

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:

Application of COLGATE
OPERATING, LLC for Compulsory
Pooling, Eddy County, New Mexico

Case Nos. 22622,
22623, 22624,
22625

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, APRIL 7, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, April 7, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department.

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

FOR COLGATE OPERATING, LLC:

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C O N T E N T S

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TAKEN UNDER ADVISEMENT:	9
(Held open for one week for submission)	

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1 (Time noted 10:55 a.m.)

2 EXAMINER BRANCARD: With that I will call Cases
3 22622, 22623, 22624, 22625, Colgate Operating.

4 MS. HARDY: Mr. Examiner, Dana Hardy with Hinkle
5 Shanor on behalf of Colgate Operating, LLC.

6 EXAMINER BRANCARD: Any other interested persons
7 for Cases 22622, -623, -624, -625? (Note: No response.)

8 Hearing none, you may proceed, Ms. Hardy.

9 MS. HARDY Thank you. In Case No. 22622 Colgate
10 seeks an Order pooling all uncommitted interests within
11 the Bone Spring Formation underlying a 240-acre standard
12 horizontal spacing unit comprised of the north half/north
13 half of Section 25 and the north half/northeast quarter of
14 Section 26, Township 20 South, Range 28 East in Eddy
15 County. Colgate proposes to dedicate the unit to the
16 Boomerang 25 Federal Com 121H and 231H wells.

17 In Case No. 22623, Colgate seeks an Order
18 pooling uncommitted mineral interests in the Bone Spring
19 Formation, again underlying a 240-acre standard spacing
20 unit, and this one is comprised of the south half/north
21 half of Section 25 and the south half/northeast quarter of
22 Section 26. That unit will be dedicated to the
23 Boomerang 25 Federal Com 122H and 132H wells.

24 In Case 22624 Colgate seeks an Order
25 pooling uncommitted mineral interests in the Bone Spring

1 Formation, again underlying a 240-acre standard spacing
2 unit, and this one is comprised of the north half/south
3 half of Section 25 and the north half/southeast quarter of
4 Section 26. That unit will be dedicated to the Boomerang
5 25 Federal Com 123H and 133H wells.

6 And last but not least, in Case No. 22625
7 Colgate seeks an Order pooling uncommitted interests in
8 the Bone Spring Formation underlying a 240-acre standard
9 unit comprised of the south half/south half of Section 25
10 and the south half/southeast quarter of Section 26. That
11 unit will be dedicated to the Boomerang 25 Federal Com
12 134H well.

13 In our exhibit packet we provided the
14 Compulsory Pooling Checklist and the affidavits of landman
15 Travis Macha and geologist David DaGian.

16 Mr. Macha's exhibits include the standard
17 land exhibits. The land ownership and plat of tracts is
18 provided in Exhibit A-3, and that exhibit also lists the
19 parties who we are seeking to pool, and they are
20 highlighted in yellow.

21 We did have one unlocatable party as noted
22 on that exhibit.

23 The Hearing Notice information is provided
24 in Exhibit A-6, and we included a chart of the letters
25 that were sent and the dates that they were received, that

1 our Return Notices were received.

2 So I would note that even though several of
3 those Notices, the Certified Mail Notices did not come
4 back to us, Mr. Macha's Exhibit A-5 shows that he had
5 communicated with most of those parties. In fact, I think
6 all of them, other than the one who is unlocatable.

7 We also did timely Public Notice which is
8 shown in our Affidavit provided in Exhibit A-7.

9 Mr. DaGian provides the standard geology
10 exhibits in each case. There is a Regional Locator Map, a
11 Cross-Section Map, Second and Third Bone Spring Structure
12 Maps and Cross-Sections.

13 He also provided a Gunbarrel Development
14 Plan as Exhibit B-7.

15 So with that, unless there are questions I
16 would ask that the exhibits be admitted into the record
17 and that these four cases be taken under advisement.

