

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: 22395-22398

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
FEBRUARY 17, 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 KATHLEEN MURPHY on  
Thursday, February 17, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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Albuquerque, NM 87102  
505-843-9241

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A P P E A R A N C E S

For the Applicant:

DANA HARDY  
HINKLE SHANOR LLP  
P.O. Box 0268  
Santa Fe, NM 87504

For Apache Corporation:

SCOTT WOODY  
GALLAGHER & KENNEDY  
1239 Paseo de Peralta  
Santa Fe, NM 87501

For MRC Permian:

JAMES BRUCE  
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Santa Fe, NM 87504-1056  
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I N D E X

CASE CALLED	
SUMMARY OF CASE AND EXHIBITS	03
TAKEN UNDER ADVISEMENT	08
REPORTER CERTIFICATE	09

1 HEARING EXAMINER BRANCARD: With that, I will  
2 call Cases 22395 and 22396, Colgate Operating.

3 MS. HARDY: Good morning, Mr. Examiner. Dana  
4 Hardy with the Santa Fe office of Hinkle Shanor on behalf of  
5 Colgate Operating. I believe we could consolidate these  
6 cases with Case Numbers 22397 and 22398, if that would be  
7 acceptable.

8 HEARING EXAMINER BRANCARD: All right. We could  
9 do that. I had separated them because we had a separate  
10 objection for 395, 396, but I believe that has been  
11 resolved.

12 I'll call Jalapeno Corporation if they are on the  
13 line to provide any further input.

14 (No audible response.)

15 HEARING EXAMINER BRANCARD: Hearing none, we will  
16 take their notice of withdrawal from yesterday into  
17 consideration. And then I also have an entry of appearance  
18 on all four cases for Apache Corporation.

19 MR. WOODY: Mr. Examiner, this is Scott Woody  
20 with Gallagher & Kennedy.

21 HEARING EXAMINER BRANCARD: Thank you, Mr. Woody.  
22 Are there any objections to the case going forward by  
23 affidavit?

24 MR. WOODY: Mr. Examiner, no, not at this time.  
25 We do not protest it going forward on the affidavits, but we

1 would like to reserve our right for de novo review.

2 HEARING EXAMINER BRANCARD: Absolutely.

3 With that, any other interested persons for Case  
4 22395, 22396, 22937, 22398.

5 MR. BRUCE: Mr. Examiner, Jim Bruce entering an  
6 appearance -- entering appearances for -- in the latter two  
7 cases only for MRC Permian Company and for Petro Gulf  
8 Corporation, and there is no objection to these cases moving  
9 forward by affidavit. They are just reserving their rights.

10 HEARING EXAMINER BRANCARD: Thank you. So that  
11 is for Cases 22397 and 398; correct?

12 MR. BRUCE: Correct.

13 HEARING EXAMINER BRANCARD: With that, Ms. Hardy,  
14 I believe you may proceed.

15 MS. HARDY: Thank you. In these cases Colgate  
16 seeks to pool uncommitted mineral interests in the  
17 Winchester Bone Spring West Pool within the Bone Spring  
18 formation in Township 19 South, Range 28 East in Eddy  
19 County.

20 In Case Number 22395, Colgate seeks an order  
21 pooling uncommitted mineral interests within the Bone Spring  
22 formation underlying a 320 acre standard horizontal spacing  
23 unit comprised of the N/2 of the S/2 of Section 16 and 17,  
24 and seeks to dedicate the unit to the Blackhawk 16 State Com  
25 133H and 123H wells.

1                   In Case Number 22396, Colgate seeks an order  
2 pooling interest within the Bone Spring formation underlying  
3 a 320 acre standard horizontal spacing unit comprised of the  
4 S/2 of the S/2 of Section 16 and 17 and seeks to dedicate  
5 this unit to the Blackhawk 16 State Com 124H and 134H wells.

6                   In Case Number 22397, Colgate seeks to pool  
7 interest in the Bone Spring Formation in a 320 acre standard  
8 spacing unit comprised of the S/2 of the N/2 of Sections 16  
9 and 17, and that unit will be dedicated to the Black Cat 16  
10 State Com 122H and 132H wells.

