

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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

**CASE NO.** \_\_\_\_\_

**APPLICATION FOR COMPULSORY POOLING**

COLGATE OPERATING, LLC (OGRID 371449) applies for an order pooling all mineral interests within the West Winchester Bone Spring (Pool Code 97569), underlying the S/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of this application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above referenced horizontal spacing unit to the following four initial wells:

- **Black Jack 29 State Com 123H**

This proposed well is a horizontal well with a legal surface location in Units I/P of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L3 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,455 feet and TMD of approximately 17,655 feet, and will target the 2<sup>nd</sup> Bonespring Sand.

- **Black Jack 29 State Com 124H**

This proposed well is a horizontal well with a legal surface location in Units I/P of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L4 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,455 feet and TMD of approximately 17,655 feet, and will target the 2<sup>nd</sup> Bonespring Sand.

- **Black Jack 29 State Com 133H**

This proposed well is a horizontal well with a legal surface location in Units I/P of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L3 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,630 feet and TMD of approximately 18,830 feet, and will target the 3<sup>rd</sup> Bonespring Sand.

- **Black Jack 29 State Com 134H**

This proposed well is a horizontal well with a legal surface location in Units I/P of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit M of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,630 feet and TMD of approximately 18,830 feet, and will target the 3<sup>rd</sup> Bonespring Sand.

3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

4. The requested pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of these proposed horizontal wells and the proposed spacing unit.

**WHEREFORE**, Applicant, requests after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted interests in this horizontal spacing unit;
- B. Approving four initial horizontal wells in this spacing unit;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells on this horizontal spacing unit;
- D. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completing, together with a provision adjusting the rates pursuant to

the COPAS accounting procedures; and;

- G. Imposing a 200% charge for risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

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