

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

**APPLICATIONS OF COLGATE OPERATING,
LLC FOR COMPULSORY POOLING AND
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 22693-22695

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

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INTERESTED PARTIES

No other interested parties.

ATTORNEYS

STATEMENT OF THE CASE

In **Case No. 22693**, Applicant applies for an order (1) approving a 320-acre, more or less, overlapping spacing unit in the Bone Spring formation, and (2) pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation from a depth of approximately 7,673’ to the base of the Bone Spring formation at a depth of approximately 8,822’ underlying the N/2N/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the Uluru 35 Fed State Com 131H well, which will be horizontally drilled from a surface hole location in the SE/4NE/4 (Unit H) of Section 34 to a bottom

hole location in the NE/4NE/4 (Unit A) of Section 36. The Unit will partially overlap with the spacing unit for the Winchester 36 AD State 1H well (API No. 30-015-41354) which is dedicated to the N/2N/2 of Section 36 in the Second Bone Spring interval of the Bone Spring formation. Accordingly, Applicant seeks to pool all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation from a depth of approximately 7,673' MD to the base of the Bone Spring formation at a stratigraphic equivalent of approximately 8,822' MD as observed on the Dero Federal #3 well log (API 3001530399).

In **Case No. 22694**, Applicant applies for an order (1) approving a 320-acre, more or less, overlapping spacing unit in the Bone Spring formation, and (2) pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation from a depth of approximately 7,673' to the base of the Bone Spring formation at a depth of approximately 8,822' underlying the S/2N/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Uluru 35 Fed State Com 132H well, which will be horizontally drilled from a surface hole location in the SE/4NE/4 (Unit H) of Section 34 to a bottom hole location in the SE/4NE/4 (Unit H) of Section 36. The Unit will partially overlap with the spacing unit for the Winchester 36 HE State 1H well (API No. 30-015-41747) which is dedicated to the S/2N/2 of Section 36 in the Second Bone Spring interval of the Bone Spring formation. Accordingly, Applicant seeks to pool all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation from a depth of approximately 7,673' MD to the base of the Bone Spring formation at a stratigraphic equivalent of approximately 8,822' MD as observed on the Dero Federal #3 well log (API 3001530399).

In **Case No. 22695**, Applicant applies for an order (1) approving a 320-acre, more or less, overlapping spacing unit in the Bone Spring formation, and (2) pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation from a depth of approximately

7,673’ to the base of the Bone Spring formation at a depth of approximately 8,822’ underlying the N/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 Uluru 35 Fed State Com 133H well, which will be horizontally drilled from a surface hole location in the SE/4NE/4 (Unit H) of Section 34 to a bottom hole location in the NE/4SE/4 (Unit I) of Section 36. The Unit will partially overlap with the spacing unit for the Winchester 36 B2LI State 1H well (API No. 30-015-42606) which is dedicated to the N/2S/2 of Section 36 in the Second Bone Spring interval of the Bone Spring formation. Accordingly, Applicant seeks to pool all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation from a depth of approximately 7,673’ MD to the base of the Bone Spring formation at a stratigraphic equivalent of approximately 8,822’ MD as observed on the Dero Federal #3 well log (API 3001530399).

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. 4

PROCEDURAL MATTERS

Applicant requests Case Nos. 22693, 22694 and 22695 be consolidated for hearing. Applicant will present its cases by affidavit if there is no opposition to its applications.

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 98737

QUESTIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 98737
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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