11                   In Case Number 22398, Colgate seeks to pool  
12 uncommitted mineral interest in the Bone Spring Formation  
13 underlying a 320 acre spacing unit comprised of the N/2 of  
14 the N/2 of Sections 16 and 17. And that unit will be  
15 dedicated to the Black Cat 16 121H and 131H wells.

16                   In our exhibit packets we have provided the  
17 compulsory pooling checklist and the packets are identical  
18 for each case.

19                   Exhibit A consists of the landman Mark Hajdik  
20 affidavit's and his related land exhibits.

21                   Exhibit B is the geologist affidavit and standard  
22 geology exhibits including the location map, structure maps,  
23 cross section and gunbarrel schematic.

24                   The notice information is included in Exhibits  
25 A-6 and A-7 to Mr. Hajdik's affidavit. We did not have any

1 unlocatable interest and notice was timely provided by  
2 certified mail to all parties. We did publish notice as  
3 well out of an abundance of caution, and that notice was  
4 also published timely.

5 With that, unless there are questions, I would  
6 request that the exhibits be accepted into the record and  
7 that these cases be taken under advisement.

8 HEARING EXAMINER BRANCARD: Thank you.

9 Mr. Woody, any questions?

10 MR. WOODY: Not at this time, sir.

11 HEARING EXAMINER BRANCARD: Thank you.

12 Mr. Bruce, any questions?

13 MR. BRUCE: No, sir.

14 HEARING EXAMINER BRANCARD: Thank you. Ms.

15 Murphy?

16 TECHNICAL EXAMINER MURPHY: Good morning, Ms.

17 Hardy.

18 MS. HARDY: Good morning.

19 TECHNICAL EXAMINER MURPHY: What's the percentage  
20 of people or operators you are seeking to pool? I didn't  
21 find that in the packet.

22 MS. HARDY: That is in Exhibit A-3. So it looks  
23 like Colgate has a 43 percent approximate interest in case  
24 22395 and is pooling other interests. If you look at the  
25 table that's in Exhibit A-3, it shows what Colgate's

1 interest is.

2 TECHNICAL EXAMINER MURPHY: Okay, I see that now.

3 MS. HARDY: Yes.

4 TECHNICAL EXAMINER MURPHY: And same issue with  
5 the C-102s for all of those cases.

6 MS. HARDY: Okay, I will mention that to Colgate.

7 TECHNICAL EXAMINER MURPHY: You should not be  
8 putting those in on the record if they are not filled in  
9 entirely, and these are easy things. That's the easy  
10 button.

11 MS. HARDY: Okay.

12 TECHNICAL EXAMINER MURPHY: Thank you.

13 MS. HARDY: Thank you.

14 HEARING EXAMINER BRANCARD: Thank you. My only  
15 question is the same one I had for Mr. Rankin is that it  
16 appears that the wells you are using for your geology  
17 exhibit, Exhibit B-2, that several of them are within your  
18 spacing unit. So if you can just check and make sure there  
19 is no overlapping spacing unit issues either.

20 MS. HARDY: I will verify that, Mr. Examiner.

21 HEARING EXAMINER BRANCARD: I believe they are  
22 the Nomen wells, I think they're called.

23 MS. HARDY: Yes, I see that.

24 HEARING EXAMINER BRANCARD: And I think they hit  
25 three of the four spacing units.

1 MS. HARDY: Okay, I will confirm with Colgate.

2 HEARING EXAMINER BRANCARD: Appreciate.

3 MS. HARDY: Thank you.

4 HEARING EXAMINER BRANCARD: Are there any other  
5 interested persons then for Cases 22395, 396, 397, 398?

6 (No audible response.)

7 HEARING EXAMINER BRANCARD: Hearing none, these  
8 cases will be taken under advisement. Thank you.

9 MS. HARDY: Thank you very much.

10 (Taken under advisement.)

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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 17th 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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