

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

**APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22278  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23150  
ORDER NO. R-22278**

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

**APPLICATION OF COLGATE OPERATING,  
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UNDER ORDER NO. R-22277  
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**CASE NO. 23149  
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**APPLICATION OF COLGATE OPERATING,  
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**CASE NO. 23150  
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**APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22279  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23151  
ORDER NO. R-22279**

**APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22280  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23152  
ORDER NO. R-22280**

**APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22281  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23153  
ORDER NO. R-22281**

**APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22282  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23154  
ORDER NO. R-22282**

**APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22283  
LEA COUNTY, NEW MEXICO**

**CASE NO. 23155  
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**APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22284  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23156  
ORDER NO. R-22284**

**SELF-AFFIRMED STATEMENT  
OF TRAVIS MACHA**

1. I am a Senior Landman with Colgate Operating, LLC (“Colgate”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A**

provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in this case. Copies of the applications and proposed hearing notices are attached as **Exhibit A-1**.

3. On September 26, 2002, the Division entered the following orders:

- Order No. R-22277 in Case No. 22788, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 17 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 201H well; and designated Colgate as operator of the Unit and well. A copy of the order is attached as **Exhibit A-2**.
- Order No. R-22278 in Case No. 22789, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 202H well; and designated Colgate as operator of the Unit and well. A copy of the order is attached as **Exhibit A-3**.
- Order No. R-22279 in Case No. 22790, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 203H well; and designated Colgate as operator of the Unit and well. A copy of the order is attached as **Exhibit A-4**.
- Order No. R-22280 in Case No. 22791, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 204H well; and designated Applicant as operator of the Unit and the well. A copy of the order is attached as **Exhibit A-5**.
- Order No. R-22281 in Case No. 22792, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 111H, Batman Fed Com 121H, Batman Fed Com 122H, Batman Fed

Com 171H, and Batman Fed Com 131H wells; and designated Colgate as operator of the Unit and the wells. A copy of the order is attached as **Exhibit A-6**.

- Order No. R-22282 in Case No. 22793, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 112H, Batman Fed Com 123H, Batman Fed Com 124H, Batman Fed Com 172H, and Batman Fed Com 132H wells; and designated Colgate as operator of the Unit and the wells. A copy of the order is attached as **Exhibit A-7**.
- Order No. R-22283 in Case No. 22794, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 113H, Batman Fed Com 125H, Batman Fed Com 126H, Batman Fed Com 173H, and Batman Fed Com 133H wells; and designated Colgate as operator of the Unit and the wells. A copy of the order is attached as **Exhibit A-8**.
- Order No. R-22284 in Case No. 22795, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 114H, Batman Fed Com 127H, Batman Fed Com 128H, Batman Fed Com 174H, and Batman Fed Com 134H wells; and designated Colgate as operator of the Unit and wells. A copy of the order is attached as **Exhibit A-9**.

4. Colgate proposes to fully develop the Bone Spring and Wolfcamp formations underlying Sections 18 and 19, Township 20 South, Range 34 East in Lea County by drilling and completing 24 wells.

5. In these cases, Doyle Hartman (“Hartman”) is named as an owner of a 2% record title interest in the federal leases at issue and has refused to sign a communitization agreement. As a result, Colgate seeks to pool his record title interest solely for the purpose of complying with the BLM’s communitization requirements.<sup>1</sup>

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<sup>1</sup> The BLM’s policy on communitization states: “a communitization agreement signed by the operator and complete in all respects, except for signatures of all working interest and royalty owners, may be accepted and approved by the authorized officer when a State order force-

6. **Exhibit A-10** provides plats of the tracts included in the Units, identifies the interests in each tract, and identifies the record title interests being pooled, which are highlighted in yellow.

7. **Exhibit A-11** is a sample communitization agreement that I sent to the additional record title interests Colgate seeks to pool, including Hartman.

8. In my opinion, Colgate made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-12**.

9. Colgate is not seeking to pool any working interest or overriding royalty interest held by Hartman, as Colgate's title research has shown that Hartman does not own a working or royalty interest in the Wells.

10. In an attempt to work with Hartman in good faith, I have provided Hartman with Colgate's June 14, 2022 Drilling and Division Order Title Opinion confirming the nature of Hartman's interest, even though Colgate was under no obligation to do so. I also informed Hartman that if he provides information to substantiate his claimed working interest, Colgate will consider it. He has declined to provide any such information. *See* 6/23/22 Letter to D. Hartman, attached as **Exhibit A-13**.

11. Hartman appears to hold a 2% record title interest in the lease. *See* Department of the Interior Bureau of Land Management Case Recordation Serial Register Page NMNM105505832, attached as **Exhibit A-14**, at 5. Hartman's record title interest is not subject to the cost or risk penalty provisions of the pooling orders and, conversely, he is not entitled to proceeds from the Wells' production. As a result, the pooling of Hartman's record title interest has

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pooling such interests in the lands in question is also submitted." *See* [https://www.blm.gov/sites/blm.gov/files/uploads/mediacenter\\_blmmanual3160-9.pdf](https://www.blm.gov/sites/blm.gov/files/uploads/mediacenter_blmmanual3160-9.pdf)



no material impact on Hartman, and it certainly does not impair his correlative rights or result in the waste of oil and gas.

12. Hartman has not proposed any plan to develop the subject lands.

13. Hartman is attempting to block's Colgate's ability to produce 24 wells, which impairs Colgate's correlative rights, results in a tremendous waste of oil and gas, and causes financial harm to Colgate, working interest owners in the wells, overriding royalty interests, the BLM, and the State of New Mexico.

14. If Hartman is determined to own a working interest in the spacing units for the Wells, Colgate would be required to reach an agreement with Hartman or pool that interest at a later date.

15. Colgate submitted APDs to the BLM for the Batman wells on May 11, 2022, and has two rigs scheduled to spud the wells beginning on January 17, 2023. API numbers for the wells will be issued by the Division after the permits are approved.

16. The BLM's process for APD, Drilling Island, and Development Area Review in the Designated Potash Area is attached as **Exhibit A-15**. Colgate has followed this process and has complied with all BLM requirements, including obtaining approval for its well design specifications. Because Hartman is a record title owner of the leases, Colgate notified him of its proposed development area that falls within the Potash Area. The BLM – not Colgate – nominated the Fallen Wallen Drill Islands pursuant to the BLM's Process for APD, Drilling Island, and Development Area Review in the Designated Potash Area on February 2, 2022. *See* Exhibit A to Hartman's Response to Colgate's Motion to Quash; *see also* Exhibit A-15 at 4. Thus, contrary to Hartman's claims, Colgate was not required to send him notification regarding the drill islands.

17. The Joint Operating Agreements (“JOAs”) discussed by Hartman are totally irrelevant to the pooling of his record title interest, as the BLM requires a pooling order – not a JOA – to issue a communitization agreement.

18. Colgate requests the additional uncommitted interests be pooled under the terms of the Order.

19. In my opinion, the granting of Colgate’s application would serve the interests of conservation and prevention of waste.

20. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

21. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
Travis Macha

12-8-22  
Date

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

**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-22277,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23149  
ORDER NO. R-22277**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (“Applicant”) (OGRID No. 371449) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22277. Applicant states the following in support of its application.

1. On September 26, 2022, the Division entered Order No. R-22277 (“Order”) in Case No. 22788, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Batman Fed Com 201H well (“Well”) and designated Applicant as operator of the Unit and Well.

2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A-1**

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22277.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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**Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22277, Lea County, New Mexico.** Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22277. Order No R-22277 (“Order”) pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Batman Fed Com 201H well (“Well”) and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

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

**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-22278,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23150  
ORDER NO. R-22278**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (“Applicant”) (OGRID No. 371449) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22278. Applicant states the following in support of its application.

1. On September 26, 2022, the Division entered Order No. R-22278 (“Order”) in Case No. 22789, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Batman Fed Com 202H well (“Well”) and designated Applicant as operator of the Unit and Well.

2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22278.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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*Counsel for Colgate Operating, LLC*

**Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22278, Lea County, New Mexico.** Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22278. Order No R-22278 (“Order”) pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Batman Fed Com 202H well (“Well”) and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

**STATE OF NEW MEXICO  
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**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-22279,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23151  
ORDER NO. R-22279**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (“Applicant”) (OGRID No. 371449) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22279. Applicant states the following in support of its application.

1. On September 26, 2022, the Division entered Order No. R-22279 (“Order”) in Case No. 22790, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Batman Fed Com 203H well (“Well”) and designated Applicant as operator of the Unit and Well.

2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22279.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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*Counsel for Colgate Operating, LLC*

**Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22279, Lea County, New Mexico.** Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22279. Order No R-22279 (“Order”) pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Batman Fed Com 203H well (“Well”) and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

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

**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-22280,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23152  
ORDER NO. R-22280**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (“Applicant”) (OGRID No. 371449) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22280. Applicant states the following in support of its application.

1. On September 26, 2022, the Division entered Order No. R-22280 (“Order”) in Case No. 22791, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Batman Fed Com 204H well (“Well”) and designated Applicant as operator of the Unit and Well.

2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.



4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22280.

Respectfully submitted,

HINKLE SHANOR LLP

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*Counsel for Colgate Operating, LLC*

**Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22280, Lea County, New Mexico.** Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22280. Order No R-22280 (“Order”) pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Batman Fed Com 204H well (“Well”) and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

**STATE OF NEW MEXICO  
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**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-22281,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23153  
ORDER NO. R-22281**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (“Applicant”) (OGRID No. 371449) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22281. Applicant states the following in support of its application.

1. On September 26, 2022, the Division entered Order No. R-22281 (“Order”) in Case No. 22792, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the following wells (“Wells”): Batman Fed Com 111H; Batman Fed Com 121H; Batman Fed Com 122H; Batman Fed Com 171H; and Batman Fed Com 131H. The Order designated Applicant as operator of the Unit and the Wells.

2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22281.

Respectfully submitted,

HINKLE SHANOR LLP

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*Counsel for Colgate Operating, LLC*

**Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22281, Lea County, New Mexico.** Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22281. Order No R-22281 (“Order”) pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the following wells (“Wells”): Batman Fed Com 111H; Batman Fed Com 121H; Batman Fed Com 122H; Batman Fed Com 171H; and Batman Fed Com 131H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

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

**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-22282,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23154  
ORDER NO. R-22282**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (“Applicant”) (OGRID No. 371449) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22282. Applicant states the following in support of its application.

1. On September 26, 2022, the Division entered Order No. R-22282 (“Order”) in Case No. 22793, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the following wells (“Wells”): Batman Fed Com 112H; Batman Fed Com 123H; Batman Fed Com 124H; Batman Fed Com 172H; and Batman Fed Com 132H. The Order designated Applicant as operator of the Unit and the Wells.

2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22282.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

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*Counsel for Colgate Operating, LLC*

**Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22282, Lea County, New Mexico.** Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22282. Order No R-22282 (“Order”) pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the following wells (“Wells”): Batman Fed Com 112H; Batman Fed Com 123H; Batman Fed Com 124H; Batman Fed Com 172H; and Batman Fed Com 132H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.



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

**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-22283,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23155  
ORDER NO. R-22283**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (“Applicant”) (OGRID No. 371449) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22283. Applicant states the following in support of its application.

1. On September 26, 2022, the Division entered Order No. R-22283 (“Order”) in Case No. 22794, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the following wells (“Wells”): Batman Fed Com 113H; Batman Fed Com 125H; Batman Fed Com 126H; Batman Fed Com 173H; and Batman Fed Com 133H. The Order designated Applicant as operator of the Unit and the Wells.

2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22283.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

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*Counsel for Colgate Operating, LLC*

**Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22283, Lea County, New Mexico.** Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22283. Order No R-22283 (“Order”) pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the following wells (“Wells”): Batman Fed Com 113H; Batman Fed Com 125H; Batman Fed Com 126H; Batman Fed Com 173H; and Batman Fed Com 133H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

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

**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NO. R-22284,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23156  
ORDER NO. R-22284**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (“Applicant”) (OGRID No. 371449) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22284. Applicant states the following in support of its application.

1. On September 26, 2022, the Division entered Order No. R-22284 (“Order”) in Case No. 22795, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the following wells (“Wells”): Batman Fed Com 114H; Batman Fed Com 127H; Batman Fed Com 128H; Batman Fed Com 174H; and Batman Fed Com 134H. The Order designated Applicant as operator of the Unit and the Wells.

2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22284.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

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*Counsel for Colgate Operating, LLC*

**Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22284, Lea County, New Mexico.** Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22284. Order No R-22284 (“Order”) pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the following wells (“Wells”): Batman Fed Com 114H; Batman Fed Com 127H; Batman Fed Com 128H; Batman Fed Com 174H; and Batman Fed Com 134H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COLGATE OPERATING, LLC**

**CASE NO. 22788  
ORDER NO. R-22277**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A-2**

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22788  
ORDER NO. R-22277

Page 2 of 6



- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
  28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
  29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
ADRIENNE SANDOVAL  
DIRECTOR  
AES/jag

Date: 9/26/2022

CASE NO. 22788  
ORDER NO. R-22277

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Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	<b>22788</b>
<b>Hearing Date:</b>	<b>6/2/2022</b>
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	XTO Energy, Inc., Fasken Oil & Ranch Ltd.
Well Family	Batman Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent	Wolfcamp Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Wolfcamp Formation
Pool Name and Pool Code	WC-025 G-08 S203429P; Wolfcamp Pool (98247)
Well Location Setback Rules	Standard
Spacing Unit Size	320.32
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320.32
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	Lots 1, 2, 3 and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Batman Fed Com 201H (API # pending) SHL: 232' FNL & 1645' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 998' FWL, Lot 4, Section 19, T20S-R34E Completion Target: Wolfcamp (Approx. 11,054' TVD) Well Orientation: North to South
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
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CASE NO. 22788  
ORDER NO. R-22277

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Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-3
Gross Isopach	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibits B-5, B-6
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibits B-5, B-6
<b>Additional Information</b>	Special Provisions - See Exhibit A, Paragraph 14
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	5/31/2022

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CASE NO. 22788  
ORDER NO. R-22277

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COLGATE OPERATING, LLC**

**CASE NO. 22789  
ORDER NO. R-22278**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A-3**

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22789  
ORDER NO. R-22278

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- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
  28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
  29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22789  
ORDER NO. R-22278



Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	<b>22789</b>
<b>Hearing Date:</b>	<b>6/2/2022</b>
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	XTO Energy, Inc., Fasken Oil & Ranch Ltd.
Well Family	Batman Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent	Wolfcamp Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Wolfcamp Formation
Pool Name and Pool Code	WC-025 G-08 S203429P; Wolfcamp Pool (98247)
Well Location Setback Rules	Standard
Spacing Unit Size	320
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Batman Fed Com 202H (API # pending) SHL: 232' FNL & 1705' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 2327' FWL, Unit N, Section 19, T20S-R34E Completion Target: Wolfcamp (Approx. 11,054' TVD) Well Orientation: North to South
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Released to Imaging by: 5/31/2022 11:51:33 AM	Exhibit A-3

CASE NO. 22789  
ORDER NO. R-22278

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Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-3
Gross Isopach	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-5, B-6
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-5, B-6
<b>Additional Information</b>	Special Provisions - See Exhibit A, Paragraph 14
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	5/31/2022

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CASE NO. 22789  
 ORDER NO. R-22278

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COLGATE OPERATING, LLC**

**CASE NO. 22790  
ORDER NO. R-22279**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22790  
ORDER NO. R-22279

Page 2 of 6

- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
  28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
  29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22790  
ORDER NO. R-22279



Exhibit A

Received by OCD: 5/31/2022 11:52:59 AM

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	<b>22790</b>
<b>Hearing Date:</b>	<b>6/2/2022</b>
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	XTO Energy, Inc., Fasken Oil & Ranch Ltd.
Well Family	Batman Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent	Wolfcamp Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Wolfcamp Formation
Pool Name and Pool Code	WC-025 G-08 S203429P; Wolfcamp Pool (98247)
Well Location Setback Rules	Standard
Spacing Unit Size	320
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Batman Fed Com 203H (API # pending) SHL: 206' FNL & 1345' FEL, Unit B, Section 18, T20S-R34E BHL: 10' FSL & 1650' FEL, Unit O, Section 19, T20S-R34E Completion Target: Wolfcamp (Approx. 11,054' TVD) Well Orientation: North to South
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
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CASE NO. 22790  
ORDER NO. R-22279

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Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-3
Gross Isopach	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-5, B-6
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-5, B-6
<b>Additional Information</b>	Special Provisions - See Exhibit A, Paragraph 14
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	5/31/2022

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CASE NO. 22790  
ORDER NO. R-22279

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COLGATE OPERATING, LLC**

**CASE NO. 22791  
ORDER NO. R-22280**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A-5**

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22791  
ORDER NO. R-22280

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- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
  28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
  29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22791  
ORDER NO. R-22280

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Exhibit A

Received by OCD: 5/31/2022 11:54:26 AM

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	22791
<b>Hearing Date:</b>	6/2/2022
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	XTO Energy, Inc., Fasken Oil & Ranch Ltd.
Well Family	Batman Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent	Wolfcamp Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Wolfcamp Formation
Pool Name and Pool Code	WC-025 G-08 S203429P; Wolfcamp Pool (98247)
Well Location Setback Rules	Standard
Spacing Unit Size	320
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Batman Fed Com 204H (API # pending) SHL: 206' FNL & 1255' FEL, Unit A, Section 18, T20S-R34E BHL: 10' FSL & 330' FEL, Unit P, Section 19, T20S-R34E Completion Target: Wolfcamp (Approx. 11,054' TVD) Well Orientation: North to South
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Released to Imaging: 6/3/2022 8:06:19 AM	Exhibit A-3

CASE NO. 22791  
ORDER NO. R-22280

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Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-3
Gross Isopach	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-5, B-6
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-5, B-6
<b>Additional Information</b>	Special Provisions - See Exhibit A, Paragraph 14
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	5/31/2022

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CASE NO. 22791  
ORDER NO. R-22280

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COLGATE OPERATING, LLC**

**CASE NO. 22792  
ORDER NO. R-22281**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A-6**

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22792  
ORDER NO. R-22281

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- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
  28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
  29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
 \_\_\_\_\_  
**ADRIENNE SANDOVAL**  
**DIRECTOR**  
 AES/jag

Date: 9/26/2022

CASE NO. 22792  
 ORDER NO. R-22281

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Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	<b>22792</b>
<b>Hearing Date:</b>	<b>6/2/2022</b>
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	XTO Energy, Inc., Fasken Oil & Ranch Ltd.
Well Family	Batman Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent	Bone Spring Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring Formation
Pool Name and Pool Code	Lea; Bone Spring, South Pool (Code 37580)
Well Location Setback Rules	Standard
Spacing Unit Size	320.32
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320.32
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Batman Fed Com 111H (API # pending) SHL: 682' FNL & 1585' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 330' FWL, Lot 4, Section 19, T20S-R34E Completion Target: 1st Bone Spring (Approx. 9,454' TVD) Well Orientation: North to South
Well #2	Batman Fed Com 121H (API # pending) SHL: 682' FNL & 1,6155' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FNL & 330' FWL, Lot 4, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 10,349' TVD) Well Orientation: North to South
Well #3	Batman Fed Com 122H (API # pending) SHL: 682' FNL & 1645' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 998' FWL, Lot 4, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) Well Orientation: North to South
Well #4	Batman Fed Com 171H (API # pending) SHL: 232' FNL & 1585' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 998' FWL, Lot 4, Section 19, T20S-R34E Completion Target: Harkey (Approx. 10,614' TVD) Well Orientation: North to South

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Well #5	Batman Fed Com 131H (API # pending) SHL: 232' FNL & 1615' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 330' FWL, Lot 4, Section 19, T20S-R34E Completion Target: 3rd Bone Spring (Approx. 10,944' TVD) Well Orientation: North to South
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gross Isopach	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibits B-8, B-9
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibits B-4, B-5, B-6, B-7
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibits B-8, B-9
<b>Additional Information</b>	
Special Provisions - See Exhibit A, Paragraph 14	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	5/31/2022

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CASE NO. 22792  
ORDER NO. R-22281

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COLGATE OPERATING, LLC**

**CASE NO. 22793  
ORDER NO. R-22282**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A-7**



depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22793  
ORDER NO. R-22282

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- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
  28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
  29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22793  
ORDER NO. R-22282

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## Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	<b>22793</b>
<b>Hearing Date:</b>	<b>6/2/2022</b>
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	XTO Energy, Inc., Fasken Oil & Ranch Ltd.
Well Family	Batman Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent	Bone Spring Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring Formation
Pool Name and Pool Code	Lea; Bone Spring, South Pool (Code 37580)
Well Location Setback Rules	Standard
Spacing Unit Size	320
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Batman Fed Com 112H (API # pending) SHL: 682' FNL & 1705' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 1658' FWL, Unit N, Section 19, T20S-R34E Completion Target: 1st Bone Spring (Approx. 9,454' TVD) Well Orientation: North to South
Well #2	Batman Fed Com 123H (API # pending) SHL: 682' FNL & 1,675' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FNL & 1658' FWL, Unit N, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 10,349' TVD) Well Orientation: North to South
Well #3	Batman Fed Com 124H (API # pending) SHL: 682' FNL & 1735' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 2327' FWL, Lot 4, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) Well Orientation: North to South
Well #4	Batman Fed Com 172H (API # pending) SHL: 232' FNL & 1735' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 2327' FWL, Unit N, Section 19, T20S-R34E Completion Target: Harkey (Approx. 10,614' TVD) Well Orientation: North to South

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Well #5	Batman Fed Com 132H (API # pending) SHL: 232' FNL & 1675' FWL, Unit C, Section 18, T20S-R34E BHL: 10' FSL & 1658' FWL, Unit N, Section 19, T20S-R34E Completion Target: 3rd Bone Spring (Approx. 10,944' TVD) Well Orientation: North to South
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-3
Gross Isopach	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibits B-8, B-9
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-3
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4, B-5, B-6, B-7
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibits B-8, B-9
<b>Additional Information</b>	Special Provisions - See Exhibit A, Paragraph 14
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	5/31/2022

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CASE NO. 22793  
ORDER NO. R-22282

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COLGATE OPERATING, LLC**

**CASE NO. 22794  
ORDER NO. R-22283**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A-8**

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22794  
ORDER NO. R-22283

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- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
  28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
  29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share



of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

AES/jag

Date: 9/26/2022

CASE NO. 22794  
ORDER NO. R-22283

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Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	<b>22794</b>
<b>Hearing Date:</b>	<b>6/2/2022</b>
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	XTO Energy, Inc., Fasken Oil & Ranch Ltd.
Well Family	Batman Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent	Bone Spring Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring Formation
Pool Name and Pool Code	Lea; Bone Spring, South Pool (Code 37580)
Well Location Setback Rules	Standard
Spacing Unit Size	320
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Batman Fed Com 113H (API # pending) SHL: 656' FNL & 1,405' FEL, Unit B, Section 18, T20S-R34E BHL: 10' FSL & 2,310' FEL, Unit O, Section 19, T20S-R34E Completion Target: 1st Bone Spring (Approx. 9,454' TVD) Well Orientation: North to South
Well #2	Batman Fed Com 125H (API # pending) SHL: 656' FNL & 1,375' FEL, Unit B, Section 18, T20S-R34E BHL: 10' FNL & 2,310' FWL, Unit O, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 10,349' TVD) Well Orientation: North to South
Well #3	Batman Fed Com 126H (API # pending) SHL: 656' FNL & 1,345' FWL, Unit B, Section 18, T20S-R34E BHL: 10' FSL & 1650' FWL, Unit O, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) Well Orientation: North to South
Well #4	Batman Fed Com 173H (API # pending) SHL: 206' FNL & 1,405' FEL, Unit B, Section 18, T20S-R34E BHL: 10' FSL & 1650' FEL, Unit O, Section 19, T20S-R34E Completion Target: Harkey (Approx. 10,644' TVD) Well Orientation: North to South

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ORDER NO. R-22283

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Well #5	Batman Fed Com 133H (API # pending) SHL: 206' FNL & 1,375' FEL, Unit B, Section 18, T20S-R34E BHL: 10' FSL & 2,310' FEL, Unit O, Section 19, T20S-R34E Completion Target: 3rd Bone Spring (Approx. 10,944' TVD) Well Orientation: North to South
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-3
Gross Isopach	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibits B-8, B-9
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-3
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4, B-5, B-6, B-7
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibits B-8, B-9
<b>Additional Information</b>	
Special Provisions - See Exhibit A, Paragraph 14	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	5/31/2022

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CASE NO. 22794  
ORDER NO. R-22283

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COLGATE OPERATING, LLC**

**CASE NO. 22795  
ORDER NO. R-22284**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A-9**

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22795  
ORDER NO. R-22284

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- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
  28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
  29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22795  
ORDER NO. R-22284

## Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	<b>22795</b>
<b>Hearing Date:</b>	<b>6/2/2022</b>
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	XTO Energy, Inc., Fasken Oil & Ranch Ltd.
Well Family	Batman Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent	Bone Spring Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring Formation
Pool Name and Pool Code	Lea; Bone Spring, South Pool (Code 37580)
Well Location Setback Rules	Standard
Spacing Unit Size	320
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Batman Fed Com 114H (API # pending) SHL: 656' FNL & 1,285' FEL, Unit A, Section 18, T20S-R34E BHL: 10' FSL & 990' FEL, Unit P, Section 19, T20S-R34E Completion Target: 1st Bone Spring (Approx. 9,454' TVD) Well Orientation: North to South
Well #2	Batman Fed Com 127H (API # pending) SHL: 656' FNL & 1,315' FEL, Unit A, Section 18, T20S-R34E BHL: 10' FNL & 990' FEL, Unit P, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 10,349' TVD) Well Orientation: North to South
Well #3	Batman Fed Com 128H (API # pending) SHL: 656' FNL & 1,255' FEL, Unit A, Section 18, T20S-R34E BHL: 10' FSL & 330' FEL, Unit P, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) Well Orientation: North to South
Well #4	Batman Fed Com 174H (API # pending) SHL: 206' FNL & 1,285' FEL, Unit A, Section 18, T20S-R34E BHL: 10' FSL & 330' FEL, Unit P, Section 19, T20S-R34E Completion Target: Harkey (Approx. 10,644' TVD) Well Orientation: North to South

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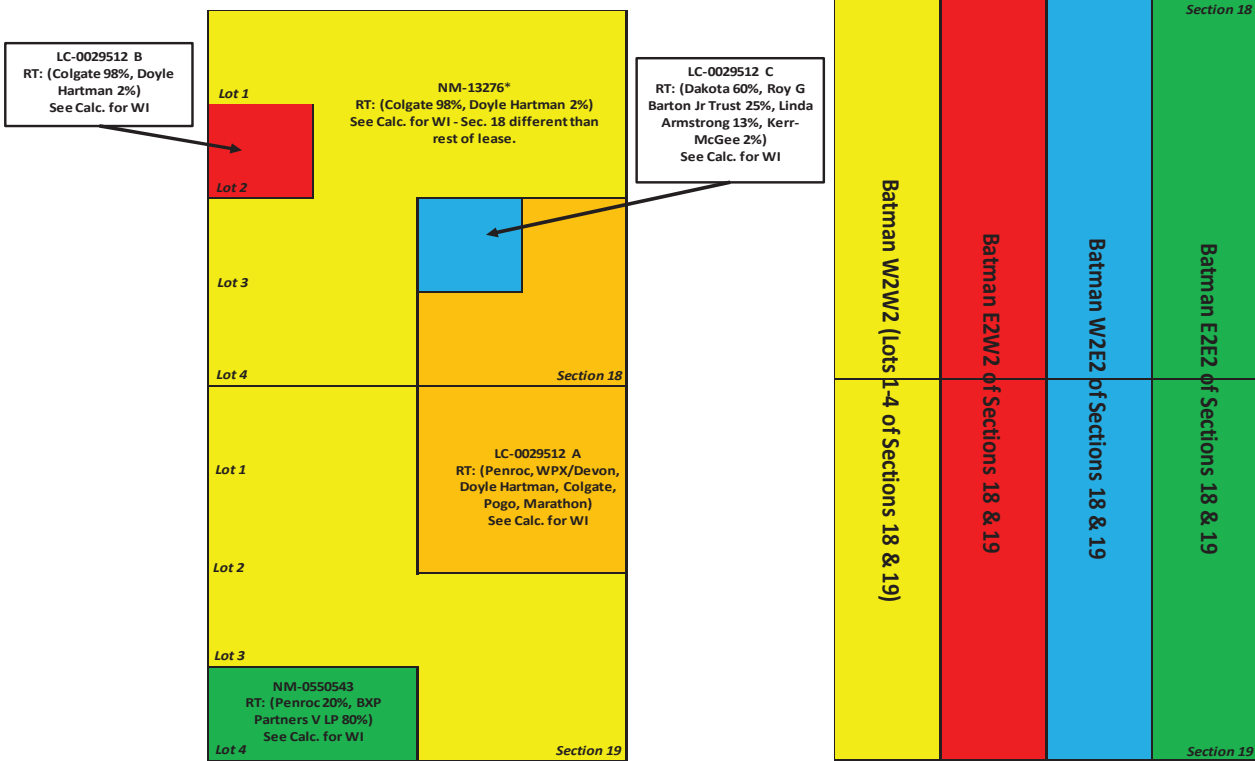
Well #5	Batman Fed Com 134H (API # pending) SHL: 206' FNL & 1,315' FEL, Unit A, Section 18, T20S-R34E BHL: 10' FSL & 990' FEL, Unit P, Section 19, T20S-R34E Completion Target: 3rd Bone Spring (Approx. 10,944' TVD) Well Orientation: North to South
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-3
Gross Isopach	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibits B-8, B-9
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-3
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4, B-5, B-6, B-7
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibits B-8, B-9
<b>Additional Information</b>	
Special Provisions - See Exhibit A, Paragraph 14.	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	5/31/2022

