<u>District I</u>
1625 N. French Drive, Hobbs, NM 88240
<u>District II</u>
811 S. First St., Artesia, NM 88210
<u>District III</u>
1000 Rio Brazos Road, Aztec, NM 87410
<u>District IV</u>
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

		COMMINGLING	(DIVERSE	OWNERSHIP)	
	operating, LLC		7076		
OPERATOR ADDRESS: 300 North APPLICATION TYPE:	Marienfeld Street, Suit	te 1000 Midland, Texa	s 79701		
	ng Pool and Lease Co	mmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
	State	5 5	Storage and ivicasur	ement (only if not surface	e commingica)
Is this an Amendment to existing Orde Have the Bureau of Land Management Yes No	r? □Yes ▼No If	"Yes", please include			ingling
		OL COMMINGLIN ts with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
		_			
		_			
		-			
		-			
(2) Are any wells producing at top allowa	nbles? Yes No	1	<u> </u>		1
(5) Will commingling decrease the value	· 	□No If "yes", descri		ing should be approved	
		ts with the following in			
(1) Pool Name and Code. Parkway; Bone (2) Is all production from same source of (3) Has all interest owners been notified by (4) Measurement type: ✓ Metering	supply? Yes No supply? Yes No supply?		☑ Yes □N	0	
	• /	LEASE COMMIN			
(1) Complete Sections A and E.	Please attach sneet	ts with the following in	niormation		
(1) Complete Southern IT and 2.					
(1		ORAGE and MEA			
(1) Is all production from same source of		ets with the following	information		
(2) Include proof of notice to all interest	· · · · — —				
(E) A		ORMATION (for all		vpes)	
(1) A solumetic diagram of fortility: 1		ts with the following in	nformation		
 (1) A schematic diagram of facility, inch (2) A plat with lease boundaries showing (3) Lease Names, Lease and Well Number 	all well and facility locat	ions. Include lease numb	ers if Federal or Sta	ate lands are involved.	
I hereby certify that the information above i	s true and complete to the	e best of my knowledge ar	d belief.		
SIGNATURE: MACLEM		ITLE: Operations Tech		DATE: 02.14.	2022
TYPE OR PRINT NAME Mikah Thomas			TEL	EPHONE NO.: 432-695	5-4272
E-MAIL ADDRESS: mthomas@colgatee	energy.com				

Allocation Methodology

PRORATED ALLOCATION

GAS ALLOCATION

Each well has a Wellhead (WH) meter and a Gas Lift (GL) meter. The CTB has a FC Meter that measures the volume of gas that leaves the CTB, this FC meter is considered an FMP. The INJ BB meter that measures off-lease gas coming on lease used for gas lift from the gathering line is considered an FMP.

- 1. Buyback FM is the volume of off-lease gas used for gas lift and to run the compressor, it is calculated by Buyback Comp Fuel,
- 2. Net Well Production is base amount of production not used for gas lift and is calculated by subtracting Gas Lift (GL) volume from the wellhead (WH) meter reading.
- 3. Lease use is the volume of gas used by the equipment on the CTB allocated to the wells by Lease Use volume/total hours produced by all wells on CTB * each wells Hours On.
- 4. Theoretical % used for the allocation of production/sales is calculated by dividing the Net Well Production volume for each well into the sum of the Net Well Production.
- 5. CTB FC-INJ BB (Net CTB Gas) is volume of gas for royalty purposes, off lease gas is netted out of FMP meter volume. FC Meter (INJ BB Meter GL Compressor). This gives you the volume of gas for royalty purposes that was produced/sold from the CTB.
- 6. Theoretical % for each well is multiplied by the Net CTB Gas.
- 7. HP Flare is volume of gas flared from the CTB, allocated to wells by Theoretical % for each well * HP FL volume.
- 8. VRU measures the gas from the oil tanks, is allocated based on allocated oil production for each well. VRU is an FMP. VRU measured volume * theoretical % of oil produced. Each well's oil measured volume/by sum of all oil measured volumes on CTB = theoretical oil volume.
- 9. Total Net FMP Volumes is total sold from the CTB to the gathering line and is calculated by Net CTB Gas + VRU.
- 10. Allocated Production is all gas produced by CTB and is calculated by adding Total Net FMP Volumes+ HP Flare + Lease Use.
- 11. Total Net FMP Volumes is total sold from the CTB to the gathering line and is calculated by Net CTB

OIL ALLOCATION

Each well has an oil meter measuring the volume of oil produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Sales Volume (FMP) back to each well.

- 1. Allocated production is volume of oil produced by the CTB and is calculated by Ending Tank Inventory + Pipeline LACT (FMP) Beginning Tank Inventory.
- 2. Available oil for sale is calculated by Pipeline Lact (FMP) Beginning Tank Inventory.
- 3. Theoretical % is calculated by dividing each oil meter volume into the sum of oil meters.
- 4. The Theoretical % for each well is multiplied by the Allocated Production and the Available Sales.
- 5. Total Sales Volume is the volume of oil sold through the FMP meter. It is calculated by adding available for sale to the beginning inventory for each well.
- 6. Beginning Inventory comes from previous accounting period's Ending Inventory for each well.
- 7. Ending Inventory for each well is calculated by adding Beginning Inventory + Allocated Production Total Sales Volume.

WATER ALLOCATION

Each well has a water meter measuring the volume of water produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Transferred Volume back to each well.

- 1. Allocated production is volume of water produced by the CTB and is calculated by Ending Tank Inventory + Water Transfer Beginning Tank Inventory.
- 2. Available Water to Transfer is calculated by Water Transfer Beginning Tank Inventory.
- 3. Theoretical % is calculated by dividing each water meter volume into the sum of the water meters.
- 4. The Theoretical % for each well is multiplied by the Allocated Production and the Available Sales.
- 5. Total Transfer Volume is the volume of water transferred off the CTB. It is calculated by adding Available to Transfer to the beginning inventory for each well.
- 6. Beginning Inventory comes from previous accounting period's allocated Ending Inventory for each well.
- 7. Ending Inventory for each well is calculated by adding beginning inventory + Allocated Production Total Transfer Volume.

Applied Allocation	Spreadsheet Examp	loc (Oil Stroam)
ADDITED ATTOCATION	Sioreagasineer Examio	ies (Oii Stream)

	Definition of Factors, Formulas, and Assets
Oil Allocation Factor	Daily meter reading from a testing vessel (shared or designated by well) for an individual well used as the basis for prorating produced sellable volumes from the OMT.
Well Test Hours	Total hours that well test was conducted for. Used to adjust Oil Allocation Factor to a 24 hour rate. Well test hours can be more than or less than 24 hours but greater than 0.
Hours Flowed	Total hours that well was flowing produced fluids. Used to adjust Oil Allocation Factor to compensate for Oil Allocation Factor being adjusted to a 24 hour rate.
Oil Allocation Factor Basis	The Oil Allocation Factor adjusted to 24 hour basis and corrected for any downtime incurred for the well. Reporting volume to the OGOR.
Theoretical % of Production	Calculated by dividing the Oil Allocation Factor Basis for the individual well into the sum of all Basis' at the OMT. Not visualized in the production accounting program.
Allocated Oil Production	Volume of sold or stored volume produced in the time period ready to sell from the OMT allocated to each well. Reporting Volume to the OGOR.
Oil Master Tank (OMT)	Relative terminology synonymous with Central Tank Battery.
Beginning Oil	Inventory in bbls from the previous accounting periods calculated ending inventories. In the case of a new OMT, during any accounting period, Open inventory would be = 0.
Ending Oil	Inventory in bbls as measure for the date of accounting. Ending inventory can be positive, negative or neutral each day, but cannot sum to < 0.
Dispositions	A measured volume removed from a tank or moved through a LACT. Recorded from a ticket or direct meter read.
Oil Production	Total volume sold or availabe for sell for each asset at the OMT for accounting period. Caculated by subtracting Ending Oil from Beginning Oil and summing with Dispositions
OMT Totals	Formula to calculate the total volumes sold or avaialbe for sale at the OMT for the accounting period . Reporting Volume to the OGOR.
LACT	Measures in bbls the volume transferred at the LACT meter to custody of the midstream gatherer or direct to purchaser.

