

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: 22669

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
MAY 19, 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 LEONARD LOWE on
Thursday, May 19, 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
HINKLE SHANOR LLP
P.O. Box 0268
Santa Fe, NM 87504
505-982-4554

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: All right. We have a
2 series of cases here from Colgate Operating, and we will
3 figure out which ones you want to hear in which order.

4 I will call the first case, Item Number 40 on our
5 worksheet. This is case 22669, Colgate Operating.

6 MS. HARDY: Good morning, Mr. Examiner. Dana
7 Hardy with the Santa Fe office of Hinkle Shanor on behalf of
8 Colgate Operating LLC.

9 HEARING EXAMINER BRANCARD: Thank you. Do you
10 want this case to proceed on its own, Ms. Hardy?

11 MS. HARDY: I think that would make sense, Mr.
12 Examiner.

13 HEARING EXAMINER BRANCARD: Are there any other
14 interested persons for Case 22669?

15 (No audible response.)

16 HEARING EXAMINER BRANCARD: Hearing none, please
17 proceed, Ms. Hardy.

18 MS. HARDY: Thank you. Colgate seeks an order
19 pooling all uncommitted interests in the Wolfcamp Formation
20 underlying a 320 acre standard horizontal spacing unit,
21 comprised of the S/2 of the N/2 of Sections 35 and 36,
22 Township 19 South, Range 28 East in Eddy County. The unit
23 will be dedicated to the Uluru 35 Fed State Com 201H Well.

24 Our exhibit packet includes the compulsory
25 pooling checklist, the affidavit and attachments of landman

1 Mark Hajdik, the affidavit and attachments of geologist
2 David DaGian and my notice affidavit.

3 Mr. Hajdik's exhibits include the C-102,
4 ownership plat, well proposal, AFEs, and chronology of
5 contact with the parties. The tract ownership information
6 and the pooled parties is included in Exhibit A-3.

7 Mr. DaGian's exhibits include a location map,
8 cross section map, structure map, structural cross section,
9 stratigraphic cross section, and gun barrel.

10 With the notice affidavit we provided the notice
11 hearing letter, a chart of the parties who were notified,
12 the certificate mail receipts and the affidavit of
13 publication. There are quite a few small interest owners in
14 these wells, and we did have unlocatable parties. We
15 actually published notice three times, I believe. All the
16 affidavits are included because additional interest owners
17 were identified. We also sent notices to multiple addresses
18 for some of the parties.

19 So you will see on the chart that some of the
20 parties may not have received a notice at one address, but
21 they may have received it at a different address. So with
22 that, unless there are questions, I request that the exhibit
23 be admitted and that case be taken under advisement.

24 HEARING EXAMINER BRANCARD: Thank you. Mr. Lowe,
25 questions?

1 TECHNICAL EXAMINER LOWE: Yes. Good morning, Ms.
2 Hardy.

3 MS. HARDY: Good morning.

4 TECHNICAL EXAMINER LOWE: Just a quick review of
5 your exhibits you submitted here. It indicates this well is
6 unorthodox; is that correct?

7 MS. HARDY: That's not correct. I believe the
8 well is in an orthodox location.

9 TECHNICAL EXAMINER LOWE: The completed well
10 interval -- never mind, I read it incorrectly. In that
11 sense, I'm looking at your C-102 -- okay, never mind,
12 cleared up.

13 MS. HARDY: Okay. Thank you.

14 TECHNICAL EXAMINER LOWE: Looks good. Thank you.
15 I have no questions.

16 MS. HARDY: Thank you.

17 HEARING EXAMINER BRANCARD: Thank you. I'm
18 looking, Ms. Hardy, I'm looking at your landman's affidavit.

19 MS. HARDY: Yes.

20 HEARING EXAMINER BRANCARD: Paragraph 4 he gives
21 the legal description for this unit. It says S/2 N/2 of
22 Section 35 and 26.

23 MS. HARDY: Should be 36, Mr. Examiner.
24 Apologize for that typo.

25 HEARING EXAMINER BRANCARD: I believe it is a

1 typo because I have gone through your notices, et cetera,
2 and they all say 35 and 36.

3 MS. HARDY: That's correct.

4 HEARING EXAMINER BRANCARD: I do not see a
5 problem with your notice. It will distinguish you from the
6 prior case, this simply a typo in the landman's affidavit
7 that you can submit a correction.

8 MS. HARDY: We will do that.

9 HEARING EXAMINER BRANCARD: You have a lot of
10 parties here. Looking at your Exhibit A-3 is -- am I
11 correct that everything in yellow are uncommitted parties?

12 MS. HARDY: That's correct. Actually a small --
13 well, Colgate has about 80 percent of the interest, so there
14 was a lot of parties, but there are a lot of small
15 interests.

16 HEARING EXAMINER BRANCARD: I will say, I
17 appreciate in your contact description that you describe the
18 efforts that you made, looking at Exhibit A-5, to locate
19 otherwise unlocatable parties. Appreciate that. Thank you.
20 I have no other questions. Are there any other interested
21 parties for Case 22669?

22 (No audible response.)

23 HEARING EXAMINER BRANCARD: Hearing none, the
24 exhibits will be admitted into the record. The case will be
25 taken under advisement, and you will submit an amended

1 landman's affidavit.

2 MS. HARDY: Correct. Thank you, Mr. Examiner.

3 (Exhibits admitted.)

4 (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 19th day of May 2022.

17

/s/ Irene Delgado

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Irene Delgado
License Expires: 12-31-22

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