Released to Imaging: 5/31/2022 12:38:34 PM

CASE NO. 22795  
ORDER NO. R-22284

Page 6 of 6

**Land Exhibit: W2W2 - Batman Federal Com (WOLFCAMP)**  
 Section 18 & 19: W2W2, T20S-R34E, Lea Co., NM - Containing 320.32 Acres



**Owners pooled via 11/3/2022 Hearing**

Owner	Pooling?	Documents Sent		Notes
		Proposal	Com Agmt	
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Marathon Oil Permian	Y	Y	Y	7021 2720 0001 4876 7653	
Devon Energy Prod. Co.	Y	Y	Y	7021 2720 0001 4876 7691	
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Mizel Resources, A Trust	Y	Y	Y	7021 2720 0001 4876 7561	Indicated participation - may remove from application
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Sec 18: Lot 1, N2NE, NENW	160	19.086%	24.500%	49.000%	0.760%	3.063%	3.063%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: SESW, NESE	80	0.711%	0.000%	88.000%	10.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.016%	0.008%	0.000%
Sec 18: Lots 3-4, E2SW	160.03	0.961%	0.000%	98.000%	0.510%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.016%	0.008%	0.000%
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Sec 19: Lot 4, SESW	80.11	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>TOTAL</b>	<b>1280.32</b>													

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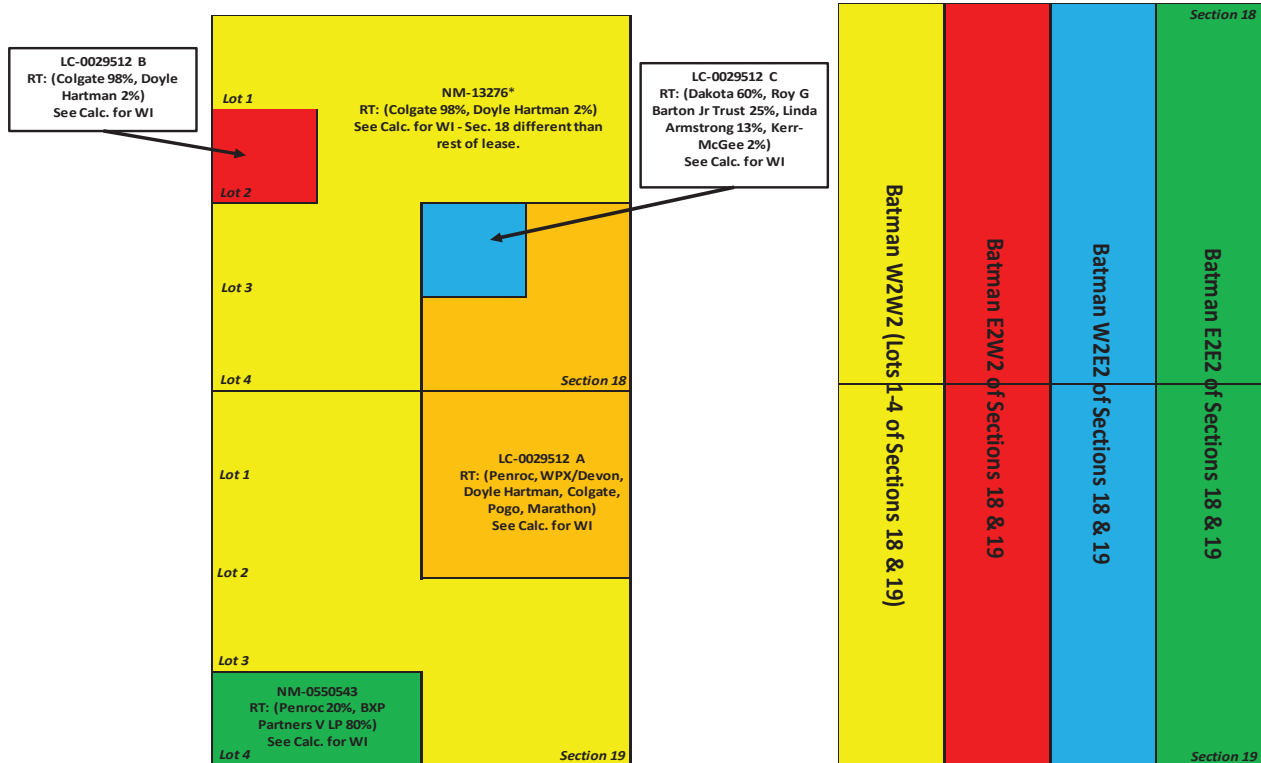
**Batman W2W2 Unit Capitulatation Summary (Taking into account all prior Agreements)**

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Batman 1280.32 Acre JOA Offering	1280.32	30.202%	12.248%	37.150%	8.333%	1.531%	1.531%	0.013%	0.161%	0.122%	0.122%	0.010%	0.006%	8.576%
Batman W2W2 AS-POOLED Unit	320	22.087%	12.250%	37.764%	14.659%	1.531%	1.531%	0.012%	0.130%	0.123%	0.123%	0.010%	0.006%	9.811%

**Colgate Operating, LLC**  
**Case Nos. 23149-23156**  
**Exhibit A-10**

**Land Exhibit: E2W2 - Batman Federal Com (WOLFCAMP)**

Section 18 & 19: E2W2, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



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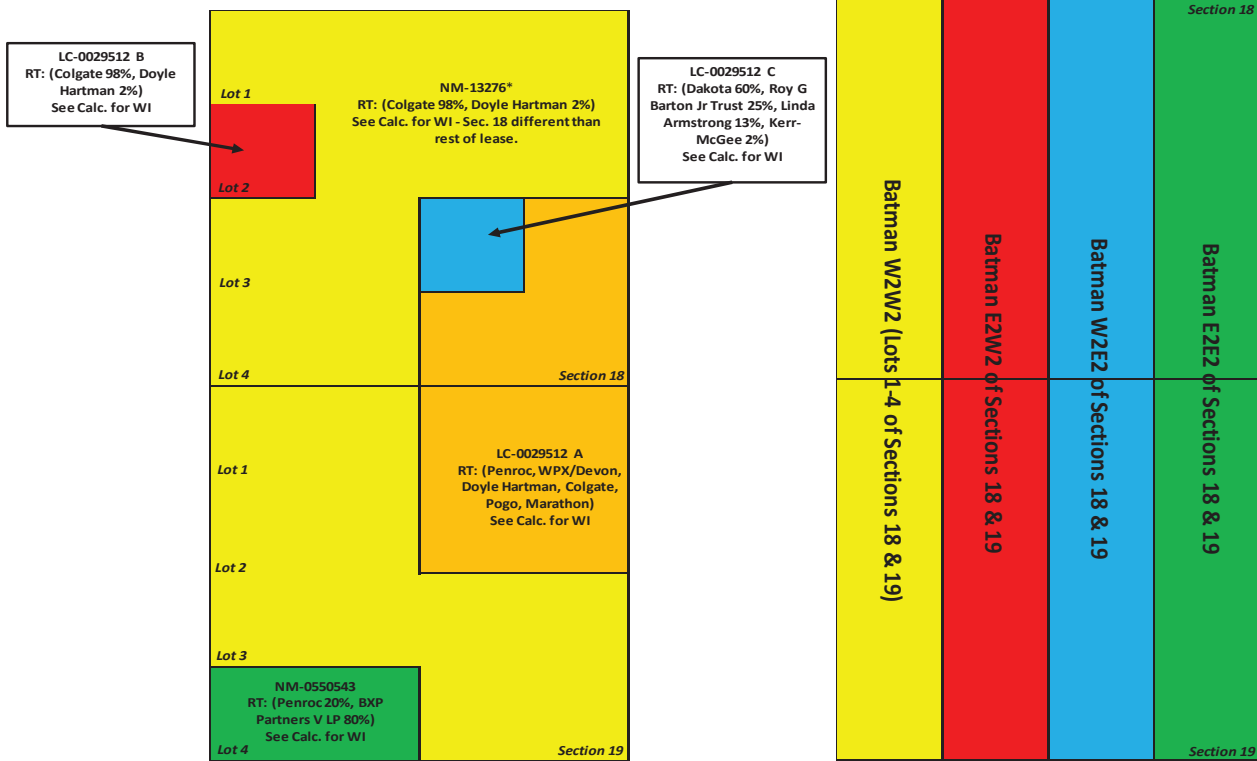
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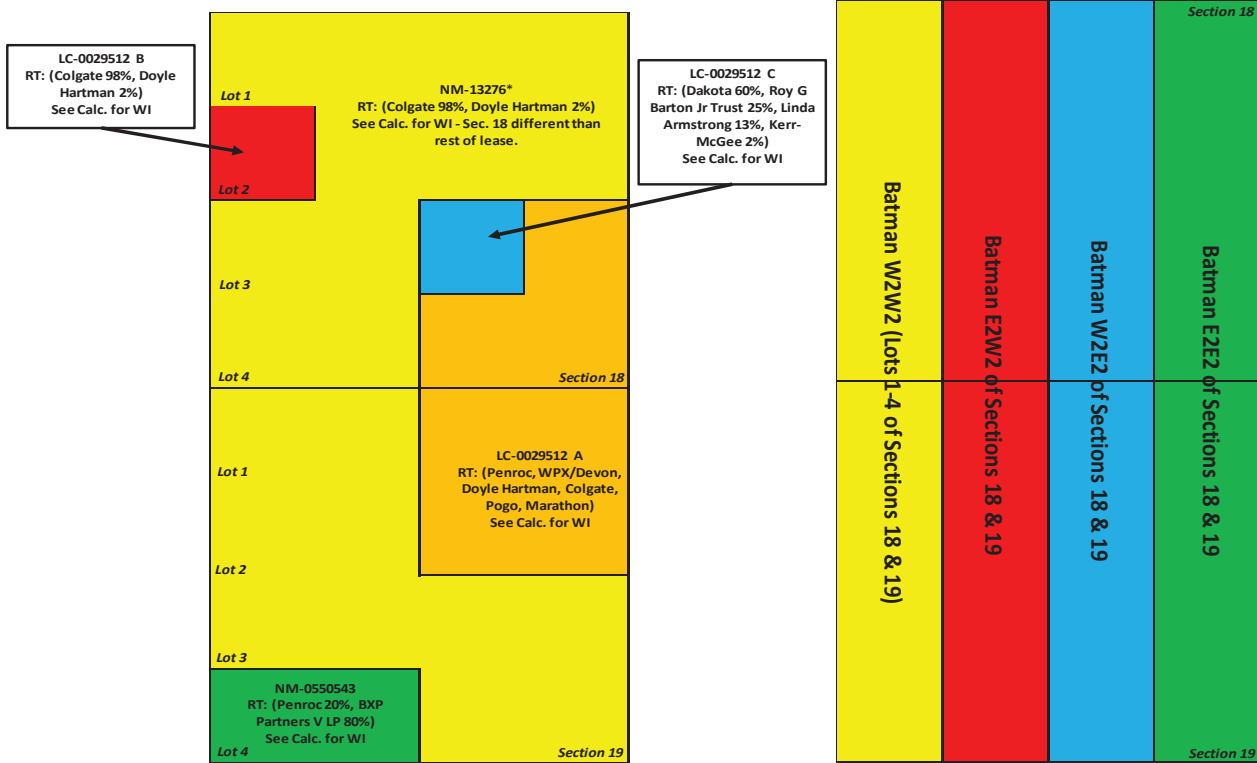
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Sec 19: NE	160	90.000%	0.000%	10.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Sec 19: Lot 4, SESW	80.11	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>TOTAL</b>	<b>1280.32</b>													

**Batman W2E2 Unit Capitulatation Summary (Taking into account all prior Agreements)**

Tract	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyr	Sutton	Devon
Batman 1280.32 Acre JOA Offering	1280.32	30.202%	12.248%	37.150%	8.333%	1.531%	1.531%	0.013%	0.161%	0.122%	0.122%	0.010%	0.006%	8.576%
Batman W2E2 AS-POOLED Unit	320	32.221%	12.250%	40.242%	2.029%	1.531%	1.531%	0.012%	0.130%	0.123%	0.123%	0.010%	0.006%	9.800%

**Land Exhibit: E2E2 - Batman Federal Com (WOLFCAMP)**  
 Section 18 & 19: E2E2, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



**Owners pooled via 11/3/2022 Hearing**

Owner	Pooling?	Documents Sent			Notes
		Proposal	Com Agmt	Notes	
Doyle Hartman	Y	N	Y	Record Title Only - Yet to Sign Com Agreement	
Lerwick Ltp	Y	N	Y	Record Title Only - Yet to Sign Com Agreement	
Khody Land & Minerals Co.	Y	N	Y	Record Title Only - Yet to Sign Com Agreement	

**Owners Covered via 6/2/2022 Hearing**

Owner	Pooling?	Documents Sent			Certified Mail Number	Notes
		Proposal	JOA	Notes		
Colgate Production, LLC	N/A	Y	Y	N/A		
XTO Holdings, LLC	Y	Y	Y	7021 2720 0001 4876 7554		
Marathon Oil Permian	Y	Y	Y	7021 2720 0001 4876 7653		
Devon Energy Prod. Co.	Y	Y	Y	7021 2720 0001 4876 7691		
Fasken Land & Minerals	N	Y	Y	7021 2720 0001 4876 7639	All documents executed	
Mizel Resources, A Trust	Y	Y	Y	7021 2720 0001 4876 7561	Indicated participation - may remove from application	
Yosemite Creek O&G	Y	Y	Y	7021 2720 0001 4876 7608	Indicated participation - may remove from application	
Tierra Media Resources	Y	Y	Y	7021 2720 0001 4876 7776	In process of signing JOA - may remove from application	
Pogo Resources	Y	Y	Y	7021 2720 0001 4876 7684	Title Issue	
Southwest Royalties	Y	Y	Y	7021 2720 0001 4876 7806	Signed AFEs, Not JOA or Coms	
Larry Nermyr	Y	Y	Y	7021 2720 0001 4876 7646		
Ruth Sutton	Y	Y	Y	7021 2720 0001 4876 7578	UNLOCATABLE	
Grey Wolf Land	N	Y	Y	7021 2720 0001 4876 7677	All documents executed	
Penroc Oil Corp	Y	N	N	7021 2720 0000 2076 9928	Record Title Only - Yet to Sign Com Agreement	
BXP Partners V LP	Y	N	N	7021 2720 0000 2076 9942	Record Title Only - Yet to Sign Com Agreement	
WPX Energy Permian LLC	Y	N	N	7021 2720 0000 2076 9935	Record Title Only - Yet to Sign Com Agreement	
Dakota Resources	Y	N	N	7021 2720 0000 2076 9881	Record Title Only - Yet to Sign Com Agreement	
Roy G Barton Jr Trust	Y	N	N	7021 2720 0000 2076 9898	Record Title Only - Yet to Sign Com Agreement	
Linda Armstrong	Y	N	N	7021 2720 0000 2076 9904	Record Title Only - Yet to Sign Com Agreement	
Kerr-Mcgee Oil & Gas	Y	N	N	7021 2720 0000 2076 9911	Record Title Only - Yet to Sign Com Agreement	

\*Please Note Oxy USA, Inc. has assigned all rights and interest unto Colgate Production, LLC. Record title transfers are processing with the BLM

**Offered JOA Basis - (1280.32 Gross Acres) - Leasehold interest pursuant to County Chain of Title**

Tract	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyer	Sutton	Devon
Sec 18: SWNW, S2NE	120	19.086%	24.500%	49.000%	0.760%	3.063%	3.063%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: Lot 1, N2NE, NENW	160	19.086%	24.500%	49.000%	0.760%	3.063%	3.063%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: SESW, NESE	80	0.711%	0.000%	88.000%	10.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.016%	0.008%	0.000%
Sec 18: Lots 3-4, E2SW	160.03	0.961%	0.000%	98.000%	0.510%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.016%	0.008%	0.000%
Sec 18: NWSE	40	0.711%	0.000%	98.000%	0.760%	0.000%	0.000%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: Lot 2	40.01	19.086%	24.500%	49.000%	0.760%	3.063%	3.063%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: SESE	40	3.200%	0.000%	76.670%	18.368%	0.000%	0.000%	0.052%	1.632%	0.000%	0.000%	0.052%	0.026%	0.000%
Sec 19: Lot 3, NWSW, SENW	120.08	98.711%	0.000%	0.000%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	0.000%
Sec 19: Lots 1, 2, NENW, N2SE, SESE, SWSE	280.09	0.711%	0.000%	58.800%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	39.200%
Sec 19: NE	160	90.000%	0.000%	10.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Sec 19: Lot 4, SESW	80.11	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>TOTAL</b>	<b>1280.32</b>													

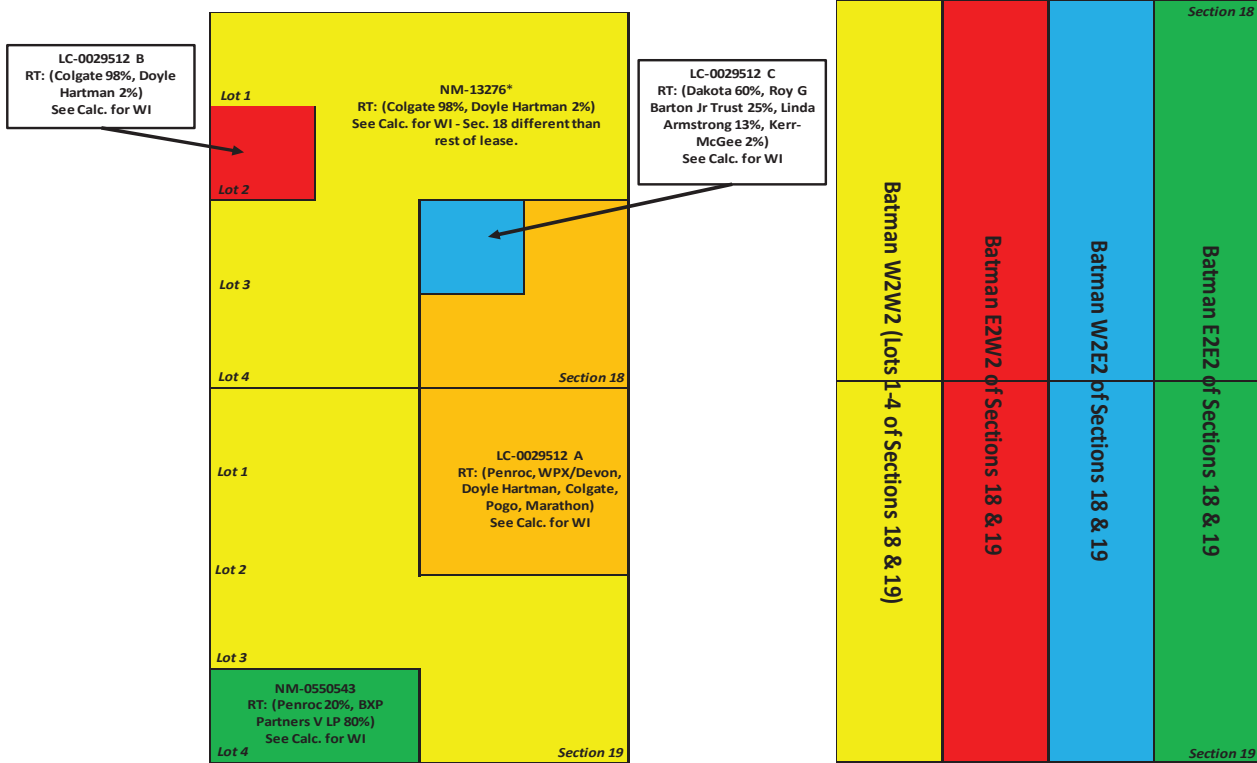
**Tract Contractual Interest Pursuant to previous Farmout and Joint Operating Agreements**

Tract	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyer	Sutton	Devon
Sec 18: All	640.04	19.086%	24.500%	46.083%	3.677%	3.063%	3.063%	0.016%	0.016%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 19: Lot 3, NWSW, SENW	120.08	98.711%	0.000%	0.000%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	0.000%
Sec 19: Lots 1, 2, NENW, N2SE, SESE, SWSE	280.09	0.711%	0.000%	58.800%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	39.200%
Sec 19: NE	160	90.000%	0.000%	10.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Sec 19: Lot 4, SESW	80.11	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>TOTAL</b>	<b>1280.32</b>													

**Batman E2E2 Unit Capitulaton Summary (Taking into account all prior Agreements)**

Tract	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyer	Sutton	Devon
Batman 1280.32 Acre JOA Offering	1280.32	30.202%	12.248%	37.150%	8.333%	1.531%	1.531%	0.013%	0.161%	0.122%	0.122%	0.010%	0.006%	8.576%
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**Land Exhibit: W2W2 - Batman Federal Com (BONE SPRING)**  
Section 18 & 19: Lots 1-4, T20S-R34E, Lea Co., NM - Containing 320.32 Acres



**Owners pooled via 11/3/2022 Hearing**

Owner	Pooling?	Documents Sent		Notes
		Proposal	Com Agmt	
Doyle Hartman	Y	N	Y	Record Title Only - Yet to Sign Com Agreement

**Owners Covered via 6/2/2022 Hearing**

Owner	Pooling?	Documents Sent			Certified Mail Number	Notes
		Proposal	JOA			
Colgate Production, LLC	N/A	Y	Y		N/A	
XTO Holdings, LLC	Y	Y	Y		7021 2720 0001 4876 7554	
Marathon Oil Permian	Y	Y	Y		7021 2720 0001 4876 7653	
Devon Energy Prod. Co.	N	Y	Y		7021 2720 0001 4876 7691	
Fasken Land & Minerals	N	Y	Y		7021 2720 0001 4876 7639	
Mizel Resources, A Trust	Y	Y	Y		7021 2720 0001 4876 7561	
Yosemite Creek O&G	Y	Y	Y		7021 2720 0001 4876 7608	
Tierra Media Resources	Y	Y	Y		7021 2720 0001 4876 7776	
Pogo Resources	Y	Y	Y		7021 2720 0001 4876 7684	
Southwest Royalties	Y	Y	Y		7021 2720 0001 4876 7806	
Larry Nermyr	Y	Y	Y		7021 2720 0001 4876 7646	
Ruth Sutton	Y	Y	Y		7021 2720 0001 4876 7578	
Grey Wolf Land	N	Y	Y		7021 2720 0001 4876 7677	
Penroc Oil Corp	Y	N	N		7021 2720 0000 2076 9928	
BXP Partners V LP	Y	N	N		7021 2720 0000 2076 9942	
WPX Energy Permian LLC	Y	N	N		7021 2720 0000 2076 9935	
Dakota Resources	Y	N	N		7021 2720 0000 2076 9881	
Roy G Barton Jr Trust	Y	N	N		7021 2720 0000 2076 9898	
Linda Armstrong	Y	N	N		7021 2720 0000 2076 9904	
Kerr-Mcgee Oil & Gas	Y	N	N		7021 2720 0000 2076 9911	

\*Please Note Oxy USA, Inc. has assigned all rights and interest unto Colgate Production, LLC. Record title transfers are processing with the BLM

**Offered JOA Basis - (1280.32 Gross Acres) - Leasehold interest pursuant to County Chain of Title**

Tract	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyr	Sutton	Devon
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Sec 18: Lot 1, N2NE, NENW	160	19.086%	24.500%	49.000%	0.760%	3.063%	3.063%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: SESW, NESE	80	0.711%	0.000%	88.000%	10.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.016%	0.008%	0.000%
Sec 18: Lots 3-4, E2SW	160.03	0.961%	0.000%	98.000%	0.510%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.016%	0.008%	0.000%
Sec 18: NWSE	40	0.711%	0.000%	98.000%	0.760%	0.000%	0.000%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: Lot 2	40.01	19.086%	24.500%	49.000%	0.760%	3.063%	3.063%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: SESE	40	3.200%	0.000%	76.670%	18.368%	0.000%	0.000%	0.052%	1.632%	0.000%	0.000%	0.052%	0.026%	0.000%
Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW	360.17	98.711%	0.000%	0.000%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	0.000%
Sec 19: SESW	40	0.711%	0.000%	58.800%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	39.200%
Sec 19: NE	160	90.000%	0.000%	10.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Sec 19: Lot 4, SESW	80.11	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>TOTAL</b>	<b>1280.32</b>													

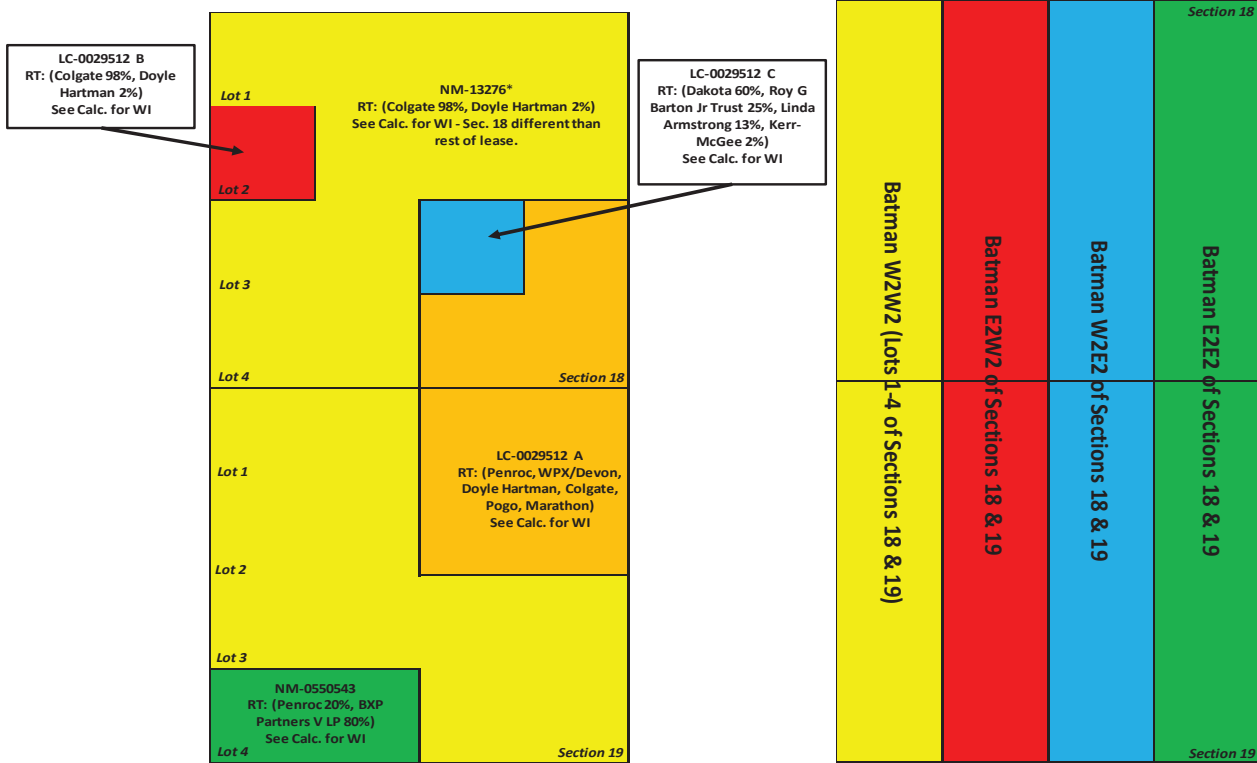
**Tract Contractual Interest Pursuant to previous Farmout and Joint Operating Agreements**