Individual Well Factors and Allocated Production							
Well Name	Oil Allocation	Well Test Hours	Hours Flowed	Oil Allocation	Theoretical %	Allocated Oil	
well Name	Factor	Well lest flours	riours rioweu	Factor Basis	of Production	Production	
xxxxx	817.59	24.00	24.00	817.59	0.62374	821.11	
xxxxx	493.20	24.00	24.00	493.20	0.37626	495.33	
Totals	1310.79	-	-	1310.79	1.00000	1316.44	

Oil Master Tank (OMT)							
Asset	Beginning Oil	Ending Oil	Dispositions	Oil Production			
Oil Tank 1 (OT1)	166.80	161.24		-5.56			
Oil Tank 2 (OT2)	88.96	88.96		0.00			
Oil Tank 3 (OT3)	63.94	63.94		0.00			
LACT			1322.00	1322.00			
OMT Totals	319.70	314.14		1316.44			

Applied Allocation Spreadsheet Examples (Gas Stream)

	<u>Definition of Factors, Formulas, and Assets</u>
Gas Out	Daily meter reading from a testing vessel (shared or designated by well) for an individual well used as the basis for prorating total produced volumes.
Gas In	Daily meter reading from a designated meter for an individual well for measuring the amount of gas injected into a well for gas lift purposes.
Formation Gas	The total gas produced from the formation. Calculated by subtracting Gas In from Gas Out.
Theoretical % of Production	Calculated by dividing the Formation Gas for the individual well into the sum of all Formation Gas. Not visualized in the production accounting program.
Allocated Gas Production	Total volume of gas sold, flared, utilized for lease operations, or utilized as fuel for compression equipment and less the gas metered through the Gas Buy Back. Reporting Volume to the OGOR.
Allocated Gas Sales	Total volume sold from the CTB less the gas metered through the Gas Buy Back Meter. Reporting Volume to the OGOR.
Allocated Flared Volume	Total volume flared from the CTB. Reprorting Vollume to the OGOR.
Anocated Hared Volume	Total volume hared from the CTB. Reprorting volume to the OGOR.
Gas Flare Meter	Metered volume of gas sent to combustion or flare for the CTB
Gas Flare Meter	Metered volume of gas sent to combustion or flare for the CTB
Gas Flare Meter Gas Lease Use Meter	Metered volume of gas sent to combustion or flare for the CTB Metered volume of gas utilzed for lease operations for pnumatics, power generation, or other necessary operations to operate the CTB.
Gas Flare Meter Gas Lease Use Meter Gas Sales Meter	Metered volume of gas sent to combustion or flare for the CTB Metered volume of gas utilzed for lease operations for pnumatics, power generation, or other necessary operations to operate the CTB. Metered volume of gas transferred at a custody exchange point to a midstream gathererer or direct purchaser.
Gas Flare Meter Gas Lease Use Meter Gas Sales Meter Gas Compressor Factor	Metered volume of gas sent to combustion or flare for the CTB Metered volume of gas utilzed for lease operations for pnumatics, power generation, or other necessary operations to operate the CTB. Metered volume of gas transferred at a custody exchange point to a midstream gathererer or direct purchaser. Total gas burned as fuel for operation of gas lift compression for purposes of injection for gas lift purposes. An hourly rate factored by the total Hours On of the compressor daily.

Individual Well Factors and Allocated Production

							_
Well Name	Gas Out	Gas In	Formation Gas	Theoretical % of Production	Allocated Gas Production	Allocated Gas Sales	Allocated Flared Volume
xxxxx	2370.00	765.80	1604.20	0.61553	1817.67	1556.07	221.59
xxxxx	1763.00	761.00	1002.00	0.38447	1135.33	971.93	138.41
Totals	4133.00	1526.80	2606.20	1.00000	2953.00	2528.00	360.00

Total Gas Metered Out of CTB					
Asset Gas Production Hours					
Gas Flare Meter	360.00				
Gas Lease Use Meter	0.00				
Gas Sales Meter	2528.00				
GL Compressor Factor	65.00	24.00			
Gas Buy Back Meter	0.00				
Total Gas Basis	2953.00				

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pplied Allocation Spreadsheet Examples (Water S	ream)
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	Definition of Factors, Formulas, and Assets
Water Allocation Factor	Daily meter reading from a testing vessel (shared or designated by well) for an individual well used as the basis for prorating produced volumes from the WMT.
Well Test Hours	Total hours that well test was conducted for. Used to adjust Water Allocation Factor to a 24 hour rate. Well test hours can be more than or less than 24 hours but greater than 0.
Hours Flowed	Total hours that well was flowing produced fluids. Used to adjust Water Allocation Factor to compensate for Water Allocation Factor being adjusted to a 24 hour rate.
Water Allocation Factor Basis	The Water Allocation Factor adjusted to 24 hour basis and corrected for any downtime incurred for the well. Reporting volume to the OGOR.
Theoretical % of Production	Calculated by dividing the Water Allocation Factor Basis for the individual well into the sum of all Basis' at the WMT. Not visualized in the production accounting program.
Allocated Water Production	Volume of sold or stored volume produced in the time period ready to sell from the WMT allocated to each well. Reporting Volume to the OGOR.
Water Master Tank (WMT)	Relative terminology synonymous with Central Tank Battery.
Beginning Water	Inventory in bbls from the previous accounting periods calculated ending inventories. In the case of a new WMT, during any accounting period, Open inventory would be = 0.
Ending Water	Inventory in bbls as measure for the date of accounting. Ending inventory can be positive, negative or neutral each day, but cannot sum to < 0.
Dispositions	A measured volume removed from a tank or moved through a Water Transfer Meter. Recorded from a ticket or direct meter read.
Water Production	Total volume moved or availabe for me for each asset at the WMT for accounting period. Caculated by subtracting Ending Water from Beginning Water and summing with Dispositions
WMT Totals	Formula to calculate the total volumes sold or avaialbe for sale at the WMT for the accounting period . Reporting Volume to the OGOR.
Water Transfer Meter	Measures in bbls the volume transferred at the Water Transfer meter to custody of the midstream gatherer or direct to disposal.
Water Tank #	Physical tank count at the WMT. Tanks can vary in size by battery and volume requirements. BBL/Inch factors are calculated and applied at the asset level.

Individual Well Factors and Allocated Production							
Well Name	Water Allocation Factor Basis	Theoretical % of Production	Allocated Water				
xxxxx	1571.00	24.00	24.00	1571.00	0.55512	1577.66	
xxxxx	1259.00	24.00	24.00	1259.00	0.44488	1264.34	
Totals	2830.00	-	-	2830.00	1.00000	2842.00	

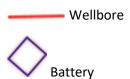
Water Master Tank (WMT)										
Asset	Beginning Water	Ending Water	Dispositions	Water Production						
Water Tank 1 (WT1)	36.14	36.14		0.00						
Water Tank 2 (WT2)	30.58	30.58		0.00						
Water Tank 3 (WT3)	33.96	33.96		0.00						
Water Transfer Meter			2842.00	2842.00						
WMT Totals	100.68	100.68		2842.00						

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Colgate Operating, LLC Black Diamond 34 Fed Overview Map Sec 34, T19S, R29E Eddy County, New Mexico



Section 33 and Section 34 Federal Lands



Page 9 of 39 Received by OCD: 3/24/2022 1:27:38 PM V-100 THRU 140 3-PHASE SEPARATOR FL-900 HZ. 3PH SEPARATOR 72" OD X 15'-0" S/S HT-2000 HEATER TREATER HZ, VESSEL 96" OD X 20'-0" S/S V-2100 GAS SCRUBBER VERT. VESSEL 72" OD X 15'-0" S/S FL-910 🔍 U-700 VAPOR RECOVERY UNIT VAPOR RECOVERY UNIT 20 H.P. U-710 GAS RECOVERY UNIT GAS RECOVERY UNIT 118 H.P. U-720 <u>LACT</u> HP FLARE METER -100 H.P. LP FLARE METER -SKID: $8'-6" \times 25'-0"$ V-300 VAPOR RECOVERY TOWER P-710 ___ P_700 ___ 48" OD X 45'-0" HT T-3000 U-700 55'X105' CONTAINMENT SKIM TANK SKIM TANK 15'-6" OD X 30'-0" HT T-WATER 1000 BBL COLOR: BLM SHALE GREEN T-500 THRU 520 WATER TANKS T-OIL WATER STORAGE TANK 15'-6" OD X 24'-0" HT V-300 750 BBL COLOR: BLM SHALE GREEN T-400 THRU 420 OIL TANKS CONTROL U-720 OIL STORAGE TANKS PANEL 15'-6" OD X 24'-0" HT D HT−2000 750 BBL COLOR: BLM SHALE GREEN V-2100 <u>V-320</u> FLARE K.O. 2'-0" X 5'-0" P - 700 / 710WATER TRANSFER PUMPS XXX H.P. ELECTRIC PUMPS FS-900 <u>FLARE</u> XX,000 MSCFD GAS SALES METER FS-910 **FLARE** XX,000 MSCFD REFERENCE DRAWINGS REVISIONS NOTICE **ISSUED** TITLE DATE DESCRIPTION BY CHK. APP. DATE COLGATE MAC RG 07/08/21 A 07/09/21 ISSUED FOR REVIEW MAC BLACK DIAMOND BATTERY PLOT PLAN JULY 09, 2021 APP. 3S Services, LLC ENGINEERING & DESIGN
th: 432-687-5611 Midland, Texas 79705
WWW.3SENGINEERINGDESIGN.COM AFE No. FOR REVIEW FACILITY ENGR. PROJ. ENGR: PLOT SCALE NONE DWG. NO. NM FIRM REG. #4545320 D-21307-20-001 R:\01_Colgate\21307 - Black Diamond CTB\2. Eng., Design\2.3 Piping, Mech\2.3.2 Plot Plans\D-21307-20-001.dwg 20210713.173541 OKLA FIRM REG. #3712353615 SCALE: CAD NO. Released to Imaging: 2/20/2023 8:27:50 AM

Commingling Application - Service List Colgate Operating, LLC Black Diamond 34 Fed 131H, 132H, 133H, 134H Ownership

