

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: 22568, 22569

APPLICATION OF COLGATE OPERATING, LLC  
TO POOL ADDITIONAL INTEREST AND RECORD  
TITLE OWNERS UNDER ORDER NO. R-21438,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
APRIL 21, 2022  
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
WILLIAM BRANCARD and TECHNICAL EXAMINER DYLAN ROSE-COSS on  
Thursday, April 21, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

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

A P P E A R A N C E S

For the Applicant:

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

I N D E X

CASE CALLED	03
TAKEN UNDER ADVISEMENT	06
REPORTER CERTIFICATE	07

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

	Admitted
All Exhibits and Attachments	06

1 HEARING EXAMINER BRANCARD: With that I will call  
2 Cases 22568 and 22569, Colgate Operating.

3 MS. McLEAN: Good morning, Mr. Examiner, Jaclyn  
4 McLean on behalf of Colgate Operating.

5 HEARING EXAMINER BRANCARD: Thank you. Are there  
6 any other entries of appearance for Cases 22568 and 22569?

7 (No audible response.)

8 HEARING EXAMINER BRANCARD: Hearing none, Ms.  
9 McLean, you may proceed.

10 MS. McLEAN: Thank you. In Case Numbers 22569  
11 and 22568, Colgate seeks to pool additional interests under  
12 Order Number R-21439 and R-21438. On August 24, 2020, the  
13 Division entered Order Number R-21438 in Case Number 21078  
14 which pooled all uncommitted interests in the Winchester  
15 Bone Spring Pool within the Bone Spring Formation in 320  
16 acre standard horizontal spacing unit comprised of the N/2  
17 S/2 of Section 27, in N/2 S/2 of Section 28, Township 19  
18 South, Range 28 East in Eddy County and dedicated the unit  
19 to the Big Burro 27 State Com 123H and 133H wells.

20 And in Order R-21439, Case 21079, the Division  
21 pooled all uncommitted interests in the Winchester Bone  
22 Spring Pool within the Bone Spring Formation in a 320 acre  
23 standard horizontal spacing unit, comprised of the S/2 S/2  
24 of Section 27 and the S/2 S/2 of Section 28, Township 19  
25 South, Range 28 East, and dedicated that to the Big Burro 27

1 State Com 124H and 134H Wells, and both orders designated  
2 Colgate as the operator of the unit and the wells.

3 After the entry of those orders, Colgate  
4 identified one unlocatable working interest owner whose  
5 interest should be pooled under Order Number R-21439 and  
6 R-21438. And this one unlocatable working interest owner is  
7 the SB Association.

8 Now, prior to the hearing in this matter, in  
9 October to December 2019, Colgate has sent multiple letters  
10 to SB Association and the mailing went unclaimed. Then  
11 Colgate attempted to resend the well proposal letters to a  
12 possible alternate address which also went unclaimed.

13 Colgate's landman, Mark Hadjik, also attempted to  
14 find addresses for SB Association on the internet,  
15 (inaudible) website and attempted to identify original  
16 principals of the entity without any luck.

17 And this is all set out in Mr. Hadjik's self-  
18 affirmed statement, which is Exhibit A. And Exhibit 5 to  
19 Exhibit A is the chronology of communications which details  
20 all of this effort to find SB Association.

21 Then to complicate matters, prior to and after  
22 the August 18, 2020 period in Case 21078 and 21079, there  
23 was a title discrepancy where WPX claims SB Association's  
24 interest. An updated title was received after the issuance  
25 of the order, and it was determined that WPX did not

1 actually acquire SB Association's interest, so SB  
2 Association does need to be added to the pooling order.

3 The exhibit packet submitted to the Division for  
4 Case Number 22568 and 22569 contains Exhibit A, which is the  
5 land professional's testimony and related exhibits which  
6 include the orders that Colgate is seeking to reopen, a plat  
7 of tract of ownership of the additional interest to be  
8 pooled under the terms of R-21439 and R-21438, as well as  
9 the well proposal letter to SB Association and a summary of  
10 communications as I mentioned earlier.

11 And Exhibit B is a notice affidavit from our  
12 office which sets out when the notice letter of this hearing  
13 and application were sent to the last known address of SB  
14 Association, and additional Exhibit B-3 is the affidavit of  
15 publication which showed that notice was published to SB  
16 Association in the Carlsbad newspaper on March 15, 2022.

17 And with that, I ask that Exhibits A and B be  
18 admitted into the record in Case Numbers 22569 and 22568 and  
19 that these cases be taken under advisement.

20 HEARING EXAMINER BRANCARD: Thank you. Mr.  
21 Rose-Coss, any questions?

22 TECHNICAL EXAMINER ROSE-COSS: No. I had some  
23 questions before that explanation of what was going on in  
24 the case, and after that I don't have any more questions, so  
25 everything was resolved for me.

1 MS. McLEAN: Thank you. Thank you.

2 HEARING EXAMINER BRANCARD: Thank you. And  
3 appreciate the explanation and the efforts by your land  
4 person to try to track down this party. That's what we like  
5 to see.

6 MS. McLEAN: Thank you, Mr. Examiner.

7 HEARING EXAMINER BRANCARD: Thank you, and so  
8 that's the entire extent of the amendment is to add this  
9 party; is that correct?

10 MS. McLEAN: That's correct.

11 HEARING EXAMINER BRANCARD: With that, the  
12 exhibits -- are there any other persons with an entry of  
13 appearance in Case 22568 and 22569?

14 (No audible response.)

15 HEARING EXAMINER BRANCARD: Hearing none, Cases  
16 22568 and 22569, the exhibits will be admitted into the  
17 record and the cases taken under advisement. Thank you.

18 MS. McLEAN: Thank you.

19 (Exhibits admitted.)

20 (Taken under advisement.)

21

22

23

24

25

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5

6 I do hereby certify that I reported the  
7 foregoing virtual proceedings in stenographic shorthand and  
8 that the foregoing pages are a true and correct transcript  
9 of those proceedings to the best of my ability.

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

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

16 Dated this 21st day of April 2022.

17

/s/ Irene Delgado

18

Irene Delgado, NMCCR 253  
License Expires: 12-31-22

19

20

21

22

23

24

25