

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: 22832

APPLICATION OF COLGATE OPERATING, LLC
TO POOL ADDITIONAL INTERESTS UNDER
ORDER NO. R-21354-A,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
JULY 7, 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 DEAN McCLURE on
Thursday, July 7, 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

DANA HARDY
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505-982-4554

I N D E X

CASE CALLED	
TAKEN UNDER ADVISEMENT	07
REPORTER CERTIFICATE	08

1 HEARING EXAMINER BRANCARD: With that we are on
2 Items 51 and 52. These are cases 22832, 22833, Colgate
3 Operating.

4 MS. HARDY: Dana Hardy, again, with Hinkle Shanor
5 on behalf of Colgate.

6 HEARING EXAMINER BRANCARD: Are we doing these as
7 separate cases or together?

8 MS. HARDY: I was planning to do them separately.

9 HEARING EXAMINER BRANCARD: Let's proceed with
10 Case 22832. Are there any other appearances for Case 22832?

11 (No audible response.)

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

14 MS. HARDY: Thank you. In this case Colgate
15 seeks to pool additional under the terms of Order R21354A.
16 The Division entered that order on September 26 of 2020 in
17 Case Number 21226. The order pooled uncommitted interest in
18 the Bone Spring formation underlying the S/2 of Sections 33
19 and 34, Township 19 South, Range 28 East in Eddy County.

20 The order dedicated the unit to the Dawson 34 Fed
21 State Com 123H, 133H, 124H and 134H wells. After the orders
22 were entered, Colgate identified additional uncommitted
23 interest in the unit that should be pooled under the terms
24 of the order.

25 The exhibit packet we provided includes our

1 landman's testimony, Mark Hajdik -- hopefully with the
2 correct spelling -- and his related land exhibits which
3 include the order that we are seeking to pool additional
4 parties under, a plat of the tracts, an ownership interest,
5 and the interest that should be pooled under the terms of
6 the order. We have also provided Mr. Hajdik's well proposal
7 and summary of communications.

8 And I will point out that Exhibit A-3 includes a
9 comprehensive list of the parties who were pooled, so it
10 includes the parties pooled in the original case and in this
11 case as a comprehensive exhibit showing the pooled parties.

12 Exhibit B is a notice affidavit which sets out
13 the dates on which notice was sent, and provides the chart
14 of mailing, the certified mail receipts, and we also did
15 timely published notice.

16 With that, unless there are questions, I ask that
17 the exhibits be accepted and that the case be taken under
18 advisement.

19 HEARING EXAMINER BRANCARD: Thank you. Mr.
20 McClure, questions?

21 TECHNICAL EXAMINER McCLURE: No, Mr. Brancard, I
22 think you had -- had everything covered on this one. Thank
23 you. I have no questions.

24 HEARING EXAMINER BRANCARD: Thank you. All
25 right. Ms. Hardy, let's, let's try to get this on the

1 record here. The orders that you are seeking, the one order
2 that you are seeking to revise is currently the subject of a
3 separate proceeding to reopen the case, Case 22323.

4 MS. HARDY: That is correct.

5 HEARING EXAMINER BRANCARD: Okay. I'm sensing
6 that this is not an attempt to try to correct any problems,
7 if there are problems, that were raised in Case 22323?

8 MS. HARDY: That's correct, Mr. Examiner. These
9 parties who are being pooled in this case are different from
10 the other case.

11 HEARING EXAMINER BRANCARD: So here is something
12 I discovered while I really am trying to draft the order.
13 If you go to the order, the original order in this case,
14 R-21354, and it's the same for the next one, and you go to
15 the checklist, I believe your application refers to this as
16 the S/2 of Sections 33 and 34.

17 MS. HARDY: Correct.

18 HEARING EXAMINER BRANCARD: Which, if you add up
19 the acreage, and it would be 640; correct?

20 MS. HARDY: That's correct.

21 HEARING EXAMINER BRANCARD: And you go to the
22 checklist that's attached to orders, and it says spacing
23 unit size, it says 320 acres, and it sort of describes the
24 spacing unit as if it were two separate 320s, N/2 S/2, S/2
25 S/2, so I'm wondering as part of this whether you could

1 provide us with a corrected checklist.

2 MS. HARDY: Yes, I can.

3 HEARING EXAMINER BRANCARD: Because, as you are
4 well aware, when we issue an order, the order does not
5 describe the unit, the order simply refers to checklist
6 that. We rely completely on the checklist. I realize you
7 were not the one that prepared this original checklist.

8 MS. HARDY: Correct.

9 HEARING EXAMINER BRANCARD: It's a little worse
10 in the second case because there the legal description
11 that's provided is actually incorrect, also.

12 MS. HARDY: In the checklist.

13 HEARING EXAMINER BRANCARD: In the checklist.

14 MS. HARDY: Okay. So in this case I will submit
15 an, an amended checklist that describes, yes, the correct
16 640 S/2 spacing unit. Correct?

17 HEARING EXAMINER BRANCARD: Yes.

18 MS. HARDY: Okay.

19 HEARING EXAMINER BRANCARD: The other case it
20 describes it as the N/2 of the N/2 and the S/2 of the S/2,
21 which they don't connect, so --

22 MS. HARDY: Okay. I will submit an amended
23 checklist.

24 HEARING EXAMINER BRANCARD: So you need two
25 amended checklists, one for each order.

1 MS. HARDY: Yes.

2 HEARING EXAMINER BRANCARD: And request those be
3 attached to a new order.

4 HEARING EXAMINER BRANCARD: Okay.

5 MS. HARDY: Okay. I will submit those.

6 HEARING EXAMINER BRANCARD: Are there any other
7 questions or concerns for Cases 22832, 22833?

8 TECHNICAL EXAMINER McCLURE: Were we not hearing
9 them separately?

10 HEARING EXAMINER BRANCARD: Oh, you're right.
11 Thank you, Mr. McClure, we are just on Case 22832.

12 (No audible response.)

13 HEARING EXAMINER BRANCARD: With that, Case 22832
14 will be taken under advisement with the proviso of a revised
15 checklist.

16 MS. HARDY: Thank you.

17 (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 7th day of July 2022.

17

/s/ Irene Delgado

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Court Reporter
License Expires: 12-31-22

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