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Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW	360.17	98.711%	0.000%	0.000%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	0.000%
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Sec 19: NE	160	90.000%	0.000%	10.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Sec 19: Lot 4, SESW	80.11	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>TOTAL</b>	<b>1280.32</b>													

**Batman W2W2 Unit Capitation Summary (Taking into account all prior Agreements)**

Tract	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyr	Sutton	Devon
Batman 1280.32 Acre JOA Offering	1280.32	48.579%	12.248%	26.124%	8.333%	1.531%	1.531%	0.013%	0.161%	0.122%	0.122%	0.010%	0.006%	1.225%
Batman W2W2 AS-POOLED Unit	320.32	46.614%	12.530%	23.047%	14.659%	1.532%	1.532%	0.014%	0.192%	0.123%	0.123%	0.011%	0.007%	0.000%

**Land Exhibit: E2W2 - Batman Federal Com (BONE SPRING)**  
 Section 18 & 19: E2W2, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



**Owners pooled via 11/3/2022 Hearing**

Owner	Pooling?	Documents Sent		Notes
		Proposal	Com Agmt	
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**Owners Covered via 6/2/2022 Hearing**

Owner	Pooling?	Documents Sent			Certified Mail Number	Notes
		Proposal	JOA			
Colgate Production, LLC	N/A	Y	Y	N/A		
XTO Holdings, LLC	Y	Y	Y	7021 2720 0001 4876 7554		
Marathon Oil Permian	Y	Y	Y	7021 2720 0001 4876 7653		
Devon Energy Prod. Co.	N	Y	Y	7021 2720 0001 4876 7691		
Fasken Land & Minerals	N	Y	Y	7021 2720 0001 4876 7639	All documents executed	
Mizel Resources, A Trust	Y	Y	Y	7021 2720 0001 4876 7561	Indicated participation - may remove from application	
Yosemite Creek O&G	Y	Y	Y	7021 2720 0001 4876 7608	Indicated participation - may remove from application	
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BXP Partners V LP	Y	N	N	7021 2720 0000 2076 9942	Record Title Only - Yet to Sign Com Agreement	
WPX Energy Permian LLC	Y	N	N	7021 2720 0000 2076 9935	Record Title Only - Yet to Sign Com Agreement	
Dakota Resources	Y	N	N	7021 2720 0000 2076 9881	Record Title Only - Yet to Sign Com Agreement	
Roy G Barton Jr Trust	Y	N	N	7021 2720 0000 2076 9898	Record Title Only - Yet to Sign Com Agreement	
Linda Armstrong	Y	N	N	7021 2720 0000 2076 9904	Record Title Only - Yet to Sign Com Agreement	
Kerr-McGee Oil & Gas	Y	N	N	7021 2720 0000 2076 9911	Record Title Only - Yet to Sign Com Agreement	

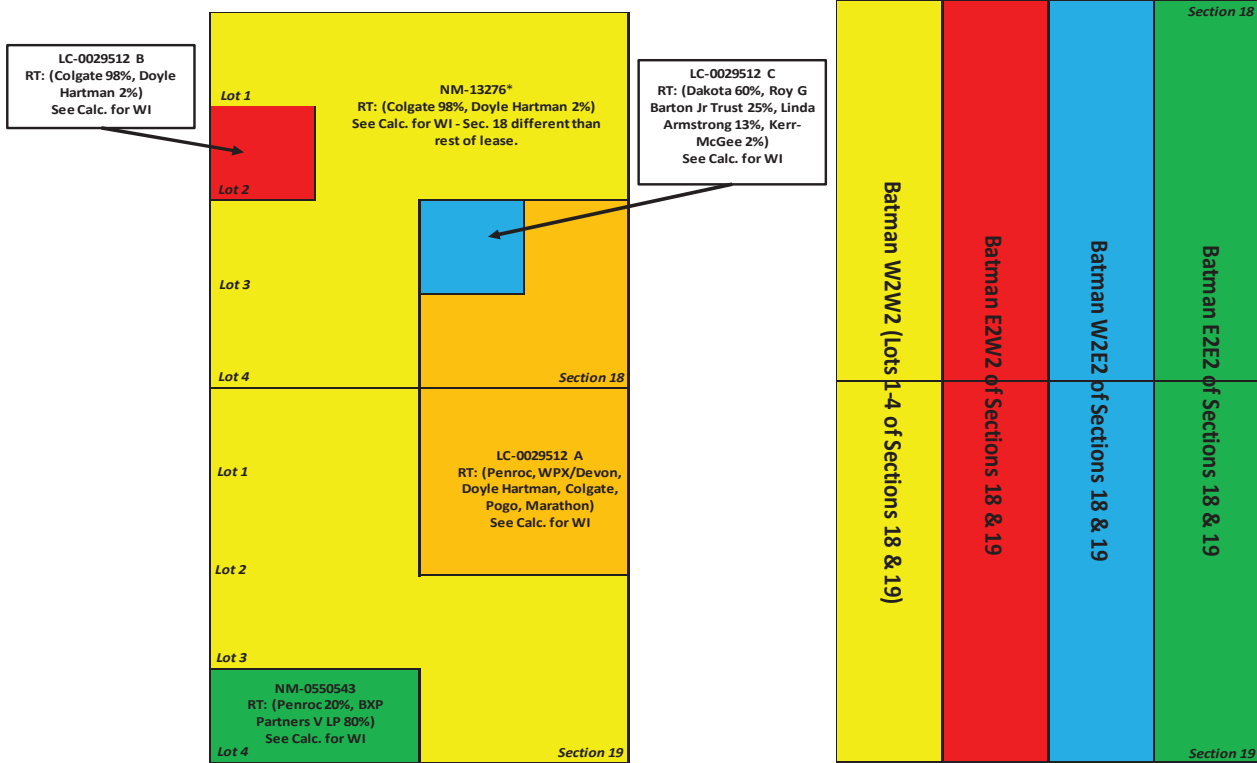
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Offered JOA Basis - (1280.32 Gross Acres) - Leasehold interest pursuant to County Chain of Title	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyr	Sutton	Devon
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Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW	360.17	98.711%	0.000%	0.000%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	0.000%
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<b>TOTAL</b>	<b>1280.32</b>													

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Sec 19: SWSE	40	0.711%	0.000%	58.800%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	39.200%
Sec 19: NE	160	90.000%	0.000%	10.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Sec 19: Lot 4, SESW	80.11	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>TOTAL</b>	<b>1280.32</b>													

Batman E2W2 Unit Capitation Summary (Taking into account all prior Agreements)	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyr	Sutton	Devon
Batman 1280.32 Acre JOA Offering	1280.32	48.579%	12.248%	26.124%	8.333%	1.531%	1.531%	0.013%	0.161%	0.122%	0.122%	0.010%	0.006%	1.225%
Batman E2W2 AS-POOLED Unit	320	46.513%	12.250%	23.042%	14.624%	1.531%	1.531%	0.014%	0.192%	0.123%	0.123%	0.011%	0.007%	0.000%

**Land Exhibit: W2E2 - Batman Federal Com (BONE SPRING)**  
 Section 18 & 19: W2E2, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



**Owners pooled via 11/3/2022 Hearing**

Owner	Pooling?	Documents Sent			Notes
		Proposal	Com Agmt	Notes	
Doyle Hartman	Y	N	Y	Record Title Only - Yet to Sign Com Agreement	
Lerwick Ltp	Y	N	Y	Record Title Only - Yet to Sign Com Agreement	
Khody Land & Minerals Co.	Y	N	Y	Record Title Only - Yet to Sign Com Agreement	

**Owners Covered via 6/2/2022 Hearing**

Owner	Pooling?	Documents Sent			Certified Mail Number	Notes
		Proposal	JOA	Notes		
Colgate Production, LLC	N/A	Y	Y	N/A		
XTO Holdings, LLC	Y	Y	Y	7021 2720 0001 4876 7554		
Marathon Oil Permian	Y	Y	Y	7021 2720 0001 4876 7653		
Devon Energy Prod. Co.	Y	Y	Y	7021 2720 0001 4876 7691		
Fasken Land & Minerals	N	Y	Y	7021 2720 0001 4876 7639	All documents executed	
Mizel Resources, A Trust	Y	Y	Y	7021 2720 0001 4876 7561	Indicated participation - may remove from application	
Yosemite Creek O&G	Y	Y	Y	7021 2720 0001 4876 7608	Indicated participation - may remove from application	
Tierra Media Resources	Y	Y	Y	7021 2720 0001 4876 7776	In process of signing JOA - may remove from application	
Pogo Resources	Y	Y	Y	7021 2720 0001 4876 7684	Title Issue	
Southwest Royalties	Y	Y	Y	7021 2720 0001 4876 7806	Signed AFEs, Not JOA or Coms	
Larry Nermyr	Y	Y	Y	7021 2720 0001 4876 7646		
Ruth Sutton	Y	Y	Y	7021 2720 0001 4876 7578	UNLOCATABLE	
Grey Wolf Land	N	Y	Y	7021 2720 0001 4876 7677	All documents executed	
Penroc Oil Corp	Y	N	N	7021 2720 0000 2076 9928	Record Title Only - Yet to Sign Com Agreement	
BXP Partners V LP	Y	N	N	7021 2720 0000 2076 9942	Record Title Only - Yet to Sign Com Agreement	
WPX Energy Permian LLC	Y	N	N	7021 2720 0000 2076 9935	Record Title Only - Yet to Sign Com Agreement	
Dakota Resources	Y	N	N	7021 2720 0000 2076 9881	Record Title Only - Yet to Sign Com Agreement	
Roy G Barton Jr Trust	Y	N	N	7021 2720 0000 2076 9898	Record Title Only - Yet to Sign Com Agreement	
Linda Armstrong	Y	N	N	7021 2720 0000 2076 9904	Record Title Only - Yet to Sign Com Agreement	
Kerr-Mcgee Oil & Gas	Y	N	N	7021 2720 0000 2076 9911	Record Title Only - Yet to Sign Com Agreement	

\*Please Note Oxy USA, Inc. has assigned all rights and interest unto Colgate Production, LLC. Record title transfers are processing with the BLM

**Offered JOA Basis - (1280.32 Gross Acres) - Leasehold interest pursuant to County Chain of Title**

Tract	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyr	Sutton	Devon
Sec 18: SWNW, S2NE	120	19.086%	24.500%	49.000%	0.760%	3.063%	3.063%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: Lot 1, N2NE, NENW	160	19.086%	24.500%	49.000%	0.760%	3.063%	3.063%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: SESW, NESE	80	0.711%	0.000%	88.000%	10.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.016%	0.008%	0.000%
Sec 18: Lots 3-4, E2SW	160.03	0.961%	0.000%	98.000%	0.510%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.016%	0.008%	0.000%
Sec 18: NWSE	40	0.711%	0.000%	98.000%	0.760%	0.000%	0.000%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: Lot 2	40.01	19.086%	24.500%	49.000%	0.760%	3.063%	3.063%	0.016%	0.000%	0.245%	0.245%	0.016%	0.008%	0.000%
Sec 18: SESE	40	3.200%	0.000%	76.670%	18.368%	0.000%	0.000%	0.052%	1.632%	0.000%	0.000%	0.052%	0.026%	0.000%
Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW	360.17	98.711%	0.000%	0.000%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	0.000%
Sec 19: SESW	40	0.711%	0.000%	58.800%	0.760%	0.000%	0.000%	0.016%	0.490%	0.000%	0.000%	0.008%	0.008%	39.200%
Sec 19: NE	160	90.000%	0.000%	10.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Sec 19: Lot 4, SESW	80.11	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>TOTAL</b>	<b>1280.32</b>													

**Tract Contractual Interest Pursuant to previous Farmout and Joint Operating Agreements**

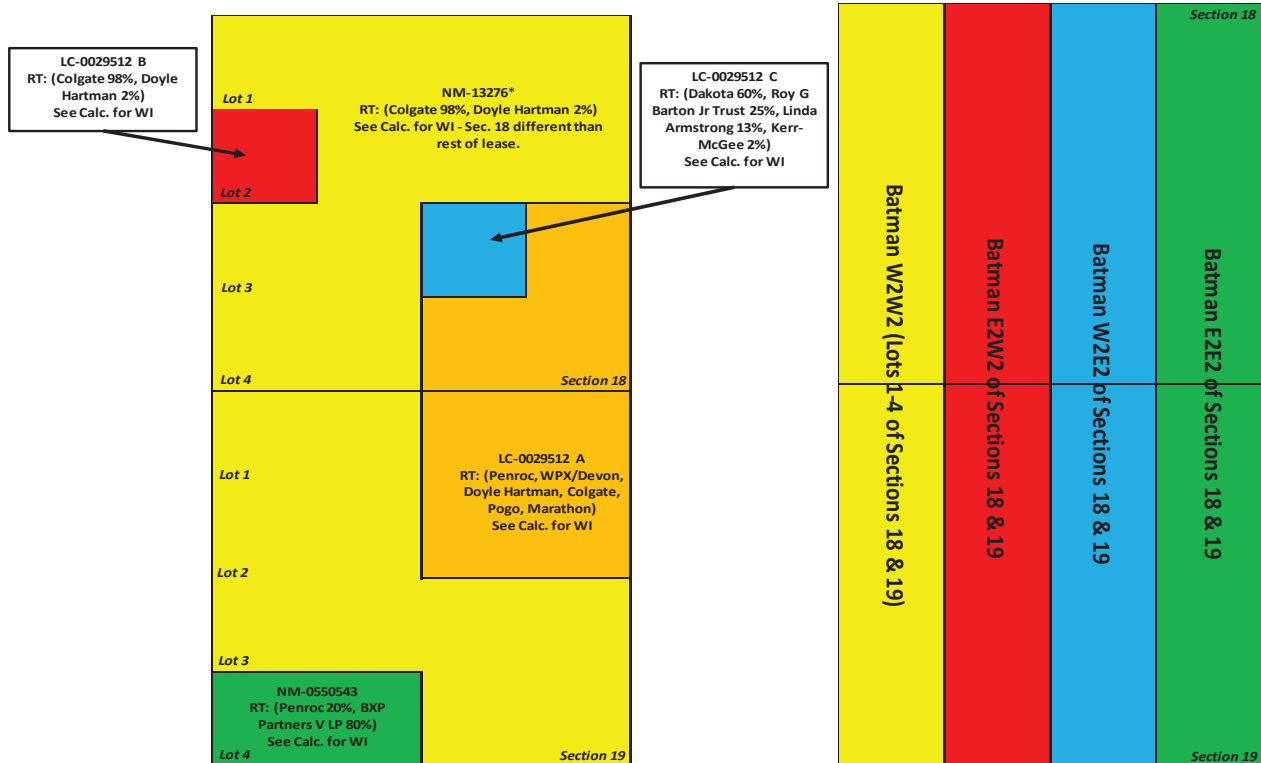
Tract	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyr	Sutton	Devon
Sec 18: All	640.04	19.086%	24.500%	46.083%	3.677%	3.063%	3.063%	0.016%	0.016%	0.245%	0.245%	0.016%	0.008%	0.000%
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<b>TOTAL</b>	<b>1280.32</b>													

**Batman W2E2 Unit Capitulatation Summary (Taking into account all prior Agreements)**

Tract	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyr	Sutton	Devon
Batman 1280.32 Acre JOA Offering	1280.32	48.579%	12.248%	26.124%	8.333%	1.531%	1.531%	0.013%	0.161%	0.122%	0.122%	0.010%	0.006%	1.225%
Batman W2E2 AS-POOLED Unit	320	44.471%	12.250%	32.892%	2.029%	1.531%	1.531%	0.012%	0.130%	0.123%	0.123%	0.010%	0.006%	4.900%



**Land Exhibit: E2E2 - Batman Federal Com (BONE SPRING)**  
 Section 18 & 19: E2E2, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



**Owners pooled via 11/3/2022 Hearing**

Owner	Pooling?	Documents Sent		Notes
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<b>TOTAL</b>	<b>1280.32</b>													

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Batman E2E2 AS-POOLED Unit	320	56.721%	12.250%	25.542%	2.029%	1.531%	1.531%	0.012%	0.130%	0.123%	0.123%	0.010%	0.006%	0.000%

Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit A-11

Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of April, 2022, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 20 South, Range 34 East:  
Section 18: E/2W/2  
Lea County, New Mexico

Township 20 South, Range 34 East:  
Section 19: E/2W/2  
Lea County, New Mexico

Containing **320.00** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the associated gaseous hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and



ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Colgate Operating, LLC, whose address is 300 N. Marienfeld Street, Suite 1000, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of  $1/8^{\text{th}}$  or  $12 \frac{1}{2}$  percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining  $7/8^{\text{th}}$  should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized

- area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
  10. The date of this agreement is April 1, 2022, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
  11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
  12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

**COLGATE OPERATING, LLC**  
(Operator)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Brandon Gaynor, Senior Vice President

**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
 ) ss.  
COUNTY OF MIDLAND )

On this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, before me, a Notary Public for the State of Texas ,personally appeared Brandon Gaynor, known to me to be the Senior Vice President of Colgate Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
Notary Public

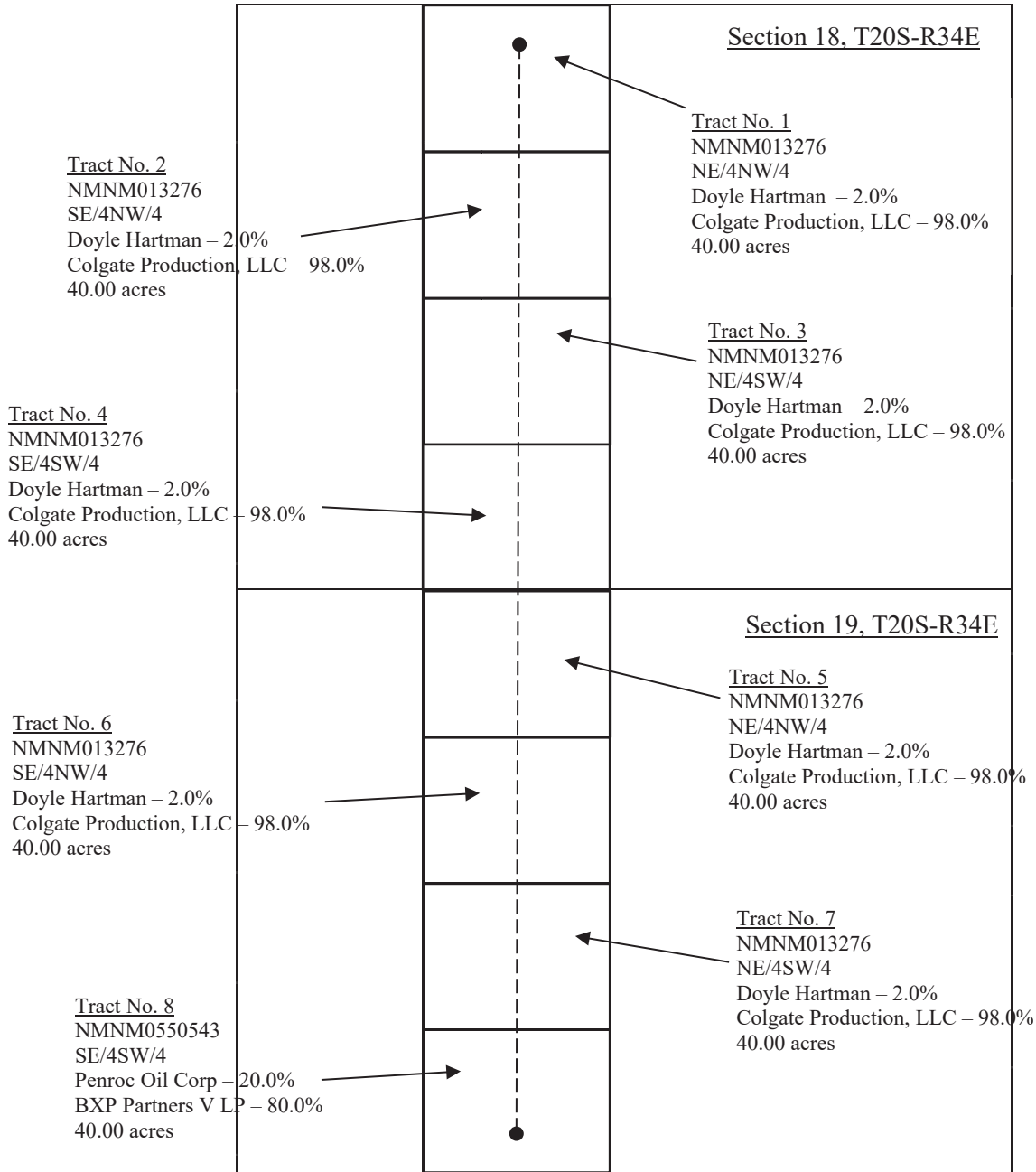
\_\_\_\_\_  
My commission expires

### EXHIBIT "A"

Plat of communitized area covering **320.00** acres in the E/2W/2 of Section 18, T20S-R34E and the E/2W/2 of Section 19, T20S-R34E, Lea County, New Mexico, as written in Section 1 above.

Well Name/No.

#### Batman Federal Com #132H



**EXHIBIT “B”**

To Communitization Agreement Dated April 1, 2022 embracing the following described land in the E/2W/2 of Section 18, T20S-R34E and the E/2W/2 of Section 19, T20S-R34E, Lea County, New Mexico, as written in Section 1 above.

Operator of Communitized Area:

**COLGATE OPERATING, LLC**

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

<b>Lease Serial Number:</b>	NMNM013276
<b>Lease Date:</b>	November 1, 1959
<b>Lease Term:</b>	5 years
<b>Lessor:</b>	United States of America
<b>Original Lessee:</b>	Cities Service Oil Company and Olsen Oils, Inc.
<b>Current Lessee of Record:</b>	Doyle Hartman – 2.0% & Colgate Production, LLC – 98.0%
<b>Description of Land Committed:</b>	NE/4NW/4 Section 18, T20S-R34E
<b>Number of Acres:</b>	40.00 acres
<b>Royalty Rate:</b>	12.50%
<b>Name and Percent ORRI Owners:</b>	N/A
<b>Name of Working Interest Owners:</b>	XTO Holdings, LLC – 0.49000000, Colgate Production, LLC – 0.19085940, Estate of James Davidson – 0.00250000, Southwest Royalties, Inc. – 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr – 0.00015630, Jack Fletcher – 0.00007810, Mizel Resources, A Trust – 0.03062500, Fasken Land & Minerals, Ltd. – 0.24500000, Ruth Sutton – 0.00007810, Grey Wolf Land Services, LLC – 0.00007810, Yosemite Creek Oil & Gas, LLC – 0.03062500

**TRACT NO. 2**

**Lease Serial Number:** NMNM013276  
**Lease Date:** November 1, 1959  
**Lease Term:** 5 years  
**Lessor:** United States of America  
**Original Lessee:** Cities Service Oil Company and Olsen Oils, Inc.  
**Current Lessee of Record:** Doyle Hartman – 2.0% & Colgate Production, LLC – 98.0%  
**Description of Land Committed:** SE/4NW/4 Section 18, T20S-R34E  
**Number of Acres:** 40.00 acres  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** N/A  
**Name of Working Interest Owners:** XTO Holdings, LLC – 0.49000000, Colgate Production, LLC – 0.19085940, Estate of James Davidson – 0.00250000, Southwest Royalties, LP – 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr – 0.00015630, Jack Fletcher – 0.00007810, Mizel Resources, A Trust – 0.03062500, Fasken Land & Minerals, Ltd. – 0.24500000, Ruth Sutton – 0.00007810, Grey Wolf Land Services, LLC – 0.00007810, Yosemite Creek Oil & Gas, LLC – 0.03062500

**TRACT NO. 3**

**Lease Serial Number:** NMNM013276  
**Lease Date:** November 1, 1959  
**Lease Term:** 5 years  
**Lessor:** United States of America  
**Original Lessee:** Cities Service Oil Company and Olsen Oils, Inc.  
**Current Lessee of Record:** Doyle Hartman – 2.0% & Colgate Production, LLC – 98.0%  
**Description of Land Committed:** NE/4SW/4 Section 18, T20S-R34E  
**Number of Acres:** 40.00 acres  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** N/A  
**Name of Working Interest Owners:** XTO Holdings, LLC – 0.98000000, Colgate Production, LLC – 0.00710940, Estate of James Davidson – 0.00250000, Southwest Royalties, Inc. – 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr – 0.00015630, Jack Fletcher – 0.00007810, Ruth Sutton – 0.00007810, Grey Wolf Land Services, LLC – 0.00007810



**TRACT NO. 4**

**Lease Serial Number:** NMNM013276  
**Lease Date:** November 1, 1959  
**Lease Term:** 5 years  
**Lessor:** United States of America  
**Original Lessee:** Cities Service Oil Company and Olsen Oils, Inc.  
**Current Lessee of Record:** Doyle Hartman – 2.0% & Colgate Production, LLC – 98.0%  
**Description of Land Committed:** SE/4SW/4 Section 18, T20S-R34E  
**Number of Acres:** 40.00 acres  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** N/A  
**Name of Working Interest Owners:** XTO Holdings, LLC – 0.98000000, Colgate Production, LLC – 0.00960930, Marathon Oil Permian – 0.00510000, Southwest Royalties, Inc. – 0.00490000, Larry Nermyr – 0.00015630, Grey Wolf Land Services, LLC – 0.00015630, Ruth Sutton – 0.00007810

**TRACT NO. 5**

**Lease Serial Number:** NMNM013276  
**Lease Date:** November 1, 1959  
**Lease Term:** 5 years  
**Lessor:** United States of America  
**Original Lessee:** Cities Service Oil Company and Olsen Oils, Inc.  
**Current Lessee of Record:** Doyle Hartman – 2.0% & Colgate Production, LLC – 98.0%  
**Description of Land Committed:** NE/4NW/4 Section 19, T20S-R34E  
**Number of Acres:** 40.00 acres  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** N/A  
**Name of Working Interest Owners:** Colgate Production, LLC – 0.98710940, Estate of James Davidson – 0.00250000, Southwest Royalties, Inc. – 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr – 0.00015630, Jack Fletcher – 0.00007810, Ruth Sutton – 0.00007810, Grey Wolf Land Services, LLC – 0.00007810

**TRACT NO. 6**

**Lease Serial Number:** NMNM013276  
**Lease Date:** November 1, 1959  
**Lease Term:** 5 years  
**Lessor:** United States of America  
**Original Lessee:** Cities Service Oil Company and Olsen Oils, Inc.  
**Current Lessee of Record:** Doyle Hartman – 2.0% & Colgate Production, LLC – 98.0%  
**Description of Land Committed:** SE/4NW/4 Section 19, T20S-R34E  
**Number of Acres:** 40.00 acres  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** N/A  
**Name of Working Interest Owners:** Colgate Production, LLC – 0.98710940, Estate of James Davidson – 0.00250000, Southwest Royalties, Inc.– 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr – 0.00015630, Jack Fletcher – 0.00007810, Ruth Sutton – 0.00007810, Grey Wolf Land Services, LLC – 0.00007810

**TRACT NO. 7**

**Lease Serial Number:** NMNM013276  
**Lease Date:** November 1, 1959  
**Lease Term:** 5 years  
**Lessor:** United States of America  
**Original Lessee:** Cities Service Oil Company and Olsen Oils, Inc.  
**Current Lessee of Record:** Doyle Hartman – 2.0% & Colgate Production, LLC – 98.0%  
**Description of Land Committed:** NE/4SW/4 Section 19, T20S-R34E  
**Number of Acres:** 40.00 acres  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** N/A  
**Name of Working Interest Owners:** Colgate Production, LLC – 0.98710940, Estate of James Davidson – 0.00250000, Southwest Royalties, Inc. – 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr – 0.00015630, Jack Fletcher – 0.00007810, Ruth Sutton – 0.00007810, Grey Wolf Land Services, LLC – 0.00007810

**TRACT NO. 8**

**Lease Serial Number:** NMNM0550543  
**Lease Date:** May 1, 1964  
**Lease Term:** 10 years  
**Lessor:** United States of America  
**Original Lessee:** Louis A. J. Gordon  
**Current Lessee of Record:** BXP Partners V LP & Penroc Oil Corporation  
**Description of Land Committed:** SE/4SW/4 Section 19, T20S-R34E  
**Number of Acres:** 40.00 acres  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** Boyle, R.E. – 0.05000000  
**Name of Working Interest Owners:** Marathon Oil Permian, LLC – 1.00000000

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	40.00	12.50%
2	40.00	12.50%
3	40.00	12.50%
4	40.00	12.50%
5	40.00	12.50%
6	40.00	12.50%
7	40.00	12.50%
8	40.00	12.50%
<b>Total</b>	<b>320.00</b>	<b>100%</b>



**Batman – Chronology of Communication/Events**

*Note: Due to long communication timeline and process with potash development, this communication timeline includes events prior to initial well proposals. Please see April 4, 2022 forward for proposal.*

December 22, 2021 - February 15, 2022 - Colgate purchases and closes on three working interest owners (J Cleo Thompson, Davis Land & Minerals, and Desert Rainbow) in Sections 18 and 19. (Most interest owners contacted in this time frame in attempt to purchase interest)

December 22, 2021 – Colgate notifies BLM it is set to close acquisition of Oxy acreage within Sections 18 & 19 with the intent of immediately filing for a Potash Development Area. Discussions of proper notification, drill island on siting, etc. were had at this time as well.

