

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: 22689, 22690

APPLICATIONS 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

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1 HEARING EXAMINER BRANCARD: With that, I'm on
2 Items 41 and, I believe, 42. Cases 22689, 22690, Colgate
3 Operating.

4 MS. HARDY: Dana Hardy with the Santa Fe office
5 of Hinkle Shanor on behalf of Colgate Operating.

6 HEARING EXAMINER BRANCARD: Ms. Hardy, do you
7 want these two cases to be considered together?

8 MS. HARDY: Yes, please, Mr. Examiner.

9 HEARING EXAMINER BRANCARD: Are there any other
10 interested persons for Case 22689, 22690?

11 (No audible response.)

12 HEARING EXAMINER BRANCARD: Hearing none, please
13 proceed.

14 MS. HARDY: Thank you. In Case Number 22689,
15 Colgate seeks an order pooling uncommitted interest in the
16 Bone Spring Formation from the top of the formation at a
17 depth of approximately 4320 feet, to a depth of
18 approximately 7673 feet, underlying a 160 acre standard
19 horizontal spacing unit comprised of the N/2 of the N/2 of
20 Section 35, Township 19 South, Range 28 East in Eddy County.
21 That unit will be dedicated to the Uluru 35 Fed State Com
22 121H well.

23 In Case Number 22690, Colgate seeks an order
24 pooling uncommitted interest in the Bone Spring Formation,
25 again from the top of the formation at a depth of

1 approximately 4320 feet to a depth of approximately 7673
2 feet, underlying a 160 acre standard horizontal spacing
3 unit, comprised of the S/2 of the N/2 of Section 35,
4 Township 19 South, Range 28 East in Eddy County. That unit
5 will be dedicated to Uluru 35 Fed State Com 122H well.

6 And in both of these cases, the depth severance
7 is to address development in the adjacent acreage, and we
8 are pooling the First Bone Spring Formation in both of these
9 cases.

10 Our exhibit packet includes the checklist, the
11 affidavit and attachments of landman Mark Hajdik, the
12 affidavit and attachment of geologist David DaGian and the
13 notice affidavit.

14 Mr. Hajdik provides the C-102, the plat, the well
15 proposal and AFEs and a chronology of contacts of the
16 parties. The tract ownership information and the pooled
17 parties are included in Exhibit A-3.

18 Mr. DaGian's exhibits for each case include the
19 standard geology exhibits, a location map, cross section
20 map, structure map, structural and stratigraphic cross
21 section and a gun barrel.

22 With the notice affidavit, we provided a hearing
23 notice letter, a chart listing the parties who were
24 notified, the certificate mail receipts, and the affidavit
25 of publication. And as was true in the prior case, we

1 published notice, I think, three times to get additional
2 interest owners who were identified. And we also, again,
3 sent notices to multiple addresses to some of the parties
4 who were unlocatable.

5 And because these cases involve depth severances,
6 we notified the parties of interest in the Bone Spring above
7 and below the depth severance.

8 With that, unless there are questions, I request
9 that the exhibits be admitted and these cases be taken under
10 advisement.

11 HEARING EXAMINER BRANCARD: Thank you. Mr. Lowe,
12 questions?

13 TECHNICAL EXAMINER LOWE: I have one question for
14 you Dana Hardy. To get clarification of your exhibit, what
15 it says, what it's saying, on Page 20 of 151, it has your
16 listing of the working interest owners who are -- where
17 everything is highlighted in yellow, and there is a
18 character here, John G. Brokovich. In the right column it
19 says operator and they all say yes except for him. What
20 does that mean?

21 MS. HARDY: Oh, you know, actually, Mr. Lowe, I
22 think that column is to indicate who is being force pooled.
23 The operator reference at the top just refers to Colgate
24 which is on the left in that chart. So Colgate is the
25 operator, and then the other parties are being force pooled.

1 They are highlighted.

2 TECHNICAL EXAMINER LOWE: So all the yellow are
3 being force pooled and the white one is not.

4 MS. HARDY: That's correct.

5 TECHNICAL EXAMINER LOWE: So being Mr. Brokovich
6 is participating then?

7 MS. HARDY: I believe so.

8 TECHNICAL EXAMINER LOWE: I just want to get an
9 understanding of that.

10 MS. HARDY: Sure.

11 TECHNICAL EXAMINER LOWE: Thank you.

12 MS. HARDY: You are welcome.

13 HEARING EXAMINER BRANCARD: I have no questions.
14 Are there any other interested persons here for Cases 22689,
15 22690?

16 (No audible response.)

17 HEARING EXAMINER BRANCARD: Hearing none, the
18 exhibits will be admitted into the record, and these cases
19 will be taken under advisement.

20 MS. HARDY: Thank you.

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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.

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Court Reporter
License Expires: 12-31-22

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