	NEW MEXICO OIL CONSERVATION DIVISION	811 S. FIRST STREET
		ARTESIA, NM 88210 1220 SOUTH ST. FRANCIS DRIVE
	NEW MEXICO OIL CONSERVATION DIVISION	SANTA FE, NM 87505
ORRI	SHAWN P. & FRANCES A. HANNIFIN	730 17TH STREET, STE. 325 DENVER, CO 80202
ORRI	FROST BANK, TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST	P.O. BOX 1600 SAN ANTONIO, TX 78296
	K B LIMITED PARTNERSHIP	PO DRAWER 2588
ORRI		ROSWELL, NM 88202-2588 PO BOX 917
ORRI	KENEBREW MINERALS LP	IDALOU, TX 79329
ORRI	LINDYS LIVING TRUST	4200 S HULEN SUITE 302 FORT WORTH, TX 76109
ORRI	BUREAU OF LAND MANAGEMENT	301 DINOSAUR TRAIL SANTA FE, NM 87508
	BUREAU OF LAND MANAGEMENT	620 E. GREEN STREET
ORRI		CARLSBAD, NM 88220-6262 PO BOX 2769
ORRI	PENROC OIL CORPORATION	HOBBS, NM 88241
	GENE SHUMATE	P O BOX 2473
ORRI	OLIVE OTTOMETTE	MIDLAND, TX 79702
ORRI	CAROL A SHUMATE	P O BOX 80724 MIDLAND, TX 79708-0724
Onn		PO BOX 101027
ORRI	ARD ENERGY GROUP LTD	FORT WORTH, TX 76185
	BABE DEVELOPMENT LLC	PO BOX 758
ORRI	DADE DEVELOT MICHT LEG	ROSWELL, NM 88202-0758
ORRI	CHEROKEE LEGACY MINERALS LTD	PO BOX 3217
OKKI		ALBANY, TX 76430 PO BOX 840738
ORRI	DELMAR HUDSON LEWIS LIVING TRUST	DALLAS, TX 75284-0738
ORRI	DEVARGAS STREET LLC	4613 LOS POBLANOS CIR NW ALBUQUERQUE, NM 87107
	ALAN R HANNIFIN	PO BOX 8874
ORRI	ALAN ICHANINI IIV	DENVER, CO 80201-8874
ORRI	HANNIFIN FAMILY TRUST DTD 2/1/1994	PO BOX 218 MIDLAND, TX 79702-0218
ORRI	JAVELINA PARTNERS	616 TEXAS ST FORT WORTH, TX 76102
	ALAN JOCHIMSEN	4209 CARDINAL LN
ORRI	7 LI W G G I IIII G LI V	MIDLAND, TX 79707
ORRI	JOYCO INVESTMENTS LLC	PO BOX 2104 ROSWELL, NM 88202-2104
	SUE HANSON MCBRIDE	PO BOX 3480
ORRI	OUL HANGON MICENIEL	ROSWELL, NM 88202-3480
ORRI	JULIE SCOTT MCBRIDE	PO BOX 1515 ROSWELL, NM 88202-1515
ORRI	DOUGLAS LADSON MCBRIDE III	PO BOX 1515 ROSWELL, NM 88202-1515
	MONTY D & KAREN R MCLANE	PO BOX 9451
ORRI		MIDLAND, TX 79708-9451 441 LONG COVE DRIVE
ORRI	A NELSON MUNCY	FAIRVIEW, TX 75069-1951
ORRI	MARTIN B MUNCY	1204 NW 16TH ST ANDREWS, TX 79714-2613
ORRI	ROBERT & MAXINE HANNIFIN TST	PO BOX 218 MIDLAND, TX 79702-0218
ORRI	RODERICK AND MARIAN DAVIS REV TR	8006 S QUEBEC AVE
	MICHELLE R SANDOVAL	TULSA, OK 74136 974 MERGANSER LANE
ORRI	INIONIELE IN ON HIDOVALE	CARLSBAD, CA 92011
ORRI	STATES ROYALTY LIMITED PARTNERSHIP	PO BOX 911 BRECKENDRIDGE, TX 76424-0911
JIVIVI	<u> </u>	DNEONENDRIDGE, 1X /0424-0911

Commingling Application - Service List Colgate Operating, LLC Black Diamond 34 Fed 131H, 132H, 133H, 134H Ownership

	p	
ORRI	ZORRO PARTNERS, LTD.	616 TEXAS STREET FORT WORTH, TX 76102
Ottiti		P.O. BOX 1600
ORRI	JOSEPHINE T. HUDSON TESTAMENTARY TRUST, FBO J. TERRELL ARD	SAN ANTONIO, TX 78296
Ottiti		215 SOUTH STATE ST, SUITE 100
ORRI	LONG, LLC	SALT LAKE CITY, UTAH 84111
	BORICA OIL, INC	P.O. DRAWER H
WIO	BORICA OIL, INC	FORT SUMNER, NEW MEXICO 88119
	BYRON BACHSCHMID	1800 HEREFORD
WIO	BTNON BACTISCI IMID	MIDLAND, TX 79707
	CIEZINSKI TRUST	2737 81ST STREET
WIO	CIEZINONI INCOT	LUBBOCK, TX 79423
	DEAN KINSOLVING	P.O. BOX 325
WIO	DEAN KINGGEVING	TATUM, NM 88267
	CHARLES JAY KINSOLVING	HC 65 BOX 209
WIO	OTH MILES ON THINGSEVING	CROSSROADS, NM 88114
	3SD INTERESTS, LLC	221 DORAN ROAD
WIO	SOB INTERESTS, ELO	LOVINGTON, NM 88260
	ASHLEY CROW	P.O. BOX 97
WIO	ACHEET CITOW	QUANAH, TX 79252
	DEVARGAS STREET, LLC	4613 LOS POBLANOS CIRCLE NW
WIO	BEV/WO/10 OTHEET, LEG	ALBUQUERQUE, NM 87107
	FRANCIS G. TRACY	P.O BOX 868
WIO	Truttole C. Hittor	CARLSBAD, NM 88221
	HANSON OPERATING COMPANY	400 N. PENNSYLVANIA AVE #1200
WIO		ROSWELL, NM 88201
	JON CIEZINSKI	2737 81ST STREET
WIO		LUBBOCK, TX 79423
	JOSE E. RODRIGUEZ	P.O. BOX 691284
WIO		HOUSTON, TX 77269-1168
l <u>-</u>	L. NEIL & MARILYN BURCHAM	665 LA MELODIA DRIVE
WIO		LAS CRUCES, NM 88011-7907
	NORTON LLC	60 BEACHE AVENUE - BAY VIEW
WIO		SOUTH DARTMOUTH, MS 02748
	PATRICK & ALICE MORELLO TRUST	3534 GETTYSBURG PL
WIO		JEFFERSON CITY, MO 65109
\w/IC	ROBERT L. & PATRICIA J. DALE	15419 PEACH HILL RD
WIO		SARATOGA, CA 95070
WIC .	THUNDERBOLT PETROLEUM LLC	P.O. BOX 10523
WIO		MIDLAND, TX 79711 P.O. BOX 1797
WIG	TIM JENNINGS	I
WIO		ROSWELL, NM 88202 P.O BOX 10701
wio	ALPHA ENERGY PARTNERS, LLC	MIDLAND, TX 79702
VVIO		5 WARWICK CT
wio	AUBREY L. DUNN SR. & BETTY DUNN	WICHITA FALLS, TX 76309
VVIO		WICHITA FALLS, IA 70309

Parallel September 19 No. 2608

Publisher

Sonny of Eddy:

South & South

Song duly swom sayes that he is the of New Mexico

Publisher The Artesia Daily Press, a daily newspaper of General Ulation, published in English at Artesia, said county state, and that the hereto attached

Legal Ad

a regular and entire issue of the said Mesia Daily Press., a daily newspaper duly qualified published in

the 1937 Session Laws of the state of New Mexico for Consecutive weeks/day on the same

or that purpose within the meaning of Chapter 167 of

day as follows:

2022

March 24,

Second Publication First Publication

Third Publication

Fourth Publication

Sixth Publication Fifth Publication

Seventh Publication

Subscribed and sworn before me this day of

2022

STATE OF NEW MEXICO March

Commission Number 1076338 My Commission Expires May 12, 2023 Latisha Romine

PUBLIC

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

Midland TX 79701 is applying to the NMOCD to commingle oil and gas production from their Black Diamond 34 Fed wells Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the divisions Santa Fe office within 20 days after publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Mikah Thomas (432-695-4272). ordering from leases located in Eddy County, Sections 34 & 33, T19S-R29E. Comminging will take place at the Black Diamond Battery located in NENE, Section 34, T19S-R29E. All wells involved in the proposed comminging will be produc-Suite 1000, ing from the Parkway; Bone Spring. Pursuant to Statewide located at 300 N Marienfeld Street, Notice of Application for

Published in the Artesia Daily Press, Artesia, N.M., March 24, 2022 Legal No. 26081.

