

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NOS. 21072, 21074, 21075,
21092

APPLICATION BY COLGATE CORPORATION
FOR COMPULSORY POOLING IN EDDY COUNTY,
NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, AUGUST 20, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the
New Mexico Oil Conservation Division, FELICIA ORTH Hearing
Examiner, Technical Examiners SCOTT COX and DEAN McCLURE
on Thursday, August 20, 2020, Via Webex Video conferencing

REPORTED BY: Mary Therese Macfarlane
New Mexico CCR 122
Paul Baca Professional Court Reporters
500 Fourth street NW, Suite 105
Albuquerque, New Mexico 87102

1 A P P E A R A N C E S .

2 FOR THE APPLICANT: Lance D. Hough, Esq.
3 Modrall, Sperling
4 P.O Box 2168
5 Albuquerque, NM
6 (505) 848-1826
7 lance.hough@modrallsperling.com

8 FOR CHAI ENERGY and MEWBOURNE OIL COMPANY:

9 James Bruce, Esq.
10 Post Office Box 1056
11 Santa Fe, NM 87504
12 (505) 982-2043
13 jamesbruc@aol.com

14 FOR MAGNUM HUNTER: Sharon T. Shaheen, Esq.
15 Montgomery & Andrews
16 325 Paseo De Peralta
17 Santa Fe NM 87501
18 (505) 986-2678
19 sshaaheen@montand.com.

20 FOR MRC DELAWARE AND EOG: Michael Feldewert, Esq.
21 Holland & Hart
22 110 North Guadalupe, Suite 1
23 Santa Fe, New Mexico 87501
24 (505) 988-4421
25 mfeldewert@hollandandhart.com

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I N D E X

CASE NOS. 21072, 21074, 21075, 21092 CALLED PAGE
APPLICANT WITNESSES BY AFFIDAVIT:

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

APPLICANT COLGATE CORPORATION EXHIBITS

1 (Time noted 8:45 a.m.)

2 HEARING EXAMINER ORTH: I'll call case 21072.
3 The Applicant is Colgate Operating. This is a compulsory
4 pooling application for a well named Red Bandana.
5 Applicant's counsel is Modrall, Sperling.

6 And, by the way, this is Cases 21072,
7 21074, 21075, and 21092. All of those first four cases
8 relate to the well named Red Bandana.

9 Who is here from Modrall, Sperling? Is
10 that you, Mr. Hough?

11 MR. HOUGH: Yes that's correct, Madam Examiner.

12 HEARING EXAMINER ORTH: All right. We have a
13 number of other parties in the matter.

14 Ms. Shaheen, are you here for Magnum
15 Hunter?

16 MS. SHAHEEN: Good morning, Madam Examiner. I
17 am here for Magnum Hunter.

18 HEARING EXAMINER ORTH: Mr. Bruce, are you here
19 for Mewbourne and Chai Energy?

20 (Note: No response.)

21 Mr. Bruce?

22 I want to get the folks calling in.

23 MR. BRUCE: Can you hear me?

24 HEARING EXAMINER ORTH: Yes, I can hear you.

25 MR. BRUCE: Okay. Yes, I am here for Mewbourne

1 and Chai.

2 HEARING EXAMINER ORTH: Thank you. You appear
3 to be Call-in 5.

4 Let's see. Now we have MRC Delaware and
5 EOG.

6 Is that you, Mr. Feldewert?

7 MR. FELDEWERT: Yes, Madam Examiner. Good
8 morning.

9 HEARING EXAMINER ORTH: Good morning.

10 And finally we have Yates Energy and
11 Jalapeno. Who is here from the Gallegos firm?

12 (Note: No response.)

13 HEARING EXAMINER ORTH: I have unmuted all of
14 the folks calling in on the phone. Is there anyone here
15 for Yates Energy and Jalapeno?

16 (Note: No response.)

17 All right. Well, we are down for a status
18 conference this morning. Let's proceed.

19 Mr. Hough, would you like to start?

20 MR. HOUGH: Good morning. That's correct, Madam
21 Examiner. The bottom line is, you know, the parties have
22 spoken, and Mr. Chairman, you know, this is something that
23 should be set for a contested docket in the fall that we
24 had talked about.

25 I know Mr. Bruce had submitted the Request

1 for Status Conference just laying that out, so as far as
2 he is concerned at the time we're prepared to proceed with
3 a hearing.

4 HEARING EXAMINER ORTH: All right. And we're
5 now into November before we're setting matters for
6 contested hearings. Do you have an estimate as to how
7 long the hearing will take?

8 MR. BRUCE: Madam Chair, this is Jim Bruce.

9 I'm guessing it will have to be a full day.
10 Lance, would you agree?

11 MR. HOUGH: Yeah, I would agree in light of all
12 the parties involved here -- you know, obviously
13 resolutions can be reached in the meantime, but given all
14 the parties I think a full day would be appropriate.

15 MR. BRUCE: And, Madam Chair, cases also in on
16 this status conference are Cases 15 through 18 under the
17 docket, which are Mewbourne Oil Company counter
18 applications.

19 HEARING EXAMINER ORTH: Okay. So that would be
20 Cases 21325, 21326, 21327 and 21328, Mewbourne Oil.

21 MR. BRUCE: That's correct.

22 HEARING EXAMINER ORTH: Okay. Mewbourne Oil is
23 the Applicant, compulsory pooling applications, and the
24 well name is Hemingway.

25 All right. So the next full day -- I've

1 just recently scheduled something for November 19th but
2 the 20th, which is the Friday after the 19th, is
3 available. And what we might do is, I guess based on our
4 observation that a number of these contested hearings
5 settle, we may well want to set it on the 19th with the
6 understanding that if in fact the other matter which is
7 already set for the 19th actually goes, it wouldn't occur
8 till the 20th.

9 Does that make sense?

10 MR. BRUCE: It makes sense to me.

11 MR. HOUGH: So, Madam Examiner, the bottom line
12 is we'll set it for the 19th, and then, you know, we as
13 the parties should reserve the 20th in the event it gets
14 pushed into that day. Is that correct?

15 HEARING EXAMINER ORTH: Yes, that's what I was
16 trying to say, yes.

17 MR. HOUGH: No, that's what you said. I just
18 wanted to make sure my understanding was correct.

19 HEARING EXAMINER ORTH: Yeah.

20 Okay. Let's see. All right. So if you
21 would please submit a draft Prehearing Order setting it on
22 the 19th, continuing onto the 20th, as necessary, and I'll
23 sign that when you submit it.

24 MR. HOUGH: Thank you.

25 MR. BRUCE: Thank you.

1 HEARING EXAMINER ORTH: Thank you all.

2 I trust there's nothing else on these
3 matters.

4 MR. BRUCE: Nothing.

5 MR. HOUGH: Yeah, nothing from Colgate and Red
6 Bandana -- I'm sorry, Hemingway --

7 MS. SHAHEEN: Nothing from Magnum Hunter.

8 HEARING EXAMINER ORTH: Okay. Thank you all
9 very much.

10 (Time noted 8:55 a.m.)

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1 STATE OF NEW MEXICO)
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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter
CCR No. 122, DO HEREBY CERTIFY that on Thursday, August
20, 2020, the proceedings in the above-captioned matter
were taken before me; that I did report in stenographic
shorthand the proceedings set forth herein, and the
foregoing pages are a true and correct transcription to
the best of my ability and control.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with (unless excepted by the
rules) any of the parties or attorneys in this case, and
that I have no interest whatsoever in the final
disposition of this case in any court.

/s/ Mary Macfarlane

MARY THERESE MACFARLANE, CCR
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