# NSL

# Initial

# Application

Signature

REVIEWER: APP NO: TYPE: 03/17/21 pLEL2107735155 **LRL** 

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

### **NEW MEXICO OIL CONSERVATION DIVISION**

- Geological & Fnaineering Bureau -



a deological & Engineering	27
1220 South St. Francis Drive, Santa	Fe, NM 87505
ADMINISTRATIVE APPLICATION	ON CHECKLIST
this Checklist is mandatory for all administrative applicat regulations which require processing at the d	
Applicant: Colgate Operating, LLC	OGRID Number: 371449
Vell Name: Lady Franklin 25 State 132H	<b>API:</b> 30-015-46300
ool: Winchester; Bone Spring	Pool Code: 65010
SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIR INDICATED BELOW	
1) TYPE OF APPLICATION: Check those which apply for [A] A. Location – Spacing Unit – Simultaneous Dedication  NSL NSP(PROJECT AREA) NSP	(PRORATION UNIT) SD
B. Check one only for [1] or [1]  [1] Commingling – Storage – Measurement  DHC   CTB   PLC   PC   OL  [11] Injection – Disposal – Pressure Increase – Enhar   WFX   PMX   SWD   IPI   EO  2) NOTIFICATION REQUIRED TO: Check those which apply.  A. Offset operators or lease holders  B. Royalty, overriding royalty owners, revenue own  C. Application requires published notice  D. Notification and/or concurrent approval by SLC  E. Notification and/or concurrent approval by BLM  F. Surface owner	roced Oil Recovery OR PPR  FOR OCD ONLY  Notice Complete  Application Content Complete
G. For all of the above, proof of notification or pub H. No notice required	
CERTIFICATION: I hereby certify that the information submadministrative approval is accurate and complete to the understand that no action will be taken on this application notifications are submitted to the Division.	e best of my knowledge. I also
Note: Statement must be completed by an individual with m	nanagerial and/or supervisory capacity.
Brian Wood	3-17-21 Date
Print or Type Name	505 466-8120 Phone Number

brian@permitswest.com

e-mail Address



## REQUEST FOR ADMINISTRATIVE APPROVAL NONSTANDARD LOCATION COLGATE OPERATING LLC'S LADY FRANKLIN 25 STATE 132H

SHL: 1135' FNL & 265' FWL SEC. 25

FTP: 2301' FNL & 279' FWL SEC. 25 LTP: 2302' FNL & 101' FEL SEC. 25 BHL: 2302' FNL & 18' FEL SEC. 25

T. 19 S., R. 28 E., EDDY COUNTY, NM API 30-015-46300

I. This recently drilled Winchester; Bone Spring (65010) oil well is on NM State Land Office (NMSLO) surface and 640-acre NMSLO oil and gas lease E0-5073-0007 (Exhibit A). Dedication is the 160 acres (Exhibit B) comprising the S2N2 25-19s-28e. Some take points are too far south. The south most take point is 258' from the closest perpendicular dedication boundary (Exhibit B). This is towards the interior of the same Colgate operated lease, but the N2S2 Section 25 has different working interests.

Colgate requests approval of a nonstandard location due to drilling difficulties and in the interest of maximizing recovery of reserves. The well was drilled as much as 72' south and outside of the standard 330' perpendicular setback.

Colgate initially achieved the build and turn rates required in the horizontal drilling plan. However, the formation encountered at  $\approx 8380^\circ$  TVD caused the motor to yield significantly less than Colgate had anticipated based on motor specifications at 100% slide. Focus was simultaneously placed on building and turning to avoid landing low and too far right of the centerline. When it was observed that the motor yields were not sufficient, the rig tripped out of the hole to replace the original motor with a larger bend motor in order to improve build and turn rates. At the point Colgate was able to land the wellbore, Colgate was a maximum of 85' right of centerline.