Tracking	Mail piece	addy 1	addy 2	addy 3
70191640000130628675	p	1 NEW MEXICO OIL CONSERVATION DIVISION	811 S. FIRST STREET	ARTESIA, NM 88210
70191640000130628682		2 NEW MEXICO OIL CONSERVATION DIVISION	1220 SOUTH ST. FRANCIS DRIVE	SANTA FE, NM 87505
70191640000130628669		3 SHAWN P. & FRANCES A. HANNIFIN	730 17TH STREET, STE. 325	DENVER, CO 80202
70191640000130628507		4 FROST BANK, TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTA	P.O. BOX 1600	SAN ANTONIO, TX 78296
70191640000130628514		5 K B LIMITED PARTNERSHIP	PO DRAWER 2588	ROSWELL, NM 88202-2588
70191640000130628521		6 KENEBREW MINERALS LP	PO BOX 917	IDALOU, TX 79329
7020613000082194418		7 LINDYS LIVING TRUST	4200 S HULEN SUITE 302	FORT WORTH, TX 76109
70206160000082193282		8 BUREAU OF LAND MANAGEMENT	301 DINOSAUR TRAIL	SANTA FE, NM 87508
70203160000082193275		9 BUREAU OF LAND MANAGEMENT	620 E. GREEN STREET	CARLSBAD, NM 88220-6262
70203160000082193268		10 PENROC OIL CORPORATION	PO BOX 2769	HOBBS, NM 88241
70191640000130628668		11 GENE SHUMATE	P O BOX 2473	MIDLAND, TX 79702
70203160000082194395		12 CAROL A SHUMATE	P O BOX 80724	MIDLAND, TX 79708-0724
70203160000082193510		13 ARD ENERGY GROUP LTD	PO BOX 101027	FORT WORTH, TX 76185
70203160000082193503		14 BABE DEVELOPMENT LLC	PO BOX 758	ROSWELL, NM 88202-0758
70203160000082193497		15 CHEROKEE LEGACY MINERALS LTD	PO BOX 3217	ALBANY, TX 76430
70203160000082193480		16 DELMAR HUDSON LEWIS LIVING TRUST	PO BOX 840738	DALLAS, TX 75284-0738
70203160000082193686		17 DEVARGAS STREET LLC	4613 LOS POBLANOS CIR NW	ALBUQUERQUE, NM 87107
70203160000082193619		18 ALAN R HANNIFIN	PO BOX 8874	DENVER, CO 80201-8874
70203160000082193398		19 HANNIFIN FAMILY TRUST DTD 2/1/1994	PO BOX 218	MIDLAND, TX 79702-0218
70203160000082194142		20 JAVELINA PARTNERS	616 TEXAS ST	FORT WORTH, TX 76102
70203160000082194135		21 ALAN JOCHIMSEN	4209 CARDINAL LN	MIDLAND, TX 79707
70203160000082194128		22 JOYCO INVESTMENTS LLC	PO BOX 2104	ROSWELL, NM 88202-2104
70203160000082194111		23 SUE HANSON MCBRIDE	PO BOX 3480	ROSWELL, NM 88202-3480
70203160000082194104		24 JULIE SCOTT MCBRIDE	PO BOX 1515	ROSWELL, NM 88202-1515
70203160000082194098		25 DOUGLAS LADSON MCBRIDE III	PO BOX 1515	ROSWELL, NM 88202-1515
70203160000082194081		26 MONTY D & KAREN R MCLANE	PO BOX 9451	MIDLAND, TX 79708-9451
70203160000082194074		27 A NELSON MUNCY	441 LONG COVE DRIVE	FAIRVIEW, TX 75069-1951
70203160000082194067		28 MARTIN B MUNCY	1204 NW 16TH ST	ANDREWS, TX 79714-2613
70203160000082194050		29 ROBERT & MAXINE HANNIFIN TST	PO BOX 218	MIDLAND, TX 79702-0218
70203160000082194043		30 RODERICK AND MARIAN DAVIS REV TR	8006 S QUEBEC AVE	TULSA, OK 74136
70203160000082194036		31 MICHELLE R SANDOVAL	974 MERGANSER LANE	CARLSBAD, CA 92011
70203160000082194029		32 STATES ROYALTY LIMITED PARTNERSHIP	PO BOX 911	BRECKENDRIDGE, TX 76424-0911
70203160000082194005		33 ZORRO PARTNERS, LTD.	616 TEXAS STREET	FORT WORTH, TX 76102
70203160000082194012		34 JOSEPHINE T. HUDSON TESTAMENTARY TRUST, FBO J. TERRELL	P.O. BOX 1600	SAN ANTONIO, TX 78296
70203160000082193992		35 LONG, LLC	215 SOUTH STATE ST, SUITE 100	SALT LAKE CITY, UTAH 84111
70203160000082193985		36 BORICA OIL, INC	P.O. DRAWER H	FORT SUMNER, NEW MEXICO 88119
70203160000082193978		37 BYRON BACHSCHMID	1800 HEREFORD	MIDLAND, TX 79707
70203160000082193961		38 CIEZINSKI TRUST	2737 81ST STREET	LUBBOCK, TX 79423
70203160000082193954		39 DEAN KINSOLVING	P.O. BOX 325	TATUM, NM 88267
70203160000082193947		40 CHARLES JAY KINSOLVING	HC 65 BOX 209	CROSSROADS, NM 88114
70203160000082193930		41 3SD INTERESTS, LLC	221 DORAN ROAD	LOVINGTON, NM 88260
70203160000082193923		42 ASHLEY CROW	P.O. BOX 97	QUANAH, TX 79252
70203160000082193916		43 DEVARGAS STREET, LLC	4613 LOS POBLANOS CIRCLE NW	ALBUQUERQUE, NM 87107
70203160000082193909		44 FRANCIS G. TRACY	P.O BOX 868	CARLSBAD, NM 88221
70203160000082193893		45 HANSON OPERATING COMPANY	400 N. PENNSYLVANIA AVE #1200	ROSWELL, NM 88201
70203160000082193886		46 JON CIEZINSKI	2737 81ST STREET	LUBBOCK, TX 79423
70203160000082193862		47 JOSE E. RODRIGUEZ	P.O. BOX 691284	HOUSTON, TX 77269-1168
70203160000082193879		48 L. NEIL & MARILYN BURCHAM	665 LA MELODIA DRIVE	LAS CRUCES, NM 88011-7907
70203160000082193855		49 NORTON LLC	60 BEACHE AVENUE - BAY VIEW	SOUTH DARTMOUTH, MS 02748
70203160000082193848		50 PATRICK & ALICE MORELLO TRUST	3534 GETTYSBURG PL	JEFFERSON CITY, MO 65109
70203160000082193213		51 ROBERT L. & PATRICIA J. DALE	15419 PEACH HILL RD	SARATOGA, CA 95070
70203160000082193190		52 THUNDERBOLT PETROLEUM LLC	P.O. BOX 10523	MIDLAND, TX 79711
70203160000082193206		53 TIM JENNINGS	P.O. BOX 1797	ROSWELL, NM 88202
70203160000082193176		54 ALPHA ENERGY PARTNERS, LLC	P.O BOX 10701	MIDLAND, TX 79702
70203160000082193183		55 AUBREY L. DUNN SR. & BETTY DUNN	5 WARWICK CT	WICHITA FALLS, TX 76309

Form 3160-5 (June 2019)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

5. Lease Serial N		5.	Lease	Serial	No
-------------------	--	----	-------	--------	----

BURE	EAU OF LAND MANAGEMENT	J. Lease Serial No.		
Do not use this fo	OTICES AND REPORTS ON Worm for proposals to drill or to lse Form 3160-3 (APD) for suc	6. If Indian, Allottee or	Tribe Name	
abandoned well. C	Se I omi 3100-3 (Al D) for suc	п ргорозаіз.	7 1011 : 004/4	() Y
	RIPLICATE - Other instructions on page	7. If Unit of CA/Agree	ment, Name and/or No.	
1. Type of Well Oil Well Gas W	ell Other		8. Well Name and No.	
2. Name of Operator	оп		9. API Well No.	
3a. Address	3b. Phone No. ((include area code)	10. Field and Pool or E	exploratory Area
4. Location of Well (Footage, Sec., T.,R.	,M., or Survey Description)		11. Country or Parish,	State
12. CHEC	CK THE APPROPRIATE BOX(ES) TO INC	OICATE NATURE OF NOT	ICE, REPORT OR OTH	ER DATA
TYPE OF SUBMISSION		TYPE OF AC	TION	
Notice of Intent	Acidize Deepe	en Prod	luction (Start/Resume)	Water Shut-Off
	Alter Casing Hydra	nulic Fracturing Recl	lamation	Well Integrity
Subsequent Report			omplete	Other
Final Abandonment Notice	Change Plans Plug a Convert to Injection Plug a		porarily Abandon er Disposal	
the proposal is to deepen directional the Bond under which the work will completion of the involved operation completed. Final Abandonment Notics ready for final inspection.)	peration: Clearly state all pertinent details, in ly or recomplete horizontally, give subsurfabe perfonned or provide the Bond No. on fins. If the operation results in a multiple comices must be filed only after all requirements	ce locations and measured a le with BLM/BIA. Required pletion or recompletion in a	nd true vertical depths of I subsequent reports mus new interval, a Form 31	f all pertinent markers and zones. Attach to be filed within 30 days following 60-4 must be filed once testing has been
4. I hereby certify that the foregoing is	true and correct. Name (Printed/Typed)	Title		
		Title		
Signature		Date		
	THE SPACE FOR FEDE	RAL OR STATE OF	FICE USE	
Approved by				
11		Title	l.	Date Control of the C
	ed. Approval of this notice does not warrant quitable title to those rights in the subject leaduct operations thereon.	or	,-	
	U.S.C Section 1212, make it a crime for an		Ifully to make to any dep	partment or agency of the United States

