

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: 21463, 21466

APPLICATION OF COLGATE OPERATING LLC,
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

OCTOBER 8, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINERS LEONARD LOWE and KURT SIMMONS on Thursday, October 8, 2020, through the Webex Platform.

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

For the Applicant:

LANCE HOUGH
MODRALL SPERLING ROEHL HARRIS & SISK PA
500 4th Street, NW, Suite 1000
Albuquerque, NM 87102
505-848-9710

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 05

REPORTER CERTIFICATE 06

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

Admitted

All Exhibits and Attachments 05

1 HEARING EXAMINER ORTH: Let's move then from
2 21463 on to 21465 and 21466. The applicant is Colgate
3 Operating. These are compulsory pooling applications. The
4 well name is Dakota.

5 Ms. Bennett, are you here for the applicant?

6 MR. HOUGH: Madam Examiner, this Lance Hough from
7 Modrall Sperling on behalf of Colgate Operating LLC.

8 HEARING EXAMINER ORTH: Thank you, Mr. Hough.
9 Let me pause for a moment to see if there are any other
10 entries this morning.

11 (No audible response.)

12 HEARING EXAMINER ORTH: I don't hear anything,
13 and I noticed you filed a prehearing statement, so if you
14 would please go ahead.

15 MR. HOUGH: I just want to confirm if it's
16 acceptable to present cases 21465 and 21466 as consolidated.
17 They are -- I believe there is no opposition to either case.
18 They are adjacent units.

19 HEARING EXAMINER ORTH: Yes, please present.

20 MR. HOUGH: So for Case Number 21465, this is for
21 compulsory pooling of all uncommitted mineral interests
22 within a Bone Spring horizontal spacing unit underlying the
23 N/2 and S/2 of Sections 32 and 31, and that's Township 19
24 South, Range 28 East, in Eddy County, New Mexico.

25 And for Case Number 21466, this is also for

1 compulsory pooling of all uncommitted mineral interests
2 within a Bone Spring horizontal spacing unit underlying the
3 S/2 S/2 Sections 32 and 31 in Township 19 South, Range 28
4 East in Eddy County, New Mexico.

5 Now, for the exhibits that have been submitted in
6 support of these two cases submitted on Tuesday, these
7 include as Exhibit A, the compulsory pooling application
8 checklist, one for each case. And then Exhibit B is the
9 affidavit of Mark Hajdik. He is the landman involved in
10 these matters.

11 There are corresponding exhibits for the land
12 matters attached to his affidavit which include a
13 communication time line, tract map with the working interest
14 owners and royalty interests involved there, the well
15 proposal letter, as well as applications for both cases, the
16 C-102s for the wells that are -- that the units are going to
17 be dedicated to, the authorization for expenditures for
18 these wells.

19 These wells include for, first case ending 65,
20 the wells are Dakota 32 State Fed Com 123H and 133H. For
21 the second case ending in 66, these include Dakota 32 State
22 Fed Com 124H and 134H.

23 And then the next exhibit is Exhibit C. That is
24 the affidavit of Sergio Ojeda. He is the geologist involved
25 in this matter. And the corresponding exhibits attached to

1 his affidavit include a regional locator map, cross section
2 locator map, a gunbarrel diagram, and then a structure and
3 isopach map for the Second Bone Spring formation, a
4 structure and isopach map for the Third Bone Spring
5 formation, as well as a stratigraphic cross section, and
6 then two more stratigraphic cross sections zoomed in on the
7 Second Bone Spring and Third Bone Spring.

8 And then the last tab, Exhibit D, is an affidavit
9 from myself regarding notice. And I provide there that
10 notice was timely mailed out, and we also have an affidavit
11 of publication showing that we published notice out of an
12 abundance of caution.

13 So with that, if the Division does not have any
14 questions, I would like to ask that these exhibits be
15 admitted into the record and these two cases be taken under
16 advisement.

17 HEARING EXAMINER ORTH: Thank you, Mr. Hough.
18 Mr. Simmons, do you have any questions of Mr. Hough?

19 TECHNICAL EXAMINER SIMMONS: I don't, no.

20 HEARING EXAMINER ORTH: All right. In that case
21 your exhibits are admitted and the matters will be taken
22 under advisement.

23 MR. HOUGH: Thank you, Madam Examiner.

24 (Exhibits admitted.)

25 (Taken under advisement.)

1 STATE OF NEW MEXICO

2
3 COUNTY OF BERNALILLO

4
5 REPORTER'S CERTIFICATE

6
7 I, IRENE DELGADO, New Mexico Certified Court
8 Reporter, CCR 253, do hereby certify that I reported the
9 foregoing virtual proceedings in stenographic shorthand and
10 that the foregoing pages are a true and correct transcript
11 of those proceedings to the 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 poor to good quality.

18 Dated this 8th day of October 2020.

19 /s/ Irene Delgado

20 _____
21 Irene Delgado, NMCCR 253
22 License Expires: 12-31-20
23
24
25