

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

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

CASE NOS. 22861-22868

CONSOLIDATED PRE-HEARING STATEMENT

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

APPLICANT

Colgate Operating, LLC

ATTORNEYS

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INTERESTED PARTIES

Doyle and Margaret Hartman

ATTORNEYS

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STATEMENT OF THE CASE

In **Case No. 22861**, Applicant applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 17 and 20, Township 20 South, Range 34 East, Lea County, New Mexico. The Unit will be dedicated to Robin Federal Com 204H well, which will be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 20 to a bottom

hole location in the NE/4 NE/4 (Unit A) of Section 17. The completed interval of the Well will be orthodox.

In **Case No. 22862**, Applicant applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 17 and E/2 NW/4 and NE/4 SW/4 of Section 20, Township 20 South, Range 34 East, Lea County, New Mexico. The Unit will be dedicated to the Robin Federal Com 202H well, which will be horizontally drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 20 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 17. The completed interval of the Well will be orthodox.

In **Case No. 22863**, Applicant applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Sections 17 and 20, Township 20 South, Range 34 East, Lea County, New Mexico. The Unit will be dedicated to the Robin Federal Com 203H well, which will be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 20 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 17. The completed interval of the Well will be orthodox.

In **Case No. 22864**, Applicant applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 17 and W/2 NW/4 and NW/4 SW/4 of Section 20, Township 20 South, Range 34 East, Lea County, New Mexico. The Unit will be dedicated to the Robin Federal Com 201H well to be horizontally drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 20 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 17. The completed interval of the Well will be orthodox.

In **Case No. 22865**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring and Harkey formations underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 17 and 20, Township 20 South, Range 34 East, Lea County, New Mexico. The Unit will be dedicated to the following wells, to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 20 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 17: Robin Federal Com 114H, Robin Federal Com 127H, Robin Federal Com 128H, Robin Federal Com 174H, and Robin Federal Com 134H. The completed intervals of the Wells will be orthodox.

In **Case No. 22866**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring and Harkey formations underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 17 and the E/2 NW/4 and NE/4 SW/4 of Section 20, Township 20 South, Range 34 East, Lea County, New Mexico. The Unit will be dedicated to the following wells, to be horizontally drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 20 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 17: Robin Federal Com 112H, Robin Federal Com 123H, Robin Federal Com 124H, Robin Federal Com 172H, and Robin Federal Com 132H. The completed intervals of the Wells will be orthodox.

In **Case No. 22867**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring and Harkey formations underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Sections 17 and 20, Township 20 South, Range 34 East, Lea County, New Mexico. The Unit will be dedicated to the following wells, to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 20 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 17: Robin Federal Com 113H, Robin Federal Com 125H, Robin Federal Com 126H, Robin Federal Com 173H, and Robin Federal Com 133H. The completed intervals of the Wells will be orthodox.

In **Case No. 22868**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring and Harkey formations underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 17 and W/2 NW/4 and NW/4 SW/4 of Section 20, Township 20 South, Range 34 East, Lea County, New Mexico. The Unit will be dedicated to the following wells, to be horizontally drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 20 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 17: Robin Federal Com 111H, Robin Federal Com 121H, Robin Federal Com 122H, Robin Federal Com 171H, and Robin Federal Com 131H. The completed intervals of the Wells will be orthodox.

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.

In response to the Pre-Hearing statement filed by Doyle and Margaret Hartman, the Hartmans have no basis to object to Colgate's applications because Colgate is not seeking to pool any working interest owned by the Hartmans. Although Colgate recognizes that the Hartmans claim to own a working interest in the units, that issue will need to be resolved through a quiet title action. If the title dispute is resolved and shows that the Hartmans own a working interest in the units, Colgate would re-open the cases to pool the Hartmans at that time. Although Colgate disagrees with the Hartmans' allegations regarding the risk penalty and payment of well costs, those issues are not relevant here because Colgate is not pooling any working interest owned by the Hartmans.

It is unreasonable to delay these cases until the title dispute is resolved. That type of significant delay would result in waste and violate Colgate's correlative rights by depriving it of its ability to develop its acreage. These cases should proceed by affidavit on July 7, 2022.

PROPOSED EVIDENCE

| Witness | Occupation | Estimated Time | Exhibits |
|----------------|-------------------|-----------------------|-----------------|
| Travis Macha | Landman | Affidavit | Approx. 5 |
| John Anthony | Geologist | Affidavit | Approx. 7 |

PROCEDURAL MATTERS

Applicant requests that these cases be consolidated for hearing.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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Counsel for Colgate Operating, LLC

Certificate of Service

I hereby certify that the foregoing Pre-Hearing Statement was sent to the following counsel of record by electronic mail on this 30th day of June, 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 122017

QUESTIONS

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| Operator: COLGATE OPERATING, LLC 300 North Marienfeld Street Midland, TX 79701 | OGRID: 371449 |
| | Action Number: 122017 |
| | 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. |