

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: 21693 - 21696

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

CASE NOS: 21647 21649 21650

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
APRIL 22, 2021
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 22, 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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I N D E X

CASE CALLED

STATUS CONFERENCE 03

REPORTER CERTIFICATE 07

1 HEARING EXAMINER BRANCARD: We will start with
2 our first set of cases and the first set are the Apache-
3 Colgate, and I will read the numbers. 21693, 21694, 21695,
4 21696, that's Apache; 21647, 21649 and 21650, that is
5 Colgate Operating. Appearances for Apache.

6 MR. FELDEWERT: Michael Feldewert of the Santa Fe
7 office of Holland & Hart.

8 MR. PADILLA: Mr. Examiner, Ernest L. Padilla for
9 Colgate Operating.

10 HEARING EXAMINER BRANCARD: Okay. And I think I
11 see an entry of appearance for EOG.

12 MR. RITTENHOUSE: Yes, sir. This is Joby
13 Rittenhouse of Beaty Wozniak on behalf of EOG.

14 HEARING EXAMINER BRANCARD: I think I also see
15 COG for the Colgate cases.

16 MS. MUNDS-DRY: Good morning, Mr. Hearing
17 Examiner, this is Ocean Munds-Dry on behalf of COG Operating
18 LLC.

19 HEARING EXAMINER BRANCARD: Thank you. Do we
20 have any other appearances in these eight matters?

21 MR. BRUCE: Mr. Examiner, can you hear me?

22 HEARING EXAMINER BRANCARD: I certainly can.

23 MR. BRUCE: I entered an appearance in all of the
24 cases for MRC Permian Company.

25 HEARING EXAMINER BRANCARD: All right. Thank

1 you. Any other appearances?

2 (No audible response.)

3 HEARING EXAMINER BRANCARD: So this is a status
4 conference. Who would like to start us off, Mr. Feldewert
5 or Mr. Padilla?

6 MR. FELDEWERT: I will step up, Mr. Examiner.
7 These -- we have some competing pooling cases here
8 involving Sections 8 and 9 in 19 South, 28 East. Both
9 companies seek to create four laydown 320 acre horizontal
10 spacing units in the Bone Spring formation.

11 I know that Apache was contacted. I believe
12 Colgate was recently contacted as well as by the State Land
13 Office who informed the parties there is now an unleased
14 state tract in the SE/4, I believe it is, in Section 8, and
15 that that is going to need to be nominated and leased before
16 the properties can be developed.

17 So the parties are going to have to address that
18 issue. So, in my mind, this is a probably a case that
19 should be set for hearing late summer, early fall.

20 HEARING EXAMINER BRANCARD: Mr. Padilla?

21 MR. PADILLA: I agree with that assessment by Mr.
22 Feldewert. Colgate does not know if it should dismiss these
23 applications or wait for the lease sale from the Land
24 Office. My understanding is this tract will be included in
25 the May sale. And we recently did a stipulation with the

1 Land Office on a case that's going to be heard last on the
2 docket where we had the same problem, an unleased state
3 tract, and if either Apache or Colgate are the successful
4 bidders, probably there won't be any problem in terms of
5 competing.

6 But if a third party comes in, I think that --
7 well, I know that then you would have to make well proposals
8 to that third party and then attempt to force pool them if
9 there is no agreement. So I agree these cases need to be
10 moved to August or maybe even September.

11 MR. PADILLA: Obviously if Colgate decides that
12 they are going to drop this case and do one-mile laterals,
13 which is something they are considering, then that's going
14 to be in the very near future. Otherwise we will just
15 continue this -- these cases which the State Land Office
16 issue is resolved.

17 HEARING EXAMINER BRANCARD: Okay. Any comments
18 from the other entries of appearance EOG, COG, MRC?

19 MR. RITTENHOUSE: EOG doesn't have any additional
20 comments at this point.

21 MR. FELDEWERT: Same for MRC.

22 MS. MUNDS-DRY: Same for COG.

23 HEARING EXAMINER BRANCARD: Mr. Feldewert, is it
24 your preference to set a hearing, or are you looking at
25 possibly dismissing this?

1 MR. FELDEWERT: My preference would be to set a
2 hearing in September, that would be my preference,
3 Mr. Brancard.

4 HEARING EXAMINER BRANCARD: So we have September
5 9 and September 23. I would say September 23. Would that
6 work, Mr. Padilla?

7 MR. PADILLA: Yeah, that works.

8 HEARING EXAMINER BRANCARD: Any objection from
9 any other party?

10 MR. RITTENHOUSE: Not from EOG.

11 MS. MUNDS-DRY: No objection from COG.

12 MR. BRUCE: No objection from MRC.

13 HEARING EXAMINER BRANCARD: Okay. Well, I will,
14 if that's all we have on this matter, then I will issue a
15 prehearing order and we will set this for September 23, and
16 please file continuances for September 23 for these eight
17 cases. Anything else on this matter?

18 MR. FELDEWERT: No, Mr. Examiner. Thank you for
19 your time.

20 MR. PADILLA: Nothing from me.

21 HEARING EXAMINER BRANCARD: Excellent.

22 (Concluded.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

5 I, IRENE DELGADO, New Mexico Certified Court
6 Reporter, CCR 253, 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 22nd day of April 2021.

17

/s/ Irene Delgado

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

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