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

(Form 3160-5, page 2)

Additional Information

Location of Well

0. SHL: SENE / 1895 FNL / 170 FEL / TWSP: 19S / RANGE: 29E / SECTION: 34 / LAT: 32.6192076 / LONG: -104.05469 (TVD: 0 feet, MD: 0 feet)

PPP: SENE / 1899 FNL / 50 FEL / TWSP: 19S / RANGE: 29E / SECTION: 34 / LAT: 32.6192048 / LONG: -104.0543003 (TVD: 5669 feet, MD: 5671 feet)

BHL: SWNE / 1896 FNL / 2625 FEL / TWSP: 19S / RANGE: 29E / SECTION: 33 / LAT: 32.6193001 / LONG: -104.798338 (TVD: 7942 feet, MD: 15655 feet)

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

<u>DISTRICT II</u> 811 S. First St., Artesia, N.M. 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III

1000 Rio Brazos Rd., Aztec, N.M. 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, N.M. 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, N.M. 87505

AS-DRILLED

Form C-102

Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name			
30-015-4782	49622	PARKWAY; BONE SF	PRING		
⁴ Property Code	⁶ Property	⁵ Property Name			
329892	Black Diamo	Black Diamond 34 Fed			
OGRID No.	⁸ Operator	· Name	^e Elevation		
371449	Colgate Oper	ating, LLC	3317		

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
н	34	19 S	29 E		1395	North	301	East	Eddy

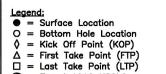
¹¹ Bottom Hole Location If Different From Surface

Bottom noic becation in binerent from barrace										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
G	33	19 S	29 E		2297	North	2623	East	Eddy	
18 Dedicated Acre	9	18 Joint or I	nfill	14 Cor	solidation Code	15 Order No.				
240										

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

BY COLGATE ENERGY, DATED 1-20-22

DOWNHOLE INFORMATION TAKEN FROM A REPORT FURNISHED



= Found Monument

16

SURFACE LOCATION NAD 83 NMSPC ZONE 3001 Y= 589610.72 N = Found 1916 USGLO X= 626996.28 E Brass Cap

NAD 83 NMSPC ZONE 3001 Y= 588836.98 N X= 627227.70 E LAT.= 32.6184537° N LAT.= 32.6205822° N LONG.= 104.0543692° W LONG.= 104.0551143° W

NOTE:

FIRST TAKE POINT NAD 83 NMSPC ZONE 3001 Y= 588692.58 N X= 627031.90 E LAT.= 32.6180582° N LONG.= 104.0550064° W

LAST TAKE POINT NAD 83 NMSPC ZONE 3001 Y= 588727.33 N X= 619478.47 E LAT.= 32.6182057° LONG.= 104.0795387° W

BOTTOM HOLE LOCATION NAD 83 NMSPC ZONE 3001 Y= 588723.84 N X= 619386.75 E LAT.= 32.6181967 N LONG.= 104.0798366° W

KICK OFF POINT

1/2" Rebar Spike Near Rock & Fence 1-1/2" N 89'51'12" W - 5267.13' N 89°54'23" W - 5289.10" **® @** ◒ SURFACE 3 1395' FNL, MD=0.00 ۵, | KOP-2168' FNL, 70' FEL | MD=8,529.00-2639.18 00.00 FTP 2313' FNL, 266' FEL BHL-2297' FNL, 2623' FEL MD=16,758.00 MD=9,066.30 Φ<u>1/2"</u> Stone Monument 2293' FNL, 2533' FEL MD=16,666.21 Rebar 3 2638.46 .00 Section 33 Section 34 90.00 9 Z Z N 89°50'57" 2638.76' 89°46'43" 2637.53' 89'52'05" S 89°58'30" 2639.25' 2638.30

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling or heretofore entered by the division.

Signature

01.25.2022 Date

Mikah Thomas

Printed Name

mthomas@colgateenergy.com

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location sh was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.



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

<u>DISTRICT II</u> 811 S. First St., Artesia, N.M. 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

<u>DISTRICT III</u> 1000 Rio Brazos Rd., Aztec, N.M. 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

<u>DISTRICT IV</u> 1220 S. St. Francis Dr., Santa Fe, N.M. 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, N.M. 87505

> > AS-DRILLED

Form C-102

Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-4782	Pool Code 49622						
⁴ Property Code	⁵ Propert	⁵ Property Name					
329892	Black Diame	Black Diamond 34 Fed					
OGRID No.	⁶ Operat	or Name	• Elevation				
371449	Colgate Ope	erating, LLC	3314				

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Н	34	19 S	29 E		1350	North	301	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	33	19 S	29 E		2283	North	2608	East	Eddy
18 Dedicated Acres 13 Joint or Infill		14 Cor	solidation Code	15 Order No.			0.0000000000000000000000000000000000000		
240									

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



16

□ = Last Take Point (LTP) = Found 1916 USGLO

Brass Cap (0) = Found Monument

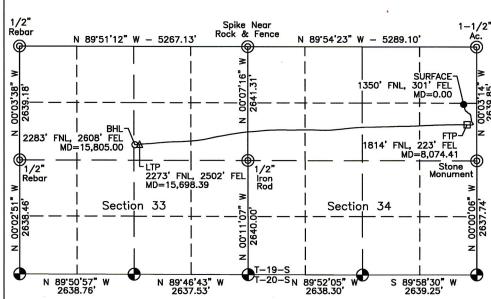
NOTE: DOWNHOLE INFORMATION TAKEN FROM A REPORT FURNISHED
BY COLGATE ENERGY, DATED 11-27-21

SURFACE LOCATION NAD 83 NMSPC ZONE 3001 Y= 589655.77 N X= 626996.31 E LAT.= 32.6207060° N LONG.= 104.0551138° W

BOTTOM HOLE LOCATION NAD 83 NMSPC ZONE 3001 Y= 588737.13 N X= 619403.18 E LAT.= 32.6182332° N LONG.= 104.0797832° W

LAST TAKE POINT NAD 83 NMSPC ZONE 3001 Y= 588747.54 N X= 619509.28 E LAT.= 32.6182611° LONG.= 104.0794385' W

FIRST TAKE POINT NAD 83 NMSPC ZONE 3001 Y= 589191.20 N X= 627073.99 E LAT.= 32.6194285° N LONG.= 104.0548655°



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

12/03/2021 Date

Mikah Thomas

Printed Name

mthomas@colgateenergy.com E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by m or under my supervision, and that the same is true and correct to the best of my belief.

03/27/21



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

DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, N.M. 87505 Phone: (505) 476-3460 Fax: (505) 476-3482

State of New Mexico Energy, Minerals & Natural Resources Department

> OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, N.M. 87505

> > AS-DRILLED

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name			
30-015-47820	49622	49622 PARKWAY; BONE S			
⁴ Property Code	⁵ Propert	y Name	⁶ Well Number		
329892	Black Diame	ond 34 Fed	134H		
OGRID No.	⁶ Operate	⁸ Operator Name			
371449	Colgate Ope	rating, LLC	3330		

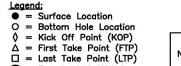
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Р	34	19 S	29 E		1089	South	359	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	33	19 S	29 E		411	South	2602	East	Eddy
18 Dedicated Acres 13 Jo		13 Joint or Infill		¹⁴ Cor	solidation Code	15 Order No.			
240		2.5							

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



= Found 1916 USGLO Brass Cap

16

FIRST TAKE POINT NAD 83 NMSPC ZONE 3001 Y= 586200.64 N X= 626993.53 E LAT.= 32.61120891° LONG.= 104.0551522° W

NOTE: DOWNHOLE INFORMATION TAKEN FROM A REPORT FURNISHED BY COLGATE ENERGY, DATED 12-9-21

SURFACE LOCATION NAD 83 NMSPC ZONE 3001 Y= 586817.06 N X= 626938.87 E LAT.= 32.6129037° N LONG.= 104.0553245° W

LAST TAKE POINT NAD 83 NMSPC ZONE 3001 Y= 586154.60 N X= 619482.24 E 32.6111340° LONG.= 104.0795464' W

BOTTOM HOLE LOCATION NAD 83 NMSPC ZONE 3001

KICK OFF POINT NAD 83 NMSPC ZONE 3001

Y= 586219.33 N

X= 627176.61 E

LAT.= 32.6112590° N

LONG.= 104.0545575° W

Y= 586153.54 N X= 619417.82 E LAT.= 32.6111315 LONG.= 104.0797556° W

1/2" Spike Near Rock & Fence 1-1/2" Rebar N 89°51'12" W - 5267.13' N 89'54'23" W - 5289.10 **@** (• ₹ œ* 18, 2641 2639. z 1/2" z Rebar Section 33 Section 34 Iron Rod Stone Monument | SURFACE-1089' FSL, 359' FEL | MD=0.00 3 .00 06" 2637 8 2638 35 FΤΡ ~LTP 473' FSL, 305' FEL z | BHL-411' FSL, 2602' FEL MD=16,665.00 412' FSL 2537' FEL MD=9,042.29 MD=16,600.5689'50'57" 2638.76' 89°46'43" 2637.53' 89°52'05" 2638.30' S 89'58'30" 2639.25'

