

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

**APPLICATIONS OF COLGATE OPERATING,
LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 22622-22625

CONSOLIDATED PRE-HEARING STATEMENT

Colgate Operating, LLC (“Applicant”) submits its Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Colgate Operating, LLC

ATTORNEYS

Dana S. Hardy
Jaclyn McLean
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com

STATEMENT OF THE CASE

In **Case No. 22622**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 20 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the Boomerang 25 Federal Com 121H and Boomerang 25 Federal Com 131H wells (“Wells”), which will be horizontally drilled from a surface hole location in the SE/4NE/4 (Unit H) of Section 25 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 26. The completed intervals of the Wells will be orthodox.

In **Case No. 22623**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Boomerang 25 Federal Com 122H and Boomerang 25 Federal Com 132H wells ("Wells") to be horizontally drilled from a surface hole location in the SE/4NE/4 (Unit H) of Section 25 to a bottom hole location in the SW/4NE/4 (Unit G) of Section 26. The completed intervals of the Wells will be orthodox.

In **Case No. 22624**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2S/2 of Section 25 and the N/2SE/4 of Section 26, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Boomerang 25 Federal Com 123H and Boomerang 25 Federal Com 133H wells ("Wells") to be horizontally drilled from a surface hole location in the NE/4SE/4 (Unit I) of Section 25 to a bottom hole location in the NW/4SE/4 (Unit J) of Section 26. The completed intervals of the Wells will be orthodox.

In **Case No. 22625**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Boomerang 25 Federal Com 134H well ("Well") to be horizontally drilled from a surface hole location in the NE/4SE/4 (Unit I) of Section 25 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 26. The completed interval of the Well will be orthodox.

Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200%

charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 10.17 miles northeast of Carlsbad, New Mexico.

PROPOSED EVIDENCE

| Witness | Occupation | Estimated Time | Exhibits |
|----------------|-------------------|-----------------------|-----------------|
| Travis Macha | Landman | Affidavit | Approx. 7 |
| David DaGian | Geologist | Affidavit | Approx. 7 |

PROCEDURAL MATTERS

Applicant requests Case Nos. 22622, 22623, 22624 and 22625 be consolidated for hearing.

Applicant will present its cases by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Counsel for Colgate Operating, LLC

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 94897

QUESTIONS

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| Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024 | OGRID: 328947 |
| | Action Number: 94897 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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|---|---------------|
| Testimony | |
| Please assist us by provide the following information about your testimony. | |
| Number of witnesses | Not answered. |
| Testimony time (in minutes) | Not answered. |