

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:

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

CASE NO. 22670-22671

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
APRIL 21, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER DYLAN ROSE-COSS on
Thursday, April 21, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

DANA HARDY
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I N D E X

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1 HEARING EXAMINER BRANCARD: With that we are on
2 Item 30 and beyond. This will be Cases 22670, 22671,
3 Colgate Operating. And let me know if you want to handle
4 these two cases or you want to lump them all together with
5 other cases below, Ms. Hardy.

6 MS. HARDY: I think, Mr. Examiner, it would make
7 sense to do these two first and then I can consolidate the
8 others next.

9 HEARING EXAMINER BRANCARD: That's fine. Thank
10 you. So with that, are there any other interested persons
11 for Cases 22670, 22671?

12 (No audible response.)

13 HEARING EXAMINER BRANCARD: Hearing none, Ms.
14 Hardy, you may proceed.

15 MS. HARDY: Thank you. In Case 22670, Colgate
16 seeks an order pooling all uncommitted interest in the
17 Wolfcamp Formation underlying a 320 acre standard horizontal
18 spacing unit, comprised of the N/2 of the S/2 of Sections 35
19 and 36, Township 19 South, Range 28 East in Eddy County.
20 Colgate proposes to dedicate that unit to the Uluru 35 Fed
21 State Com 202H Well.

22 In Case 22671, Colgate seeks an order pooling all
23 uncommitted interest in the Wolfcamp Formation underlying a
24 320 acre standard horizontal spacing unit, comprised of the
25 S/2 of the S/2 of Section 35 and 36, Township 19 South,

1 Range 28 East, and Colgate proposes to dedicate that unit to
2 the Uluru 35 State Fed Com 203H well.

3 Our exhibit packet for both cases includes the
4 compulsory pooling checklist, the affidavit of landman Mark
5 Hadjik and the affidavits of geologist David DaGian, as well
6 as my notice affidavit.

7 Mr. Hadjik's exhibits include the applications,
8 C-102s, plat of tracts that identifies the ownership
9 interest and pooled parties. That exhibit is provided as
10 Number A-3. Mr. Hadjik also provides the well proposal and
11 AFEs, his communication time line -- and his communication
12 time line that explains the actual (inaudible) with respect
13 to the parties including some that were unlocatable.

14 Mr. DaGian's exhibits for each case include a
15 region locator map, a cross section location map, structure
16 map, structural cross section, stratigraphic cross section
17 and gunbarrel.

18 Exhibit D is my firm's notice affidavit, and with
19 that we provided the hearing notice letter, a chart of the
20 parties to whom notices were sent, and those included
21 working interest, record title owners and overriding royalty
22 interests.

23 We also provided the certified mail receipts,
24 postal service tracking information, and two affidavits of
25 publication that were timely -- we published twice because

1 parties were identified and added to the second notice.

2 So with that, unless there are questions, I
3 request that the exhibits be admitted into the record and
4 that the cases be taken under advisement.

5 HEARING EXAMINER BRANCARD: Thank you. Mr.
6 Rose-Coss, questions?

7 TECHNICAL EXAMINER ROSE-COSS: Just for
8 confirmation, I don't even know if it's -- if the Division
9 is still adhering to it, but these aren't in the five-mile
10 radius of the Brine Well, is that correct, but close?

11 MS. HARDY: I don't have the answer to that
12 question, Mr. Rose-Coss. I can find out, but there is a
13 regional locator map provided as Exhibit B-1.

14 TECHNICAL EXAMINER ROSE-COSS: That doesn't
15 answer the question.

16 MS. HARDY: I can find that out. I don't believe
17 that they are, and let me look at our actual amendments. So
18 our hearing notice which has a location of the wells in
19 relation to Carlsbad. It's provided in Exhibit A-1, and it
20 says they are approximately 12 miles northeast of Carlsbad.

21 TECHNICAL EXAMINER ROSE-COSS: Okay, well, we're
22 in the clear then.

23 MS. HARDY: Well, good.

24 TECHNICAL EXAMINER ROSE-COSS: And with that, it
25 looks like everything else is in order, so no additional

1 questions. Thank you.

2 MS. HARDY: Thank you.

3 HEARING EXAMINER BRANCARD: Thank you. Thank you
4 for all the information on notice, that's very helpful.
5 Hope other attorneys will take notice how detailed your
6 presentation is about notice.

7 MS. HARDY: Thank you.

8 HEARING EXAMINER BRANCARD: So on notice, I'm
9 looking at, just past your C-102 here is a list of parties.
10 Maybe it says in the landman's affidavit, but are all the
11 ones in yellow being pooled? Is that what it is?

12 MS. HARDY: That's correct. I do see one there
13 that should have been marked that says no, so it shouldn't
14 have been highlighted. To be highlighted, we had intended
15 to highlight all of the ones that were listed in that force
16 pooled interest column.

17 HEARING EXAMINER BRANCARD: I see, yes, there is
18 one that is highlighted (inaudible).

19 MS. HARDY: Probably me.

20 HEARING EXAMINER BRANCARD: Okay. Well, you have
21 a lot of parties that have not -- that are being pooled
22 here. Are your land people not being good negotiators or
23 what?

24 MS. HARDY: I think there are lot a very small
25 interests.

1 HEARING EXAMINER BRANCARD: Okay. I think that's
2 all the questions I have. Are there any other interested
3 persons for -- interested parties in Case 22670, 22671?

4 (No audible response.)

5 HEARING EXAMINER BRANCARD: Hearing none, the
6 exhibits will be admitted into the record and Cases 22670,
7 22671 will be taken under advisement.

8 MS. HARDY: Thank you.

9 (Exhibits admitted.)

10 (Taken under advisement.)

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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 do hereby certify that I reported the
7 foregoing virtual proceedings in stenographic shorthand and
8 that the foregoing pages are a true and correct transcript
9 of those proceedings to the best of my ability.

10 I FURTHER CERTIFY that I am neither employed by
11 nor related to any of the parties or attorneys in this case
12 and that I have no interest in the final disposition of this
13 case.

14 I FURTHER CERTIFY that the Virtual Proceeding was
15 of poor to good quality.

16 Dated this 21st day of April 2022.

17

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-22

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