

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

**APPLICATION OF COLGATE OPERATING LLC
TO NUNC PRO TUNC AMEND ORDER NO. R-21226,
EDDY COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NO. R-21226
(Re-Open)**

APPLICATION

Colgate Operating LLC (“Colgate”), OGRID Number 371449, through its undersigned attorney, files this application with the Oil Conservation Division (“Division”) for the limited purpose of retroactively amending Order No. R-21226 (“the Order”) to allow for an extension of time for drilling the well under the Order. Colgate asks that the order extending the time for drilling be entered *nunc pro tunc* effective as of the date this Application was filed. In support of this application, Colgate states as follows:

1. The Division heard Case No. 21077 on February 6, 2020 and entered the Order on April 4, 2020. Case No. 21077 was a companion case to Case No. 21076, which was also heard on February 6, 2020 but had a separate order entered on April 28, 2020.

2. The Order designated Colgate as the operator of the unit and the **Silver Bar 35 Fed State Com 134H** well; and pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 35 and S/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

3. Paragraph 19 of the Order states: “The Operator shall commence drilling the Well(s) within one year after the date of this Order; and complete each Well no later than one (1) year after the commencement of drilling the Well.” Paragraph 20 of the Order states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.”

4. Paragraph 20 does not provide a requirement for when an extension by an amendment of this Order must be obtained.

5. Under the Order, Colgate would be required to commence drilling the well by April 4, 2021.

6. Colgate requests that the Order be re-opened and amended to allow Colgate an additional year to commence drilling the well under the Order.

7. Colgate requests this extension because there have been changes in Colgate's drilling schedule due to the COVID-19 pandemic and current market conditions.


8. Good cause exists for Colgate's request for an extension of time.

9. Colgate asks that the deadline to commence drilling the well be extended for a year from April 02, 2021 to April 02, 2022.

10. Because the deadline to commence drilling under Order No. R-21226 is likely to expire before this case can be heard by the Division, Colgate is providing notice to all parties entitled to notice concurrently with the filing of this application and requesting that the order extending the time for drilling be entered *nunc pro tunc* effective as of the date this Application was filed.

WHEREFORE, Colgate requests this application be set for hearing before an Examiner of the Oil Conservation Division on April 8, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21226 to extend the time for Colgate to commence drilling the well under the Order for a year, through April 02, 2022.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrine
Deana M. Bennett
Lance D. Hough

Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
dmb@modrall.com
ldh@modrall.com
Attorneys for Applicant

(Re-Open) Application of Colgate Operating LLC to Retroactively Amend Order No. R-21226, Eddy County, New Mexico. Applicant seeks an order from the Oil Conservation Division for the limited purposes of retroactively amending Order No. R-21226 to allow for a one-year extension of time to commence drilling the wells under the Order. Colgate asks that the order extending the time for drilling be entered *nunc pro tunc* effective as of the date this Application was filed. The Division issued Order No. R-21226 on April 4, 2020, which designated Colgate as the operator of the unit and the **Silver Bar 35 Fed State Com 134H** well; and pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 35 and S/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Colgate's request for an extension of time due to current market conditions.