

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. 21317, 21318

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
(505) 843-9241

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
(505) 848-1826
lance.hough@modrallsperling.com

6 FOR CIMAREX/MAGNUM: Sharon T. Shaheen, Esq.
7 Montgomery & Andrews
8 325 Paseo De Peralta
9 Santa Fe NM 87501
(505) 986-2678
sshahen@montand.com.

10 FOR MRC PERMIAN: Kaitlyn Luck, Esq.
11 Holland & Hart
12 110 North Guadalupe, Suite 1
13 Santa Fe, New Mexico 87501
14 (505) 954-7286
15 kaluck@hollandhart.com
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C O N T E N T S

| | |
|-----------------------------------|------|
| CASE NOS. CALLED | PAGE |
| APPLICANT WITNESSES BY AFFIDAVIT: | |
| MARK HAJDIK (Landman) | 6 |
| SERGIO OJEDA (Geologist) | 6 |
| TAKEN UNDER ADVISEMENT | 7 |

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

| | |
|--|------------|
| APPLICANT COLGATE CORPORATION EXHIBITS | INTRODUCED |
| A Checklists | 6 |
| B Affidavit of Mark Hajdik | 6 |
| C Affidavit of Sergio Ojeda | 6 |
| D-1 Notice letters | 6 |
| D-2 Status of mailing | 6 |
| D-3 Publication Notice | 6 |
| EXHIBITS ACCEPTED: | 7 |

1 (Time noted 8:56 a.m.)

2 HEARING EXAMINER ORTH: Let's move then to
3 21317, Colgate Operating.

4 This is actually 21317 and 21318, Colgate
5 Operating. These are Compulsory Pooling Applications
6 relating to a well named Atlas, Atlas 18.

7 Mr. Hough, are you here again for Modrall
8 Sperling.

9 MR. HOUGH: That's correct, Madam Examiner.

10 HEARING EXAMINER ORTH: All right. We do have
11 other parties here.

12 Cimarex/Magnum. Ms. Shaheen, are you here
13 from Montgomery & Andrews?

14 MS. SHAHEEN: Yes, I am.

15 HEARING EXAMINER ORTH: All right. And MRC
16 Permian. Who is here from Holland & Hart for MRC Permian?

17 MS. LUCK: Good morning, Madam Examiner.
18 Kaitlyn Luck with the Santa Fe office of Holland & Hart
19 for MRC Permian.

20 HEARING EXAMINER ORTH: Good morning, Ms. Luck.

21 Let me pause for a moment to ask if there
22 are any other appearances this morning.

23 (Note: No response.)

24 HEARING EXAMINER ORTH: No.

25 All right. Do I understand that the cases

1 may be presented by affidavit this morning? Do you have
2 any objection, Ms. Shaheen?

3 MS. SHAHEEN: No, Madam Examiner, we do not
4 object to Colgate proceeding by affidavit. We have
5 entered our appearance to preserve our rights in the event
6 there is an Order that is unexpected to appeal before the
7 Commission.

8 HEARING EXAMINER ORTH: Thank you.

9 Ms. Luck?

10 MS. LUCK: No objection from MRC. Likewise, MRC
11 is entering its appearance for purposes of preserving its
12 right to appeal.

13 HEARING EXAMINER ORTH: Thank you. If you
14 would, then, Mr. Hough.

15 MR. HOUGH: Thank you, Madam Examiner.

16 So these two cases from Colgate Operating
17 LLC are for two Bone Spring units, preliminary identifies
18 they are 233-acre units, because one section, of course,
19 has to be pooled as an irregular section, so the reverse
20 case is for pooling in the south half/northwest corner
21 equivalent of Regular Section 18, Township 19 South, Range
22 29 East, and then the south half/north half of Section 13,
23 Township 19 South, Range 28 East. And it is in Eddy
24 County, New Mexico.

25 For the other case, this is the north

1 half/north half of the same area. So to be clear this is
2 Case 21318. This is for pooling in the north
3 half/northwest quadrant of Irregular Section 18, Township
4 19 South, Range 29 East and the north half of Section 13,
5 Township 19 South, Range 28 East in Eddy County, New
6 Mexico.

7 Provided in the hearing packet submitted on
8 Tuesday you'll see the exhibits produced. Under Exhibit A
9 the two checklists, and for Exhibit B is the Affidavit of
10 Mark Hajdik, the landman in this matter, as well as there
11 are several corresponding exhibits to his affidavit that
12 are attached.

13 Exhibit C is the Affidavit of Sergio Ojeda.
14 He is the geologist in this matter, and there are several
15 geology exhibits attached there.

16 And Exhibit D is the update from myself,
17 and its Exhibits D-1, -2, -3 provide the Notice letters
18 and status of mailing and Publication that fulfill the
19 Notice requirement.

20 So unless there are any questions from the
21 Division I would ask that these exhibits be submitted and
22 taken under advisement.

23 HEARING EXAMINER ORTH: All right. Thank you,
24 Mr. Hough.

25 Ms. Shaheen, do you have any questions?

1 MS. SHAHEEN; No, thank you, Madam Examiner.

2 HEARING EXAMINER ORTH: Ms. Luck, do you have
3 any questions?

4 MS. LUCK: No questions from me.

5 HEARING EXAMINER ORTH: Mr. Cox, do you have
6 questions of Mr. Hough?

7 EXAMINER COX: No questions at this time, Madam
8 Examiner. Thank you.

9 HEARING EXAMINER ORTH: And Mr. McClure.

10 EXAMINER McCLURE: No, ma'am, I have no
11 questions at this time.

12 HEARING EXAMINER ORTH: All right. Thank you.

13 Thank you, Mr. Hough. Your exhibits are
14 accepted and the matter will be taken under advisement.

15 MR. HOUGH: Thank you, Madam Examiner.

16 (Time Noted 8:59 a.m.)

17

18

19

20

21

22

23

24

25

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

4
5 REPORTER'S CERTIFICATE

6 I, Mary Therese Macfarlane, New Mexico Certified
7 Court Reporter No. 122, do hereby certify that on
8 Thursday, August 20, 2020 the proceedings in the
9 above-captioned matter were taken before me; that I did
10 report in stenographic shorthand the proceedings set forth
11 herein, and the foregoing pages are a true and correct
12 transcription to 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 /s/ Mary Macfarlane
19 _____

20 Mary Therese Macfarlane, CCR
21 NM Certified court Reporter No. 122
License Expires: 12/31/2020

22
23
24
25