

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

**APPLICATION OF
COLGATE OPERATING, LLC
TO AMEND ORDER R-22218
EDDY COUNTY, NEW MEXICO**

**CASE NO. 23758
ORDER NO. R-22218-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 5, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. On August 29, 2022, OCD issued Order R-21492 to Colgate Operating, LLC (“Operator”) to pool the uncommitted oil and gas interests within the specified spacing unit.
2. Subsequent to the above Order, Operator has revised its development plans and seeks to amend Order R-22218 unit so that it consists of 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 in Eddy County (“Unit”).
3. Subsequent to the issuance of the above Orders, Operator discovered previously unidentified interest owner(s) in the Unit.
4. On August 8, 2023, Operator filed an application (“Application”) with OCD to amend Order R-22218.
5. Operator provided evidence that it gave notice of the Application and the hearing to the previously unidentified interest owner(s) and the previously pooled interest owners.
6. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

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

10. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
11. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.
12. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

13. The uncommitted interests in the Unit are pooled as set forth in Exhibit A attached to this Order which replaces Exhibit A attached to Order R-22218.
14. The Unit shall be dedicated to the Well(s) set forth in Exhibit A
15. Operator is designated as operator of the Unit and the Well(s).
16. Order R-22218, as previously amended, 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.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE
DIRECTOR**

DMF/hat

Date: 10/20/2023

Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case No.:	23758
Hearing Date:	10/5/2023
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC to Amend Order No. R-22218, Eddy County, New Mexico.
Entries of Appearance/Intervenors	N/A
Well Family	Uluru
Formation/Pool	
Formation Name(s) or Vertical Extent	Wolfcamp
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Wolfcamp
Pool Name and Pool Code	Winchester; Wolfcamp (Gas) Pool (Code 87760)
Well Location Setback Rules	Statewide
Spacing Unit Size	640 acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acre
Building Blocks	half-section
Orientation	West/East
Description: TRS/County	N/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Uluru 35 Fed State Com 201H (API # pending) SHL: 546' FNL, 330' FWL (Unit D) of Section 35, T19S-R28E BHL: 1650' FNL & 10' FEL (Unit H) of Section 36, T19S-R28E Completion Target: Wolfcamp (Approximately 8929' TVD) Completion status: Standard
Horizontal Well First and Last Take Points	Exhibit A-6
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before	Exhibit C-2, C-4

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Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-5
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-6
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	10/3/2022