January 7, 2022 – Contacted Surface owner (Kenneth Smith, Inc.) in the NW/4 of Section 18 to begin SUA negotiations

January 12, 2022 – Drilling and Division Order Title Opinion Ordered

January 14, 2022 – Second legal opinion of specific title issue ordered from separate law firm to ensure accuracy and implement into already ordered DDOTO.

January 18, 2022 – Batman Surface Pads/SHLs Staked

January 18, 2022 – Contacted Intrepid giving them a heads up and detailed plan of development for Batman as this DOES lie in Potash and Intrepid had the right to protest. (This is prior to sending official Development Area Notices).

January 18, 2022 – Initial reach out to XTO to attempt to begin trade/acquisition discussions to obtain XTO interest in Batman Unit.

January 19, 2022 – Colgate employees (Travis Macha, Landman & Patrick Godwin, VP of Land) fly to Houston from Midland with initial trade proposal to Marathon in attempt to obtain Marathon in interest in Batman.

January 21, 2022 – Colgate closes acquisition of Oxy interest in Sections 18 and 19.

January 22, 2022 – Further correspondence with Marathon on potential trade. (Additional correspondence on 1/24/22, 1/26/22, 1/27/22, 2/2/22, 2/9/22, 2/10/22, 2/14/22)

January 24, 2022 – Colgate provides JC Data (mailing service) with Development Area Notifications for mailing to all affected owners (Surface owners, Working Interest Owners, Grazing Lease Owners, Record Title Owners) within Sections 18 and 19 as well as the offset notification area as required by the BLM detailing Batman plan of development.

January 24, 2022 – Conversation with Larry Nermyer – He is in retirement home, currently unable to mail but likely will not participate

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**Colgate Operating, LLC**  
**Case Nos. 23149-23156**  
**Exhibit A-12**



January 25, 2022 – Further correspondence with Intrepid

February 1, 2022 – BLM on site and surface clearance. (Cleared drill island and tank battery location as well as road/flowline paths)

February 3, 2022 – JC Data mails all Colgate Batman Development Area Notifications to all affected interest owners.

February 10, 2022 – Colgate in person meeting in Houston with Intrepid VP, Travis Mcbain obtaining final so-ahead sign off from Intrepid on Batman Development Area (notification of no-contest)

February 10, 2022 – Colgate dinner with Marathon, lightly discussing Batman potential deal

February 14, 2022 – Colgate updated trade proposal sent to Marathon. Addition correspondence on 2/22/22, 3/11/22, 3/16/22, 3/21/22, 3/24/22, 3/27/22, 3/28/22, 4/14/22, 5/5/22 – further detailed below

February 14, 2022 – Colgate discussion with XTO on Batman DA and plan to develop. Provided Colgate information for potential deal. Additional correspondence on: 2/15/22, 2/16/22, 2/17/22, 2/18/22, 2/22/22, 2/25/22, 3/3/22, 3/7/22, 3/8/22, 3/10/22, 3/22/22, 3/23/22, 3/29/22, 4/13/22 – further detailed below

February 14, 2022 – Colgate discussion with Jack Fletcher's nephew

February 14, 2022 – Colgate update to the BLM on discussions with owners within Batman DA. Additional correspondence with BLM on 2/28/22, 3/14/22

February 14, 2022 – Colgate discussion with BXP on potential title issues with BXP interest or lack thereof in Sections 18 & 19. Further correspondence with BXP on 2/16/22, 2/18/22, 2/22/22, 3/4/22

February 15, 2022 – Cash offer to purchase XTO interest sent

February 16, 2022 – Additional correspondence and increased cash offer to XTO on interest in Batman

February 23, 2022 – Initial cash offer sent to Fasken Land & Minerals. Additional correspondence with Fasken on 2/23/22, 3/16/22, 3/24/22, 3/30/22

March 11, 2022 – Cash offer to Marathon on interest in Batman as trade discussions had not been progressing.

March 21, 2022 – Menu of trade offers sent to Marathon

March 23, 2022 – Virtual meeting between XTO and Colgate technical teams to discuss Batman development and increased cash offer to XTO

March 24, 2022 – Call with Marathon – they cut off trade discussions in Batman as their exploration team already had acreage in a trade with a third-party.

March 27, 2022 – New trade offer sent to Marathon. Did not go anywhere

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March 30, 2022 – BLM notifies Colgate of Batman Approved Development Area

April 5, 2022 – Colgate Employees (Travis Macha, Landman / Patrick Godwin, VP of Land, and David DiGian, Geologist) fly to Houston to meet with Marathon & XTO to continue potential deal discussions around Batman.

April 4, 2022 – Colgate proposes all 24 Batman wells (proposal included the JOA form)

April 6, 2022 – Colgate sends out clarification of Bottom Hole Location

April 11, 2022 – Colgate communication with Merlyn Westbrook (beneficiary of the Estate of Ronnie Westbrook) explaining development and process. Westbrook needs to file probate in State of New Mexico. Further correspondence on 4/19/22 and 5/24/22

April 11, 2022 – Conversation with Mizel Resources & Yosemite Creek Oil & Gas (represented by Cventures, Inc.)

April 14, 2022 – Correspondence with Tierra Media Resources, LP on their interest in Batman

April 14, 2022 – Correspondence with Pogo Resources on their interest in Batman

April 18, 2022 – Correspondence with Southwest Royalties on their interest in Batman

April 18, 2022 – Correspondence with Cventures as representatives for Mizel Resources & Yosemite Creek Oil & Gas

April 19, 2022 – Correspondence with Grey Wolf on their interest in Batman

April 28, 2022 – Correspondence with Southwest Royalties on Batman Development

May 2, 2022 – Mailed all Overriding Royalty Interest Owners ratifications of the Batman units/communitization agreements

May 5, 2022 – Clarification from Marathon sent to Colgate on their intent to work a trade but won't involve their interest in Batman

May 6, 2022 – Further correspondence with Pogo Resources on their interest in Batman

May 6, 2022 – Colgate communication to XTO notifying them since trade discussions nor the cash offers have gained traction with XTO, our intent is to move forward without a deal, emphasizing their option to participate in the Batman development

May 9, 2022 – Further correspondence with Tierra Media on the process of Batman proposals

May 9, 2022 – Signatures received from Grey Wolf. More signatures received 5/16/22.



May 10, 2022 – In person meeting with Cventures as representatives for Mizel Resources & Yosemite Creek Oil & Gas on Batman Development

May 10, 2022 – Mailed all Working Interest and Record Title owners the Communitization Agreement forms

May 12, 2022 – Final conversation between XTO and Colgate as it relates to a potential deal - discussion of participation in Batman option moving forward. More light discussions on this topic on 5/13/22

May 13, 2022 – Further correspondence with Tierra media on their interest in Batman

May 16, 2022 – Correspondence with Marathon on Batman

May 17, 2022 – Correspondence with Fasken on JOA provision requests. More correspondence on this on 5/19/22, 5/23/22 and 5/24/22.

May 19, 2022 – Correspondence with XTO with Colgate's acceptance to allow for special provisions for XTO within potential pooling orders. (More participation friendly provisions). Further correspondence on these requests on 5/20/22 and 5/23/22. (All indicating Colgate's acceptance to XTO requests)

May 20, 2022 – Correspondence with Penroc on their Communitization Agreement signatures

May 24, 2022 – Correspondence with Fasken indicating Fasken has routed JOA for signature.

May 26, 2022 – Received Fasken Signatures for Coms/JOA

July 2022 – September 2022 – Multiple attempts made for Doyle Hartman to execute Com Agreements, including conversation with their attorney whereas they indicated they would execute them (which has not happened)





June 23, 2022

Doyle Hartman  
P.O. Box 10426  
Midland, Texas 79702

Cc: Gallegos Law Firm, P.C.  
460 St. Michael's Drive, Building 300  
Santa Fe, NM 87505  
Attn: J.E. Gallegos, Attorney (Email: jeg@gallegoslawfirm.net)  
Michael J. Condon, Attorney (Email: mjc@gallegoslawfirm.net)

**RE: Response to Letters**  
Sections 17-20, T20S-R34E, Lea Co., NM.

To Whom It May Concern,

The Purpose of this letter is in response to the formal draft prepared by Doyle Hartman ("Hartman") unto Colgate Operating, LLC as operator for Colgate Production, LLC ("Colgate"). Colgate is in receipt of two documents dated June 21, 2022, and June 22, 2022 ("Letter #1" and Letter #2" respectively) from Hartman unto Colgate concerning the future proration units within Sections 17 & 20 of Township 20 South, Range 34 East, Lea County, New Mexico N.M.P.M. (the "Robin Unit").

**WHEREAS** Colgate respects and acknowledges the concern of Hartman as to any potential past or present interest owned within the Robin Unit. Letter #2 here forth recognizes Colgate's present possession of a formally updated Drilling and Division Order Title Opinion dated June 14, 2022 (the "DDOTO"), as it pertains to the Robin Unit. In response to assertions set forth in Letter #2:

- a) Hartman has requested a full copy of the DDOTO – Colgate has in the attached Exhibit "A" provided a redacted form of the DDOTO as it pertains to Hartman interest. As Hartman has not paid a proportionate share of any interest, Colgate declines to offer a full unredacted document as extensive time and money have been expended to produce such document and furthermore contains proprietary information privy to wellbore participants.
- b) Letter #2 references original assignment unto Hartman dated January 2, 1986, recorded at Volume 394, Page 606; Colgate, supplements this assignment with Hartman's later assignment of interest unto Plantation Operation, LLC ("Plantation") dated, December 15, 2005, recorded at Volume 1416, Page 357, both of which are attached herein as Exhibit "B". Pursuant to requirement 27(c) in the DDOTO (detailed in Exhibit "A"), it is refenced Hartman and Plantation failed to file any formal assignment with the Bureau of Land Management ("BLM") as follow up to the party's county assignment (Therefore, Hartman record title interest has been perpetuated and retained).
- c) Letter #2 references Colgate's previous mailings of "JOAs" "AFEs" and "Communitization Agreements" within the proposed Robin Unit to Hartman. It is noted and formally referenced herein that in the respective and previously issued JOA "Exhibit "A"" that any and all interests are explicitly subject to final rendering of the DDOTO, said JOA "Exhibit "A"" is contained here after as Exhibit

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**Colgate Operating, LLC**  
**Case Nos. 23149-23156**  
**Exhibit A-13**


“C”. Colgate further herein acknowledges that prior to any rendering of an attorney review title opinion, that human error may have existed as to potential ownership and proposals of the Robin Unit. With the regard of being a prudent operator in the pursuit of timely drilling operations, proposals may have been overly inclusive as to ensure no potential owner was left without notice as to the drilling and completion of any possible wellbore. All proposals and issuance of notice have been made in good faith in hope to extend all possible owners the opportunity to participate accordingly.

- d) Letter #2 further requests additional documentation of Oxy USA’s (“Oxy”) Assignment of interest unto Colgate as it pertains to the Robin Unit. Attached herein are the county assignments of Oxy unto Colgate. Additionally attached herein is an email from a representative of the BLM dated June 1, 2022, acknowledging that the BLM is several months behind in making proper record title assignment filings. These documents are herein attached as Exhibit “D”. Colgate has filed all necessary documentation of the transfer accordingly as a prudent operator and interest owner should.

In summary, Colgate wishes to continue good faith communication with Hartman to address any concerns that are outstanding including 1) the assertion that Hartman still owns a working interest in the Robin Unit and any additional lands in Sections 18 of 19 of T20S-R34E, and 2) Hartman’s present ownership of record title interest in leases: NM-13276, LC-0029512 A, and LC-0029512 B. Furthermore, to state clear regard for transparency and desire for open dialogue, formal letters such as this as well as Letter #1 and Letter #2, are not preferred as redundancy seems evident. If written communication is desired, in the interest of time and potential cost-savings, email is Colgate’s preferred method. With that said, we also understand that letterhead is at times necessary.

In reference to any possible concern towards the compulsory pooling application set to be heard on July 7, 2022, Colgate extends the offer to explicitly state in its exhibit at hearing, no potential working interest owned by Hartman is to be pooled herewith, rather just record title. As Colgate owns a working interest in every tract concerning the Robin Unit, no pooling of record title is observed or evidenced to possibly impact a working interest monetarily; save and except the grant of the operator the ability to continue to pursue development activities such as approval of communitization agreements and commingling applications for the benefit of all parties, in the interest of protecting correlative rights and preventing waste.

Respectfully,



Travis Macha  
Senior Landman

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page

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NMNM105505832

Page 1 of 6

**Authority** 02-25-1920; 041STAT0437; 30USC226; 08-21-1935;  
049STAT0674; 30USC226; MINERAL LEASING ACT OF 1920

**Total Acres** 600.0000

**Serial Number** NMNM105505832

**Case File Jurisdiction**

**Legacy Serial No** NMLC 0029512A

**Product Type** 310771 EXCHANGE PUBLIC DOMAIN LEASE

**Commodity** Oil & Gas

**Case Disposition** AUTHORIZED

**Lease Issued Date**

**CASE DETAILS**

NMNM105505832

Case Name	C-8012527	Split Estate	Fed Min Interest
Effective Date	02/01/1951	Split Estate Acres	Future Min Interest No
Expiration Date	Royalty Rate	Other	Future Min Interest Date
Land Type	Public Domain	Royalty Rate Other	12.5%/B/ Acquired Royalty Interest
Formation Name	Approval Date	Held In a Producing Unit	No
Parcel Number	Sale Date	Number of Active Wells	
Parcel Status	Sales Status	Production Status	Held by Actual Production
Participating Area	Total Bonus Amount	0.00	
Related Agreement	Tract Number	Lease Suspended	No
Application Type	Fund Code	145003	Total Rental Amount

**CASE CUSTOMERS**

NMNM105505832

Name & Mailing Address	Interest Relationship	Percent Interest
ANADARKO E&P ONSHORE LLC	PO BOX 173779 DENVER CO 80217-3779	OPERATING RIGHTS 0.000000
ANADARKO PETROLEUM CORP	PO BOX 1330 HOUSTON TX 77251-1330	OPERATING RIGHTS 0.000000
DAKOTA RESOURCES INC	4519 SANTA ROSA DR MIDLAND TX 79707-2260	OPERATING RIGHTS 0.000000
DAVIS LAND & MINERALS INC	PO BOX 79188 HOUSTON TX 77279-9188	OPERATING RIGHTS 0.000000
DESERT RAINBOW LLC	PO BOX 1837 ROSWELL NM 88202-1837	OPERATING RIGHTS 0.000000
DEVON ENERGY CO LP	333 W SHERIDAN AVE OKLAHOMA CITY OK 73102-5010	OPERATING RIGHTS 0.000000
LORO CORP	PO BOX 10886 MIDLAND TX 79702-2880	OPERATING RIGHTS 0.000000
MARATHON OIL PERMIAN LLC	990 TOWN AND COUNTRY BLVD HOUSTON TX 77024	LESSEE 0.000000
MARATHON OIL PERMIAN LLC	990 TOWN AND COUNTRY BLVD HOUSTON TX 77024	OPERATING RIGHTS 0.000000
MOBIL EXPL & PROD US DEVELOPMENT CORPORATION	810 HOUSTON ST FT WORTH TX 76102-6203	OPERATING RIGHTS 0.000000
OXY USA WTP LP	6 DESTA DR #6000 MIDLAND TX 79705-5505	OPERATING RIGHTS 0.000000
OXY USA WTP LP	6 DESTA DR #6000 MIDLAND TX 79705-5505	LESSEE 0.000000
PENROC OIL CORP	1515 W CALLE SUR ST STE 174 HOBBS NM 88240-0998	OPERATING RIGHTS 0.000000
PENROC OIL CORP	1515 W CALLE SUR ST STE 174 HOBBS NM 88240-0998	LESSEE 0.000000
SWN PRODUCTION CO LLC	PO BOX 12359 SPRING TX 77391-2359	OPERATING RIGHTS 0.000000
WPX ENERGY PERMIAN LLC	333 W SHERIDAN AVENUE OKLAHOMA CITY OK 73102	LESSEE 0.000000
XTO HOLDINGS LLC	810 HOUSTON ST FORT WORTH TX 76102-6203	OPERATING RIGHTS 0.000000
XTO HOLDINGS LLC	22777 SPRINGWOODS VILLAGE PKWY SPRING TX 77389-1425	OPERATING RIGHTS 0.000000
XXXXXXXXXX	XXXXXXXXXX XX XXXXX-XXXX	LESSEE 0.000000
XXXXXXXXXX	XXXXXXXXXX XX XXXXX-XXXX	OPERATING RIGHTS 0.000000

**RECORD TITLE**

(No Records Found)

**OPERATING RIGHTS**

(No Records Found)

**LAND RECORDS**

NMNM105505832

Mer	Twp	Rng	Sec	Survey Type	Survey Number	Subdivision	District / Field Office	County	Mgmt Agency
23	0200S	0340E	017	Aliquot		SW	PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	018	Aliquot		E2SE,SWSE	PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	019	Aliquot		NE	PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0340E	020	Aliquot		NW	PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM  
HISTORICAL INFORMATION MAY ONLY BE ACCESSIBLE THROUGH THE MLRS WEBSITE.

**Colgate Operating, LLC**  
Case Nos. 23149-23156  
Exhibit A-14

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Date/Time: 12/5/2022 16:22 PM

NMNM105505832

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CASE ACTIONS					
Action Date	Date Filed	Action Name	Action Status	Action Information	NMNM105505832
02/19/1931	02/19/1931	CASE ESTABLISHED	APPROVED/ACCEPTED		
02/20/1931	02/20/1931	EFFECTIVE DATE	APPROVED/ACCEPTED		
02/20/1931	02/20/1931	FUND CODE	APPROVED/ACCEPTED	Action Remarks: 05;145003	
11/02/1942	11/02/1942	CASE CREATED BY ASGN	APPROVED/ACCEPTED	Action Remarks: OUT OF NMLC029512;	
03/19/1946	03/19/1946	GEOGRAPHIC NAME	APPROVED/ACCEPTED	Action Remarks: N LYNCH FLD;	
03/19/1946	03/19/1946	KMA CLASSIFIED	APPROVED/ACCEPTED		
02/01/1951	02/01/1951	EFFECTIVE DATE	APPROVED/ACCEPTED		
02/01/1951	02/01/1951	RLTY RATE 12.5-25% SCH C	APPROVED/ACCEPTED		
05/01/1954	05/01/1954	CASE SEGREGATED BY ASGN	APPROVED/ACCEPTED	Action Remarks: INTO NMLC029512-C;	
05/23/1956	05/23/1956	HELD BY PROD - ACTUAL	APPROVED/ACCEPTED	Action Remarks: /1/	
05/23/1956	05/23/1956	LEASE PAYING MINIMUM ROYALTY	APPROVED/ACCEPTED	Action Remarks: AUG 8 DETERMINATION;	
05/23/1956	05/23/1956	PRODUCTION DETERMINATION	APPROVED/ACCEPTED	Action Remarks: /1/	
05/23/1956	05/23/1956	PRODUCTION DETERMINATION	APPROVED/ACCEPTED	Action Remarks: /1/	
10/28/1971	10/28/1971	KMA EXPANDED	APPROVED/ACCEPTED		
04/17/1975	04/17/1975	BOND ACCEPTED	APPROVED/ACCEPTED	Action Remarks: EFF 07/07/75;NM0893	
04/17/1975	04/17/1975	BOND ACCEPTED	APPROVED/ACCEPTED	Action Remarks: EFF 07/07/75;NM0890	
09/29/1980	09/29/1980	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: TX PACIFIC/SUN OIL	
08/26/1982	08/26/1982	ASGN DENIED	APPROVED/ACCEPTED	Action Remarks: TX PACIFIC/SUN OIL	
05/27/1983	05/27/1983	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: CITIES SVC/CITIES OG	
05/27/1983	05/27/1983	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED		
09/29/1983	09/29/1983	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 06/01/83;	
09/29/1983	09/29/1983	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 06/01/83;	
04/18/1984	04/18/1984	COMMITTED TO AGREEMENT	APPROVED/ACCEPTED	Action Remarks: NMNM70987X;W LYNCH	
04/18/1984	04/18/1984	KMA EXPANDED	APPROVED/ACCEPTED		
06/30/1986	06/30/1986	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: SUN EXPL/SUN OPER	
06/30/1986	06/30/1986	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED		
10/22/1986	10/22/1986	ASGN DENIED	APPROVED/ACCEPTED	Action Remarks: SUN EXPL/SUN OPER	
10/30/1986	10/30/1986	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 07/01/86;	
03/04/1987	03/04/1987	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: TX PACIFIC/SUN EXPL	
03/04/1987	03/04/1987	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: SUN EXPL/SUN OPER	
06/09/1987	06/09/1987	ADDTL INFO RQSTD	APPROVED/ACCEPTED	Action Remarks: TX PACIFIC/SUN EXPL	
06/09/1987	06/09/1987	ADDTL INFO RQSTD	APPROVED/ACCEPTED	Action Remarks: SUN EXPL/SUN OPER	
02/23/1988	02/23/1988	ASGN DENIED	APPROVED/ACCEPTED	Action Remarks: SUN EXPL/SUN OPER	
02/23/1988	02/23/1988	ASGN DENIED	APPROVED/ACCEPTED	Action Remarks: TX PACIFIC/SUN EXPL	
02/23/1988	02/23/1988	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: HKG/MT	
03/28/1988	03/28/1988	CASE MICROFILMED/SCANNED	APPROVED/ACCEPTED	Action Remarks: CNUM 100,818	
05/26/1988	05/26/1988	MERGER NAME CHANGE	APPROVED/ACCEPTED	Action Remarks: CITIES SVC/OXY USA	
06/08/1988	06/08/1988	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: SUN OPER/D HARTMAN	
06/22/1988	06/22/1988	ASGN DENIED	APPROVED/ACCEPTED	Action Remarks: SUN OPER/HARTMAN	
06/22/1988	06/22/1988	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: GLC/GLC	
01/30/1989	01/30/1989	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: TEXAS/SUN OPER LTD	
02/10/1989	02/10/1989	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/01/89;	
02/10/1989	02/10/1989	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: GLC/MT	
03/17/1989	03/17/1989	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: SUN OPER/HARTMAN	
04/06/1989	04/06/1989	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 04/01/89;	
04/06/1989	04/06/1989	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: TF/BTM	
06/19/1989	06/19/1989	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MCS/MS	
01/10/1991	01/10/1991	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: CULBERTSON/ANADARKO	
01/10/1991	01/10/1991	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: S WALLACE/ANADARKO	
03/01/1991	03/01/1991	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: GLC/GC	
03/01/1991	03/01/1991	TRANSFER OF INTEREST	APPROVED/ACCEPTED	Action Remarks: CLBRTSN/CLBRTSN TRUST	
03/22/1991	03/22/1991	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: GLC/GC	
03/22/1991	03/22/1991	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/01/91;	
04/15/1991	04/15/1991	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/01/91;	
04/15/1991	04/15/1991	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: GLC/GC	
04/22/1991	04/22/1991	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: CULBERTSON/ANADARKO	
06/25/1991	06/25/1991	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: TF/CG	
06/25/1991	06/25/1991	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 05/01/91;	
01/29/1993	01/29/1993	RLTY REDUCTION APPV	APPROVED/ACCEPTED	Action Remarks: /A/	
07/09/1993	07/09/1993	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: GAG	
02/18/1994	02/18/1994	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LR	
12/01/1994	12/01/1994	LEASE COMMITTED TO COMMUNITIZATION AGREEMENT	APPROVED/ACCEPTED	Action Remarks: NMNM91059;	
12/01/1994	12/01/1994	MEMO OF 1ST PROD-ALLOC	APPROVED/ACCEPTED	Action Remarks: /2/NMNM91059;	
02/24/1995	02/24/1995	APD FILED	APPROVED/ACCEPTED		
02/24/1995	02/24/1995	APD FILED	APPROVED/ACCEPTED	Action Remarks: SANTA FE ENERGY RES	
02/27/1995	02/27/1995	APD FILED	APPROVED/ACCEPTED	Action Remarks: SANTA FE ENERGY RES	
03/06/1995	03/06/1995	APD FILED	APPROVED/ACCEPTED		
04/10/1995	04/10/1995	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: (2)WALLEN/DAKOTA	
04/10/1995	04/10/1995	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: (3)WALLEN/DAKOTA	
04/10/1995	04/10/1995	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: (4)WALLEN/DAKOTA	
04/10/1995	04/10/1995	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: (1)WALLEN/DAKOTA	
05/05/1995	05/05/1995	APD APPROVED	APPROVED/ACCEPTED	Action Remarks: #1 SINAGUA 19 FED COM	
06/29/1995	06/29/1995	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MV/IMV	
06/29/1995	06/29/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 05/01/95;1	
06/29/1995	06/29/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 05/01/95;2	