18 EXAMINER BRANCARD: Thank you. Mr. Garcia,
19 questions?

20 EXAMINER GARCIA: I guess my questions depend on
21 what you ask in your questions, Mr. Brancard. If you
22 don't mind, I guess I'd let you go first.

23 EXAMINER BRANCARD: Okay. Put me on the spot
24 here.

25 So Ms. Hardy, I'm confused. Who did the

1 Notices?

2 MS. HARDY: So on the Certified Mail Notice to
3 the parties? My office did that.

4 EXAMINER BRANCARD: Right. Then your office
5 also sent the request to the Carlsbad paper?

6 MS. HARDY: Correct.

7 EXAMINER BRANCARD: The problem here is you're
8 then having your landman in your affidavit saying we did
9 Notice, but he didn't do the Notice, you did the Notice.
10 So what we really need is an affidavit from
11 you or your office of Notice.

12 MS. HARDY: Okay. That's fine. This is the way
13 that we've done this in our cases for quite a while and we
14 haven't had an issue, but we're happy to produce an
15 affidavit from our office, as well.

16 EXAMINER BRANCARD: Okay. So in the first case
17 if you go to your Exhibit A-5, which is your Notice
18 Letter.

19 MS. HARDY: Yes.

20 EXAMINER BRANCARD: It indicates you mailed it
21 two days ago.

22 MS. HARDY: Oh. That's apparently a typo, and I
23 apologize for that. The letter was printed from the
24 electronic version, and it automatically put in the date
25 that it was printed. If you look at the chart on the next

1 page, that shows the dates that we actually sent the
2 Notice Letters.

3 I can send a corrected exhibit, if you
4 would like that.

5 EXAMINER BRANCARD: Correct the exhibit. And I
6 think it's just the first case. I think the other cases
7 are okay but you should check and make sure.

8 MS. HARDY: Yes. Okay. I will do that.

9 EXAMINER GARCIA: Okay. Mr. Garcia.

10 EXAMINER GARCIA: No, you hit on the topics I
11 was thinking you were going to, so I wanted to leave them
12 for you.

13 I have no further questions.

14 EXAMINER BRANCARD: All right. If you could,
15 then, Ms. Hardy, submit a revised letter, copy of the
16 letter that you sent out, hopefully the original letter.

17 EXAMINER GARCIA: May I, actually?

18 EXAMINER BRANCARD: Yes.

19 EXAMINER GARCIA: J&J Energy, are they an active
20 operator, to your knowledge? It just seems "operator"
21 should be easier to get ahold of than "unlocatable".

22 MS. HARDY: Was your question about J&J Energy?
23 You cut out for a minute.

24 EXAMINER GARCIA: Sorry. Do you know if J&J
25 Energy is an active operator? It just seems an operator

1 should be able to get ahold of instead of "unlocatable".

2 MS. HARDY: I don't believe they are. I can
3 check that, but I think if they were an active operator we
4 would have their contact information. I know that Mr.
5 Macha's Exhibit A-3 states that they attempted delivery at
6 two addresses to J&J Energy.

7 So I don't believe they are an active
8 operator, but I will verify that.

9 EXAMINER GARCIA: Thank you.

10 MS. HARDY: Sure.

11 EXAMINER GARCIA: Are there any other interested
12 persons here on Cases 22622, -623, -624, -625? (Note:
13 Pause.)

14 Hearing none, the exhibits will be admitted
15 into the record. We will take these cases under
16 advisement but we will leave the record open for only a
17 week to submit a new Exhibit A-6 in the first case with a
18 cover affidavit about how you did the Notice.

19 MS. HARDY: I will submit that today, Mr.
20 Examiner. Thank you.

21 EXAMINER BRANCARD: Thank you.

22 Is that all we needed, Mr. Garcia?

23 EXAMINER GARCIA: I believe so.

24 (Note: Time noted 11:04 a.m.)

25

1 STATE OF NEW MEXICO)
2 : ss
3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, April 7,
8 2022, 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

19 /S/CCR/Mary Therese Macfarlane

20 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
22 License Expires: 12/31/2022

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