

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. 21942  
to Amend Order No. R-21461.  
Eddy County, New Mexico.

Application of Colgate Operating, LLC, Case No. 21944  
to Amend Order No. R-21461.  
Eddy County, New Mexico.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JUNE 3, 2021

This matter came on for hearing before the  
New Mexico Oil Conservation Division,  
Legal Examiner William Brancard, Technical  
Examiner Leonard Lowe, on Thursday, June 3, 2021  
via Webex Virtual Conferencing 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

1 A P P E A R A N C E S.

2 FOR COLGATE OPERATING, LLC: Lance Hough, Esq.  
3 Modrall Sperling  
4 P.O Box 2168  
5 Albuquerque, NM  
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1 (Time Noted 9:01 a.m.)

2 HEARING EXAMINER BRANCARD: And with that I call  
3 No. 19, case No. 21942, Colgate Operating.

4 MR. HOUGH: Good morning again, Mr. Examiner,  
5 Lance Hough on behalf of Modrall Sperling.

6 I would like to request this case be  
7 consolidated with Case 21944, which is No. 20 on the  
8 docket for today.

9 HEARING EXAMINER BRANCARD: So be it.

10 Any persons interested in Cases 21942,  
11 21944? (Note: Pause.) Hearing none, Mr. Hough you may  
12 proceed with these two cases.

13 MR. HOUGH: Thank you.

14 These are also requests for one-year  
15 extensions, so the request is to amend Orders 21406 and  
16 21461 to allow for one-year extensions of time to commence  
17 drilling.

18 The deadline under 21406 would be out to  
19 July 29th, 2022, and then for 21461 that would be extended  
20 out to September 25th 2022.

21 Provided in support of these applications  
22 includes Exhibit A, Self-Affirmed Declaration of Mark  
23 Hajdik, which includes the description of the dedicated  
24 wells and acreage that these are dedicated to the Toro  
25 family of wells.

1                   He includes there, as well, the basis for  
2 good cause is the limitations that arose from recent  
3 market conditions and the pandemic, causing them to have  
4 to adjust their drilling schedule.

5                   Also included are the applications  
6 themselves, and then both Orders, 21406 and 21461.

7                   We have also included as Exhibit B my  
8 affidavit with respect to Notice, and then attached to  
9 that is B-1, B-2 and B-3, which includes the Hearing  
10 Notice, confirmation and status of mailings, as well as an  
11 Affidavit of Publication in a local newspaper of  
12 circulation.

13                   Again just a one-year extensions, and so  
14 unless the Division has any questions I would ask that  
15 these exhibits be admitted into the record and the matter  
16 be taken under advisement.

17                   HEARING EXAMINER BRANCARD: Thank you.

18                   Mr. Lowe, any questions?

19                   MR. LOWE: Yes. Good morning, Mr. Hough.

20                   Did you submit your exhibits for these  
21 cases?

22                   MR. HOUGH: Yes. They were submitted on Tuesday  
23 near the end of the day, I'd probably say around 5:00  
24 o'clock. I can verify. Then of course in case there was  
25 any issue with that, I believe they were emailed. In that

1 the OGRID number doesn't come into effect for a couple of  
2 weeks, so they were just done by email.

3 EXAMINER LOWE: I can't seem to find them on my  
4 end. I'm still looking but I will get with you if I don't  
5 see it.

6 Okay. That's all I have for now. Thank  
7 you.

8 MR. HOUGH: Okay.

9 HEARING EXAMINER BRANCARD: Thank you. Any  
10 other comments from the public, other parties, on Cases  
11 21942 and 21944? (Note: No response.) Hearing none,  
12 your exhibits are admitted into the record and these cases  
13 taken under advisement with the proviso that if Mr. Lowe  
14 has any questions once he reviews the exhibits he may  
15 contact you, Mr. Hough.

16 MR. HOUGH: Okay. Thank you.

17 (Time noted 9:04 a.m.)

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1 STATE OF NEW MEXICO )

2 : SS

3 COUNTY OF TAOS )

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 3,

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2021, the proceedings in the above-captioned matter were

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taken before me; that I did report in stenographic

10

shorthand the proceedings set forth herein, and the

11

foregoing pages are a true and correct transcription to

12

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

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

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License Expires: 12/31/2021

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