

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: 21072, 21074,  
21075, 21092

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

CASE NOS: 21325 - 21328

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

JANUARY 21, 2021

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
BILL BRANCARD and TECHNICAL EXAMINER KATHLEEN MURPHY on  
Thursday, January 21, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

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For the Applicant:

LANCE HOUGH  
MODRALL SPERLING ROEHL HARRIS & SISK PA  
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For Mewbourne and Chi:

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I N D E X

CASE CALLED

STATUS CONFERENCE 03

REPORTER CERTIFICATE 07

1 HEARING OFFICER BRANCARD: Okay. I see on my  
2 list that we are back to Colgate Operating, Case 21072,  
3 Modrall Firm.

4 MR. HOUGH: Hello again, Mr. Examiner. This is  
5 Lance Hough from Modrall Sperling on behalf of Colgate  
6 Operating LLC. I would also like to enter my appearance for  
7 additional cases I will mention and ask they be  
8 consolidated. That would be all of the Red Bandana cases,  
9 and then the Mewbourne's Hemingway cases for this status  
10 conference.

11 So, for the record, that would be eight cases in  
12 total, 21072, 21074, 21075, 21092, 21325, 21326, 21327 and  
13 21328.

14 HEARING OFFICER BRANCARD: I'm looking at cases  
15 24 through 31 on our spreadsheet here, 72, 74, 75, 92 of  
16 Colgate; is that correct?

17 MR. HOUGH: That's my understanding.

18 HEARING OFFICER BRANCARD: And then 325, 326, 327  
19 and 328 of Mewbourne?

20 MR. BRUCE: That is correct.

21 HEARING OFFICER BRANCARD: So let me get  
22 appearances here. We seem to have a number of parties  
23 involved, and I think I heard Mr. Bruce's voice. You are  
24 here on of behalf of Mewbourne; is that correct?

25 MR. BRUCE: That is correct.

1 HEARING OFFICER BRANCARD: So EOG?

2 MS. LUCK: Good morning again. Kaitlyn Luck with  
3 the Santa Fe office of Holland & Hart on behalf EOG.

4 HEARING OFFICER BRANCARD: Okay. Magnum Hunter?

5 MS. SHAHEEN: Good morning. Sharon Shaheen on  
6 behalf of Magnum Hunter. I will note, however, that Magnum  
7 Hunter no longer has an interest in these applications, so I  
8 will be withdrawing my entry of appearance.

9 HEARING OFFICER BRANCARD: Oh, okay. Yates  
10 Energy and Jalapeno, I don't know if they are together, but  
11 Gallegos Law Firm?

12 (No audible response.)

13 HEARING OFFICER BRANCARD: Then we have MRC  
14 Delaware --

15 (No audible response.)

16 HEARING OFFICER BRANCARD: -- I have listed? And  
17 then Chi -- is that correct -- Energy?

18 (No audible response.)

19 MR. BRUCE: Chi Energy.

20 HEARING OFFICER BRANCARD: Chi.

21 MR. BRUCE: I'm entering an appearance also for  
22 Chi Energy in all eight of the cases. Chi is supporting  
23 Mewbourne in this matter.

24 HEARING OFFICER BRANCARD: Okay.

25 MS. LUCK: (Garbled audio) of Holland & Hart on

1     behalf of MRC.

2                   HEARING OFFICER BRANCARD:   Okay.   So the only one  
3     we don't have here is Yates Energy and Jalapeno Corp.?

4                   MR. HOUGH:   I believe that's correct.

5                   HEARING OFFICER BRANCARD:   Okay, all right.   So  
6     you can start us off, Mr. Hough.   What would you like to do?

7                   MR. HOUGH:   Mr. Examiner, I think we are falling  
8     into a pattern today.   My understanding is that Colgate and  
9     Mewbourne are negotiating and (inaudible) proceeding to a  
10    contested docket to set this for a subsequent status  
11    conference.   I think April 22 would be the preferred date  
12    for a status conference.

13                   HEARING OFFICER BRANCARD:   Mr. Bruce?

14                   MR. BRUCE:   I would rather have it set as a  
15    hearing date in case they don't settle, but I know the  
16    parties are in settlement discussions.

17                   HEARING OFFICER BRANCARD:   Okay.   Ms. Luck?

18                   MS. LUCK:   I think that EOG is amenable either  
19    way, if you want to set it for a status or contested.   And  
20    it's my understanding that the parties are working through  
21    an agreement, so if (garbled audio).

22                   HEARING OFFICER BRANCARD:   Okay.   Ms. Salvidrez,  
23    April 22 is looking a little full, is that right, or how are  
24    we doing there?

25                   (No audible response.)

1 HEARING OFFICER BRANCARD: Hope we didn't lose  
2 Marlene. We may have. Well, let's just set it for April  
3 22, and we'll set it for hearing, okay? And hopefully that  
4 will inspire all of you to come to agreements.

5 MR. HOUGH: Thank you.

6 HEARING OFFICER BRANCARD: Mr. Hough, can you  
7 draft us a prehearing order?

8 MR. HOUGH: Yes, I can put that together.

9 HEARING OFFICER BRANCARD: Okay. I would do it  
10 myself, but I'm not sure I got all of these numbers correct.  
11 So we are looking at Cases 21072, 21074, 075, 092 and 21325,  
12 326, 327, 328, and we are setting them for a hearing on  
13 April 22. Are there any concerns, questions or objections  
14 from any of the parties?

15 HEARING OFFICER BRANCARD: Seeing none, thank  
16 you. Mr. Hough, if you could have that within a week, that  
17 would be great.

18 MR. HOUGH: Certainly.

19 HEARING OFFICER BRANCARD: All right. Thank you  
20 all for your patience.

21 (Status conference concluded.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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

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

15 I FURTHER CERTIFY that the Virtual Proceeding was  
16 of poor to good quality.

17 Dated this 21st day of January 2021.

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/s/ Irene Delgado

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Irene Delgado, NMCCR 253  
License Expires: 12-31-21

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