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Action Date	Date Filed	Action Name	Action Status	Action Information	NMNM105505832
06/29/1995	06/29/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 05/01/95;3	
06/29/1995	06/29/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 05/01/95;4	
08/08/1995	08/08/1995	PRODUCTION DETERMINATION	APPROVED/ACCEPTED	Action Remarks: /2/	
09/07/1995	09/07/1995	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: OXY/SANTA FE ENERGY	
10/13/1995	10/13/1995	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: ANADARKO/LORO CORP	
10/13/1995	10/13/1995	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: ANADARKO/LORO CORP	
10/16/1995	10/16/1995	APD WDN/TERM/CANC	APPROVED/ACCEPTED	Action Remarks: #1 SINAGUA 20 FED	
11/22/1995	11/22/1995	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
11/22/1995	11/22/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 10/01/1995;	
12/13/1995	12/13/1995	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 11/01/95;	
12/13/1995	12/13/1995	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MV/MV	
12/13/1995	12/13/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 11/01/95;	
10/16/1996	10/16/1996	APD WDN/TERM/CANC	APPROVED/ACCEPTED	Action Remarks: #1 SINAGUA 17 FED	
07/01/1999	07/01/1999	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: JLV	
07/01/1999	07/01/1999	MERGER NAME CHANGE	APPROVED/ACCEPTED	Action Remarks: SF ENE RES/SF SNYDER	
08/06/1999	08/06/1999	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: LORO/LERWICK I LTD	
08/06/1999	08/06/1999	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: LERWICK/L DREYFUS NG	
12/27/1999	12/27/1999	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: PETRO/SOUTHWESTERN	
05/25/2000	05/25/2000	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LR	
05/25/2000	05/25/2000	TRF OPER RGTS RET UNAPPV	APPROVED/ACCEPTED	Action Remarks: PETRO/SOUTHWESTERN	
06/08/2000	06/08/2000	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/01/99;2	
06/08/2000	06/08/2000	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/01/99;1	
06/08/2000	06/08/2000	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MV/MV	
09/22/2000	09/22/2000	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LR	
09/22/2000	09/22/2000	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 01/01/00;	
10/11/2000	10/11/2000	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: AT	
10/11/2000	10/11/2000	MERGER NAME CHANGE	APPROVED/ACCEPTED	Action Remarks: SANTA FE/DEVON SFS	
03/12/2001	03/12/2001	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: OXY/OXY USA WTP	
03/12/2001	03/12/2001	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: OXY/OXY USA WTP	
04/25/2001	04/25/2001	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 04/01/01;	
04/25/2001	04/25/2001	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: JLV	
04/25/2001	04/25/2001	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 04/01/01;	
12/12/2001	12/12/2001	MERGER RECOGNIZED	APPROVED/ACCEPTED	Action Remarks: L DREYFUS/DOMINION	
08/08/2002	08/08/2002	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: DEVON/MERIT	
08/08/2002	08/08/2002	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: DEVON/MERIT	
08/22/2002	08/22/2002	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: ENERSTAR RESOURCES;1 Receipt Number: 546067	
10/03/2002	10/03/2002	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MV	
10/03/2002	10/03/2002	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/01/02;	
10/18/2002	10/18/2002	ASGN DENIED	APPROVED/ACCEPTED	Action Remarks: 08/08/02 RT ASGN;	
10/18/2002	10/18/2002	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MV	
10/18/2002	10/18/2002	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/01/02;	
12/12/2002	12/12/2002	MERGER RECOGNIZED	APPROVED/ACCEPTED	Action Remarks: DEVONSFS/DEVONENEPROD	
09/27/2005	09/27/2005	MERGER NAME CHANGE	APPROVED/ACCEPTED	Action Remarks: MERIT PTNRS/MERIT MGM	
02/01/2006	02/01/2006	RLTY REDUCTION LIFTED	APPROVED/ACCEPTED		
01/04/2007	01/04/2007	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: DOMINION/LOBOS ENE;1 Receipt Number: 1419703	
05/08/2007	05/08/2007	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/01/07;	
05/08/2007	05/08/2007	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
05/12/2008	05/12/2008	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: SOUTHWEST/DESERT RA;1 Receipt Number: 1704446	
06/19/2008	06/19/2008	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: RAYO	
06/19/2008	06/19/2008	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 06/01/08;	
02/01/2010	02/01/2010	MERGER RECOGNIZED	APPROVED/ACCEPTED	Action Remarks: LOBOS ENE/KHODY LAND	
12/08/2010	12/08/2010	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: MERIT MAN/LINN ENER;1 Receipt Number: 2260170	
02/11/2011	02/11/2011	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LBO	
02/11/2011	02/11/2011	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 01/01/11;	
10/24/2011	10/24/2011	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: PLANTATIO/DAVIS LAN;1 Receipt Number: 2447059	
11/29/2011	11/29/2011	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LBO	
11/29/2011	11/29/2011	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 11/01/11;	
04/30/2013	04/30/2013	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: ANADARKO/ANADARKO;1 Receipt Number: 2784194	
06/25/2013	06/25/2013	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MJD	
06/25/2013	06/25/2013	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 5/11/13;	
07/31/2013	07/31/2013	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: LERWICK I/CROWN OIL;1 Receipt Number: 2843706	
07/31/2013	07/31/2013	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: LERWICK I/CROWN OIL;2 Receipt Number: 2843706	
07/31/2013	07/31/2013	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: LERWICK I/CROWN OIL;1 Receipt Number: 2843696	
11/13/2013	11/13/2013	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/13;	
11/13/2013	11/13/2013	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/13	
11/13/2013	11/13/2013	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
11/13/2013	11/13/2013	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/13;	
11/22/2013	11/22/2013	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: LERWICK I/CROWN OIL;1 Receipt Number: 2916178	

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Action Date	Date Filed	Action Name	Action Status	Action Information	NMNM105505832
11/22/2013	11/22/2013	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: LERWICK 1/CROWN OIL;1 Receipt Number: 2916173 Action Remarks: ANN	
04/02/2014	04/02/2014	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED		
04/02/2014	04/02/2014	DEC ISSUED	APPROVED/ACCEPTED		
07/25/2014	07/25/2014	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
07/25/2014	07/25/2014	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 12/01/13;	
08/01/2014	08/01/2014	ASGN DENIED	APPROVED/ACCEPTED	Action Remarks: LERWICK/CROWN OIL	
08/26/2014	08/26/2014	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: LINN ENER/XTO ENER;1 Receipt Number: 3112922	
11/03/2014	11/03/2014	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: KHODY LAN/EXXON MOB;1 Receipt Number: 3161041	
11/24/2014	11/24/2014	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
12/05/2014	12/05/2014	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: BTM	
12/05/2014	12/05/2014	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 12/01/14;	
01/05/2015	01/05/2015	MERGER NAME CHANGE	APPROVED/ACCEPTED	Action Remarks: SOUTHWESTERN/SWN;	
01/23/2015	01/23/2015	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: DME	
01/23/2015	01/23/2015	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 12/01/14;	
02/28/2016	02/28/2016	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/01/18;	
12/01/2016	12/01/2016	MERGER RECOGNIZED	APPROVED/ACCEPTED	Action Remarks: KHODY/RKI EXP & PROD;	
03/16/2017	03/16/2017	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: CRUMP ENE/CRUMP ENE;1 Receipt Number: 3787760	
03/16/2017	03/16/2017	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: CRUMP ENE/CRUMP ENE;1 Receipt Number: 3787760	
04/26/2017	04/26/2017	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 04/01/17;1	
04/26/2017	04/26/2017	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: RCC	
04/26/2017	04/26/2017	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 04/01/17;2	
05/18/2017	05/18/2017	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 3839899	
07/06/2017	07/06/2017	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: CROWN OIL/MARATHON;1 Receipt Number: 3881655	
07/06/2017	07/06/2017	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: CRUMP ENE/MARATHON;1 Receipt Number: 3881655	
07/06/2017	07/06/2017	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: CRUMP ENE/MARATHON;1 Receipt Number: 3881655	
07/06/2017	07/06/2017	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: CROWN OIL/MARATHON;1 Receipt Number: 3881655	
08/25/2017	08/25/2017	ASGN DENIED	APPROVED/ACCEPTED	Action Remarks: /A/	
09/15/2017	09/15/2017	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/17;2	
09/15/2017	09/15/2017	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/17;1	
09/18/2017	09/18/2017	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: JA	
10/16/2017	10/16/2017	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/17;1	
10/16/2017	10/16/2017	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/17;2	
10/20/2017	10/20/2017	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: JA	
01/02/2018	01/02/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 4059817	
01/02/2018	01/02/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 2 Receipt Number: 4059817	
01/02/2018	01/02/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 3 Receipt Number: 4059817	
01/02/2018	01/02/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: EXXON MOB/XTO HOLDI;1 Receipt Number: 4059817	
01/02/2018	01/02/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: EXXONMOBI/XTO HOLDI;1 Receipt Number: 4059817	
01/02/2018	01/02/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: XTO ENER/XTO HOLDI;1 Receipt Number: 4059817	
03/16/2018	03/16/2018	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LBO	
03/16/2018	03/16/2018	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/01/18;1	
03/16/2018	03/16/2018	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/01/18;2	
04/02/2018	04/02/2018	MERGER NAME CHANGE	APPROVED/ACCEPTED	Action Remarks: RKI EXP/WPX ENERGY	
07/13/2018	07/13/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 4211565	
07/13/2018	07/13/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: MOBIL E&P/XTO ENER;1 Receipt Number: 4211565	
08/24/2018	08/24/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: LINN ENER/POGO RESO;1 Receipt Number: 4243697	
11/20/2018	11/20/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 4311952	
11/20/2018	11/20/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: XTO ENER/XTO HOLDI;1 Receipt Number: 4311952	
12/04/2018	12/04/2018	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: EMR	
12/04/2018	12/04/2018	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/18;	
03/20/2019	03/20/2019	ROYALTY RATE REDUCTION	APPROVED/ACCEPTED		
03/21/2019	03/21/2019	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/01/18;	
03/21/2019	03/21/2019	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LBO	
03/21/2019	03/21/2019	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/01/18;	
04/08/2019	04/08/2019	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: KB	
04/08/2019	04/08/2019	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 12/01/18	
06/20/2019	06/20/2019	RLTY RATE - OTHER	APPROVED/ACCEPTED	Action Remarks: 12.5%/B/	

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Action Date	Date Filed	Action Name	Action Status	Action Information	NMNM105505832
06/20/2019 03/11/2020	06/20/2019 03/11/2020	RLTY REDUCTION APPV OVERRIDING ROYALTY	APPROVED/ACCEPTED APPROVED/ACCEPTED	Action Remarks: EFF 06/20/19;/B/ Action Remarks: 1 Receipt Number: 4712446	
08/31/2020	08/31/2020	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: POGO RESO/BXP PARTN;1 Receipt Number: 4793736	
12/29/2020 12/29/2020 06/30/2021	12/29/2020 12/29/2020 06/30/2021	AUTOMATED RECORD VERIF TRF OPER RGTS RET UNAPPV OVERRIDING ROYALTY	APPROVED/ACCEPTED APPROVED/ACCEPTED APPROVED/ACCEPTED	Action Remarks: LL Action Remarks: POGO RES/BXP PARTN V Action Remarks: 1 Receipt Number: 4920386	
09/20/2021	09/20/2021	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 4958283	
11/12/2021	11/12/2021	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 3 Receipt Number: 4976573	
11/12/2021	11/12/2021	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 4976573	
11/12/2021	11/12/2021	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 2 Receipt Number: 4976573	
02/25/2022	02/25/2022	ASSIGNMENT OF RECORD TITLE	FILED	Action Remarks: OXY USA W/COLGATE P;1 To Entity: Colgate Production LLC From Entity: OXY USA WTP LP Receipt Number: 5020018	
02/25/2022	02/25/2022	TRANSFER OF OPERATING RIGHTS	FILED	Case Action Status Date: 2022-11-30 Action Remarks: OXY USA W/COLGATE P;1 Receipt Number: 5019777	

**ASSOCIATED AGREEMENT OR LEASE (RECAPITULATION TABLE) INFO**

NMNM105505832

Agreement Serial Number	Agreement Legacy Serial Number	Case Disposition	Product Name	Tract No	Commitment Status	Commitment Effective Date	Acres	Allocation Percent
NMNM105504135	NMNM 091059	CLOSED	COMMUNITIZATION AGREEMENT	2A		12/01/1994	80.0000	25.000000
NMNM105504135	NMNM 091059	CLOSED	COMMUNITIZATION AGREEMENT	2B		12/01/1994	40.0000	12.500000

**LEGACY CASE REMARKS**

NMNM105505832

Legacy Case Remarks includes remarks made for the case in LR2000 up until March 14, 2022. These Case Remarks will no longer be updated in MLRS. This section of the SRP is obsolete. Please reference the MLRS website for more information and refer to the Case Actions section - Action Information on this report for similar data.

Line Number	Remark Text
0002	CURRENT RECORD TITLE HOLDERS
0003	T. 20 S, R. 34 E; SEC. 18 SESE
0004	OXY USA WTP LP 76.67
0005	MARATHON OIL PERMIAN LLC 16.66
0006	DOYLE HARTMAN 6.67
0007	SEC. 17: SW, SEC. 18: NESE;
0008	OXY USA WTP LP 88.00
0009	MARATHON OIL PERMIAN LLC 10.00
0010	DOYLE HARTMAN 2.00
0011	SEC. 18: SWSE, SEC. 20: NW;
0012	OXY USA WTP LP 88.00
0013	LERWICK LTP 10.00
0014	DOYLE HARTMAN 2.00
0015	SEC. 19: NE;
0016	OXY USA WTP LP 88.00
0017	KHODY LAND & MINERALS CO 10.00
0018	DOYLE HARTMAN 2.00
0019	-
0020	BONDED LESSEES/OPERATORS/TRANSFEREES:
0021	- DOMINION OK TX EXPL & PROD INC - CO1050
0022	- DOYLE HARTMAN - NM2521 - S/W;
0023	10/18/2002 - DAKOTA RESOURCES INC - NM1914/SW
0024	04/25/2007 - LOBOS ENE PTNRS LLC - NMB000460 -S/W;
0025	07/25/2014 - DAKOTA RESOURCES INC - NMB000001 - S/W;
0026	12/05/2014 - OXY USA WTP LP - ESB000226 - NW;
0027	01/23/2015 - XTO ENERGY INC NMB001176 IND
0028	04/26/2017 - CRUMP II NMB001235 SW
0029	08/25/2017 /A/ ASSIGNMENT OF RECORD TITLE DATED
0030	03/16/17 APPROVED IN ERROR WITH

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Line Number	Remark Text
0031	DEPTH LIMITATIONS. ASSIGNMENT IS
0032	RESCINDED AND DENIED;
0033	09/15/2017 - MARATHON OIL PERMIAN WYB002107 N/W
0034	12/04/2018 - XTO ENERGY INC - UTB000138 - N/W;
0035	04/08/2019 - XTO HOLDINGS LLC - NMB001554 - SW/NM
0036	/B/THE LEASE QUALIFIES FOR THE 12.5% ROYALTY
0037	LIMITATION AS AUTHORIZED BY THE ACT OF AUGUST 8, 1946
0038	ONLY FOR THE BONE SPRING AND WOLFCAMP FORMATIONS.

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**Process for APD, Drilling Island, and Development Area Review in the Designated Potash Area**

**I. APD Process**

The BLM Carlsbad Field Office (CFO) will review an Application for Permit to Drill (APD)s for locations in the Designated Potash Area (DPA) in accordance with Secretarial Order 3324 (77 FR 71814, December 4, 2012) (hereinafter “SO 3324”), Onshore Oil and Gas Order No. 1, and applicable statues and regulations.

Upon receipt of an APD for a location in the DPA, the APD will be processed by the CFO in the following manner:

**A. Initial Review**

The adjudication staff will accept the APD in AFMSS II and route to the Solid Minerals Staff and Natural Resource Staff (NRS). The posting and protest period guidelines for an APD are outlined in Onshore Oil and Gas Order No. 1.

**B. Review**

The Solid Minerals Staff will verify that the applicant gave proper notice to all parties that may be affected by the APD per SO 3324, Section 6.e(7), including:

1. Surface owners affected by a planned surface disturbance contemplated in the application, plan, or proposal.
2. All potash operators and potash lessees in the DPA; and
3. Owners of oil and gas rights affected by the application, plan, or proposal, defined as lessee and operating rights owners within the leases penetrated by the wellbore and/or any lease that may be affected by a well that does not meet the State of New Mexico’s minimum setback requirements.

The solid minerals staff shall prepare written documentation for the case file of whether proper notice was made. Such notice should be made by the applicant prior to the submission of the APD. If the solid minerals staff cannot verify from the APD that such notice was made, the solid mineral staff will notify the applicant that the BLM will not continue to process the APD until the applicant provides evidence to the BLM sufficient to allow the BLM to verify that all affected parties have been properly notified.

**C. Once the solid minerals staff verifies that all affected parties have been notified, the BLM will continue to process the APD in accordance with SO 3324, Section 6.e(1).**

1. To be considered for approval, the APD surface location must be on:

- (a) A Drilling Island associated with a Development Area established under SO 3324 or a Drilling Island established under a prior Secretarial Order.

Attachment 1-1

**Colgate Operating, LLC**  
**Case Nos. 23149-23156**  
**Exhibit A-15**

- (b) A Barren Area and the Authorized Officer determines that such operations will not adversely affect active or planned potash mining operations in the immediate vicinity of the proposed drill-site, or
  - (c) A Drilling Island, not covered by the first category above, or single well site established under SO 3324 by the approval and in the sole discretion of the Authorized Officer, provided that such site was jointly recommended to the Authorized Officer by the oil and gas lessee(s) and nearest potash lessee(s).
2. If the surface location in the APD is not covered by one of the tree provisions of SO 3324, Section 6.e.(1) (Section 1. C.1. above), the BLM will deny the APD unless the applicant will take one of the following actions:
- (a) Revise the APD to change the proposed surface location to an area covered by one of the three provisions of SO 3324 Section 6.e(1).
  - (b) Propose a new Drilling Island either at the existing surface location in the APD or a new location where the APD can be approved. The proposed Drilling Island may be outside an existing Development Area. If the operator chooses this option, the BLM will process the proposal as described in Section II and Section III below.
  - (c) If the applicant does not take one of the above actions (a) or (b) within one year, the APD will be denied.
- D. If the APD is covered by one of the provisions in Section I.C.1 above, the APD can be processed to the next level of review. The solid minerals staff will prepare a memorandum confirming receipt of verification that proper notification was made and that APD meets one of the exceptions in SO 3324, Section 6.e.(1) and send the memorandum to the adjudication staff, who will rote the APD to the NRS, fluid minerals staff and potash specialist for the technical review described in Onshore Oil and Gas Order No. 1. The APD will be processed as a normal APD.
1. Buffer zones as described in SO 3324, Section 6.e.(3) will apply to the proposed well. See Section IV below, for the definition of oil and gas wells for determining associated buffer zones. Per SO 3324, Section 6.e.(3), the BLM may adjust the buffer zones in an individual case, when the facts and circumstances demonstrate that such adjustment would enhance conservation and would not compromise safety. When reviewing an APD, the BLM will refer to the latest available information provided by the potash operators in the DPA and verified by the BLM (SO 3324, Sec. 6.d).
- (a) Conditions of Approval will be attached on every APD processed within the Known Potash Lease Area (KPLA) or R-111-P requiring operators to report the following:
    - (1) Any fluid flow outside of casing in the Salado Formation.
    - (2) Any well collision events.

Attachment 1-2

- (3) Sustained annulus pressure between the first intermediate and next innermost casing string in excess of 500 psi above the baseline pressure of the well or above 1500 psi total
  - (4) Sustained losses in excess of 50% through the Salado Formation within two miles of open-mine workings.
2. The BLM will complete the analysis required by the National Environmental Policy Act (NEPA) and prepare appropriate documentation of the analysis.
  3. A potash specialist will send a memorandum to the Field Manager recommending approval or denial of the APD based on the criteria described above.
  4. The BLM must complete the following tasks before approving an APD in the DPA:
    - (a) Memorandum from a potash specialist to the Field Manager recommending approval of the APD.
    - (b) Written documentation from the solid mineral staff that all affected parties were properly notified.
    - (c) Appropriate NEPA analysis; and
    - (d) Appropriate technical reviews, as specified in Onshore Oil and Gas Order No.1, from:
      - I. Potash Specialist
      - II. Resource Specialist
      - III. Fluid Minerals Specialist

## **II. Drilling Island Process**

If a proposal for a Drilling Island may affect more than one oil and gas operator, then all the affected oil and gas operators should be encouraged to take part in the proposal. Typically, before any formal notifications of a Drilling Island proposal is made to the BLM, a proponent of a Drilling Island will notify a potash specialist who will arrange for a NRS to conduct a desk review of the proposed Drilling Island and/or inspect the area of the proposed Drilling Island to identify any obvious site-specific resource concerns. The NRS will coordinate with a potash specialist to ensure that potential impacts of the Drilling Island to potash resources are identified.

- A. Drilling Islands may be proposed by the BLM or external parties. The CFO will process Drilling Island proposals in the following manner:
  1. If the BLM proposes a Drilling Island, BLM solid minerals staff with adjudication staff will identify the affected parties from BLM records for record title holder and operating rights information (Section II.B) or any operator of an active well. The BLM will notify the affected parties in writing with appropriate proof of deliver. A sample notification letter is attached (Attachment 2 – Sample

Attachment 1-3

Notification Letter). The BLM will review the proposal per SO 3324, Section 6.e.(2)(d) and process the proposal per Section II.E. above.

2. If an external party proposes a Drilling Island, the adjudication staff will date stamp the proposal as received and route it to the solid minerals staff for initial review then subsequent review by natural resource staff.

#### B. Review

The adjudication staff will route the proposal to the solid minerals staff who will verify that the applicant has properly notified all the affected parties per SO 3324, Section 6.e.(7). The affected parties should include:

1. Surface Owners affected by the planned surface disturbance contemplated in the application, plan, or proposal.
2. Grazing permit holders who may be affected by a planned surface disturbance contemplated in the application, plan, or proposal. The BLM will make any grazing permit holder information available upon request to applicant.
3. All potash operators and lessee in the DPA; and
4. Owners of oil and gas rights affected by the application, plan, or proposal, defined as lessees, operating, and working rights owners, or any operator of an active well within the proposed Drillings Island that can be accessed with present-day drilling capabilities. The average lateral length of an oil/gas well in the Permian Basin is currently 8,500 feet with lengths up to 3 miles becoming more common. Notification of the affected parties (that potentially could access their leases from the proposed Drilling Island in the DPA within 2 miles from the boundary of the Drilling Island is required. As technology advances, this distance will be subject to revisions as deemed necessary by the Authorized Officer. If the BLM or an outside party finds that oil or gas resources may be stranded, then notification shall include any potentially stranded oil and gas lease holders and operating rights owners, even if those leases are outside the 2-mile radius.

Notice should be made by the applicant prior to the submission of the Drilling Island proposal. The BLM will not authorize any action prior to the proper notification of all affected parties (SO 3324, Sec. 6.e.(7)). If the BLM office finds that notice was not given to all affected parties, the BLM will notify the operator and await verification that all affected parties have been properly notified. U.S. certified mail return receipts may be used as evidence of notice of affected parties or other acceptable means of communication to verify proper notification.

Section 7.f. of SO 3324 directs the BLM to develop appropriate time frame guidelines and requirements, as appropriate, to tenable timely actions pursuant to SO 3324.

Attachment 1-4

Therefore, the BLM will provide a 30-day period during which any affected party can notify the BLM of their objections to or concurrence with the proposal via letter or email addressed to the Field Manager and copied to all affected parties. This 30-day period commences upon the date the affected party received the notification letter, as recorded on the certified mail return receipt associated with the notification letter or other acceptable means of communication to verify proper notification.

The BLM will not establish a Drilling Island until all affected parties who express interest in or opposition to the proposal have been given the opportunity to meet with the BLM to discuss any concerns within 30 days of the Drilling Island onsite (NRS Surface Review). The BLM will notify the affected parties in writing with appropriate proof of delivery. Such meetings can take place individually with the BLM or collectively with other interested parties.

The BLM must address protest in a timely manner to enable timely actions pursuant to SO 3324. The BLM will provide an opportunity for affected parties to schedule a meeting with the BLM to discuss any protest within 60 days of the BLM's receipt of a protest. Affected parties may request an extension of time to meet with the BLM. The BLM may grant an extension if the requesting party provides adequate justification for the extension. The BLM will apply a presumption that a protest has been waived if the protestant declines to seek an extension supported by adequate justificatory or schedule a meeting with the BLM to discuss the protest within 60 days of the BLM's receipt of the protest. When the BLM receives a protest that presents an alternate proposal, the BLM will determine whether it is a reasonable alternative that should be evaluated during the NEPA process. The BLM also will review the Plan of Development and preliminary drilling locations from the proposal to ensure the Drilling Island position complies with the Order.

- a. The Drilling Island proposal submission should contain a narrative with the following:
  1. A map of the location of the proposed action showing:
    - i. Township, Range, Section.
    - ii. Surface ownership, and
    - iii. Lease ownership within a two -mile radius of the proposed Drilling Island labeled by operator and lease number.
  2. A map of the proposed drilling pads (preliminary plat) within the boundary of the drilling island and description of the downhole development with approximate number of wells to be drilled, formation, and location and direction of proposed well bores.
  3. A list in table format of all affected parties ats reference above.
- b. Pursuant to SO 3324, Section 6.e. (1), a Drilling Island can only be established such that any proposed drilling will occur:



1. Within an associated Development Area (specifically reviewed under Section 6.e.(2)(d) of SO 3324, Section 6.e.(1)(a).
  2. Within a Barren Area and the Authorized Officer determines that such operations will not adversely affect active or planned potash mining operations in the immediate vicinity of the proposed drill-site (SO 3324, Section 6.e.(1)(b)); or
  3. Outside of a Development Area or Barren Area as described above, provided that the Drilling Island was jointly recommended to the Authorized Officer by the oil and gas lessee(s) and the nearest potash lessee(s) (Section 6.e.(1)(c)).
- c. A BLM interdisciplinary team will review the Drilling Island proposal in accordance with Section 6.e.(1) of the Order. Members of this team shall include:
1. Solid Minerals Staff,
  2. Fluid Minerals Staff,
  3. NRS Staff,
  4. Other resources staff as necessary.
- d. A National Environmental Policy Act (NEPA) compliance document will be prepared. The NEPA analysis will document alternatives; alternatives may be generated in response to issues identified during internal and external scoping or by interested parties. The NEPA analysis will document the environmental effects of the proposed action and alternatives and the decision record will document the decision-making process.
- e. At this point in the review process, the Drilling Island may be approved, denied or modified. If modifications are made, then BLM must grant the applicant an opportunity to provide notice to affected parties prior to approval. Notice should be made by the applicant prior to the submission of the Drilling Island proposal. The BLM will not authorize any action prior to the proper notification of all affected parties of the changes (SO 3324, Section 6.e.(7)). If the BLM office finds that notice was not given to all affected parties, the BLM will notify the applicant and await verification that all affected parties have been properly notified. U.S. certified mail return receipts may be used as evidence of notice of affected parties or other acceptable means of communication to verify proper notification.

The BLM will provide a 30-day period during which any affected party can notify the BLM of their objections to or concurrence with the changes to the proposal via letter or email addressed to the Field Manager and copied to all affected parties. This 30-day period commences upon the date notification letter was received as recorded on

Attachment 1-6

the certified mail return receipt associated with the notification letter or other acceptable means of communication to verify proper notification.

- f. A Drill Island Map will be published quarterly by BLM to share the status of drilling island within the DPA with the public. A Notice to Lessee (NTL) can be issued upon request in the form of an approval letter according to Section 6.e.(2)(b) of the SO 3324 to any affected party, as defined above in Section II.B.4 of this IM. The NTL letter will contain the location and boundary of the Drilling Island. The approval of a Drilling Island does not grant the operator permission to drill a well. **Approval to drill on the Drilling Island may only be granted through an approved APD.** The BLM will process any APDs associated with the Drilling Island proposals as provided in Section I, above.

### III. Development Area Process

If a proposal for a Development Area affects more than one oil and gas operator, then BLM will encourage all interested parties to make a joint proposal.

- A. Development Areas can be established by a proposal from the BLM, or third parties as specified below. Upon receipt of a proposal for a Development Area within the DPA, the proposal will be processed by the CFO in the following manner:
1. If the BLM proposes a Development Area, BLM staff will examine serial register page information for record title holder and operating rights information, or any operator of an active well to determine the parties affected as defined below under Section III.B of this IM. Notification will be sent to the affected parties via certified return receipts or other acceptable means of communication to verify proper notification. A sample letter of notification is attached (Attachment 2 – Sample Notification Letter). The BLM will review the proposal in accordance SO 3324, Section. 6.e. (2)(d).
  2. If the CFO receives a proposal for a Development Area within the DPA from an outside party, adjudication staff will date stamp the proposal as received and route it to potash specialist for initial review.

#### B. Initial Review

Once the Development Area proposal is routed, the BLM will verify that the applicant gave proper notice of the Development Area proposal to all affected parties according to SO 3324, Section 6.e.(7). As a guideline, affected parties receiving notice for a Development Area should include:

1. All Potash operators and potash lessee(s) in the DPA; and
2. All owners of oil and gas rights affected by the application, plan, or proposal, defined as lessees, operating rights owners, and any operator of an active well within leases

penetrated by measured length of wellbore (vertical and horizontal section) of the well spacing unit up to 3.0 miles in the direction of the lateral unless additional notice is subsequently required by Authorized Officer in case-by-case situation.

