, I'd be  
2 happy to do it.

3 HEARING EXAMINER ORTH: Hold on just one sec.  
4 Do you have them Mr. Cox, or did it send?

5 MR. COX: I'm sure it will take just a second.

6 HEARING EXAMINER ORTH: Okay.

7 MR. COX: Yes, I have them. That will work.

8 HEARING EXAMINER ORTH: Thank you.

9 MR. COX: Thank you.

10 HEARING EXAMINER ORTH: All right. Thank you,  
11 Mr. Padilla.

12 The exhibits are accepted and the hearing  
13 will be taken under advisement.

14 MR. PADILLA: Thank you.

15 (Time noted 8:53 a.m.)

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COUNTY OF TAOS )

I, MARY THERESE MACFARLANE, New Mexico Reporter

I FURTHER CERTIFY that I am neither employed by  
ed to nor contracted with (unless excepted by the  
y of the parties or attorneys in this case, and  
ve no interest whatsoever in the final  
on of this case in any court.

/s/ Mary Macfarlane

MARY THERESE MACFARLANE, CCR  
NM Certified Court Reporter No. 122  
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