A standard location must be at least 330' from the perpendicular dedication boundary. The south most take point is 258' from the south dedication boundary (see C-102 as EXHIBIT B). The take point is 72' too far south.

- II. Form C-102 showing the well and its 160-acre dedication (S2N2 Section 25) is attached as EXHIBIT B. Bone Spring dedications and Bone Spring operators are shown on Exhibit C.
- III. Oil and gas leases are shown on EXHIBIT D. Encroachment to the south is toward the interior (N2S2 Section 25) of the same NMSLO lease. The N2S2 Section 25 Bone Spring dedication is operated by Colgate (30-015-46354 & 30-015-46357), but has different working interests than the S2N2 Section 25.
- IV. See Exhibit C for Bone Spring dedications. If Colgate does not receive approval for the NSL portion of this well bore, then it would be forced to squeeze the NSL portion of the well bore and leave adjacent acreage undeveloped.
- V. Constraints include the previously described down hole difficulties.
- VI. Archaeology is not an issue.
- VII. I hereby certify that Colgate Operating LLC and its partners have 100% of the Bone Spring working interest in the lease which comprises the two relevant 160-acre spacing units (S2SN2 & N2S2 Section 25). Working interests vary between the two dedications. This information is current and correct.

Brian Wood, Consultant

3-16-21

Date



STATE OF NEW MEXICO )
) SS:
COUNTY OF SANTA FE )

The foregoing instrument was acknowledged before me this 16th day of March, 2021 by Brian Wood. Witness my hand and official seal.

Official Seal CORY WALK Notary Public State of New Mexico

Notary Public

My Commission Expires: 23 April 2023

**Business Address:** 

Coby Walk

37 Verano Loop

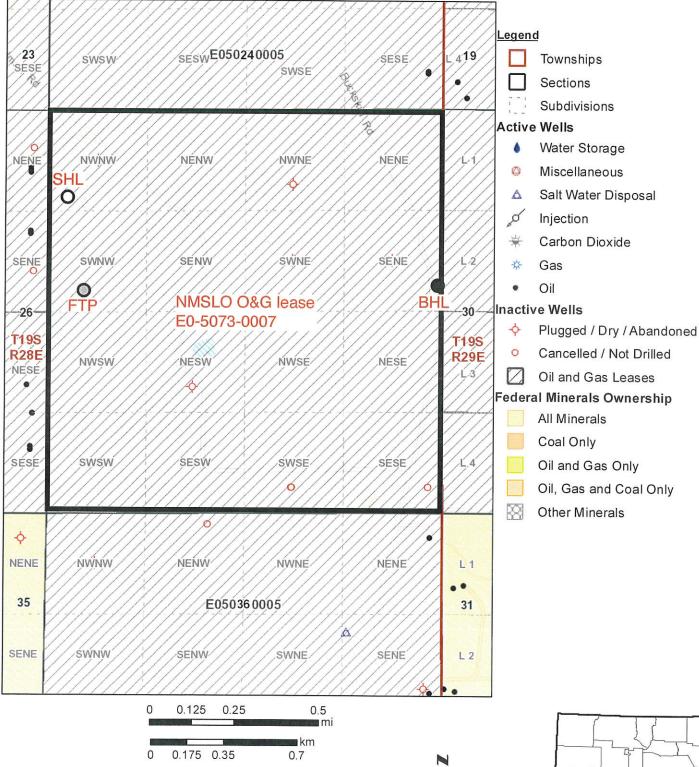
Santa Fe, NM 87508

cc: Hadjik, OCD (Santa Fe)





## Oil, Gas, and Minerals Leases and Wells



#### Disclaimer:

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with the accuracy, reliability or use of the information provided herein with respect to State Land Office data or data from other sources.

Data pertaining to New Mexico State Trust Lands are provisional and subject to revision, and do not constitute an official record of title. Official records may be reviewed at the New Mexico State Land Office in Santa Fe, New Mexico.



