

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

**APPLICATIONS OF APACHE CORPORATION
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21189
CASE NO. 21190
CASE NO. 21191
CASE NO. 21192**

**APPLICATIONS OF COLGATE OPERATING,
LLC FOR COMPULSORY POOLING AND
NON-STANDARD SPACING AND PRORATION UNIT,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21078
CASE NO. 21079
CASE NO. 21239**

PRE-HEARING ORDER

This Pre-Hearing Order follows a status conference held on June 25, 2020, and the submission of a Joint Stipulation via email to the Examiner by the following parties: Apache Corporation (Apache), Colgate Operating, LLC & CM Resources, LLC (Colgate), Magnum Hunter Production, Inc. (Magnum), EOG Resources, Inc. (EOG), and XTO Energy Inc. (XTO), being all of the parties having entered an appearance in the referenced cases.

APPEARANCES

APPLICANT

Apache Corporation

APPLICANT'S ATTORNEY

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OPPONENTS

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Resources, LLC**

Magnum Hunter Production, Inc.

EOG Resources, Inc.

XTO Energy Inc.

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HEARING DATE, DEADLINES, AND PROCEDURES

1. The hearing on the merits in these matters will commence on August 14, 2020 at 8:30 a.m. and continue as necessary through completion.
2. The hearing will be recorded and transcribed by a court reporter.
3. The hearing will be conducted using the Webex meeting platform; sign-in information will be sent to the parties closer to the date of the hearing. The Hearing Officer may modify the format of the hearing consistent with available resources and public distancing directives in place at the time of the hearing.
4. Apache's Case Nos. 21189, 21190, 21191 and 21192 will be consolidated for purposes of the hearing.
5. Colgate's Case Nos. 21078, 21079 and 21239 will be consolidated for purposes of the hearing.
6. The parties shall file with the pre-hearing statement required by NMAC 19.15.4.13.B the following additional information, all of which is due by 5 p.m. on August 7:
 - a. a list of material facts not in dispute;
 - b. identification of the witnesses and their qualifications; and
 - c. a full narrative of the direct testimony and exhibits for each witness.
7. Any evidentiary objections to the filed direct testimony or any exhibit shall be filed by 5 p.m. on August 12, responses shall be filed by 5 p.m. on August 13, and all objections will be addressed at the commencement of the hearing.
8. A courtesy copy of all documents filed with the Division Hearings staff shall also be sent to the Hearing Officer via e-mail.
9. All witnesses filing direct testimony shall attend the hearing and will be subject to cross examination by counsel for the parties and the Division Examiners.
10. The parties stipulate that the only currently pending competing compulsory pooling applications before the Division affecting the lands which are the subject of Apache's applications filed in Case Nos. 21189 – 21192 and Colgate's applications filed in Case Nos. 21078, 21079 and 21239 are those of Apache and Colgate referenced above.
11. Notwithstanding anything herein to the contrary, each party retains its respective right following entry of an order of the Division in these matters to a de novo hearing before the Oil Conservation Commission pursuant to NMAC 19.15.4.23.

12. The parties agree that, notwithstanding the deadline to file evidentiary motions regarding exhibits and witnesses, no party is prohibited from objecting at hearing to discrete aspects of a witness's written or oral testimony.
13. The Division's Guidelines for Presentation of Cases by Witnesses, paragraphs 1 through 6, are applicable.
14. As part of the testimony and exhibits each party desires to present regarding the applications, each party should address the following issues if pertinent:
 - a. A description and comparison of the geology of the competing well locations and the potential of the competing prospects to efficiently recover the oil and gas reserves underlying the property;
 - b. A description and comparison of the acreage used and stranded by the competing prospects;
 - c. A description and comparison of the risk associated with the competing proposals to explore and develop the property;
 - d. A description of the ability of each applicant to prudently operate the property and to prevent waste;
 - e. A description of the negotiations by each applicant prior to filing the application;
 - f. A description of each applicant's well cost estimates (AFEs) and other operational costs; and
 - g. A description of the mineral interest owned by each applicant.
15. Presentation at hearing for the combined cases will proceed pursuant to NMAC 19.15.4, except as modified below. Notwithstanding the presentation outline below, each party will have an opportunity to cross-examine an individual witness directly following oral testimony of that witness, with redirect to follow cross-examination, before a party moves to the direct testimony of a new witness.
 - a. Opening statements by all parties
 - b. Case-in-Chief by Apache (including possible additional oral testimony of Apache's witnesses);
 - c. Cross-examination by Colgate;
 - d. Cross-examination by Magnum, EOG and XTO;
 - e. Redirect by Apache;
 - f. Case-in-Chief by Colgate (including possible additional oral testimony of Colgate's witnesses);
 - g. Cross-examination by Apache;

- h. Cross-examination by Magnum, EOG and XTO;
- i. Redirect by Colgate;
- j. Direct witness testimony of Magnum, EOG and XTO;
- k. Cross-examination by Apache of any witness presented by Magnum, EOG and XTO;
- l. Cross-examination by Colgate of any witness presented by Magnum, EOG and XTO;
- m. Rebuttal by Apache and Colgate; and
- n. Closing Statement of Apache;
- o. Closing Statement of Colgate.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**FELICIA L. ORTH
HEARING EXAMINER**

Date: 6/25/20