

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

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

**CASE NOS. 22827, 22828,
22829, 22830, 22831, 22834**

CONSOLIDATED PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Colgate Operating, LLC

ATTORNEYS

Dana S. Hardy
Jaclyn McLean
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com

INTERESTED PARTIES

COG Operating, LLC

ATTORNEYS

Ocean Munds-Dry
Elizabeth Ryan
1048 Paseo de Peralta
Santa Fe, NM 87501
Phone: (505) 780-8000
Ocean.munds-dry@conocophillips.com
Beth.ryan@conocophillips.com

STATEMENT OF THE CASE

In Case No. 22827, Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 112H, Dundee 4 Fed Com

122H, and Dundee 4 Fed Com 132H wells, which will be horizontally drilled from a surface hole location in Lot 1 of Section 5 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 3. The completed intervals of the Wells will be orthodox.

In **Case No. 22828**, Applicant applies for an order pooling all uncommitted interests from the top of the Bone Spring Formation to the base of the First Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 S/2 of Sections 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 114H well, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 5 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 3. The completed interval of the Well will be orthodox. A depth severance exists in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation at a stratigraphic equivalent of approximately 4,461' TVD to the base of the First Bone Spring formation at a stratigraphic equivalent of approximately 6,570' TVD as observed on the Government S #1 well log (API 30-015-20932).

In **Case No. 22829**, Applicant applies for an order pooling all uncommitted interests from the top of the Second Bone Spring formation to the base 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 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 124H and Dundee 4 Fed Com 134H wells, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 5 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 3. The completed intervals of the Wells will be orthodox. A depth severance exists in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Second Bone Spring formation at a stratigraphic equivalent of approximately 6,570' TVD to the base of the Bone Spring formation at a stratigraphic

equivalent of approximately 8,840' TVD as observed on the Government S #1 well log (API 30-015-20932).

In **Case No. 22830**, Applicant applies for an order pooling all uncommitted interests from the top of the Second Bone Spring formation to the base of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of then N/2 S/2 of Sections 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 123H and Dundee 4 Fed Com 133H wells, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 5 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 3. The completed intervals of the Wells will be orthodox. A depth severance exists in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Second Bone Spring formation at a stratigraphic equivalent of approximately 6,570' TVD to the base of the Bone Spring formation at a stratigraphic equivalent of approximately 8,840' TVD as observed on the Government S #1 well log (API 30-015-20932).

In **Case No. 22831**, Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 316-acre, more or less, standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (N/2 N/2 equivalent) of Sections 3 and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 111H, Dundee 4 Fed Com 121H, and Dundee 4 Fed Com 131H wells, which will be horizontally drilled from a surface hole location in Lot 1 of Section 5 to a bottom hole location in Lot 1 of Section 3. The completed intervals of the wells will be orthodox.

In **Case No. 22834**, Applicant applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the First Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 3

and 4, Township 20 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Dundee 4 Fed Com 113H well, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 5 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 3. The completed interval of the well will be orthodox. A depth severance exists in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation at a stratigraphic equivalent of approximately 4,461' TVD to the base of the First Bone Spring formation at a stratigraphic equivalent of approximately 6,570' TVD as observed on the Government S #1 well log (API 30-015-20932).

Also to be considered in each case will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 12 miles northeast of Carlsbad, New Mexico.

PROPOSED EVIDENCE

<u>Witness</u>	<u>Occupation</u>	<u>Estimated Time</u>	<u>Exhibits</u>
Mark Hajdik	Landman	Affidavit	Approx. 5
David DaGian	Geologist	Affidavit	Approx. 7

PROCEDURAL MATTERS

Applicant requests that the Division consolidate these matters for hearing. Applicant will present its cases by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy _____
 Dana S. Hardy
 Jaclyn McLean
 P.O. Box 2068

Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com
Counsel for Colgate Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was sent by electronic mail to the following counsel of record on June 30, 2022.

Ocean Munds-Dry
Elizabeth Ryan
1048 Paseo de Peralta
Santa Fe, NM 87501
Phone: (505) 780-8000
Ocean.munds-dry@conocophillips.com
Beth.ryan@conocophillips.com
Counsel for COG Operating, LLC

/s/ Dana S. Hardy

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 121946

QUESTIONS

Operator: COLGATE OPERATING, LLC 300 North Marienfeld Street Midland, TX 79701	OGRID: 371449
	Action Number: 121946
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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>