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

01.18.2022 Date

Mikah Thomas

Printed Name

mthomas@colgateenergy.com

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

1/10/22



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

1000 Rio Brazos Rd., Aztec, N.M. 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

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State of New Mexico Energy, Minerals & Natural Resources Department

> OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, N.M. 87505

> > AS-DRILLED

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-4782	*Pool Code 49622	³ Pool Name PARKWAY; BONE SPRING				
⁴ Property Code	⁵ Property	Name	⁶ Well Number			
329892	Black Diamo	nd 34 Fed	131H			
OGRID No.	⁸ Operator	⁸ Operator Name				
371449	Colgate Oper	Colgate Operating, LLC				

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	19 S	29 E		1290	North	301	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	33	19 S	29 E		926	North	2577	East	Eddy
18 Dedicated Acres 18 Joint or Infill		¹⁴ Cor	solidation Code	15 Order No.					
240									

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

DOWNHOLE INFORMATION TAKEN FROM A Legend: REPORT FURNISHED BY COLGATE ENERGY = Surface Location DATED 10-25-21 0 = Bottom Hole Location = First Take Point (FTP) SURFACE LOCATION NAD 83 NMSPC ZONE 3001 = Last Take Point (LTP) Found 1916 USGLO Y= 589715.76 N Brass Cap X= 626996.28 E LAT.= 32.6208709° N Found Monument LONG.= 104.0551134° W

16

BOTTOM HOLE LOCATION NAD 83 NMSPC ZONE 3001 Y= 590094.17 N X= 619431.67 E LAT.= 32.6219631 N LONG.= 104.0796801 N

LAST TAKE POINT NAD 83 NMSPC ZONE 3001 Y= 590095.26 N X= 619474.40 E LAT.= 32.6219658 N LONG.= 104.0795413° W

NOTE:

FIRST TAKE POINT NAD 83 NMSPC ZONE 3001 Y= 590197.99 N X= 627053.45 E LAT.= 32.6221960 N LONG.= 104.0549236° W

1/2" Spike Near Rock & Fence 1-1/2" Rebar N 89'51'12" W - 5267.13' N 89'54'23" W - 5289.10' **@** -LTP 925' FNL, 2534' FTP 243' FEL 807' FNL, MD=16,627.21 MD=8,997.66 ₹ 2639.18 2641.31 00.00 SURFACE 926' FNL, 2577' FEL MD=16,670.00 1290' FNL, 301' FEL MD=0.00 Z Stone 1/2" Rebar Íron Rod 3 2638.46 90 Section 33 Section 34 2637. 00.11 z z z -S_N 89·52'05" 2638.30' N 89'50'57" 2638.76' N 89'46'43" 2637.53' S 89'58'30" 2639.25'

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling ord heretofore entered by the division.

Signature

12/03/2021 Date

Mikah Thomas

Printed Name

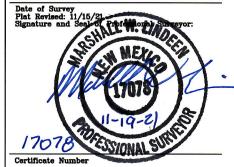
mthomas@colgateenergy.com

E-mail Address

18 SURVEYOR CERTIFICATION

was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

3/27/21



DISTRICT | 1625 N. French Dr., Hobbs, N.M. 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

<u>DISTRICT II</u> 811 S. First St., Artesia, N.M. 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, N.M. 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, N.M. 87505

> > AS-DRILLED

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-4782	Pool Code 49622	POOI Name PARKWAY; BONE SPRING				
⁴ Property Code	⁵ Property	Name	⁶ Well Number			
329892	Black Diamo	Black Diamond 34 Fed				
OGRID No.	⁸ Operator	Operator Name				
371449	Colgate Oper	Colgate Operating, LLC				

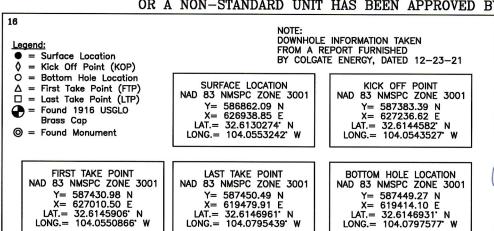
¹⁰ Surface Location

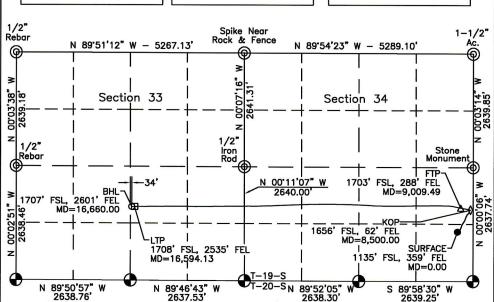
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Р	34	19 S	29 E		1135	South	359	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

	Bottom Hole Bockston in Different From Burlace									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
J	33	19 S	29 E		1707	South	2601	East	Eddy	
18 Dedicated Acres 13 Joint or Infill		¹⁴ Cor	solidation Code	15 Order No.						
240										

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





17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

01.18.2022

Date

Signature

Mikah Thomas

Printed Name

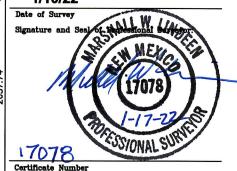
mthomas@colgateenergy.com

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

1/10/22



RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geolog	CO OIL CONSERV gical & Engineerin Francis Drive, San	ATION DIVISION g Bureau –	OF NEW AGE
	ADMINIS1	RATIVE APPLICAT	ION CHECKLIST	
THIS	CHECKLIST IS MANDATORY FOR REGULATIONS WHICH I	ALL ADMINISTRATIVE APPLIC REQUIRE PROCESSING AT TH		
Applicant: Colgate			OGR	ID Number: <u>167327</u>
	x Diamond 34 Fed 122H			30-015-47821
Ool: Parkway; Bone S	Spring		Pool	Code: 49622
SUBMIT ACCU	RATE AND COMPLETE IN	NFORMATION REQUINDICATED BELO		THE TYPE OF APPLICATION
A. Locatio	LICATION: Check those n – Spacing Unit – Simu JNSL NSP	e which apply for [/ ultaneous Dedication	\] on	ISD
[1] Cor 	one only for [1] or [11] nmingling – Storage – I DHC ■CTB □ ection – Disposal – Press WFX □PMX □	PLC \square PC \square (sure Increase – Enh	OLS	ery FOR OCD ONLY
A. Offse B. Royc C. App D. Notif E. Notif F. Surfc G. For c	N REQUIRED TO: Checket operators or lease had alty, overriding royalty of lication requires publishing action and/or concurrace owner all of the above, proof otice required	olders owners, revenue ov ned notice rent approval by SI rent approval by B	wners LO LM	Notice Complete Application Content Complete
administrativ understand t	ON: I hereby certify that e approval is accurate hat no action will be to are submitted to the D	e and complete to aken on this applic	the best of my kn	owledge. I also
I	Note: Statement must be comp	leted by an individual wit	h managerial and/or su	pervisory capacity.
			02.14.2022	
Mikah Thomas			Date	
Print or Type Name	;			
			432-695-4272	
1 pail o	\mathcal{N}		Phone Numbe	T
	* 1		mthomas@colgate	
Sianature			e-mail Address	

From: McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD

To: <u>Katie Biersmith</u>

Cc: McClure, Dean, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Paradis, Kyle O; Walls, Christopher

Subject: Approved Administrative Order CTB-1034

Date: Approved Administrative Order CTB-1034

Monday, February 20, 2023 8:24:09 AM

Attachments: CTB1034 Order.pdf

NMOCD has issued Administrative Order CTB-1034 which authorizes Colgate Operating, LLC (371449) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-47823	Black Diamond 34 Federal #132H	S/2 NE/4	33-19S-29E	49622
30-013-47623	Diack Diamond 54 Federal #152H	S/2 N/2	34-19S-29E	7/022
30-015-47821	Plack Diamond 24 Federal #122H	S/2 NE/4	33-19S-29E	49622
	Black Diamond 34 Federal #122H	S/2 N/2	34-19S-29E	49022
20 015 47920	Dlack Diamond 24 Federal #124H	S/2 SE/4	33-19S-29E	40(22
30-015-47820	Black Diamond 34 Federal #134H	S/2 S/2	34-19S-29E	49622
20.015.45022	DL. I. D' 124 F. J 1//12411	N/2 NE/4	33-19S-29E	40.622
30-015-47822	Black Diamond 34 Federal #131H	N/2 N/2	34-19S-29E	49622
30-015-47824	DL .1 D' 124 F. J 1 //12211	N/2 SE/4	33-19S-29E	40/22
	Black Diamond 34 Federal #133H	N/2 S/2	34-19S-29E	49622

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Katie Biersmith

To: McClure, Dean, EMNRD

Subject: [EXTERNAL] RE: -EXTERNAL- Action ID: 28219

Date: Wednesday, February 8, 2023 4:26:55 PM

Attachments: <u>image001.png</u>

Black Diamond Commingling App Land Review.docx

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean,

Please find well, ownership, and battery location information attached. Let me know if there is anything we need to change or add.

Thank you so much!



Katie Biersmith | Regulatory Lead
O 720.499.1522 | katie.biersmith@permianres.com

From: McClure, Dean, EMNRD < Dean. McClure@emnrd.nm.gov>

Sent: Monday, January 30, 2023 10:50 AM

To: Katie Biersmith < Katie. Biersmith@permianres.com>

Subject: -EXTERNAL- Action ID: 28219

WARNING: The sender of this email could not be validated and may not match the person in the "From" field.