Notice should be made by applicant to all affected parties prior to the submission of the Development Area proposal. The BLM will not authorize any action prior to the proper notification of all affected parties (SO 3324, Section 6.e.(7)). If the BLM finds that notice was not given to all affected parties, the BLM will notify the proponent and await verification that all affected parties have been properly notified. U.S. certified mail return receipts may be used as evidence of notice of affected parties or other acceptable means of communication to verify proper notification.

Section 7.f. of SO 3324 directs the BLM to develop appropriate time-frame guidelines and requirements, as appropriate, to enable timely actions pursuant to the SO 3324. Therefore, the BLM will provide a 30-day period during which any affected party may notify the BLM of their objections to or concurrence with the proposal via letter or email addressed to the Field Manager and copied to all affected parties. This 30-day period commences upon the date the affected party received the notification letter, as recorded on the certified mail return receipt associated with the notification letter or other acceptable means of communication to verify proper notification.

The BLM will not establish a Development Area until all affected parties who express interest in or opposition to the proposal have been given the opportunity to meet with the BLM to discuss any concerns. Such meetings can take place individually with the BLM or collectively with other interested parties.

The BLM must address protests in a timely manner to enable effective administration of SO 3324. The BLM will provide an opportunity for affected parties to schedule a meeting with BLM to discuss any protests within 90 days of the BLM's receipt of a protest. Affected parties may request an extension of time to meet with the BLM. The BLM may grant an extension of 60 days if the requesting party provides adequate justification for the extension. The BLM will apply a presumption that a protest has been waived if the protestant declines to seek an extension supported by an adequate justification or to schedule a meeting with BLM to discuss the protest within 90 days of the BLM's receipt of the protest. When BLM receives a protest that presents an alternate proposal, BLM will determine whether it is a reasonable alternative that should be evaluated during the NEPA process.

BLM will also review the Plan of Development and preliminary drilling locations from the proposal to ensure the full development of leases.

- C. The Development Area proposal submission should contain a narrative with the following:
  1. A map of the location of the Development Area showing:
    - a. Township, Range, Section
    - b. Surface ownership.

- c. Lease ownership within the proposed measured length of the wellbore's spacing unit and up to 3 miles from the proposed drilling island labeled by operator and lease number.
2. Map of the proposed drilling pads (preliminary plat) within the boundary of the Drilling Island and description of the downhole development with approximate number of wells to be drilled, formations, and location and direction of the wellbores.
3. Map of the associated Drilling Island(s) (preliminary plat)
4. A list in table format of all affected parties as referenced above in this section.
5. All Potash operators and potash lessee(s) in the DPA.

The Development Area shall be accessible to oil and gas operators from a Drilling Island. If there is not a Drilling Island associated with the Development Area proposal, a new Drilling Island should be proposed at a location described in Section 6.e.(1) of SO 3324. The new Drilling Island proposal will be processed consistent with Section II of this IM. If no Drilling Islands exist within proximity to the proposed Development Area, BLM will work with the proponent(s) to find a suitable Drilling Island location. If a Drilling Island providing access to the Development Area for oil and gas operators cannot be established under the provisions of the Order, the Development Area cannot be approved as proposed.

- D. A BLM interdisciplinary team will review the Development Area proposal in accordance with Section 6.e.(2) of the Order. Members of this team shall include:
  1. Solid Mineral Staff
  2. Fluid Mineral Staff
  3. NRS
  4. Other resources staff as necessary
- E. A National Environmental Policy Act (NEPA) compliance document will be prepared. The NEPA analysis will document alternatives; alternatives may be generated in response to issues identified during internal and external scoping or by interested parties. The NEPA analysis will document the environmental effects of the proposed action and alternatives and the decision record will document the decision-making process.
- F. At this point in the review process, the Development Area may be approved, denied, or modified. If modifications are made, then BLM must grant the applicant an opportunity to provide notice to affected parties prior to approval. Notice should be made by the applicant prior to the submission of the Development Area proposal. BLM will not authorize any action prior to the proper notification of all affected parties of the changes (SO 3324 Section. 6.e.(7)). If BLM finds that notice was not given to all affected parties, BLM will notify the applicant and await verification that all affected parties have been properly notified. U.S. certified mail return receipts may be used as evidence of notice of affected parties or via other acceptable means of communication to verify proper notification.

Affected parties have 30 days to notify BLM of their objections to or concurrence with the changes to the proposal via letter or email addressed to the Field Manager and copied to the applicant and all affected parties. This 30-day period commences upon the date the affected party received the notification letter, as recorded on the certified mail return receipt associated with the notification letter or via other acceptable means of communication to verify proper notification.

- G. Development Areas will expire within five years of being approved if no drilling activities have occurred within that time. For Development Areas approved prior to the updated IM, this mandate will be managed retroactively to seven years since being approved. BLM may review extensions of this mandate provided there is adequate justification for the extension.
- H. Development Areas can be assigned to other operators after approval with a certified affidavit with resignation successor signature sent to BLM. Authorized Officer has reserved right to approve successor operator under Section 6.2.c. of SO 3324 to ensure that operator has resources to operate and extract the oil and gas resources consistent with requirements of SO 3324 and all applicable laws and regulations and has provided financial assurance in the amount required by the Authorized Officer.
- I. Development Areas that are pending can be compulsory pooled, and BLM will concur with the Oil Conservation Division's Order provided no BLM minerals are stranded. An approved Development Area could also be reversed by an Oil Conservation Division compulsory pooling Order and BLM will concur with Order provided no BLM minerals are being stranded.
- J. A Development Area can be modified after approval with a supplemental notification subject to Authorized Officer's discretion up to two miles beyond the terminus of the original approved Development Area.
- K. An approved Development Area can be withdrawn after approval with a follow-up Development Area rescission letter to affected lessees.
- L. A Development Area map will be published quarterly by BLM to share the status of development areas within the DPA to the public. A Notice to Lessee (NTL) can be issued upon request in the form of an approval letter according to Section 6.e.(2)(b) of SO 3324 to any affected party, as defined above in Section II.B.3 of this IM. The NTL letter will contain the location and boundary of the Development Area and a survey plat of the associated Drilling Island. The approval of a Development Area does not grant the operator permission to drill a well. **Approval to drill within a Development Area may only be granted through an approved APD.** BLM will process any APDs associated with the Development Area proposals as provided in Section I, above.

- M. BLM may approve pending Development Areas applications that comply with statutory and regulatory requirements in order to further administer SO 3324.

#### IV. **Oil and Gas Buffer Zones**

BLM staff apply the following definitions within the DPA:

Oil well: An oil well within the DPA is a well with a total depth above the base of the Second Bone Spring Sandstone Member of the Bone Spring Formation. The base of the Second Bone Spring Sandstone Member is defined as the marker encountered at a depth of 10,585 feet in the Devon Energy – Todd 14K Federal 1, API No. 30-015-20298 located in the NE4 of SW4 Section 14, T23S, R31E. An oil well shall be given a ¼ mile buffer, until such time as revised distances are adopted by the BLM or in an individual case when the facts and circumstances demonstrate that such adjustment would enhance conservation and would not compromise safety, as references in SO 3324, Section 6.e (3).

Gas Well: A gas well within the DPA is a well penetrating the base of the Second Bone Spring Sandstone Member of the Bone Spring Formation. A gas well shall be given a ½ mile buffer, until such time a revised distances are adopted by the BLM or in an individual case when the facts and circumstances demonstrate that such adjustment would enhance conservation and would not compromise safety, as referenced in Order 3324, Section 6.e.(3).

See Attachment 3, Cross-section of the Bone Spring Formation in the DPA for more information on the geological marker for the base of the Second Bone Spring Sandstone Member.

At this time the Authorized Officer may approve an oil well with a pilot hole drilled no deeper than 50 feet below the base of the Second Bone spring Sandstone, as described above, for the purposes of geophysical logging. A pilot hole will provide more certainty that the wellbore will be drilled and completed in the proposed target zone. Such pilot hole may be authorized only on condition that they shall not be stimulated and must be plugged with cement isolating the wellbore from deeper zones to the satisfaction of the Authorized Officer, prior to drilling the lateral.

#### V. **Appeal Process**

All decision documents issued by the CFO will notify applicants and affected parties of their appeal rights. An approved Development Area can be appealed to the State Director within 20 days of the approval of Development Area. Decision of the State Director may be appealed to the Interior Board of Land Appeals (IBLA).

Attachment 1-11



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

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22277  
LEA COUNTY, NEW MEXICO.

CASE NO. 23149  
ORDER NO. R-22277

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22278  
LEA COUNTY, NEW MEXICO.

CASE NO. 23150  
ORDER NO. R-22278

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22279  
LEA COUNTY, NEW MEXICO.

CASE NO. 23151  
ORDER NO. R-22279

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22280  
LEA COUNTY, NEW MEXICO.

CASE NO. 23152  
ORDER NO. R-22280

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22281  
LEA COUNTY, NEW MEXICO.

CASE NO. 23153  
ORDER NO. R-22281

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22282  
LEA COUNTY, NEW MEXICO.

CASE NO. 23154  
ORDER NO. R-22282

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22283  
LEA COUNTY, NEW MEXICO

CASE NO. 23155  
ORDER NO. R-22283

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22284  
LEA COUNTY, NEW MEXICO.

CASE NO. 23156  
ORDER NO. R-22284

**SELF-AFFIRMED STATEMENT  
OF JOHN MARTIN ANTHONY**

Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit B

1. I am a geologist at Colgate Operating, LLC (“Colgate”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in geology were accepted and made a matter of record.

2. I am familiar with the geological matters pertaining to the above referenced cases.

3. I testified by affidavit in Case Nos. 22788-22795. My testimony and exhibits in those cases are true and accurate. For purposes of clarity, I have provided the exhibits here as referenced below.

4. **Exhibit B-1** is a regional locator map that identifies the Batman project area, in proximity to the Capitan Reef within the Delaware Basin.

5. **Exhibit B-2** is a gun barrel diagram of Colgate’s development plan for the Batman wells.

6. **Exhibit B-3** contains cross section locator maps for the Wolfcamp wells that are the subject of Case Nos. 23149 through 23152. The approximate wellbore paths for the proposed Batman Fed Com 201H, 202H, 203H, and 204H wells (“Wolfcamp Wells”) are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. These maps identify the cross-section running from A-A' with the cross-section well names and a black line in proximity to the proposed wells.

7. **Exhibit B-4** contains Wolfcamp Structure maps on the base of the Wolfcamp formation in TVD subsea with a contour interval of 50 ft. The maps identify the approximate wellbore paths for the proposed Wolfcamp Wells with purple dashed lines. The location of the cross-section running from A-A' is identified in proximity to the proposed wells. The data points

are indicated by red triangles. The map demonstrates the formation is gently dipping to the south in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

8. **Exhibit B-5** identifies three wells penetrating the targeted intervals for the Wolfcamp Wells that I used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. It contains gamma ray, resistivity, and porosity logs. The structural cross section from north to south shows the regional dip to the south for the Wolfcamp Wells. The target zone for these proposed wells is the Wolfcamp formation, which is consistent across the units. The approximate well-path for the proposed wells is indicated by dashed lines to be drilled from north to south across the units.

9. **Exhibit B-6** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-5. The cross section is oriented from north to south and is hung on the top of the Wolfcamp formation. The proposed landing zone for the Wolfcamp Wells is labeled on the exhibit. The approximate well-path for the proposed wells is indicated by dashed lines to be drilled from north to south across the units. This cross-section demonstrates the target interval is continuous across the units.

10. **Exhibit B-7** contains cross section locator maps for the Bone Spring wells that are the subject of Case Nos. 23153 through 23156. The approximate wellbore paths for the proposed Batman Fed Com 111H, 112H, 113H, 114H, 121H, 122H, 123H, 124H, 125H, 126H, 127H, 128H, 171H, 172H, 173H, 174H, 131H, 132H, 133H, and 134H wells are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. These maps identify



the cross-section running from A-A' with the cross-section well names and a black line in proximity to the proposed wells.

11. **Exhibit B-8** contains First Bone Spring Structure maps on the base of the First Bone Spring formation in TVD subsea with a contour interval of 50'. The maps identify the approximate wellbore paths for the First Bone Spring wells with a black dashed line. They also identify the location of the cross-section running from A-A' in proximity to the proposed wells. The data points are indicated by red triangles. The maps demonstrate the formation is gently dipping to the south-southeast. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

12. **Exhibit B-9** contains Second Bone Spring Structure maps in TVD subsea with a contour interval of 50'. The maps identify the approximate wellbore paths for the Second Bone Spring wells with orange dashed lines. They also identify the location of the cross-section running from A-A' in proximity to the proposed wells. The data points are indicated by red triangles. The maps demonstrate the formation is gently dipping to the south-southeast. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

13. **Exhibit B-10** contains Third Bone Spring Structure maps in TVD subsea with a contour interval of 50'. The maps identify the approximate wellbore paths for the Harkey Formation wells with a maroon dashed line. They also identify the location of the cross-section running from A-A' in proximity to the proposed wells. The data points are indicated by red triangles. The maps demonstrate the formation is gently dipping to the south in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

14. **Exhibit B-11** contains Third Bone Spring Structure maps in TVD subsea with a contour interval of 50'. The maps identify the approximate wellbore paths for the Third Bone Spring wells with a red dashed line. They also identify the location of the cross-section running from A-A' in proximity to the proposed wells. The data points are indicated by red triangles. The maps demonstrate the formation is gently dipping to the south in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

15. **Exhibit B-12** identifies three wells penetrating the targeted Bone Spring intervals I used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. It contains gamma ray, resistivity, and porosity logs. The structural cross section from north to south shows the regional dip to the south-southeast for the First Bone Spring, Second Bone Spring, Harkey, and Third Bone Spring formations. The target zones for the proposed wells are the Bone Spring formation, which are consistent across the Units. The approximate wellbore paths for the Wells are indicated by dashed lines.

15. **Exhibit B-13** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-12. The cross section is oriented from north to south and is hung on the top of the Wolfcamp formation. The proposed landing zones for the Wells are labeled on the exhibit. The approximate wellbore paths for the Wells are indicated by dashed lines. This cross section demonstrates the target intervals are continuous across the Units.

16. In my opinion, a standup orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Units and is the preferred fracture orientation in this portion of the trend.

17. Based on my geologic study of the area, the targeted intervals underlying the Units is suitable for development by horizontal wells and the tracts comprising the Units will contribute more or less equally to the production of the Wells.

18. In my opinion, the granting of Colgate's applications will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

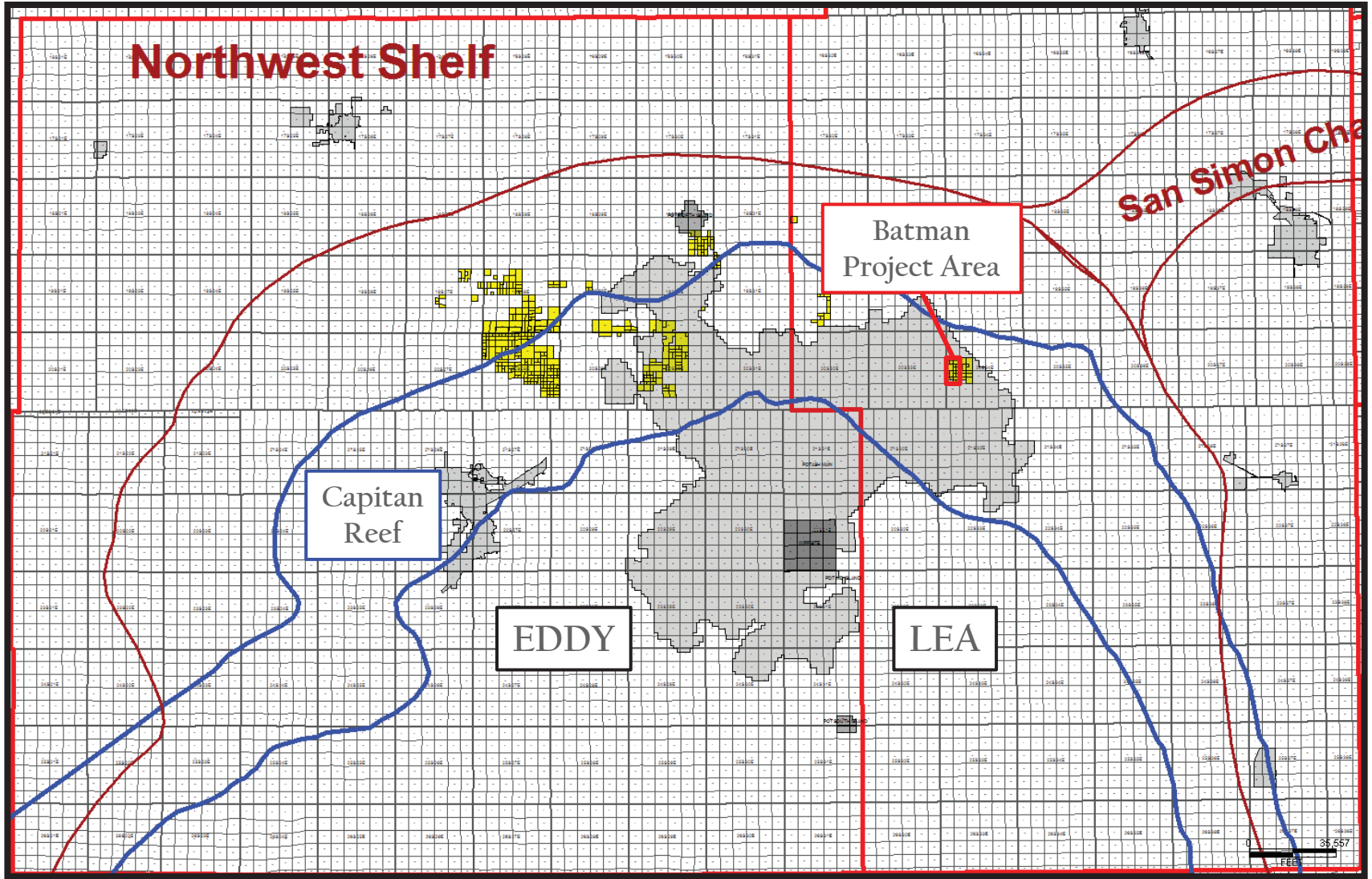
19. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

20. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
John Martin Anthony

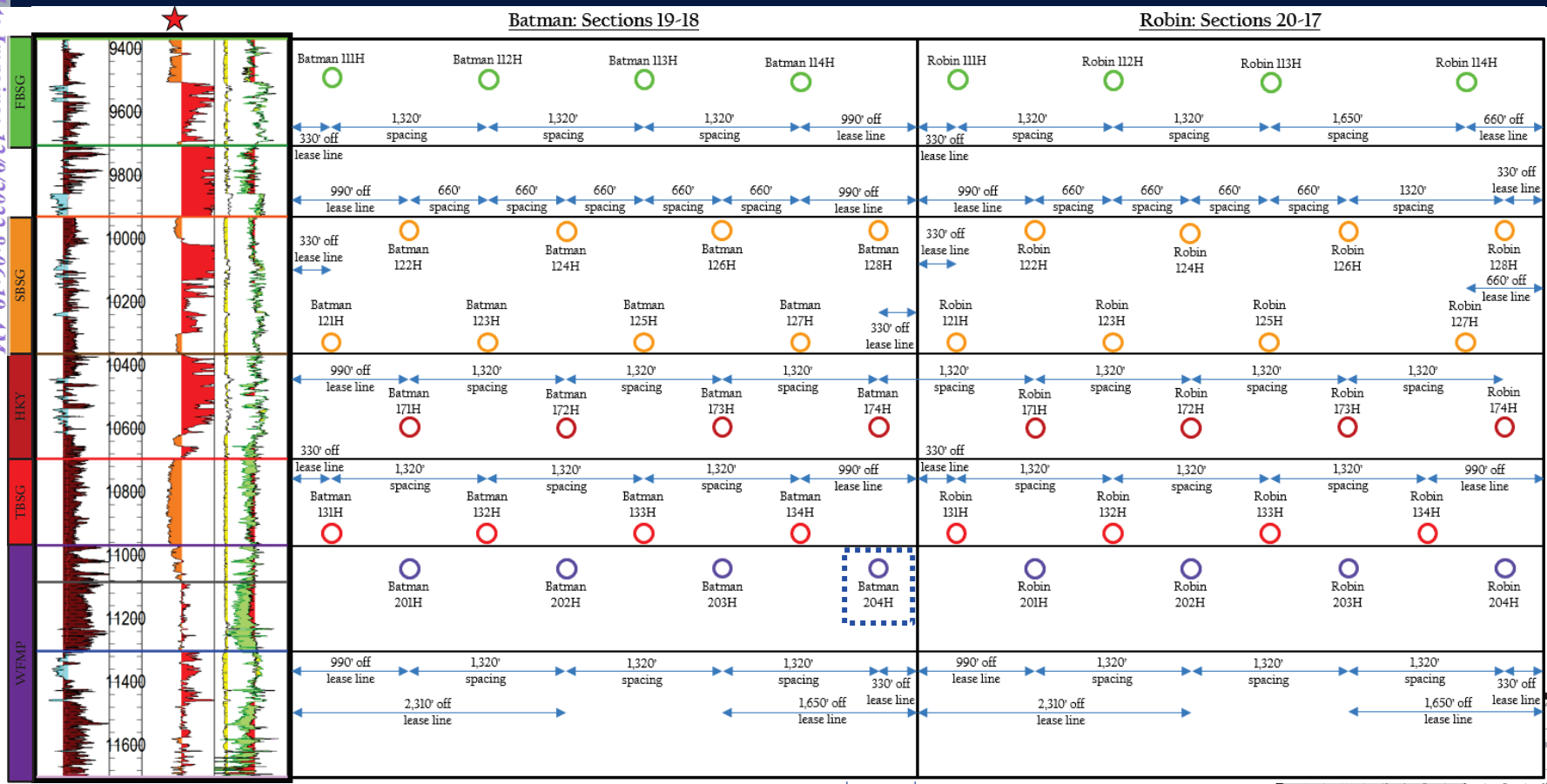
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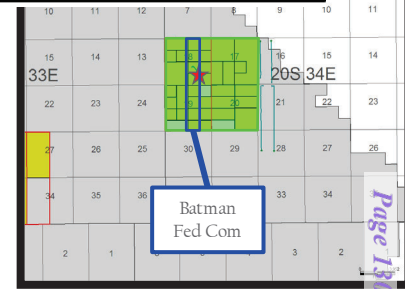
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30-025-32694

Gunbarrel Legend	
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<span style="color: green;">●</span> FBSG Producing	<span style="color: red;">●</span> HKY Producing
<span style="color: orange;">○</span> SBSG Proposed	<span style="color: red;">○</span> TBSG Proposed
<span style="color: orange;">●</span> SBSG Producing	<span style="color: red;">●</span> TBSG Producing
<span style="color: purple;">○</span> WFMP Proposed	<span style="color: red;">○</span> WFMP Proposed
<span style="color: purple;">●</span> WFMP Producing	<span style="color: red;">●</span> WFMP Producing

