

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:

Application of Colgate Operating, LLC, Case No.21904
for amendment of Order R-21354 and Previous Case
R-21354-A, Eddy County, New Mexico No. 21226

Application of Colgate Operating, LLC, Case No.21905
for amendment of Order Nos. R-21366 Previous Case
R-21355-A, Eddy County, New Mexico No. 21227

REPORTER'S TRANSCRIPT OF PROCEEDINGS

STATUS CONFERENCE

THURSDAY, JUNE 3, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, before
William Brancard, Hearing Examiner, Leonard
Lowe, Technical Examiner, on Thursday, June 3,
2021, via Webex videoconferencing Platform.

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
PAUL BACA COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

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A P P E A R A N C E S

For Colgate Operating, LLC:

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For Cimarex Energy Company:

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C O N T E N T S

CASES 21904, 21905	PAGE
CASE CALLED:	3
CASE TAKEN UNDER ADVISEMENT:	6

I N D E X O F E X H I B I T S

EXHIBIT	ADMITTED.
A Affidavit of Mark Hadjik	6
B Affidavit of Ernest Padilla re Notice and supporting documents	6

1 (Time noted 8:37 a.m.)

2 HEARING EXAMINER BRANCARD: Okay. With that
3 we'll start with Colgate but not Mr. Hough.

4 This is Cases 21904, 21905, Nos. 11 and 12
5 on the docket. I believe this is the Padilla Law Firm.

6 MR. PADILLA: Mr. Examiner, Ernest L. Padilla
7 for Colgate Operating, LLC, in both cases.

8 HEARING EXAMINER BRANCARD: And I see an entry
9 of appearance from Cimarex, Abadie & Schill, in at least
10 one of the cases.

11 MR. SAVAGE: Good morning, Mr. Examiner. Darin
12 Savage of Abadie & Schill for Cimarex Energy Company, and
13 that would be in Case 21905.

14 HEARING EXAMINER BRANCARD: Mr. Savage, do you
15 have any objections to this case going forward by
16 affidavit?

17 MR. SAVAGE: No objection today.

18 HEARING EXAMINER BRANCARD: Are there any other
19 parties interested in Cases 21904, 21905?

20 (Note: No response.)

21 Hearing none, you may proceed, Mr. Padilla.

22 MR. PADILLA: Mr. Examiner, this case is asking
23 for an extension of one year for Order R-21354 in Case
24 21904 and Order R-21355 in Case 21905.

25 The reasons for the application are the

1 same as has been occurring recently: Due to Covid 19
2 pandemic and market conditions in the oil and gas
3 industry. Seems like those conditions may be improving
4 and the least -- but essentially the drilling schedules
5 just are all behind because of Covid.

6 The cases, the wells to be drilled under
7 Case 21904 are the Dawson, four Dawson wells that are
8 listed in our application, and 21905 we have another four
9 wells, the Shamrock wells.

10 So we just simply ask for an extension of
11 one year to pursue drilling operations under these Orders.

12 Now, with respect to Cimarex, I think that
13 we have, or at least Colgate has satisfied the
14 requirements in terms of submitting JOAs to Cimarex under
15 the wells being drilled under the 21905.

16 So we ask that this application be granted.

17 HEARING EXAMINER BRANCARD: Thank you. Do you
18 have any exhibits today?

19 MR. PADILLA: I have. Yes, I do have exhibits.
20 I'm sorry.

21 We have affidavit of Mark Hadjik which
22 basically states the reasons that I pretty much summarized
23 here, that they have fallen behind on the drilling
24 schedule due to the pandemic.

25 In my affidavit, which is very lengthy

1 because we had considerable interest owners in all of
2 these wells, they are all separated by the respective
3 cases, but we also have a land affidavit, Notice of
4 Publication that has been filed in Lea County for the
5 drilling of these wells.

6 Let me be sure I have this correct in terms
7 of Lea -- not Lea County but Eddy County.

8 So we ask that Exhibit A, which is the
9 affidavit of Mark Hadjik, be admitted into the record and
10 that my affidavit giving Notice to all the interest owners
11 also be admitted. There are numerous owners in these well
12 prospects but we have accounted for everyone either
13 through actual notice by the green cards that were
14 submitted and received back, and/or by publication in Lea
15 County for the ones that were returned.

16 Because of the number of cases that were --
17 or number of interest owners we included all interest
18 owners in the Notice of Publication just to be safe.

19 So we ask that Exhibit A and B be admitted
20 into the record.

21 HEARING EXAMINER BRANCARD: Thank you.

22 Mr. Savage, any comments on the exhibits,
23 or questions for Mr. Padilla?

24 MR. SAVAGE: Mr. Brancard, no questions, no
25 objections.

1 HEARING EXAMINER BRANCARD: Thank you.

2 Mr. Lowe, any questions on these two cases?

3 EXAMINER LOWE: Just want to get a quick reply.

4 What is the initial -- I'm looking at
5 your -- trying to look through exhibits here. What is the
6 initial of the date that you're requesting for the
7 one-year extension?

8 MR. PADILLA: We are requesting from June 10th
9 to June 10 of 2022.

10 EXAMINER LOWE: Okay. Thank you, sir. That is
11 all I have for questions. Thank you.

12 HEARING EXAMINER BRANCARD: Thank you.

13 Are there any other interested parties in
14 these cases?

15 MR. PADILLA: Before we move on, Mr. Examiner, I
16 request that the Order be expedited to cover the June 10th
17 deadline.

18 HEARING EXAMINER BRANCARD: Thank you.

19 Just quickly clarifying, are there any
20 other interested persons in Cases 21904, 21905?

21 (Note: No response.)

22 Hearing none, thank you. So the exhibits
23 will be admitted into the record and this case will be
24 taken under advisement. We will try to get the Order out
25 quickly, but Mr. Padilla, you got your application in, you

1 got your hearing, so you're fine.

2 MR. PADILLA: Okay. Thank you.

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

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1 STATE OF NEW MEXICO)

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3 COUNTY OF TAOS)

4 REPORTER'S CERTIFICATE

5 I, MARY THERESE MACFARLANE, New Mexico Reporter
6 CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 3,
7 2021, the proceedings in the above-captioned matter were
8 taken before me; that I did report in stenographic
9 shorthand the proceedings set forth herein, and the
10 foregoing pages are a true and correct transcription to
11 the best of my ability and control.

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

17 /s/ Mary Macfarlane

18 _____
19 MARY THERESE MACFARLANE, CCR
20 NM Certified Court Reporter No. 122
21 License Expires: 12/31/2021

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