To whom it may concern (c/o Katie Biersmith for Colgate Operating, LLC),

The Division is reviewing the following application:

Action ID	28219
Admin No.	CTB-1034
Applicant	Colgate Operating, LLC (371449)
Title	Black Diamond Battery
Sub. Date	03/24/2022

Please provide the following additional supplemental documents:

- A list of the wells included in the application
 - The list should include the wells' name, number, and API number.

Please provide additional information regarding the following:

- The location of the central tank battery and gas sales meter
 - Quarter-quarter Section, Township, Range
- A description of each subset of ownership
 - All the wells seem to produce from NMNM 105318785 (NMNM 090807), but presumably there is different ownership of the tracts within the lease. For instance,

perhaps the E/2 of Section 33 has one set of ownership which differs from the set of ownership in Section 34.

Additional notes:

• For applications in the future, please provide a lease map depicting the leases.

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

CAUTION: This email originated from outside of the organization. If it appears to be internal, check directly with assumed source

From: Engineer, OCD, EMNRD

To: Scott Morgan; Engineer, OCD, EMNRD; Mikah Thomas

Cc: Paralegal

Subject: RE: [EXTERNAL] FW: Colgate"s Black Diamond 34 Fed Well Nos. 122H, 131H. 132H, 133H, and 134H

Date: Thursday, March 31, 2022 9:47:10 AM

Attachments: 20220331094203426.pdf

The application referenced below and by the attached letter will now be placed back into review.

Dean McClure

Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

From: Scott Morgan <smorgan@cilawnm.com>

Sent: Thursday, March 31, 2022 9:34 AM

To: Engineer, OCD, EMNRD < OCD. Engineer@state.nm.us>; Mikah Thomas

<MThomas@colgateenergy.com>

Good morning, all.

Please see the attached.

Our firm objected to administrative approval for surface commingling of the referenced wells.

On behalf of our clients, we are withdrawing our objection to administrative approval of surface commingling of the referenced wells.

Please let us know if you have any questions.

Thanks,

Scott

Scott S. Morgan
Cavin & Ingram, P.A.
P. O. Box 1216
Albuquerque, NM 87103
Ph: 505-243-5400
smorgan@cilawnm.com
www.cilawnm.com

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please do not read it and immediately notify us. The disclosure, copying, distribution, reliance or other such action of this communication or related thereto is strictly prohibited.

From: Engineer, OCD, EMNRD < OCD. Engineer@state.nm.us>

Sent: Friday, March 25, 2022 2:28 PM

To: Engineer, OCD, EMNRD < OCD.Engineer@state.nm.us>; Mikah Thomas

<MThomas@colgateenergy.com>

Cc: Scott Morgan <<u>smorgan@cilawnm.com</u>>; Paralegal <<u>paralegal@cilawnm.com</u>>

Subject: RE: [EXTERNAL] FW: Colgate's Black Diamond 34 Fed Well Nos. 122H, 131H. 132H, 133H,

and 134H

Please be advised that the Division has now received the application referenced below and within the attached protest letter. It is now placed on hold until the matter is resolved by either the protester withdrawing their protest or a public hearing.

This application has been designated with action ID: 28219 and can be found at OCD Permitting (nm.gov)

Dean McClure

Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

From: Engineer, OCD, EMNRD < OCD. Engineer@state.nm.us>

Sent: Thursday, March 24, 2022 1:56 PM

To: Mikah Thomas < MThomas@colgateenergy.com>

Cc: Engineer, OCD, EMNRD < OCD. Engineer@state.nm.us>; Scott Morgan < smorgan@cilawnm.com>; paralegal@cilawnm.com

Subject: FW: [EXTERNAL] FW: Colgate's Black Diamond 34 Fed Well Nos. 122H, 131H. 132H, 133H, and 134H

Ms. Thomas,

The Division has received a letter of protest regarding a surface commingling application that includes the wells referenced in the subject line of this email.

The Division has not yet received this surface commingling application, but once it is received it will be placed on hold until the matter is resolved by either the protester withdrawing their protest or a public hearing.

Please see the attached letter and the emails below for contact information for the protester's attorney.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

From: Scott Morgan <<u>smorgan@cilawnm.com</u>>

Sent: Thursday, March 24, 2022 11:57 AM

To: McClure, Dean, EMNRD < Dean.McClure@state.nm.us >

Subject: [EXTERNAL] FW: Colgate's Black Diamond 34 Fed Well Nos. 122H, 131H. 132H, 133H, and

134H

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning, Dean.

I wanted to follow up on this to ensure that it was received and to see when the application would be set for hearing.

Thanks, Scott

Scott S. Morgan
Cavin & Ingram, P.A.
P. O. Box 1216
Albuquerque, NM 87103
Ph: 505-243-5400
smorgan@cilawnm.com
www.cilawnm.com

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From: Paralegal < paralegal@cilawnm.com > Sent: Friday, March 11, 2022 11:37 AM

To: OCD.Engineer@state.nm.us

Cc: <u>Dean.McClure@state.nm.us</u>; <u>mthomas@colgateenergy.com</u>; Scott Morgan

<smorgan@cilawnm.com>

Subject: Colgate's Black Diamond 34 Fed Well Nos. 122H, 131H. 132H, 133H, and 134H

Please find attached correspondence from Scott Morgan. Please let me know if you require a hard copy via fax or U.S. Mail.

Carol Casstevens, Paralegal

Cavin & Ingram, P.A.
P.O. Box 1216
Albuquerque, NM 87103
www.cilaw.nm.com
(505) 243-5400

APPLICATION FOR SURFACE LEASE COMMINGLING

Colgate Operating, LLC respectfully requests approval to surface lease commingle oil and gas from the following wells:

	API	WELL NAME	WELL#	LOCATION	POOL CODE/ NAME	STATUS
1	30-015-47821	Black Diamond 34 Fed	122H	H-34-19S-29E	[49622] PARKWAY; BONE SPRING	Producing
2	30-015-47822	Black Diamond 34 Fed	131H	A-34-19S-29E	[49622] PARKWAY; BONE SPRING	Producing
3	30-015-47823	Black Diamond 34 Fed	132H	H-34-19S-29E	[49622] PARKWAY; BONE SPRING	Producing
4	30-015-47824	Black Diamond 34 Fed	133H	P-34-19S-29E	[29622] PARKWAY; BONE SPRING	Producing
5	30-015-47820	Black Diamond 34 Fed	134H	P-34-19S-29E	[49622] PARKWAY; BONE SPRING	Producing

Federal Lease Number: NMNM-090807

GENERAL INFORMATION:

- Federal Lease NMNM-090807 covers 1,120 acres, E/2, SE/4NE/4, E/2SW/4 Section 33, All of Section 34, and SW/4SW/4 Section 35, T19S-R29E, Eddy County, New Mexico and has a base lease royalty of 12.5%.
- The NE/4NE/4 and NW/4NW/4 of Section 34, T19S-R29E, Eddy County, New Mexico leasehold is held by multiple owners.
- The NE/4NW/4 and NW/4NE/4 of Section 34, T19S-R29E, Eddy County, New Mexico leasehold is held by multiple owners.
- The SE/4NW/4, SW/4NE/4 and SE/4NE/4 of Section 34, T19S-R29E, Eddy County, New Mexico leasehold is held by multiple owners.
- The S/2S/2, NW/4SW/4 and NE/4SE/4 of Section 34, T19S-R29E, Eddy County, New Mexico leasehold is held by a single owner.
- The NE/4SW/4 of Section 34, T19S-R29E, Eddy County, New Mexico leasehold is held by multiple owners.
- The NE/4SE/4 of Section 34, T19S-R29E, Eddy County, New Mexico leasehold is held by multiple owners.
- The E/2, SW/4NW/4 of Section 33, T19S-R29E, Eddy County, New Mexico leasehold is held by two owners.
- Federal Communitization agreement was not required as the wells traverse a single federal lease, namely NMNM-090807.
- Colgate Operating, LLC, Hanson Operating Co., Babe Development, LLC, Sumac Investments, LLC, Penroc Oil Corporation, Borica Oil, Inc, Robert L. & Patricia J. Dale, Drusilla C. Cieszinski, Trustee of the Cieszinski Trust u/t/a 5/17/07, Alpha Energy Partners, LLC, Charles Jay Kinsolving, Ashley Crow, Timothy Jennings, L. Neil & Marilyn Burcham, Norton LLC, Jose E. Rodriguez, Byron Bachschmid, Patrick & Alice Morello Trust, 3SD Interests, LLC, DeVargas Street, LLC, Francis G. Tracy, are the working interest owners in the Black Diamond 34 Fed 131H, Black Diamond 34 Fed 132H, the owner of the royalty is the Bureau of Land Management (BLM) and various overriding royalty interest owners.
- Colgate Operating, LLC, Hanson Operating Co., Babe Development, LLC, Sumac Investments, LLC, Penroc Oil Corporation, Borica Oil, Inc, Robert L. & Patricia J. Dale, Drusilla C. Cieszinski,

Trustee of the Cieszinski Trust u/t/a 5/17/07, <u>Jonathan M. Cieszinski</u>, Alpha Energy Partners, LLC, Charles Jay Kinsolving, Ashley Crow, Timothy Jennings, L. Neil & Marilyn Burcham, Norton LLC, Jose E. Rodriguez, Byron Bachschmid, Patrick & Alice Morello Trust, 3SD Interests, LLC, DeVargas Street, LLC, Francis G. Tracy, are the working interest owners in the Black Diamond 34 Fed 133H, the owner of the royalty is the Bureau of Land Management (BLM) and various overriding royalty interest owners.

