## 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: 21851-21854

APPLICATION OF APACHE CORPORATION, FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

21825-21826

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

DECEMBER 2, 2021

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER WILLIAM BRANCARD and TECHNICAL EXAMINERS DEAN McCLURE and DYLAN ROSE-COSS on Thursday, December 2, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253

PAUL BACA PROFESSIONAL COURT REPORTERS

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Page 2 1 APPEARANCES 2 For the Applicant: 3 MICHAEL FELDEWERT HOLLAND & HART 4 110 North Guadalupe, Suite 1 Santa Fe, NM 87501 5 505-954-7286 6 GALLAGHER & KENNEDY DAL MOELLENBERG 7 1239 Paseo De Peralta Santa Fe, NM 87501 8 For Colgate Operating: 9 DANA HARDY 10 HINKLE SHANOR LLP P.O. Box 0268 11 Santa Fe, NM 87504 505-982-4554 12 For EOG Resources: 13 JOBY RITTENHOUSE 14 BEATTY & WOZNIAK PC 500 Don Gaspar Avenue 15 Santa Fe, NM 87505 505-670-2924 16 For Petro Gulf: 17 JAMES BRUCE 18 P.O. Box 1056 Santa Fe, NM 87504-1056 19 505-982-2151 jamesbruce@aol.com 20 21 INDEX 22 CASE CALLED 23 STATUS CONFERENCE 03 07 24 REPORTER CERTIFICATE 25

1 HEARING EXAMINER BRANCARD: With that, I will

- 2 call cases three through eight on our agenda. That's 21851,
- 3 852, 853, 854, Apache Corporation; and 21825, 826, Colgate
- 4 Operating. Apache?
- 5 MR. MOELLENBERG: Mr. Hearing Examiner, Dal
- 6 Moellenberg from Gallagher & Kennedy in Santa Fe for Apache
- 7 Corporation.
- 8 HEARING EXAMINER BRANCARD: Thank you, Mr.
- 9 Moellenberg. We have had some new lawyers jump in here,
- 10 although it's unclear whether the old lawyers have
- 11 withdrawn.
- 12 MR. FELDEWERT: I'll address that now that
- 13 Mr. Moellenberg has entered an appearance for Apache in
- 14 these matters, we will be withdrawing and transferring the
- 15 files to him. So I will no longer be participating in these
- 16 matters.
- 17 HEARING EXAMINER BRANCARD: Thank you. And also
- 18 for Colgate, who is now on board for Colgate?
- 19 MR. PADILLA: Mr. Examiner, this is Ernest
- 20 Padilla. Dana Hardy has taken over these cases for me, so I
- 21 will be withdrawing or I'm not counsel of record, let me put
- 22 it that way.
- HEARING EXAMINER BRANCARD: Thank you.
- Ms. Hardy, is that correct?
- MS. HARDY: That's correct, Mr. Examiner. Dana

- 1 Hardy on behalf of Colgate.
- 2 HEARING EXAMINER BRANCARD: All right. So I have
- 3 a few other entries of appearance here. MRC Permian?
- 4 (No audible response.)
- 5 HEARING EXAMINER BRANCARD: Did I get that wrong?
- 6 EOG Resources?
- 7 MR. RITTENHOUSE: Yes, sir, Mr. Examiner this is
- 8 Joby Rittenhouse from Beatty and Wozniak appearing on behalf
- 9 of EOG.
- 10 HEARING EXAMINER BRANCARD: And I have Petro Gulf
- 11 Corporation.
- 12 (No audible response.)
- HEARING EXAMINER BRANCARD: Mr. Bruce, are you
- 14 representing any of those folks?
- 15 MR. BRUCE: Yes, Mr. Examiner. Jim Bruce
- 16 representing Petro Gulf and I have written down the wrong
- 17 name, but I have also entered an appearance for MRC Permian.
- 18 HEARING EXAMINER BRANCARD: Thank you. All
- 19 right. So we have new counsel. Where are we headed with
- 20 this? I will start with you, Mr. Moellenberg.
- 21 MR. MOELLENBERG: Thank you, Mr. Examiner. I
- 22 think Ms. Hardy has some news regarding Colgate, but -- that
- 23 will change things perhaps a little bit, but I expect after
- 24 we hear from Ms. Hardy we will probably want to do a status
- 25 conference perhaps in January or perhaps set a hearing after

- 1 we hear from Ms. Hardy.
- 2 HEARING EXAMINER BRANCARD: Ms. Hardy?
- 3 MS. HARDY: Thank you. We are going to be
- 4 amending and refiling Colgate's applications in these cases.
- 5 And the well location will not change, we are just
- 6 reconfiguring the spacing unit.
- 7 The acreage will still overlap the way it does
- 8 now with Apache's application, so we will still have
- 9 competing applications involving the same acreage, and we
- 10 would ask that these matters be set for contested hearing in
- 11 February if that's possible.
- 12 We are planning to file our amended application
- 13 by next week for the January 6 docket, so that would be the
- 14 initial docket on which it would be set.
- 15 HEARING EXAMINER BRANCARD: Okay.
- 16 Mr. Moellenberg, any thoughts?
- MR. MOELLENBERG: Yes, I believe a hearing
- 18 settling in February would be, would be fine for Apache.
- 19 HEARING EXAMINER BRANCARD: Let's go around.
- 20 Mr. Rittenhouse?
- 21 MR. RITTENHOUSE: No objection from EOG.
- HEARING EXAMINER BRANCARD: Mr. Bruce?
- MR. BRUCE: No objection.
- 24 HEARING EXAMINER BRANCARD: Thank you. All
- 25 right. All right. Why don't we set a contested hearing

Page 6 then for February 17. I think we have prehearing orders out 2 so I need to do a new one, but more importantly, Ms. Hardy, you need to let us know when you file new applications and 3 put in a request to amend the prehearing order at that 5 point. MS. HARDY: We will do that, Your Honor. 6 HEARING EXAMINER BRANCARD: Thank you. Anything 8 else on these cases, 21851 through 854, 21825, 21826? 9 (No audible response.) 10 HEARING EXAMINER BRANCARD: Hearing none, we are set for hearing on February 17. Thank you. 11 12 (Concluded.) 13 14 15 16 17 18 19 20 2.1 22 23 24 25

Page 7 STATE OF NEW MEXICO 2. COUNTY OF BERNALILLO 3 REPORTER'S CERTIFICATE 5 I, IRENE DELGADO, New Mexico Certified Court 6 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. I FURTHER CERTIFY that I am neither employed by 11 nor related to any of the parties or attorneys in this case 12 13 and that I have no interest in the final disposition of this 14 case. 15 I FURTHER CERTIFY that the Virtual Proceeding was of reasonable quality. 16 Dated this 2nd day of December 2021. 17 18 /s/ Irene Delgado 19 Irene Delgado, NMCCR 253 20 License Expires: 12-31-21 2.1 22 23 2.4 25