

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: 22477

APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21589
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
February 3, 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, February 3, 2022, 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

For the Applicant:

DEANA BENNETT
MODRALL SPERLING ROEHL HARRIS & SISK PA
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I N D E X

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1 HEARING EXAMINER BRANCARD: With that I'm calling
2 Item 35, Case 22477, Colgate Operating.

3 MS. BENNETT: Good morning, Mr. Examiner. Deana
4 Bennett on behalf of Colgate Energy, Colgate Operating LLC.

5 HEARING EXAMINER BRANCARD: Thank you. Are there
6 any other entries of appearance for Case 22477?

7 (No audible response.)

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

10 MS. BENNETT: Thank you very much, Mr. Hearing
11 Examiner. In this case Colgate is requesting a one year
12 extension of time to drill the initial well under the order.
13 And this is Colgate's first request for an extension of time
14 to amend the order, and the order that Colgate is seeking to
15 amend is Order Number R-21589.

16 And behind the material which we filed on
17 Tuesday, you will find the self-affirmed declaration of Mark
18 Hajdik, and Mr. Hajdik has previously testified before the
19 Division and his credentials have been accepted as a matter
20 of record.

21 And in his declaration he explains the reasons
22 for requesting the additional time to drill the wells, which
23 is the continued disruptions of Covid and the impacts it has
24 had on Colgate's drilling schedule. Order 21589 pooled
25 uncommitted interest owners in a 320 acre Bone Spring

1 horizontal spacing unit, and that is the unit that Colgate
2 is seeking to have the extension apply to.

3 And the original order, under the original order
4 Colgate would have been required to drill the initial well
5 by February 2, 2022, and Colgate is requesting an additional
6 year through February 2, 2023.

7 Behind Mr. Hajdik's affidavit we have included
8 the order that Colgate is seeking to amend, and then
9 Exhibit 3 is the affidavit of, of our office showing that
10 the notice application was mailed to the pooled working
11 interest owners. What we failed to do at the time, though,
12 was publish because we were thinking that all of the letters
13 would be mailed out and would be received and so we did not
14 publish.

15 But in preparing for the hearing, it became clear
16 that not all of the letters were received, and some have
17 been returned to us. And so yesterday we worked with the
18 newspaper to get an affidavit -- to get a publication notice
19 for March 3 with the hopes that we could just continue this
20 case to March 3 for notice purposes only.

21 So with that, I would ask that the exhibits in
22 Case Number 22477 be admitted into the record, and I'm
23 available for any questions.

24 HEARING EXAMINER BRANCARD: Thank you. Mr.
25 Rose-Coss, any questions?

1 TECHNICAL EXAMINER ROSE-COSS: No questions for
2 me.

3 HEARING EXAMINER BRANCARD: So Ms. Bennett, when
4 is this newspaper publication going to happen?

5 MS. BENNETT: Hopefully today. We asked for it
6 to happen as quickly as possible, but there was no way to
7 get it in time for the February 17 docket. There is not
8 enough business days between now and February 17 to have the
9 publication fully ripe which is why we included March 3 as
10 the date in the publication notice because that's the first
11 docket date that -- where there is enough time for the
12 publication notice to actually be ripe.

13 HEARING EXAMINER BRANCARD: Okay. Well, you
14 should have enough time. All right. So with that, your
15 exhibits will be admitted into the record, and let me ask,
16 is there any other interested persons in Case 22477?

17 (No audible response.)

18 HEARING EXAMINER BRANCARD: Hearing none, this
19 case will be continued to March 3 for notice purposes.

20 Ms. Bennett, since we are continuing the case,
21 you don't need to file a continuance.

22 MS. BENNETT: Thank you very much, Mr. Examiner.

23 HEARING EXAMINER BRANCARD: So we are going to
24 take a break here.

25 (Exhibits admitted.) (Case continued.)

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 3rd day of February 2022.

18

/s/ Irene Delgado

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

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