- Colgate Operating, LLC, Hanson Operating Co., Babe Development, LLC, Sumac Investments, LLC, Penroc Oil Corporation, Borica Oil, Inc, Robert L. & Patricia J. Dale, Drusilla C. Cieszinski, Trustee of the Cieszinski Trust u/t/a 5/17/07, Alpha Energy Partners, LLC, Charles Jay Kinsolving, Ashley Crow, Timothy Jennings, L. Neil & Marilyn Burcham, Norton LLC, Jose E. Rodriguez, Byron Bachschmid, Patrick & Alice Morello Trust, 3SD Interests, LLC, DeVargas Street, LLC, Francis G. Tracy, are the working interest owners in the Black Diamond 34 Fed 134H. Although these owners mirror those reflected in the 122H, 131H and 132H above, the proportionate working interests differ across this spacing unit. The owner of the royalty is the Bureau of Land Management (BLM) and various overriding royalty interest owners, also in differing proportions to those found in the 122H, 131H and 132H.
- Ownership percentages in the wells are not identical and notices to all owners have been mailed out. Some fee owners are unlocatable so publish notification was also completed.
- The central tank battery to service the subject wells is located on-lease, in the NESE of Section 34-19S-29E.
- There is no new surface disturbance included as part of the proposed CAA.
- This application will fall under 43 CFR 3173.14(a)(1) i: The proposed commingling includes
 production from more than one Federal unit PA or CA where lease, unit PA, or CA proposed for
 commingling has 100 percent Federal mineral interest, the same fixed royalty rate and, and the
 same revenue distribution.
- All leases, unit PAs, or CAs in the proposed CAA are capable of production in paying quantities.
- All meters will meet API Standard 14.3/AGA Report No 3
- Enclosed herewith is 1) a map that displays the leases and the location of the subject wells, 2) a map that displays the location of the proposed CTB, (3) a process flow diagram, (4) allocation methodology and example, (5) the C-102 plat for each of the wells and (6) the serial register page for NMNM-090807.
- The approval of this commingling application will not negatively affect the royalty revenue of the federal government due to the allocation methodology described in the application. The interest owned by the federal government in each of these wells is identical.
- Gas analysis is not required for this application as Colgate is applying for a CAA under 3173.14(a)(1).

SEALY H. CAVIN, JR. †*
STEPHEN D. INGRAM †
SCOTT S. MORGAN
BRANDON D. HAJNY†*

†Also Admitted in Texas *Also Admitted in Colorado

CAVIN & INGRAM, P.A.

ATTORNEYS & COUNSELORS AT LAW
40 FIRST PLAZA NW
SUITE 610
ALBUQUERQUE, NEW MEXICO 87102

TELEPHONE (505) 243·5400

MAILING ADDRESS P.O. Box 1216 ALBUQUERQUE, NM 87103-1216

NMOILGASLAW@CILAWNM.COM WWW.CILAWNM.COM

March 11, 2022

New Mexico Oil Conservation Division Engineering Bureau Mr. Brandon Powell, Engineering Bureau Chief OCD.Engineer@state.nm.us 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Objection to the Application for Surface Commingling (Diverse Ownership) for Colgate's Black Diamond 34 Fed Well Nos. 122H, 131H, 132H, 133H, and 134H

Mr. Powell,

Our firm represents Mr. Byron Bachschmid and Mr. Jose E. Rodriguez, in connection with the above-captioned Application for Surface Commingling (Diverse Ownerhsip) filed by Colgate Operating, LLC (the "Application"). Our clients are Affected Party as a non-operating working interest owners in the above-reference wells.

As allowed by NMAC 19.15.12.10.C., Mr. Bachschmid and Mr. Rodriguez hereby file their written objection to the administrative approval of the Application and request that the director set the application for a hearing as allowed by 19.15.12.10 NMAC. Although Mr. Bachschmid received notice of the Application, Mr. Rodriguez has not yet received notice of the Application from Colgate Operating, LLC. Mr. Bachschmid and Mr. Rodriguez need additional time to review the Application and appurtenant information to determine how their rights will be affected.

Pursuant to the applicable NMAC provisions, Mr. Bachschmid and Mr. Rodriguez request that this matter be set for a full hearing with sufficient time to analyze the Application submitted by Colgate Operating, LLC as well as any appurtenant technical and other data.

Please let me know if you have any questions or concerns.

Sincerely,

CAVIN & INGRAM, P.A.

Scott S. Morgan

NMOCD Engineering Bureau March 11, 2022 Page 2

Attorneys for Byron Bachschmid and Jose E. Rodriguez

cc. Dean McClure vai e-mail to Dean.McClure@state.nm.us

Mikah Thomas via email to mthomas@colgateenergy.com

SEALY H. CAVIN, JR. †* STEPHEN D. INGRAM † SCOTT S. MORGAN BRANDON D. HAJNY†*

†Also Admitted in Texas *Also Admitted in Colorado

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NMOILGASLAW@CILAWNM.COM WWW.CILAWNM.COM

March 31, 2022

New Mexico Oil Conservation Division Engineering Bureau Mr. Brandon Powell, Engineering Bureau Chief OCD.Engineer@state.nm.us 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Withdrawal of Objection to the Application for Surface Commingling (Diverse Ownership) for Colgate's Black Diamond 34 Fed Well Nos. 122H, 131H, 132H,

Iwaersaip) for Coigule's Diack Diamona 34 Fea Well Nos. 122H, 131H, 132H

133H, and 134H

Mr. Powell,

Our firm represents Mr. Byron Bachschmid and Mr. Jose E. Rodriguez, in connection with the above-captioned Application for Surface Commingling (Diverse Ownerhsip) filed by Colgate Operating, LLC (the "Application").

We previously provided an objection to the Application on March 11, 2022. We are now withdrawing that objection.

Please let me know if you have any questions or concerns.

Sincerely,

CAVIN & INGRAM, P.A.

Scott S. Morgan

Attorneys for Byron Bachschmid and Jose E.

Rodriguez

cc. Dean McClure

vai e-mail to Dean.McClure@state.nm.us

Mikah Thomas

via email to mthomas@colgateenergy.com

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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY COLGATE OPERATING, LLC

ORDER NO. CTB-1034

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Operating, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
- 4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 9. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.

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- 10. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 11. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

- 1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.
 - Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.
- 2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
- 3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 4. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
- 5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

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STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAN M. FUGE

DIRECTOR (ACTING)

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DATE: 2/19/2023

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1034

Operator: Colgate Operating, LLC (371449)

Central Tank Battery: Black Diamond Battery

Central Tank Battery Location: UL I, Section 34, Township 19 South, Range 29 East Gas Title Transfer Meter Location: UL I, Section 34, Township 19 South, Range 29 East

Pools

Pool Name Pool Code PARKWAY; BONE SPRING 49622

·	TTT 0.40	~
Lease	UL or Q/Q	S-T-R
NMNM 105219795 (000907) subset A	N/2 NE/4	33-19S-29E
NMNM 105318785 (090807) subset A	N/2 N/2	34-19S-29E
NMNM 105318785 (090807) subset B	S/2 NE/4	33-19S-29E
1414141 103316763 (090607) Subset B	S/2 N/2	34-19S-29E
NIMNIM 105210705 (000007) amb and C	N/2 SE/4	33-19S-29E
NMNM 105318785 (090807) subset C	N/2 S/2	34-19S-29E
NIMNIM 105210705 (000007) anhard D	S/2 SE/4	33-19S-29E
NMNM 105318785 (090807) subset D	S/2 S/2	34-19S-29E

Wells					
Well API	Well Name	UL or Q/Q	S-T-R	Pool	
30-015-47823 Black Diam	Black Diamond 34 Federal #132H	S/2 NE/4	33-19S-29E	49622	
30-013-47623	Diack Diamond 34 Federal #132H	S/2 N/2	34-19S-29E	49022	
30-015-47821	Black Diamond 34 Federal #122H	S/2 NE/4	33-19S-29E	49622	
30-013-47621		S/2 N/2	34-19S-29E	49022	
30-015-47820	Black Diamond 34 Federal #134H	S/2 SE/4	33-19S-29E	49622	
30-015-47820		S/2 S/2	34-19S-29E	49022	
30-015-47822	Black Diamond 34 Federal #131H	N/2 NE/4	33-19S-29E	49622	
30-015-47822		N/2 N/2	34-19S-29E	49022	
20 015 47024	Black Diamond 34 Federal #133H	N/2 SE/4	33-19S-29E	40(22	
30-015-47824		N/2 S/2	34-19S-29E	49622	

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

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**

CONDITIONS

Action 28219

CONDITIONS

Operator:	OGRID:
COLGATE OPERATING, LLC	371449
300 North Marienfeld Street	Action Number:
Midland, TX 79701	28219
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	2/20/2023