Proposed Wells



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# Cross-Section Locator Map

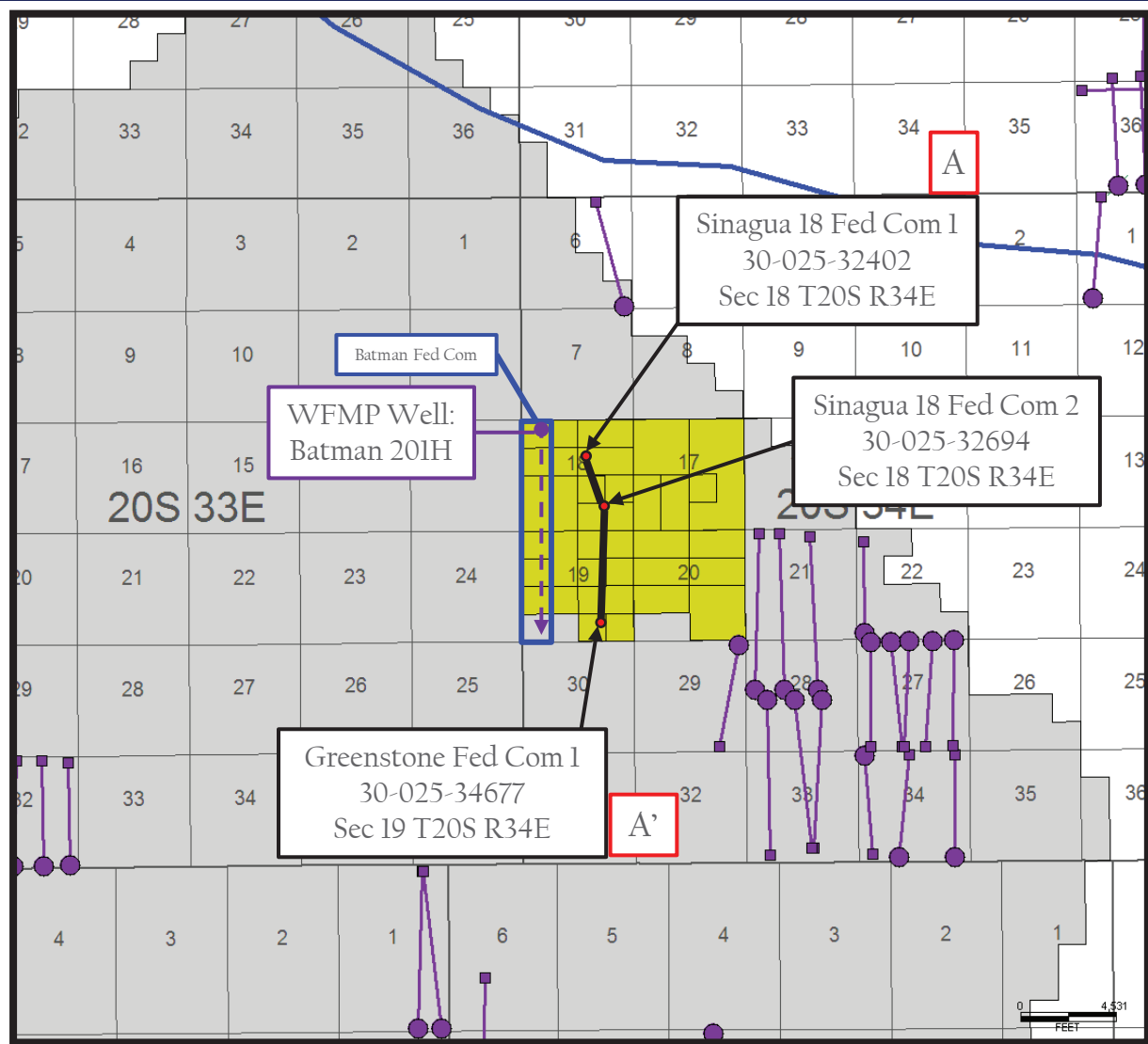
Batman Fed Com - 201H

Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit B-3



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### Proposed Wells



### Producing Wells



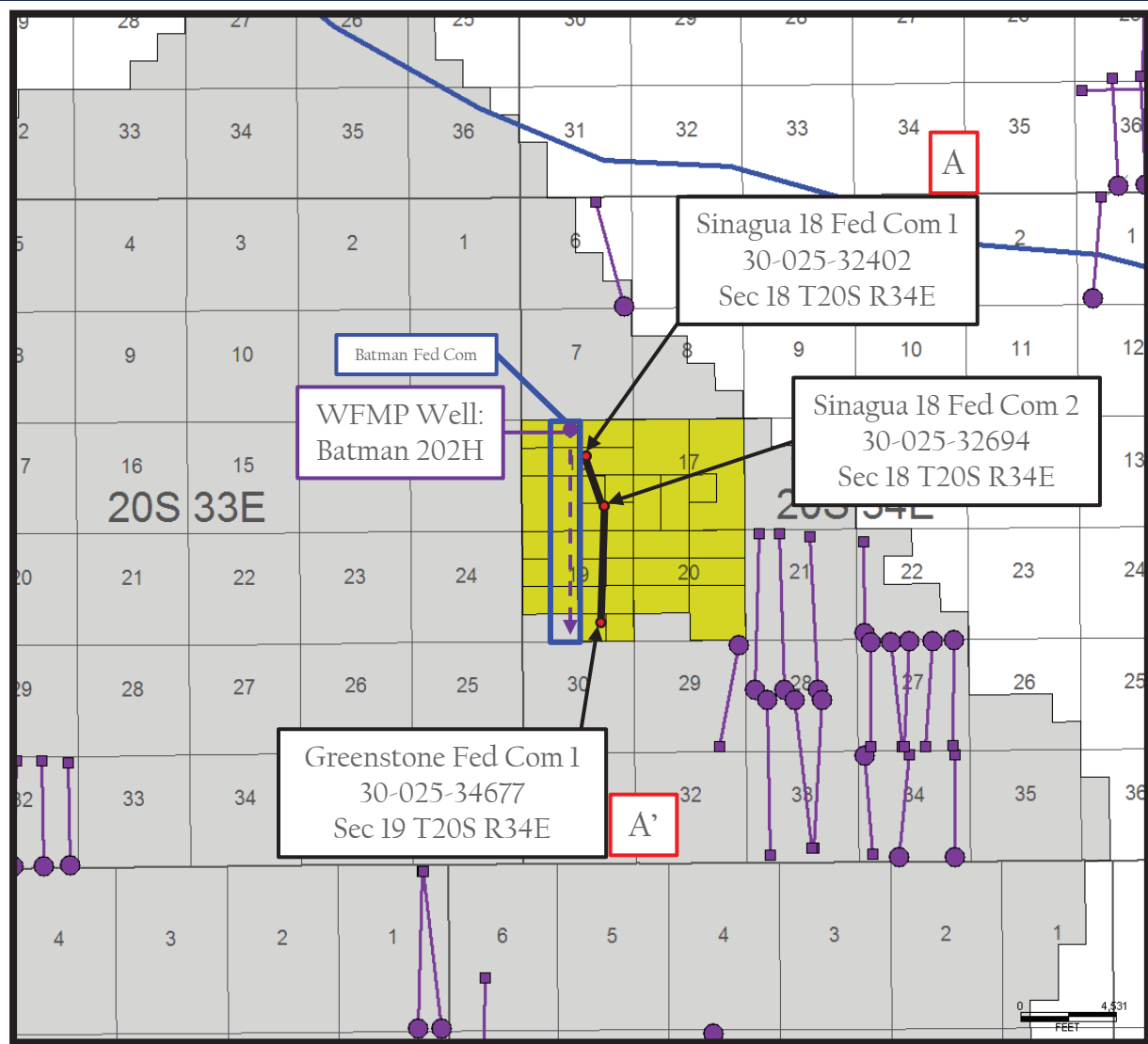
Colgate Energy

# Cross-Section Locator Map

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### Proposed Wells



### Producing Wells



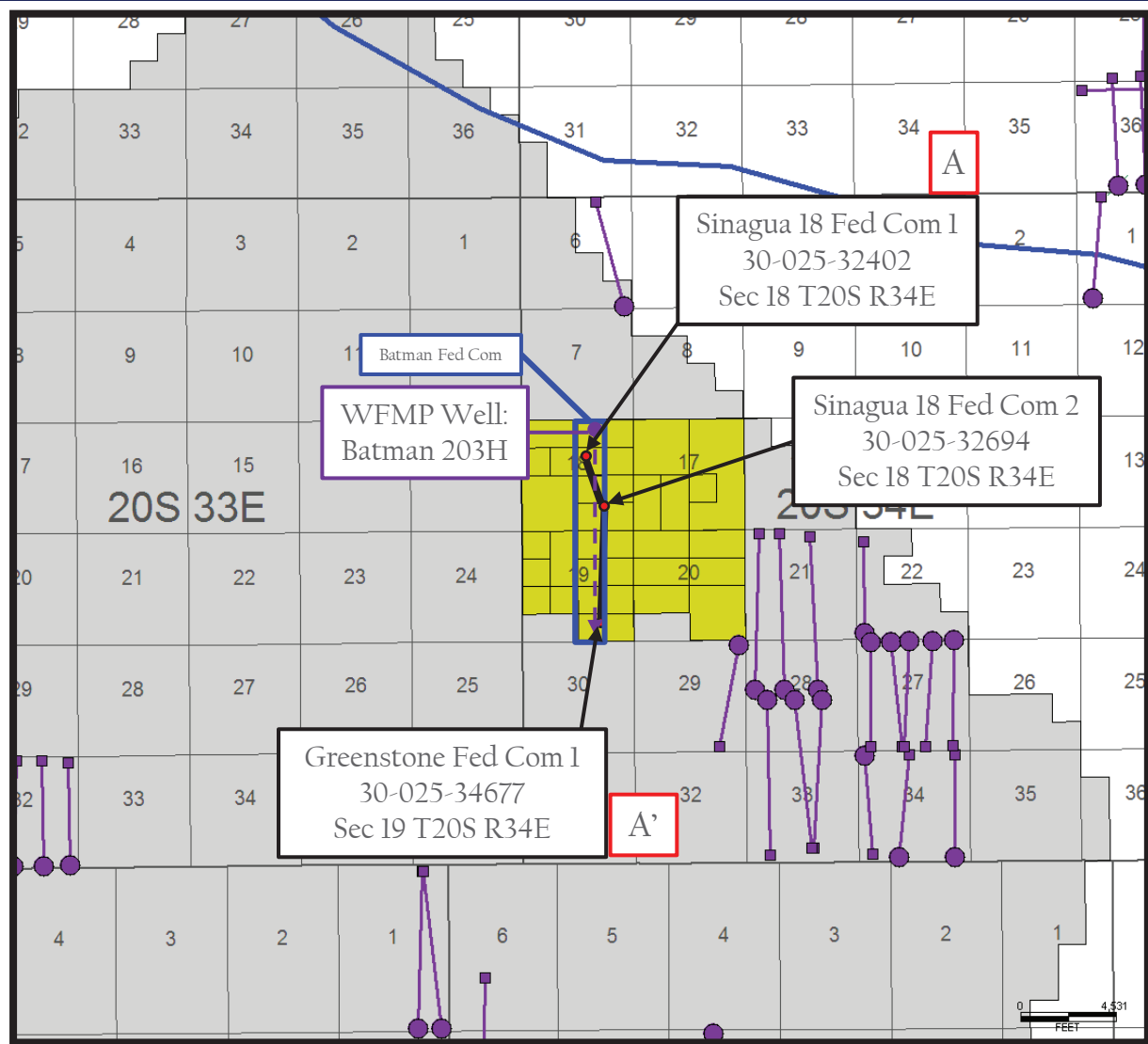
Colgate Energy

# Cross-Section Locator Map

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### Proposed Wells



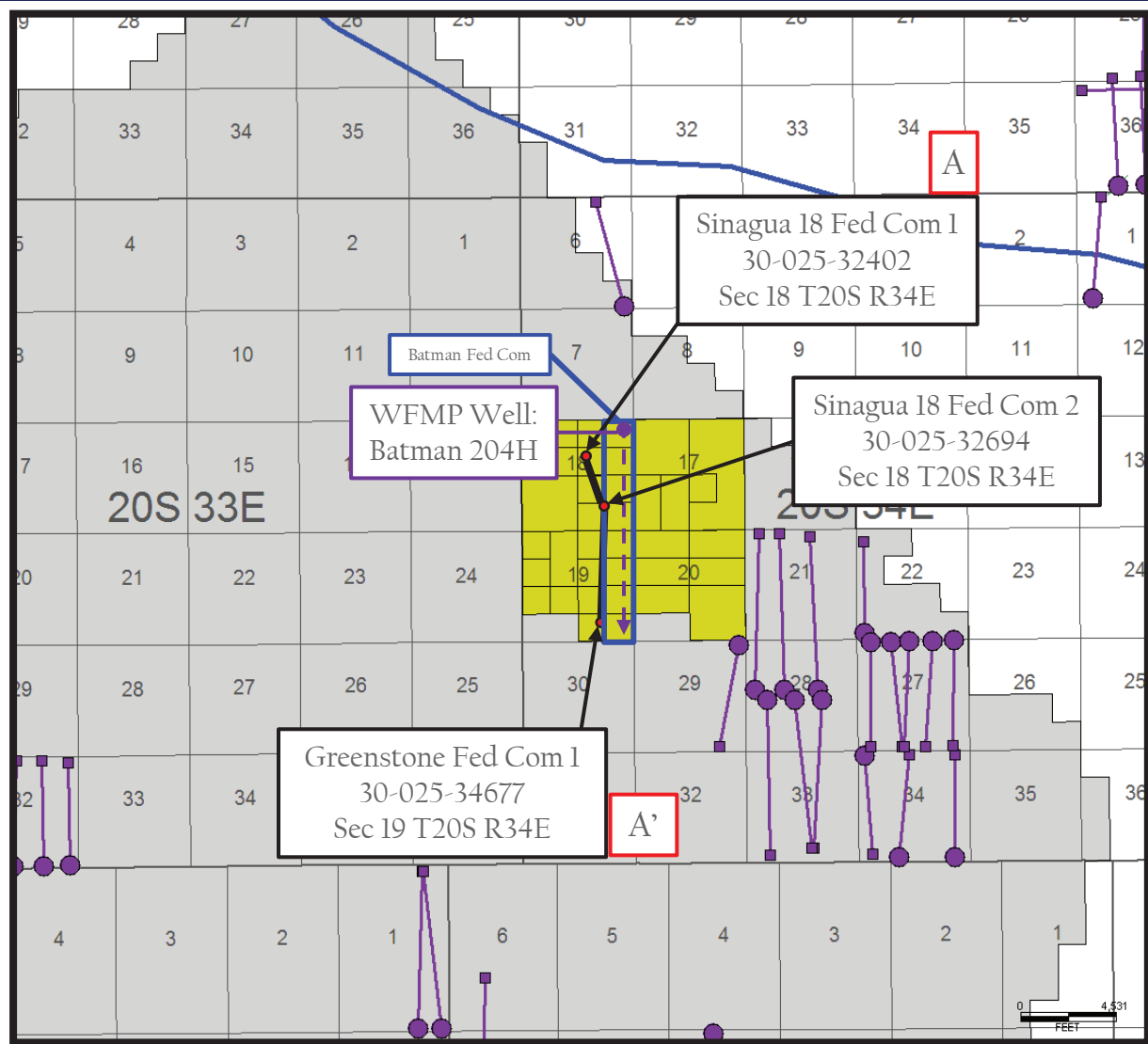
### Producing Wells



Colgate Energy

# Cross-Section Locator Map

Batman Fed Com - 204H



### Proposed Wells

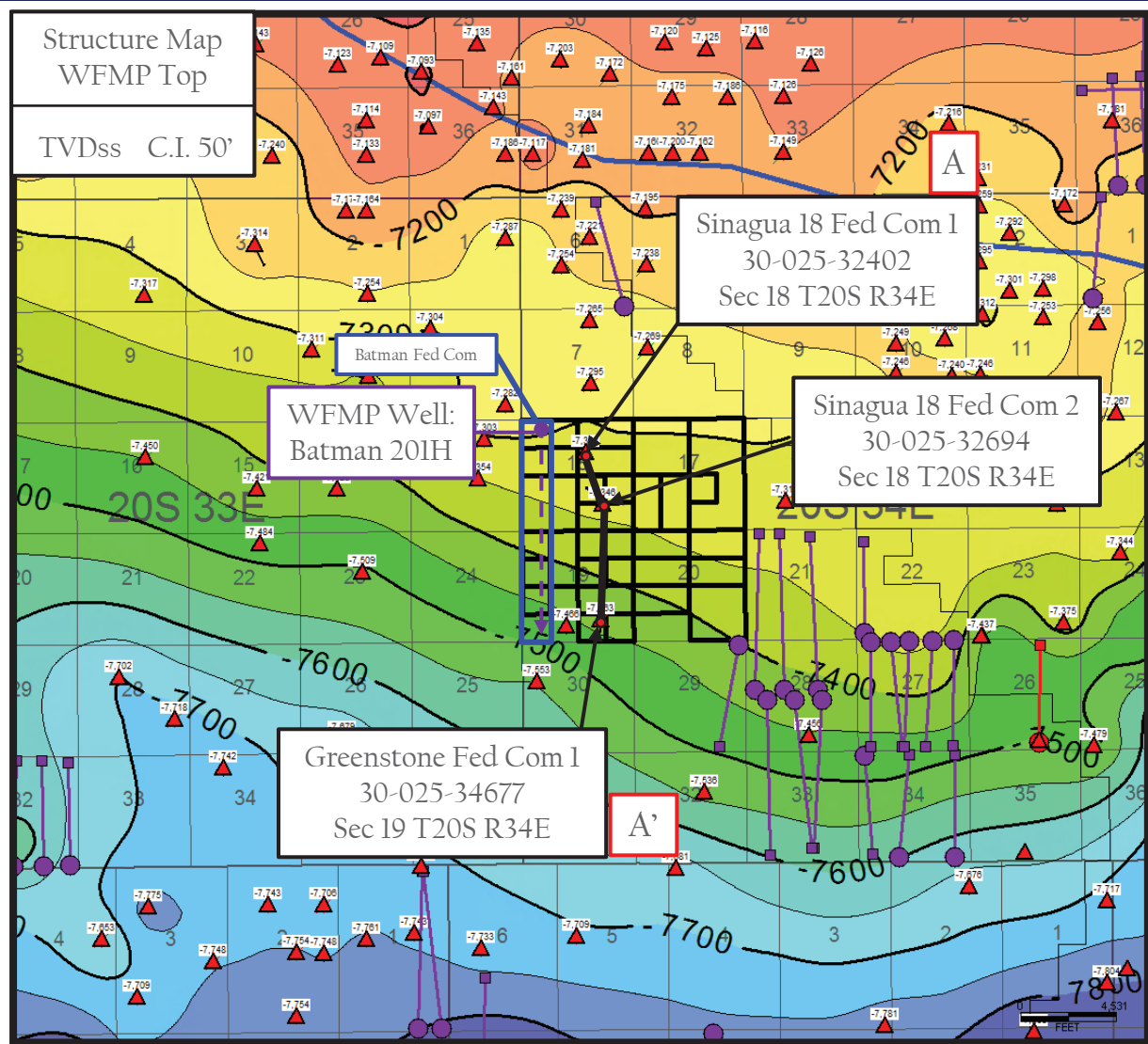


### Producing Wells



Colgate Energy





Control Point

TVDss



Proposed Wells



Producing Wells



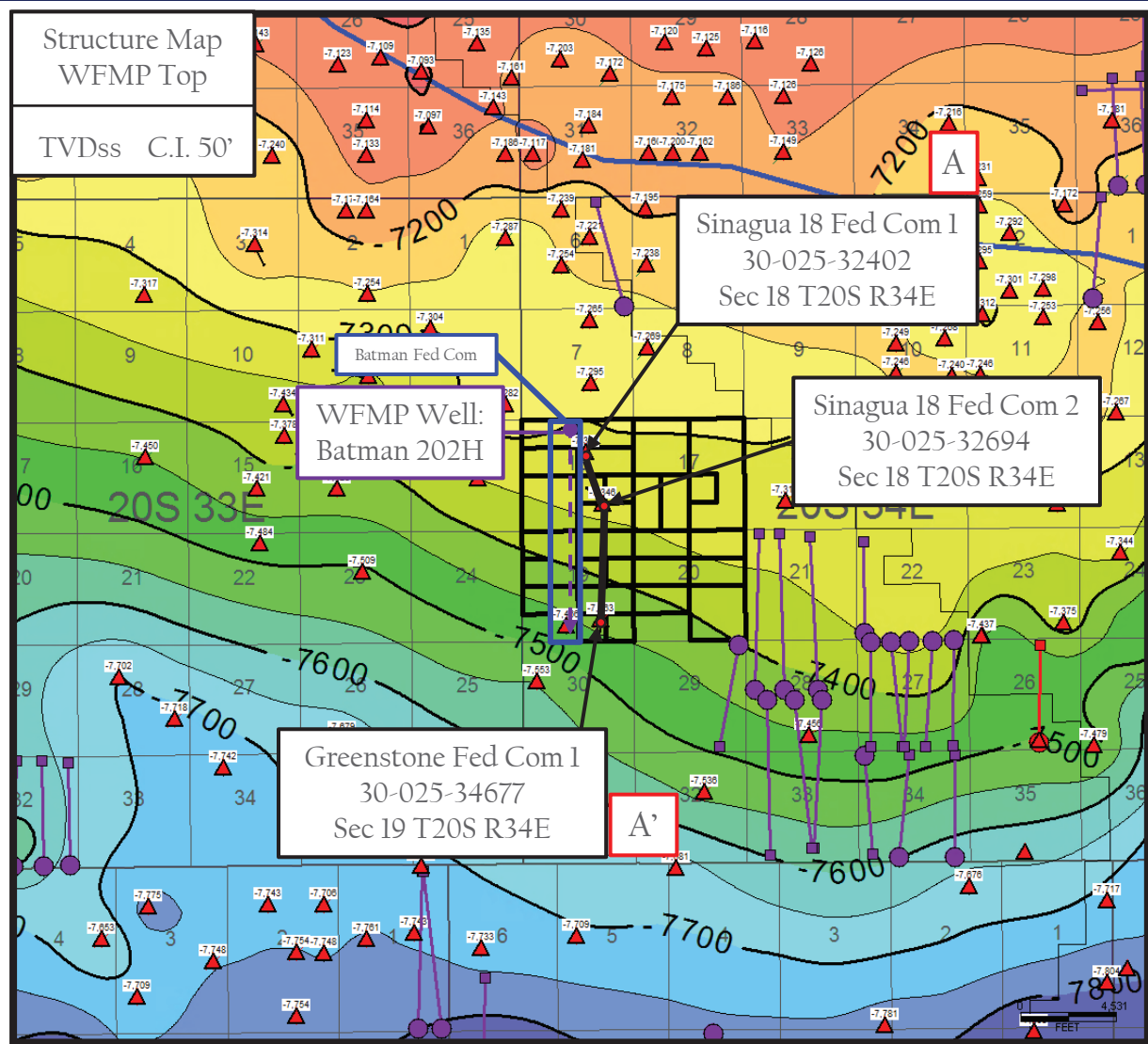
Colgate Energy

# Wolfcamp – Structure Map

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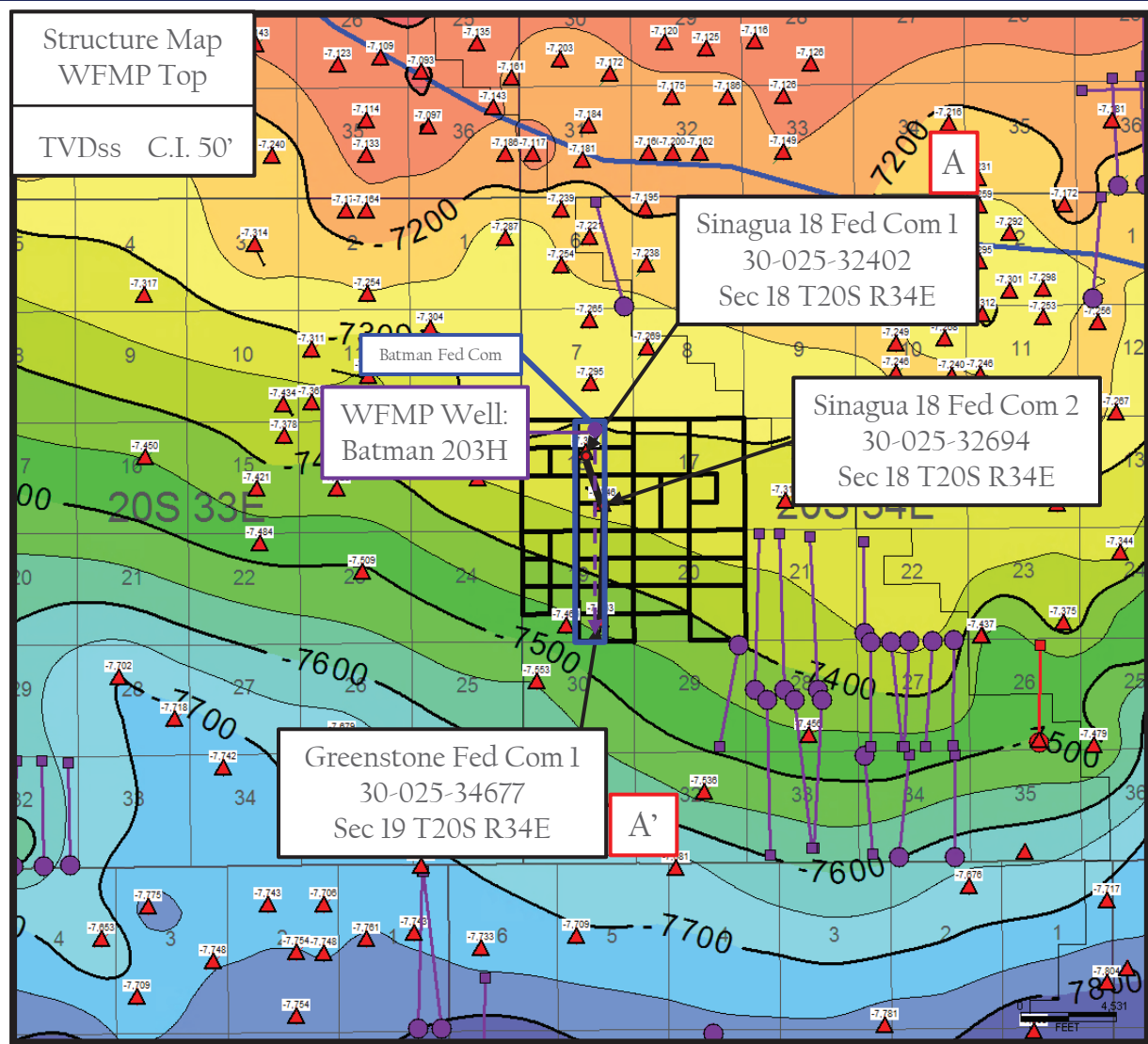
Page 136 of 191

