

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

**APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21405,
EDDY COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NO. R-21405
(Re-Open)**

APPLICATION

Colgate Operating LLC (“Colgate”), OGRID Number 371449, through its undersigned attorney, files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21405 (“the Order”) to allow for an extension of time for drilling the well under the Order. In support of this application, Colgate states as follows:

1. The Division heard Case No. 21303 on July 21, 2020 and entered the Order on July 29, 2020.
2. The Order designated Colgate as the operator of and pooled uncommitted interest owners within a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 S/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico (designated to the **Rincon 22 State 123H and Rincon 22 State 133H** wells).
3. The Order also designated Colgate as the operator of and pooled uncommitted interest owners within a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico (designated to the **Rincon 22 State 124H and Rincon 22 State 134H** wells).
4. Paragraph 19 of the Order states: “The Operator shall commence drilling the Well(s) within one year after the date of this Order; and complete each Well no later than one (1) year after the commencement of drilling the Well.” Paragraph 20 of the Order states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.”

5. Under the Order, Colgate would be required to commence drilling the well July 29, 2021.

6. Colgate requests that the Order be re-opened and amended to allow Colgate an additional year to commence drilling the well under the Order.

7. Colgate requests this extension because there have been changes in Colgate's drilling schedule due to the COVID-19 pandemic and recent market conditions.

8. Good cause exists for Colgate's request for an extension of time.

9. Colgate asks that the deadline to commence drilling the well be extended for a year from July 29, 2021 to July 29, 2022.

WHEREFORE, Colgate requests this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21405 to extend the time for Colgate to commence drilling the well under the Order for a year, through July 29, 2022.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By:  _____

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(Re-Open) Application of Colgate Operating LLC to Amend Order No. R-21405, Eddy County, New Mexico. Applicant seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21405 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21405 on July 29, 2020, which designated Colgate as the operator of and pooled uncommitted interest owners within two 160-acre Bone Spring horizontal spacing units comprised of the N/2 S/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico (designated to the **Rincon 22 State 123H** and **Rincon 22 State 133H** wells) and S/2 S/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico (designated to the **Rincon 22 State 124H** and **Rincon 22 State 134H** wells). The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Colgate's request for an extension of time due to limitations from the pandemic and recent market conditions.