

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: 22310, 22311

APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NOS. R-21494, R-21495
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
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
505-843-9241

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

A P P E A R A N C E S

For the Applicant:

DEANA BENNETT
MODRALL SPERLING ROEHL HARRIS & SISK PA
500 4th Street, NW, Suite 1000
Albuquerque, NM 87102
505-848-9710

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 07

REPORTER CERTIFICATE 08

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

Admitted

Exhibits and Attachments 07

1 HEARING EXAMINER BRANCARD: With that I call
2 Cases 22310, 22311 Colgate Operating.

3 MS. BENNETT: Good morning, Mr. Examiner. Deana
4 Bennett on behalf of Colgate Operating.

5 HEARING EXAMINER BRANCARD: Okay. Are there any
6 other interested persons for Cases 22310, 311?

7 (No audible response.)

8 HEARING EXAMINER BRANCARD: Hearing none, Ms.
9 Bennett, you may proceed.

10 MS. BENNETT: Thank you very much. These two
11 cases involve requests from Colgate Operating for an
12 extension of time to commence drilling. And in the exhibit
13 packet I have included a self-affirmed declaration of Mark
14 Hajdik. He is Colgate's landman, and he previously
15 testified before the Division.

16 And in his declaration he outlines the reasons
17 for Colgate seeking an extension of time. And the reasons,
18 as we have all experienced, are the changes in Colgate's
19 drilling schedule due to COVID-19 and existing market
20 conditions as a result of COVID-19 and those have continued
21 to cause obstruction in Colgate's plans.

22 So Colgate is asking in these two cases for an
23 extension of time to commence drilling the initial wells in
24 two orders, and those are orders Number R-21494 and Order
25 Number 21495. And Colgate is asking for a one-year

1 extension which would be through October 13, 2022.

2 And so with that, I have also included in the
3 packet the orders that, the applications for these two
4 cases, and the orders that Colgate is seeking to have
5 amended for the Division's convenience, as well as a notice
6 affidavit prepared by me.

7 In the notice affidavit I did explain for the
8 record that when these applications were originally filed,
9 there was a typo in the blurb that gets put on the OCD's
10 docket, everything else was accurate. The application was
11 accurate, the newspaper publication and letters to the
12 affected parties were all accurate. And we did alert the
13 Division to the error in the application, and we filed
14 amended applications shortly after we realized the error.

15 So the original application was filed on October
16 11 after realizing the error and the blurb to the OCD
17 docket, we filed an amended application that corrected that
18 error, and we alerted OCD to that error at the time we
19 identified it, and that's detailed in my notice affidavit,
20 which is Exhibit A-4.

21 So with that I would ask that Exhibit A and its
22 attachments be taken into the record for Case Number 22310
23 and Case Number 22311, and I stand for any questions.

24 HEARING EXAMINER BRANCARD: Thank you. Mr.
25 Rose-Coss any questions?

1 TECHNICAL EXAMINER ROSE-COSS: Where was the typo
2 again, Ms. Bennett?

3 MS. BENNETT: So the typo is on the last page of
4 our application, which is about Page 10 in the PDF, I would
5 say. We have to put in the application blurb that goes on
6 the OCD's website, and in that blurb, we put Township 19
7 South, Range 29 East, instead of Township 19 South, Range 28
8 East. But we had Range 28 East in the application and in
9 the notice letters and in the affidavit of publication, but
10 that 29 East did get carried over into the docket that gets
11 posted on the OCD website.

12 TECHNICAL EXAMINER ROSE-COSS: Okay. And what
13 case was that again, both of them?

14 MS. BENNETT: I'm sorry, I wasn't able to catch
15 your question, Mr. Coss.

16 TECHNICAL EXAMINER ROSE-COSS: I was trying to
17 figure out, what case was that in?

18 MS. BENNETT: That's in both cases 22310 and
19 22311.

20 TECHNICAL EXAMINER ROSE-COSS: Well, I have made
21 a note and that was my only question.

22 MS. BENNETT: Thank you.

23 HEARING EXAMINER BRANCARD: Thank you. You seem
24 to have amended it twice, though, the application.

25 MS. BENNETT: The intent was to amend it only

1 once. I do see that there are -- there are two filings, I
2 think, on October 20, and I think one of those was just a
3 clerical error on our end. Our intent was only to amend it
4 once.

5 HEARING EXAMINER BRANCARD: Okay. So it's just
6 that one issue in the notice?

7 MS. BENNETT: That's right.

8 HEARING EXAMINER BRANCARD: All right. Are there
9 any other interested persons for Cases 22310, 22311.

10 (No audible response.)

11 HEARING EXAMINER BRANCARD: Hearing none, these
12 cases will be taken under advisement and the exhibits
13 admitted into the record.

14 MS. BENNETT: Thank you very much. Have a good
15 rest of the day.

16 (Exhibits admitted.)

17 (Taken under advisement.)

18

19

20

21

22

23

24

25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5

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 reasonable quality.

17 Dated this 2nd day of December 2021.

18

/s/ Irene Delgado

19

Irene Delgado, NMCCR 253
License Expires: 12-31-21

20

21

22

23

24

25