

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: 21379, 21380

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

CASE NOS: 21430 - 21432

APPLICATION OF MEWBOURNE OIL COMPANY,
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

NOVEMBER 19, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
FELICIA ORTH and TECHNICAL EXAMINERS JOHN GARCIA and DYLAN
COSS on Thursday, November 19, 2020, via Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For Colgate:

LANCE HOUGH
MODRALL SPERLING ROEHL HARRIS & SISK PA
500 4th Street, NW, Suite 1000
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For Mewbourne:

JAMES BRUCE
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I N D E X

CASE CALLED	
STATUS CONFERENCE	03
REPORTER CERTIFICATE	07

1 HEARING EXAMINER ORTH: Let's move then to
2 Matters 21379, 21380, 21430, 21431 and 21432. I have called
3 them all together because I understand that they will be
4 collectively considered for a status conference this
5 morning. Counsel can certainly clarify for me if that's not
6 the case.

7 21379 and 21380, Colgate Operating is the
8 applicant, compulsory pooling application. The well name is
9 Silver Bar, and we have Modrall Sperling entering an
10 appearance on behalf of the applicant. Who here is
11 representing the applicant this morning?

12 MR. HOUGH: Good morning, Madam Examiner. This
13 is Lance Hough from Modrall Sperling on behalf of Colgate
14 Operating LLC, and your understanding is correct with
15 respect to these cases being heard together.

16 HEARING EXAMINER ORTH: Thank you very much,
17 Mr. Hough. We have then -- let's see. Colgate, how did
18 I -- the entry of appearance from another party?

19 (No audible response.)

20 HEARING EXAMINER ORTH: No? 21430, 21431, 21432
21 Mewbourne Oil is the applicant, compulsory pooling
22 applications relating to a well that is the Iron Horse. Mr.
23 Bruce, I have unmuted you.

24 MR. BRUCE: Yes, I am here for the applicant.
25 And as to the Colgate cases I can't recall whether or not I

1 entered an appearance. I do enter an appearance in that
2 case and they have done so in mine, so --

3 HEARING EXAMINER ORTH: Yes, I was starting to
4 confuse myself there. Thank you. Let me pause for a moment
5 in the event there are any additional appearances in any of
6 these cases this morning.

7 (No audible response.)

8 HEARING EXAMINER ORTH: Hearing nothing, would
9 you please kick us off first, Mr. Hough.

10 MR. HOUGH: Thank you, Madam Examiner. It's
11 pretty straightforward. The parties here have tried to, as
12 included in our stipulated request (inaudible) we are
13 working on a resolution. So at this point we thought a
14 status conference time would be an appropriate time to set a
15 subsequent hearing date, rather than potentially, you know,
16 just continuing and having a continuance, or I mean, a
17 subsequent status conference to set the hearing.

18 So that's really all that I believe we are here
19 to do today, but obviously Mr. Bruce can speak on behalf of
20 Mewbourne.

21 MR. BRUCE: Yeah, we just need to reset it
22 because I believe the parties are discussing this matter,
23 and there is always the chance of a settlement.

24 MR. HOUGH: Hello? Madam Examiner, I believe you
25 are on mute.

1 HEARING EXAMINER ORTH: Yeah, muting myself. So
2 thank you very much, Mr. Bruce. Do counsel have a
3 particular month they would like to choose a Thursday
4 session, and Ms. Salvidrez and I have spoken and would very
5 much like to focus counsel on possible Thursday sessions
6 which reduced the need for special public notice if we can
7 just add it to a regular Thursday hearing.

8 MR. HOUGH: I know Mr. Bruce and I spoke about
9 sometime in February, so early February. The second docket
10 in February works for us, too, or at least for Colgate.

11 HEARING EXAMINER ORTH: All right. So there are
12 two hearing sessions in February 2021, either the 4th or the
13 18th. As you may remember, there are other cases which may
14 have been tentatively set with or without prehearing orders
15 for those dates, so I will tell you those dates have a
16 number of these ostensibly contested cases which then settle
17 such that we don't actually have contested hearings, I think
18 we can just go ahead and schedule more than one contested
19 case in connection with a regular hearing.

20 So do you have a preference as to the 4th or the
21 18th?

22 MR. BRUCE: I would go for the 18. I will be a
23 party to the two contested cases that are on February 4, and
24 I think it would just be easier to do the 18th.

25 HEARING EXAMINER ORTH: All right. Thank you,

1 Mr. Hough, that's okay?

2 MR. HOUGH: That's okay.

3 HEARING EXAMINER ORTH: All right. Who then is
4 going to get me a draft prehearing order?

5 MR. HOUGH: I'm happy to go ahead and submit that
6 draft prehearing order in the next few days or so.

7 HEARING EXAMINER ORTH: Thank you very much. Is
8 there anything else we need to talk about in connection with
9 these five matters?

10 MR. BRUCE: Not from my point of view.

11 MR. HOUGH: Not from Colgate.

12 HEARING EXAMINER ORTH: Okay. Thank you both,
13 gentlemen, and I will look for the prehearing order and see
14 you in February.

15 (Concluded.)

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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 19th day of November 2020.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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