<u>District I</u>
1625 N French Dr., Hobbs, NM 88240
Phone. (575) 393-6161 Fax. (575) 393-0720
<u>District II</u>
811 S. First St., Artesia, NM 88210
Phone. (575) 748-1283 Fax. (575) 748-9720

<u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

#### State of New Mexico

## Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505



Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

As Drilled

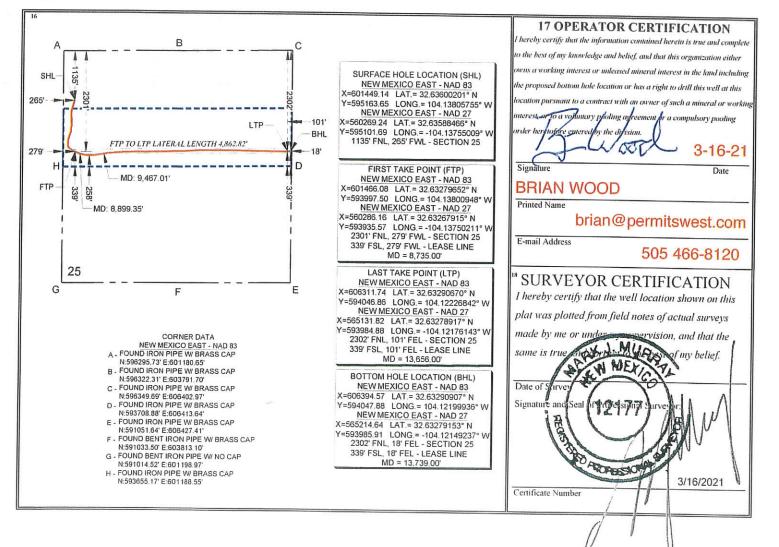
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name	RING
30-015-46300	65010	WINCHESTER; BONE SPE	
4 Property Code	5 Property Na		6 Well Number
326127	LADY FRANKLIN		132H
7 OGRID No.	<b>8 O</b> perator Na		9 Elevation
371449	COLGATE OPERAT		3358.0'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	25	19-S	28-E		1135'	NORTH	265'	WEST	EDDY
			" Bo	ttom Ho	le Location I	f Different Fro	m Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Н	25	19-S	28-E		2302'	NORTH	18'	EAST	EDDY

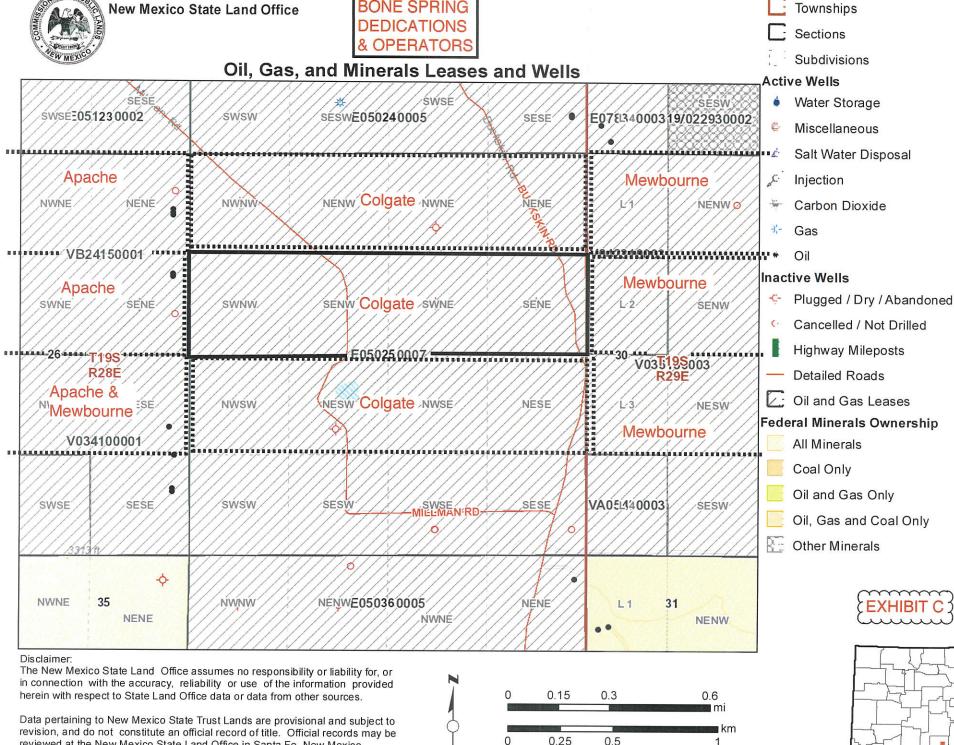
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



