

**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. 22827, 22828,
22829, 22830, 22831, 22834**

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

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STATEMENT OF THE CASE

In **Case No. 22827**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 112H, Dundee 4 Fed Com

122H, and Dundee 4 Fed Com 132H wells, which will be horizontally drilled from a surface hole location in Lot 1 of Section 5 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 3. The completed intervals of the Wells will be orthodox.

In **Case No. 22828**, Applicant applies for an order pooling all uncommitted interests from the top of the Bone Spring Formation to the base of the First Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 S/2 of Sections 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 114H well, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 5 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 3. The completed interval of the Well will be orthodox. A depth severance exists in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation at a stratigraphic equivalent of approximately 4,461' TVD to the base of the First Bone Spring formation at a stratigraphic equivalent of approximately 6,570' TVD as observed on the Government S #1 well log (API 30-015-20932).

In **Case No. 22829**, Applicant applies for an order pooling all uncommitted interests from the top of the Second Bone Spring formation to the base of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 S/2 of Sections 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 124H and Dundee 4 Fed Com 134H wells, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 5 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 3. The completed intervals of the Wells will be orthodox. A depth severance exists in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Second Bone Spring formation at a stratigraphic equivalent of approximately 6,570' TVD to the base of the Bone Spring formation at a stratigraphic

equivalent of approximately 8,840' TVD as observed on the Government S #1 well log (API 30-015-20932).

In **Case No. 22830**, Applicant applies for an order pooling all uncommitted interests from the top of the Second Bone Spring formation to the base of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of then N/2 S/2 of Sections 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 123H and Dundee 4 Fed Com 133H wells, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 5 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 3. The completed intervals of the Wells will be orthodox. A depth severance exists in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Second Bone Spring formation at a stratigraphic equivalent of approximately 6,570' TVD to the base of the Bone Spring formation at a stratigraphic equivalent of approximately 8,840' TVD as observed on the Government S #1 well log (API 30-015-20932).

In **Case No. 22831**, Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 316-acre, more or less, standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (N/2 N/2 equivalent) of Sections 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 111H, Dundee 4 Fed Com 121H, and Dundee 4 Fed Com 131H wells, which will be horizontally drilled from a surface hole location in Lot 1 of Section 5 to a bottom hole location in Lot 1 of Section 3. The completed intervals of the wells will be orthodox.

In **Case No. 22834**, Applicant applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the First Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 3

and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 113H well, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 5 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 3. The completed interval of the well will be orthodox. A depth severance exists in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation at a stratigraphic equivalent of approximately 4,461' TVD to the base of the First Bone Spring formation at a stratigraphic equivalent of approximately 6,570' TVD as observed on the Government S #1 well log (API 30-015-20932).

Also to be considered in each case 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. 5 |
| David DaGian | Geologist | Affidavit | Approx. 7 |

PROCEDURAL MATTERS

Applicant requests that the Division consolidate these matters for hearing. Applicant will present its cases by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was sent by electronic mail to the following counsel of record on June 30, 2022.

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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 121943

QUESTIONS

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| Operator: COLGATE OPERATING, LLC 300 North Marienfeld Street Midland, TX 79701 | OGRID: 371449 |
| | Action Number: 121943 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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