

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

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

**CASE NOS. 24529, 24530, 24531,
24532, 24533, 24534, 24535, 24536**

CONSOLIDATED PRE-HEARING STATEMENT

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

APPLICANT

Colgate Production, LLC

ATTORNEYS

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INTERESTED PARTY

None at this time.

ATTORNEY

STATEMENT OF THE CASES

In Case No. 24529, Colgate seeks an order pooling all uncommitted interests in the Second Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the **Esky 17 Fed Com 121H** well, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 18. Applicant seeks to pool interests in the Second Bone Spring interval of the Bone Spring formation only, from

approximately 6,485' TVD to 7,492' TVD as shown on the State CV Com #1 well log (API No. 30-015-21927).

In Case No. 24530, Colgate seeks an order pooling all uncommitted interests in the Second Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the **Esky 17 Fed Com 122H** well, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a bottom hole location in the SW/4 NW/4 of Section 18. Applicant seeks to pool interests in the Second Bone Spring interval of the Bone Spring formation only, from approximately 6,485' TVD to 7,492' TVD as shown on the State CV Com #1 well log (API No. 30-015-21927).

In Case No. 24531, Colgate seeks an order pooling all uncommitted interests in the Second Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the **Esky 17 Fed Com 123H** well, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 18. Applicant seeks to pool interests in the Second Bone Spring interval of the Bone Spring formation only, from approximately 6,485' TVD to 7,492' TVD as shown on the State CV Com #1 well log (API No. 30-015-21927).

In Case No. 24532, Colgate seeks an order pooling all uncommitted interests in the Second Bone Spring interval 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 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the **Esky 17 Fed Com 124H**

well, which will be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 16 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 18. Applicant seeks to pool interests in the Second Bone Spring interval of the Bone Spring formation only, from approximately 6,485' TVD to 7,492' TVD as shown on the State CV Com #1 well log (API No. 30-015-21927).

In Case No. 24533, Colgate seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the **Esky 17 Fed Com 131H** well, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 18. Applicant seeks to pool interests in the Third Bone Spring interval of the Bone Spring formation only, from approximately 7,492' TVD to 8,754' TVD as shown on the State CV Com #1 well log (API No. 30-015-21927).

In Case No. 24534, Colgate seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the **Esky 17 Fed Com 132H** well, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 18. Applicant seeks to pool interests in the Third Bone Spring interval of the Bone Spring formation only, from approximately 7,492' TVD to 8,754' TVD as shown on the State CV Com #1 well log (API No. 30-015-21927).

In Case No. 24535, Colgate seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard

horizontal spacing unit comprised of the N/2 S/2 of Sections 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the **Eskey 17 Fed Com 133H** well, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 18. Applicant seeks to pool interests in the Third Bone Spring interval of the Bone Spring formation only, from approximately 7,492' TVD to 8,754' TVD as shown on the State CV Com #1 well log (API No. 30-015-21927).

In Case No. 24536, Colgate seeks an order pooling all uncommitted interests in the Third Bone Spring interval 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 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the **Eskey 17 Fed Com 134H** well, which will be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 16 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 18. Applicant seeks to pool interests in the Third Bone Spring interval of the Bone Spring formation only, from approximately 7,492' TVD to 8,754' TVD as shown on the State CV Com #1 well log (API No. 30-015-21927).

The completed intervals of the wells 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 Permian Resources Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

PROPOSED EVIDENCE

| Witness | Occupation | Estimated Time | Exhibits |
|--------------------|-------------------|-----------------------|-----------------|
| Ryan Curry | Landman | Affidavit | Approx. 5 |
| Christopher Cantin | Geologist | Affidavit | Approx. 5 |

PROCEDURAL MATTERS

Applicant intends to consolidate these cases for hearing and will present the 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 356525

QUESTIONS

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| Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701 | OGRID: 372165 |
| | Action Number: 356525 |
| | 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> |