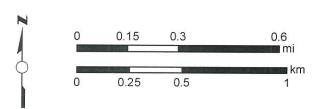


**New Mexico State Land Office** 

**DEDICATIONS** & OPERATORS

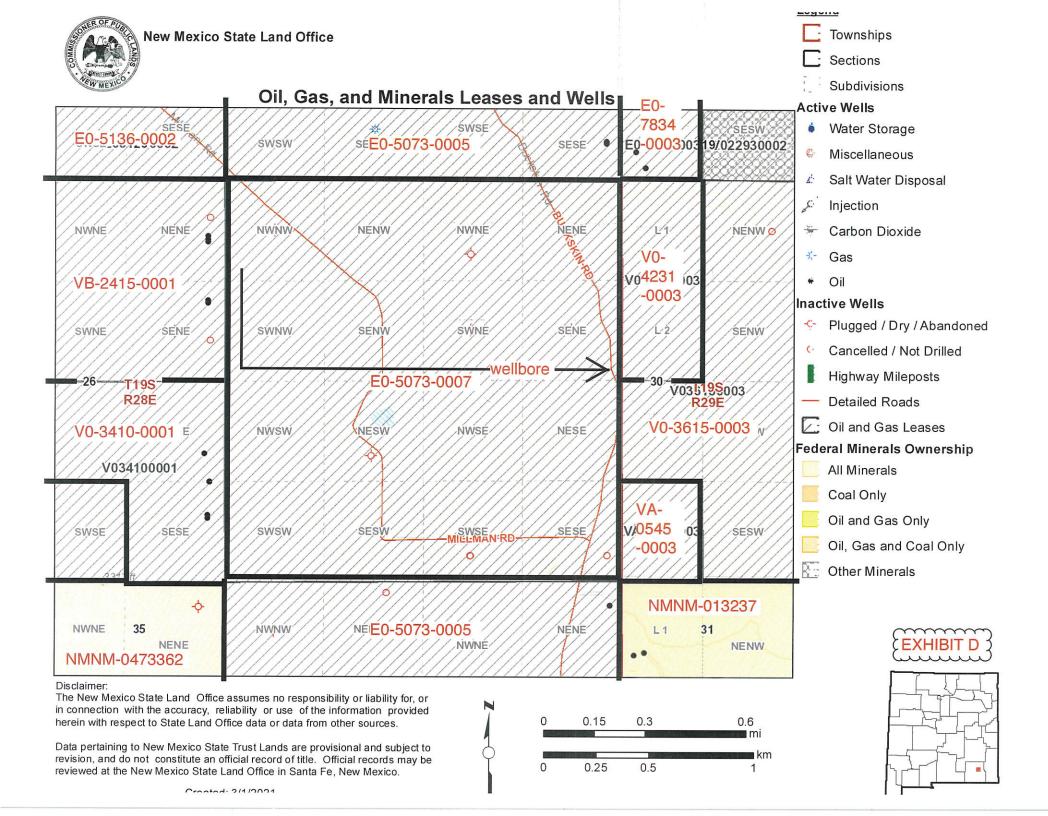


reviewed at the New Mexico State Land Office in Santa Fe, New Mexico.





