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STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

Application of Colgate Operating, LLC, Case No. 21943 to Amend Order No. R-21440 Eddy County, New Mexico.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JUNE 3, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, Legal Examiner William Brancard, Technical Examiner Leonard Lowe, on Thursday, June 3, 2021 via Webex Virtual Conferencing Platform.

Reported by: Mary Therese Macfarlane New Mexico CCR No. 122 PAUL BACA COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 A P P E A R A N C E S. 2 FOR COLGATE OPERATING, LLC: Lance Hough, Esq. Modrall Sperling P.O Box 2168 3 Albuquerque, NM (505) 848-1845 4 ldh@modrall.com 5 6 INDEX 7 CASE NOS. 21943 PAGE CASE CALLED 8 3 3 9 PRESENTATION BY MR. HOUGH: 10 4 TAKEN UNDER ADVISEMENT: 11 12 EXHIBIT INDEX 13 COLGATE OPERATING, LLC EXHIBITS: PAGE 14 А Self-Affirmed Declaration of Mark Hajdik 4 15 A-1 Application for Case No. 21943 4 16 A-2 Order No. R-21440 4 17 В Affidavit of Lance D. Hough 4 18 B-1 Hearing Notice 4 19 B-2 Certified Mail Log/Notice May 13, 2021 4 Certified Mail Log/Report June 1, 2021 20 B-3 Affidavit of Publication 4 21 22 23 24 25

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Page 3 1 (Time Noted 9:05 a.m.) 2 HEARING EXAMINER BRANCARD: With that I call 3 Case 21943, Colgate Operating. 4 MR. HOUGH: Lance Hough for Modrall Sperling on 5 behalf of Colgate Operating, LLC, in this case. б HEARING EXAMINER BRANCARD: Thank you. 7 Any other interested parties in Case 21943? (Note: No response.) Hearing none, you may proceed, Mr. 8 9 Hough. Thank you, Mr. Examiner. 10 Mr. HOUGH: Again this is a request for an Order from 11 12 the Division for the limited purpose of amending Order No. 13 21440 to allow for a one-year extension of time to commence drilling. The Division entered that Order on 14 15 August 4, 2020, so the one-year extension will allow for 16 drilling until August 24th of 2022. 17 Provided in support of this application again is included as Exhibit A the self-affirmed 18 declaration of Mark Hajdik, which includes the dedicated 19 acreage or description of dedicated acreage and wells. 20 21 They are in the Weaver family. He also provides that good cause exists for 22 the extension based on them having to push their drilling 23 24 schedule out as a result of recent market conditions and 25 limitations from the Covid pandemic.

Page 4 1 Further provided in support is A-1, A-2. 2 That is the Application itself and the Order 21440. 3 Exhibit B is my affidavit with respect to Notice being 4 timely. That includes attached to it B-1, B-2, B-3, which is the Hearing Notice itself, status of the mailings, and 5 then, of course, an Affidavit of Publication in a б 7 newspaper of local circulation. Again, a one-year extension to August 24, 8 2022. And unless the Division has any questions I would 9 ask request that these exhibits be admitted into the 10 record and this matter be taken under advisement. 11 Thank you. 12 HEARING EXAMINER BRANCARD: 13 Mr. Lowe, any questions? 14 EXAMINER LOWE: I don't have any questions. 15 Thank you. 16 HEARING EXAMINER BRANCARD: Thank you. 17 Any other parties in Case 21943? (Note: Pause.) Hearing none, the exhibits will be admitted and 18 Case 21943 will be taken under advisement. 19 20 (Time noted 9:07 a.m.) 21 22 23 24 25

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	Page 5
1	STATE OF NEW MEXICO)
2	: SS
3	COUNTY OF TAOS)
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5	REPORTER'S CERTIFICATE
б	I, MARY THERESE MACFARLANE, New Mexico Reporter
7	CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 3,
8	2021, the proceedings in the above-captioned matter were
9	taken before me; that I did report in stenographic
10	shorthand the proceedings set forth herein, and the
11	foregoing pages are a true and correct transcription to
12	the best of my ability and control.
13	I FURTHER CERTIFY that I am neither employed by
14	nor related to nor contracted with (unless excepted by the
15	rules) any of the parties or attorneys in this case, and
16	that I have no interest whatsoever in the final
17	disposition of this case in any court.
18	/s/ Mary Macfarlane
19	
20	MARY THERESE MACFARLANE, CCR NM Certified Court Reporter No. 122
21	License Expires: 12/31/2021
22	
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