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

APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-21355-A,

CASE NO. 22833 ORDER NO. R-21355-C

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on July 7, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. On September 25, 2020, OCD issued Order R-21355-A to Colgate Operating, LLC. ("Operator") to pool the uncommitted oil and gas interests within the specified spacing unit ("Unit").
- 2. On June 10, 2021, OCD issued Order R-21355-B to allow an extension of time to drill the well until June 10, 2022.
- 3. Subsequent to the issuance of Order R-21355-A, Operator discovered previously unidentified interest owner(s) in the Unit.
- 4. On May 3, 2022, Operator filed an application ("Application") with the OCD to amend Order R-21355-A to pool additional interest owner(s).
- 5. Operator provided evidence that it gave notice of the Application and the hearing to the previously unidentified interest owner(s).
- 6. Operator presented evidence through affidavits in support of the Application.
- 7. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 8. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 9. Operator is the owner of an oil and gas working interest within the Unit.
- 10. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 11. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

- 12. The previously unidentified interest owner has not agreed to commit its interest to the Unit.
- 13. The pooling of the previously unidentified uncommitted interest in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the previously unidentified interest owner the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

- 15. The previously unidentified uncommitted interest in the Unit is hereby pooled in the Unit.
- 16. Order R-21355-A shall remain in full force and effect.
- 17. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.



Date: <u>10/19/2022</u>