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March 16, 2021

NM State Land Office P. O. Box 1148 Santa Fe NM 87504

#### TYPICAL NOTICE

As required by New Mexico Oil Conservation Division (NMOCD) Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Colgate Operating, LLC is applying for NSL approval for its Lady Franklin 25 State 132H (30-015-46300) oil well. Minimum NMOCD distance for such an oil well is 330' from a perpendicular quarter-quarter line. Take points in the well are as much as 72' further south than is standard (see attached application). Thus, it is a nonstandard location. The NSL is due to drilling difficulties.

Well Name: Lady Franklin 25 State 132H TVD: 8,797' MD: 13,745'

NSL Zone: Winchester; Bone Spring (65010)

NSL Acreage Dedication: 160 acres (S2N2 Section 25, T. 19 S., R. 28 E., Eddy County, NM)

on NMSLO lease E0-5073-0007

<u>Location:</u>  $\approx$ 15 air mile northeast of Carlsbad, NM (SHL at 1135 FNL & 265 FWL 25-19s-28e)

Applicant Name: Colgate Operating, LLC (432) 257-3886

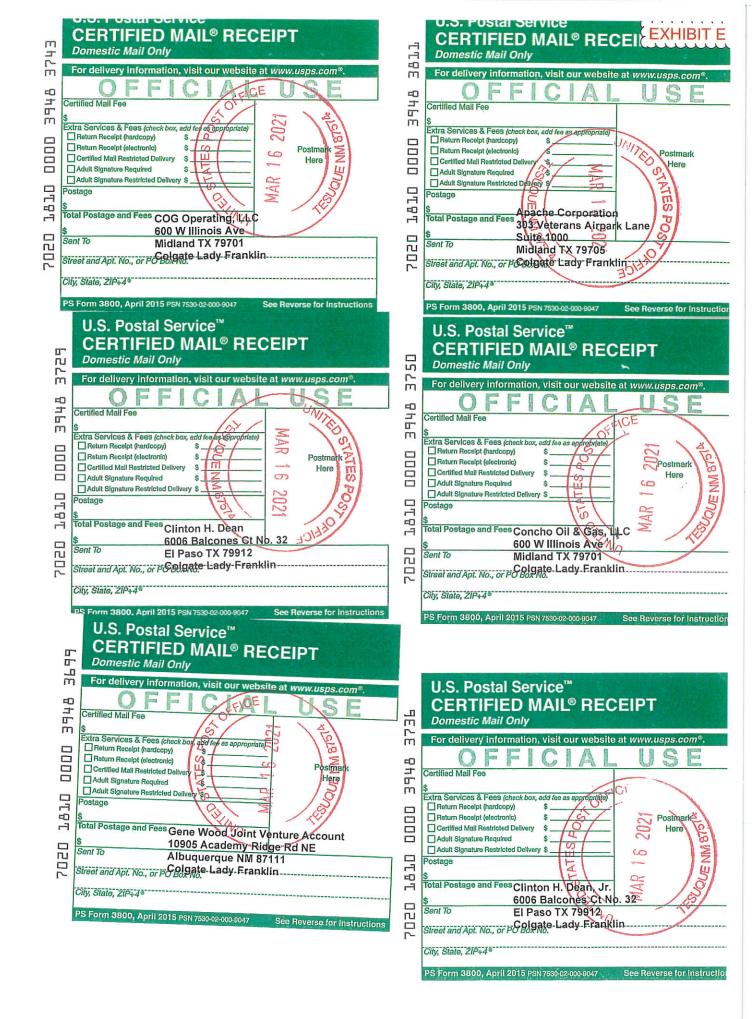
Applicant's Address: 300 N. Marienfeld St., Suite 1000, Midland TX 79701

<u>Submittal Information:</u> Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood





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7020	Sent To El Paso TX 79922 Colgate Lady Frank Street and Apt. No., or PO Box No.	lin
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