

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

**APPLICATION OF COLGATE OPERATING,
LLC TO AMEND ORDER NO. R-22218,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. _____
ORDER NO. R-22218**

APPLICATION

Pursuant to NMSA 1978, Section 70-2-17, Colgate Operating, LLC (“Colgate”) (OGRID No. 371449) files this application with the Oil Conservation Division (“Division”) seeking an order: (1) amending Order No. R-22118 to establish a 640-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico (“Unit”); and (2) pooling uncommitted interests in the Wolfcamp formation underlying the Unit. In support of this application, Colgate states the following.

1. On August 29, 2022, the Division entered Order No. R-22218 (“Order”) in Case No. 22669. The Order pooled all uncommitted interests in the Wolfcamp formation (East WC Burton Flat East, Upper Wolfcamp Pool (Code 98315)) underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico. The Order further dedicated the Unit to the Uluru 35 Fed State Com 201H well (API No. 30-015-49654) (“Well”).

2. Since entry of the Order, Colgate has determined that the Well will produce from the Winchester; Wolfcamp (Gas) Pool (Code 87760). As a result, Colgate seeks to amend Order No. R-22218 to form a 640-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico and pool uncommitted interests in the Wolfcamp formation underlying the Unit.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

4. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 7, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Amending Order No. R-22218 to establish a 640-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico;
- B. Pooling all uncommitted interests in the Unit;
- C. Designating Applicant as the operator of the Unit and the horizontal Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Well;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

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