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

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

CASE NO. 22692

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT ATTORNEYS

Colgate Operating, LLC

Dana S. Hardy

Jaclyn McLean

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INTERESTED PARTIES ATTORNEYS

No other interested parties.

STATEMENT OF THE CASE

In this case, Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2S/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Uluru 35 Fed State Com 124H to be horizontally drilled from a surface hole location in the SW/4SW/4 (Unit M) of Section 35 to a bottom hole location in the SE/4SE/4 (Unit P) of Section 36, and Uluru 35 Fed State Com 134H to be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P)

of Section 34 to a bottom hole location in the SE/4SE/4 (Unit P) of Section 36. 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 12 miles northeast of Carlsbad, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Mark Hajdik	Landman	Affidavit	Approx. 7
David DaGian	Geologist	Affidavit	Approx. 7

PROCEDURAL MATTERS

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

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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

QUESTIONS

Action 98766

QUESTIONS

Operator:	OGRID:
V-F PETROLEUM INC	24010
P.O. Box 1889	Action Number:
Midland, TX 79702	98766
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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