

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

**APPLICATION OF COLGATE OPERATING,
LLC FOR COMPULSORY POOLING AND
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (OGRID No. 371449) (“Applicant”) applies for an order pooling all uncommitted interests from the top of the Third Bone Spring formation to the base of the Bone Spring formation underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 N/2 of Sections 16 and 17, Township 20 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of its application, Colgate states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Dingo 17 Federal Com 132H** well, to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 18, Township 20 South, Range 28 East, to a bottom hole location in the SE/4 SE/4 (Unit H) of Section 16, Township 20 South, Range 28 East.
3. The completed interval of the Well will be orthodox.
4. The Unit will partially overlap with the spacing unit for the State CV Com #002H (API No. 30-015-41857), which is dedicated to the S/2 N/2 of Section 16 in the Second Bone Spring interval of the Bone Spring formation.

5. To avoid interference with the existing Second Bone Spring well, Applicant proposes to pool uncommitted interests from the top of the Third Bone Spring formation at a stratigraphic equivalent of approximately 7,480' TVD to the base of the Bone Spring formation at a stratigraphic equivalent of approximately 8,821' TVD as observed on the Oxy Bulldog State #1 well log (API 30-015-29234).

6. 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.

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

8. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as the operator of the Unit and the 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 while drilling and after completion, 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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