# Wolfcamp – Structure Map

Batman Fed Com 203H

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Control Point

TVDss



Proposed Wells



Producing Wells



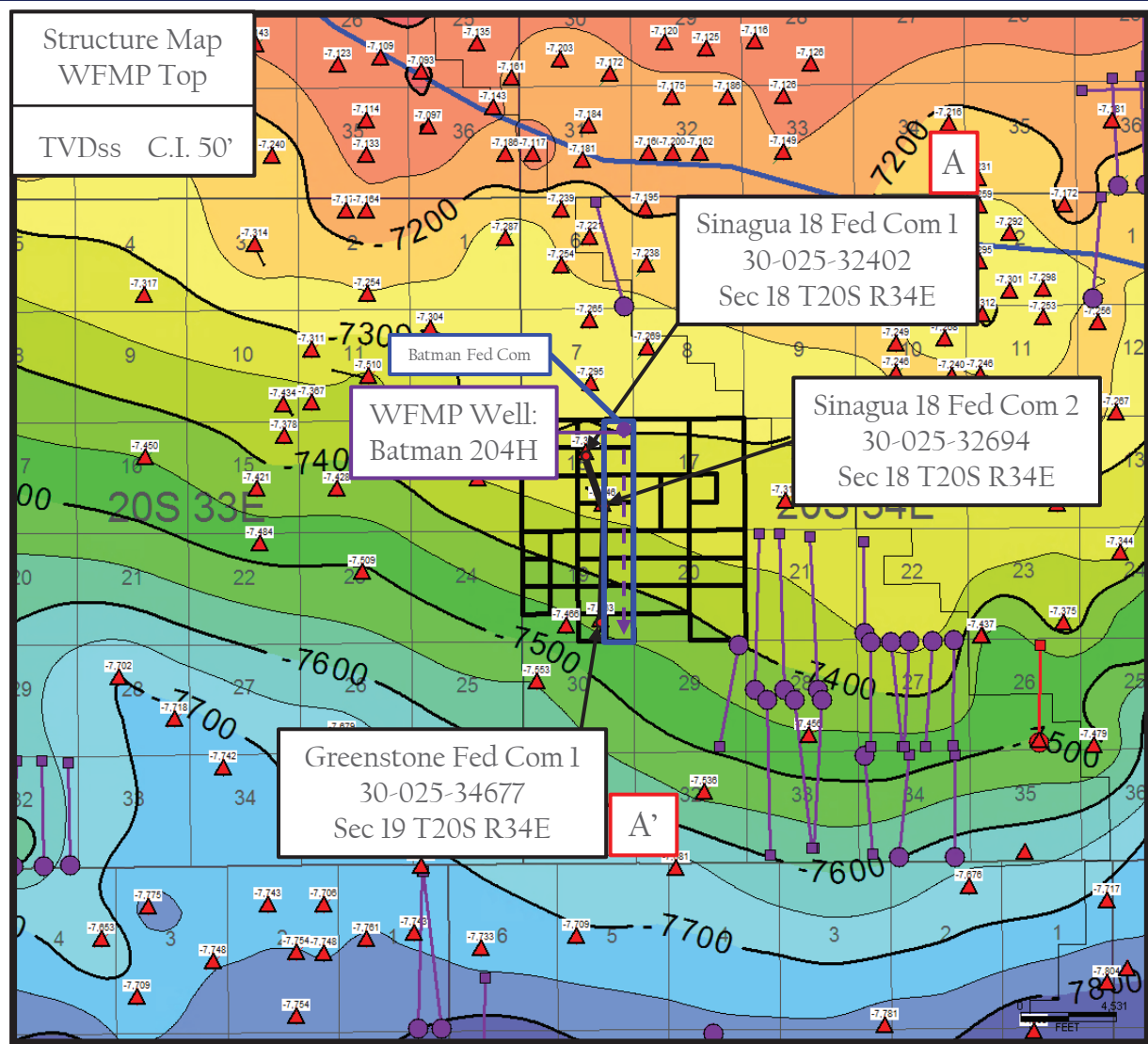
Colgate Energy

# Wolfcamp – Structure Map

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Control Point

TVDss



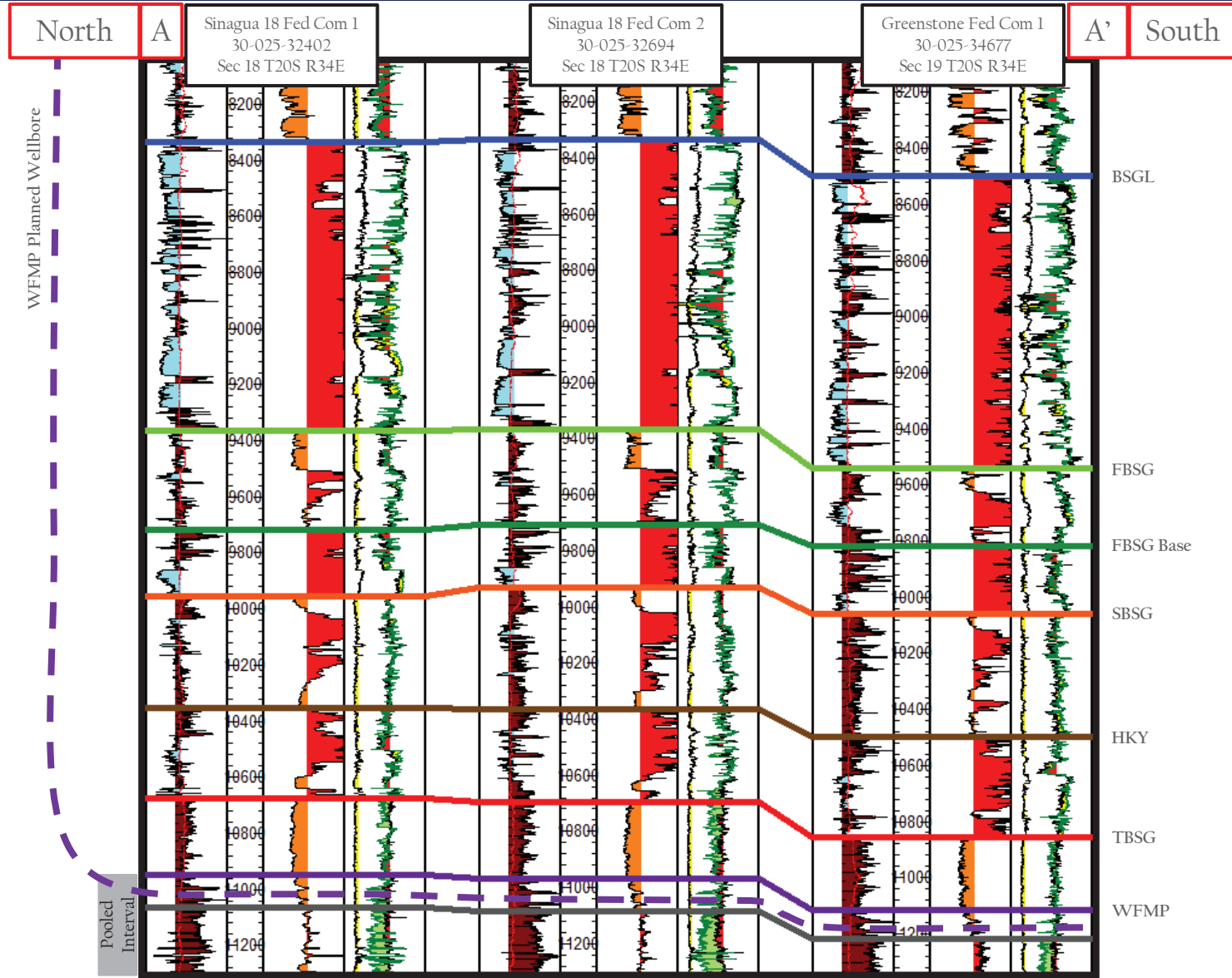
Proposed Wells



Producing Wells



Colgate Energy

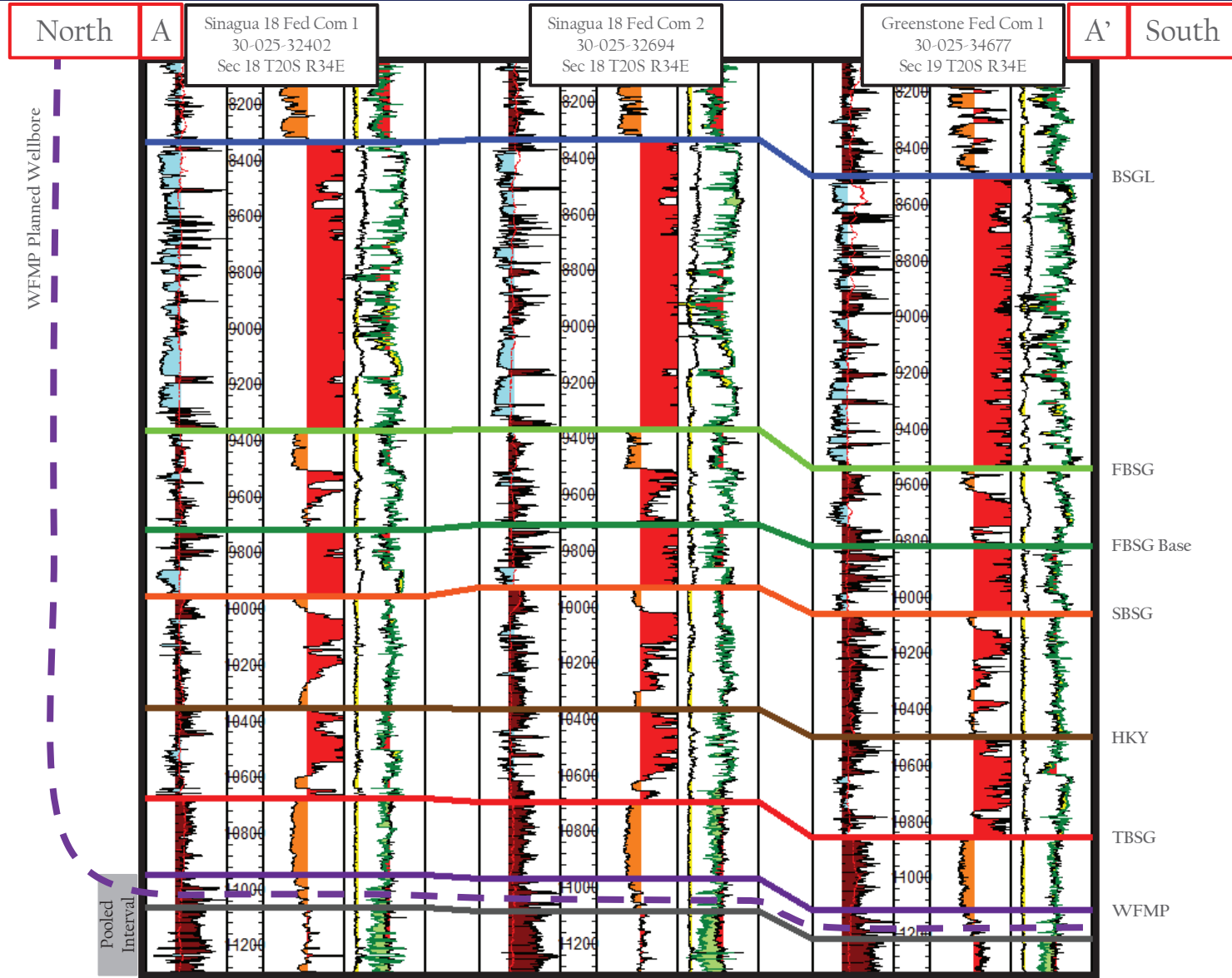




# Structural Cross-Section A-A'

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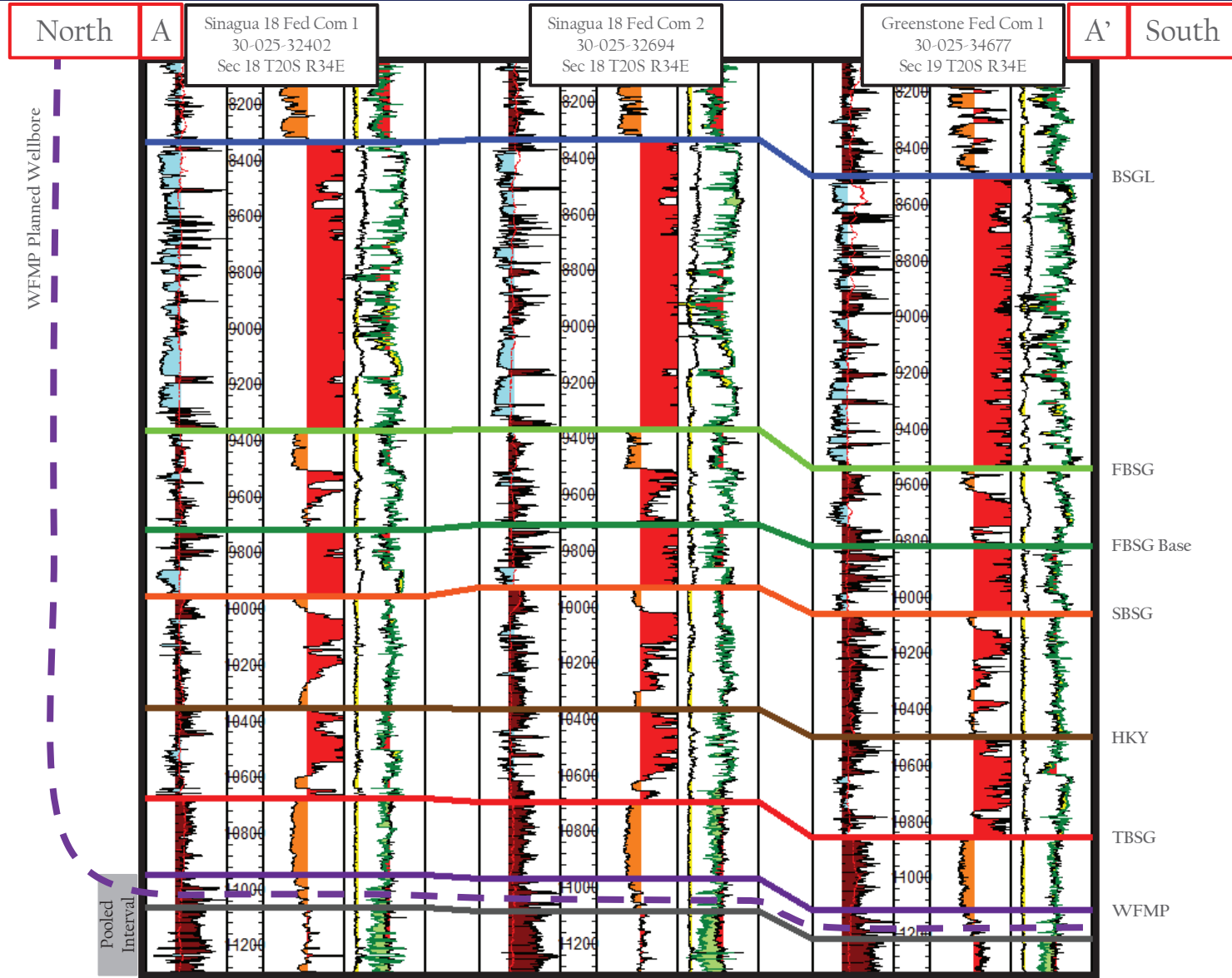


WFMP Well:  
Batman 202H



# Structural Cross-Section A-A'

Batman Fed Com 203H

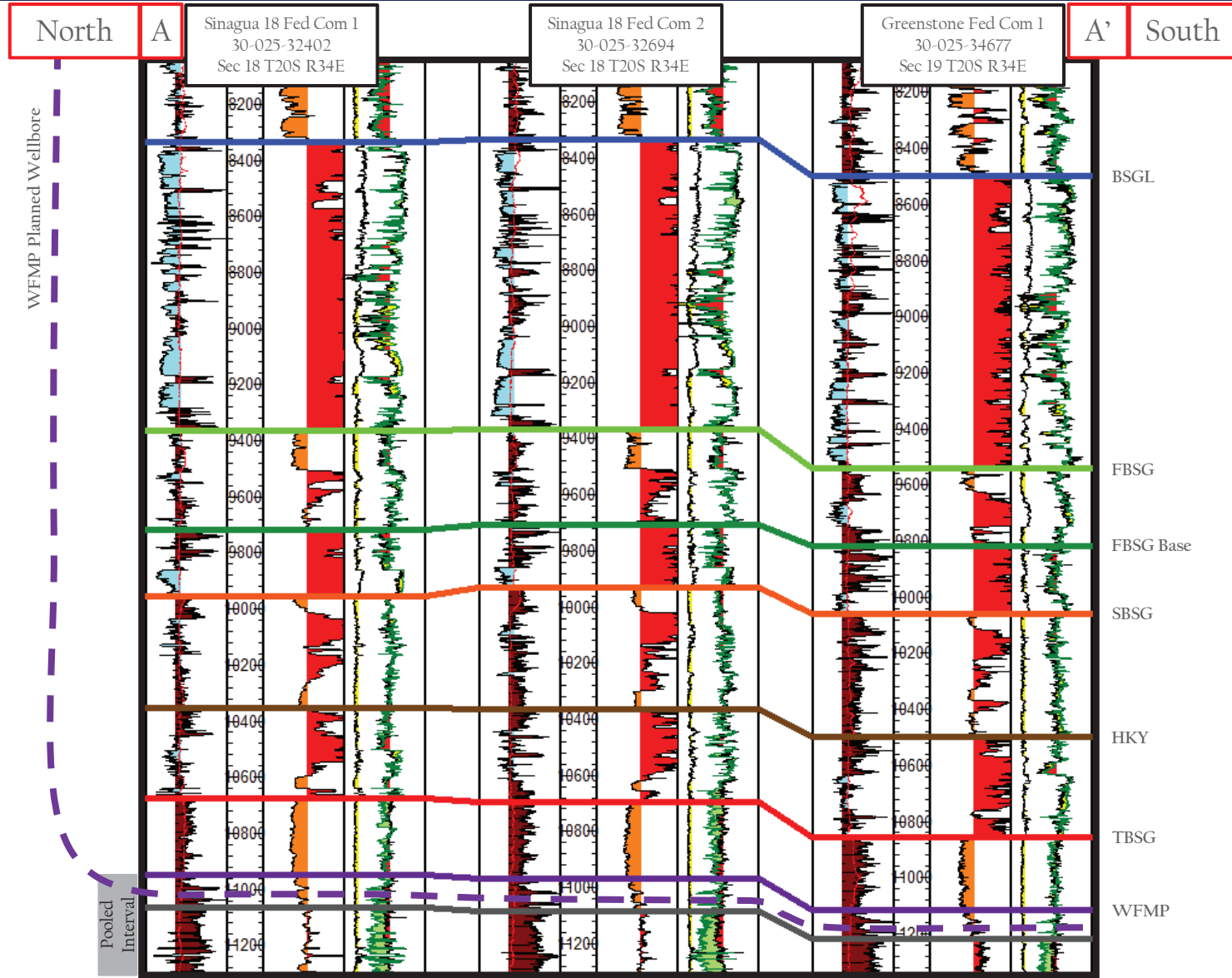


WFMP Well:  
Batman 203H

# Structural Cross-Section A-A'

Batman Fed Com 204H

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WFMP Well:  
Batman 204H

# Stratigraphic Cross-Section A-A'

Batman Fed Com 201H

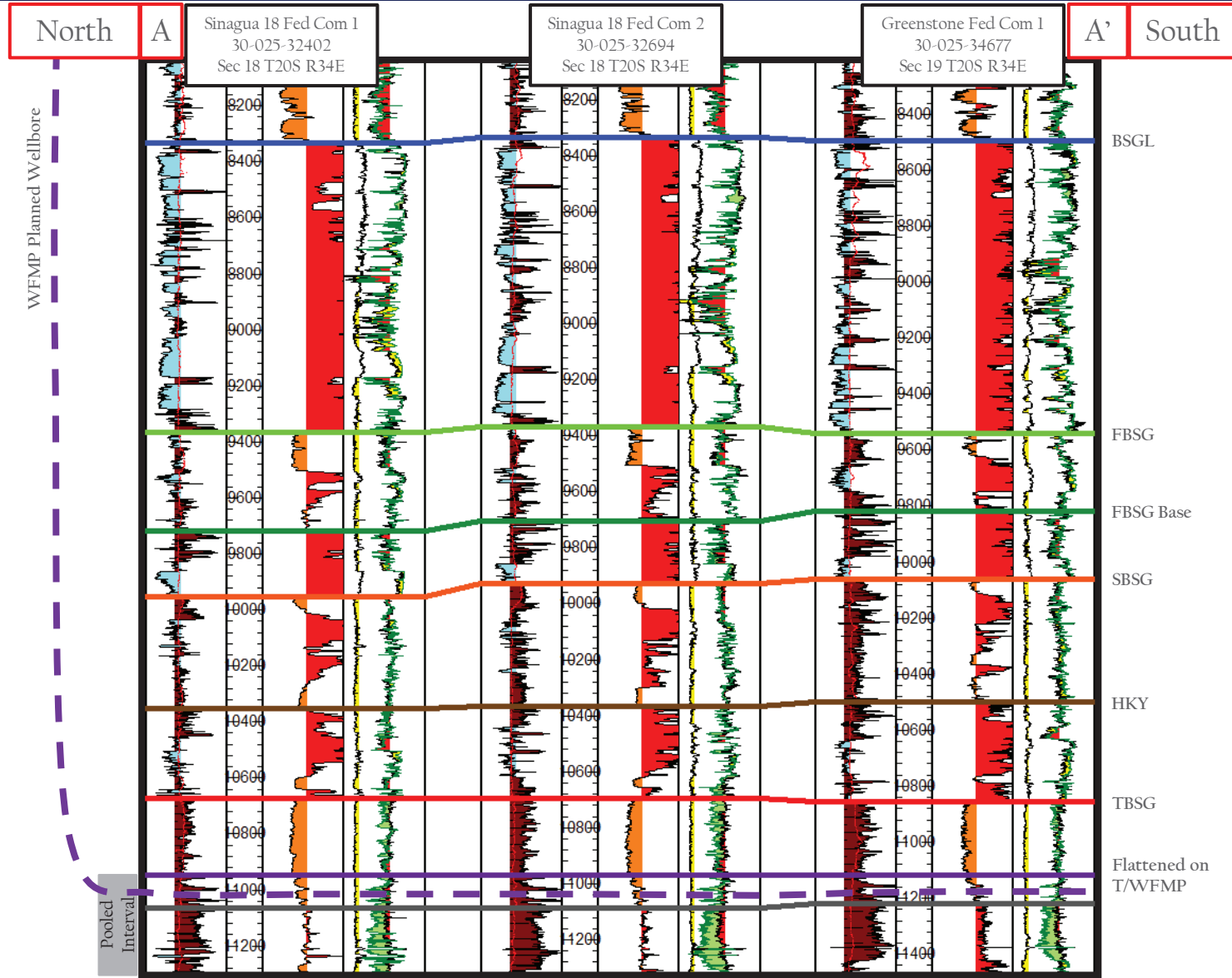
Colgate Operating, LLC  
 Case Nos. 23149-23156  
 Exhibit B-6



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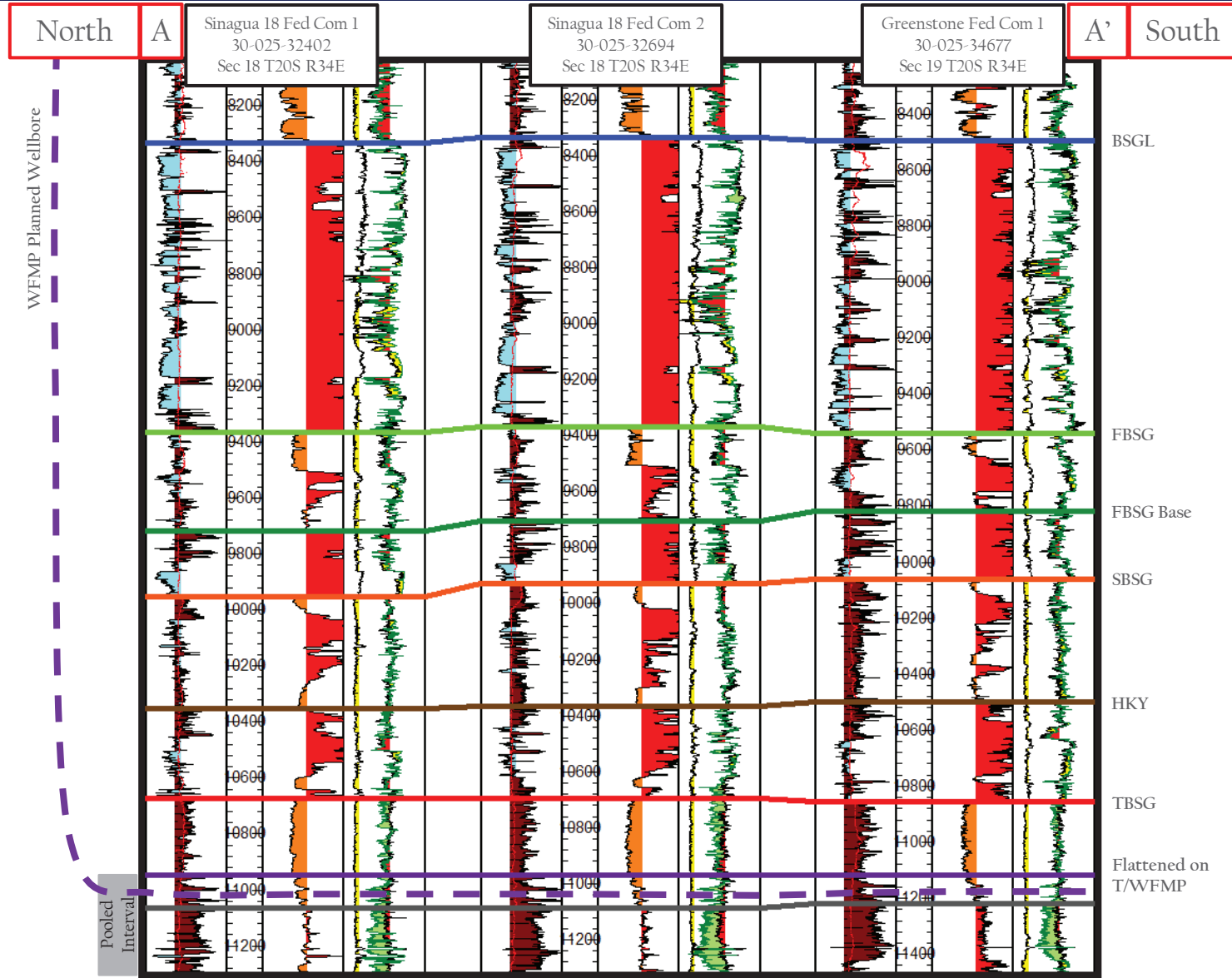
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WFMP Well:  
 Batman 201H

# Stratigraphic Cross-Section A-A'

Batman Fed Com 202H



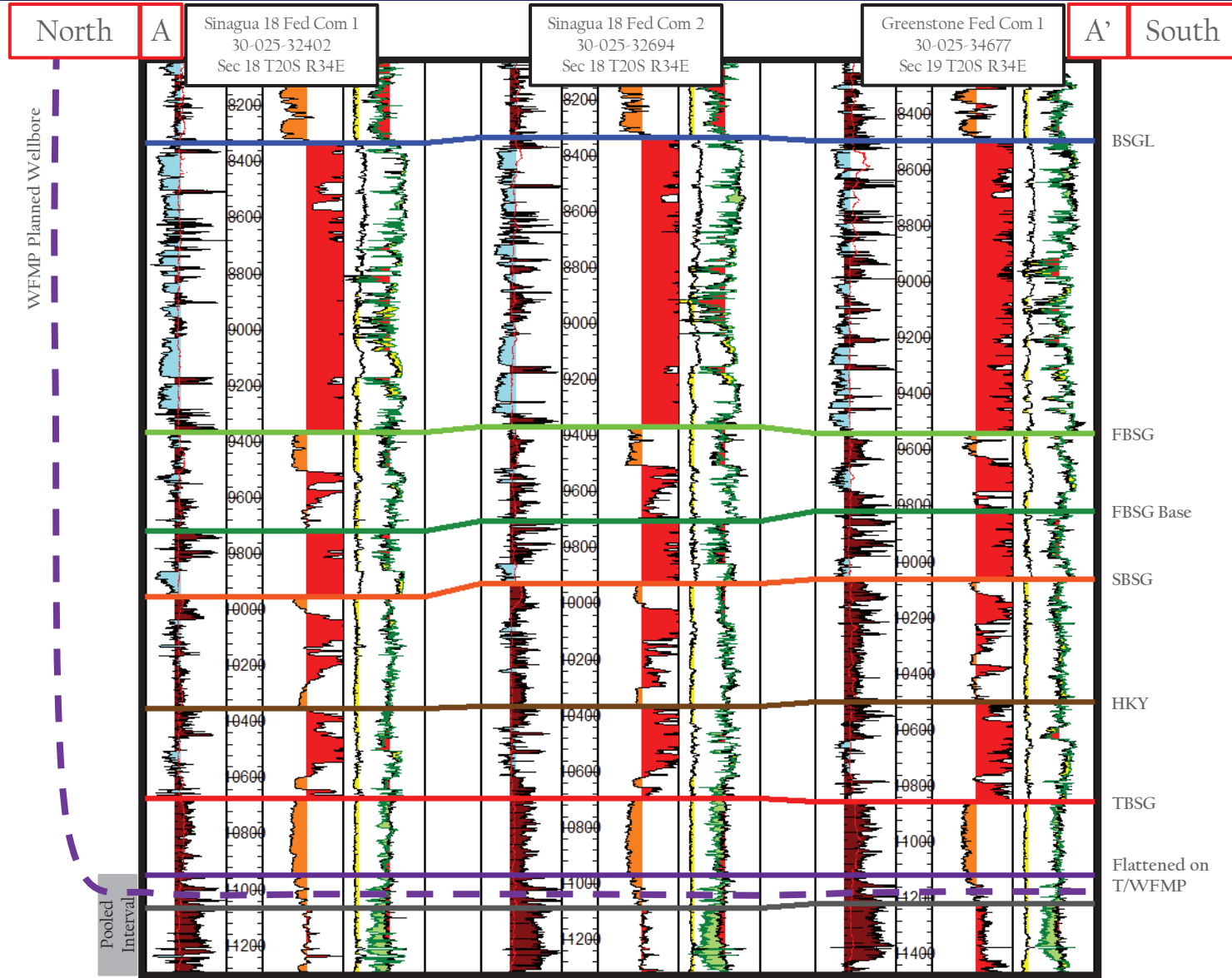
WFMP Well:  
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# Stratigraphic Cross-Section A-A'

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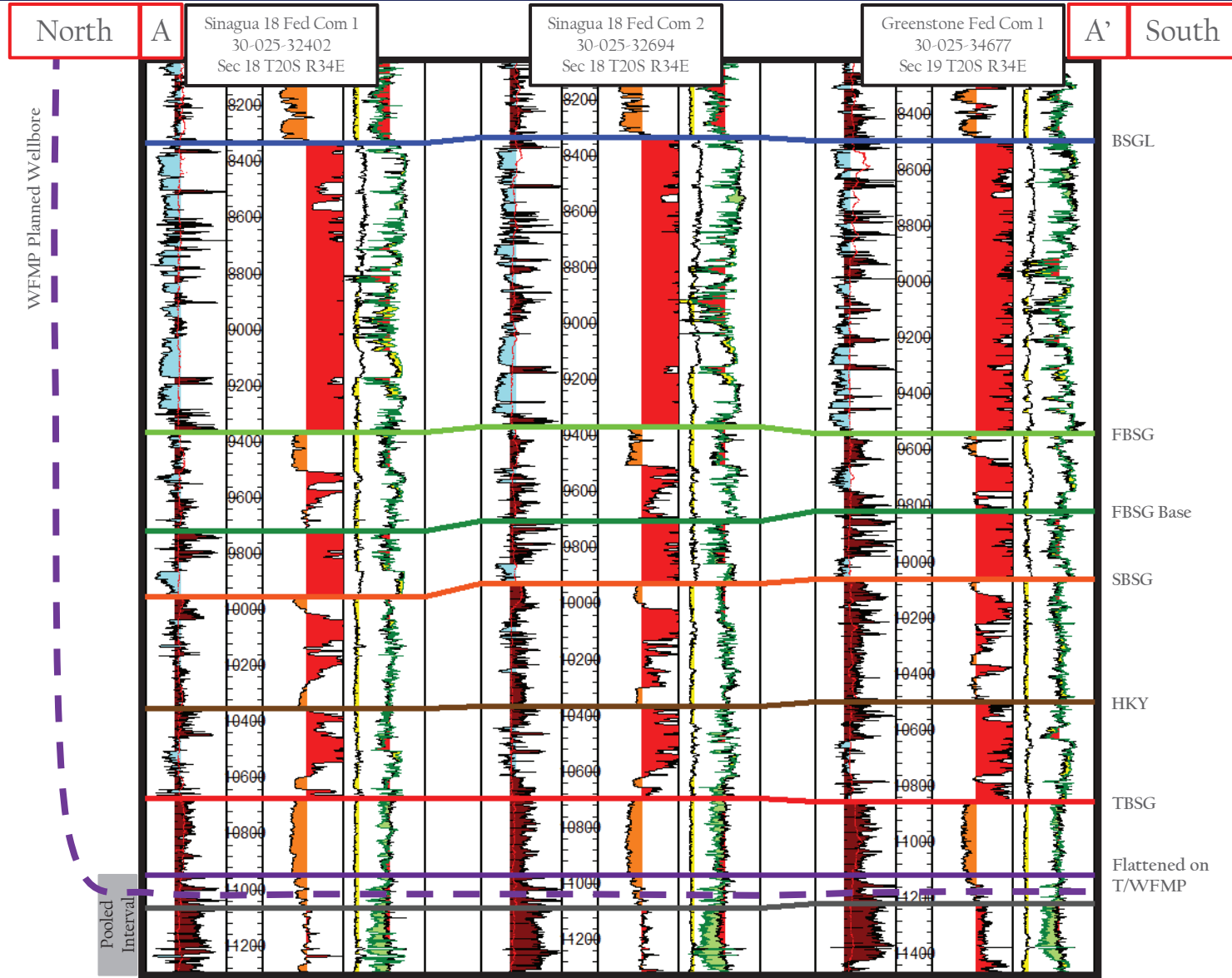
WFMP Well:  
Batman 203H

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# Stratigraphic Cross-Section A-A'

Batman Fed Com 204H

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WFMP Well:  
Batman 204H



# Cross-Section Locator Map

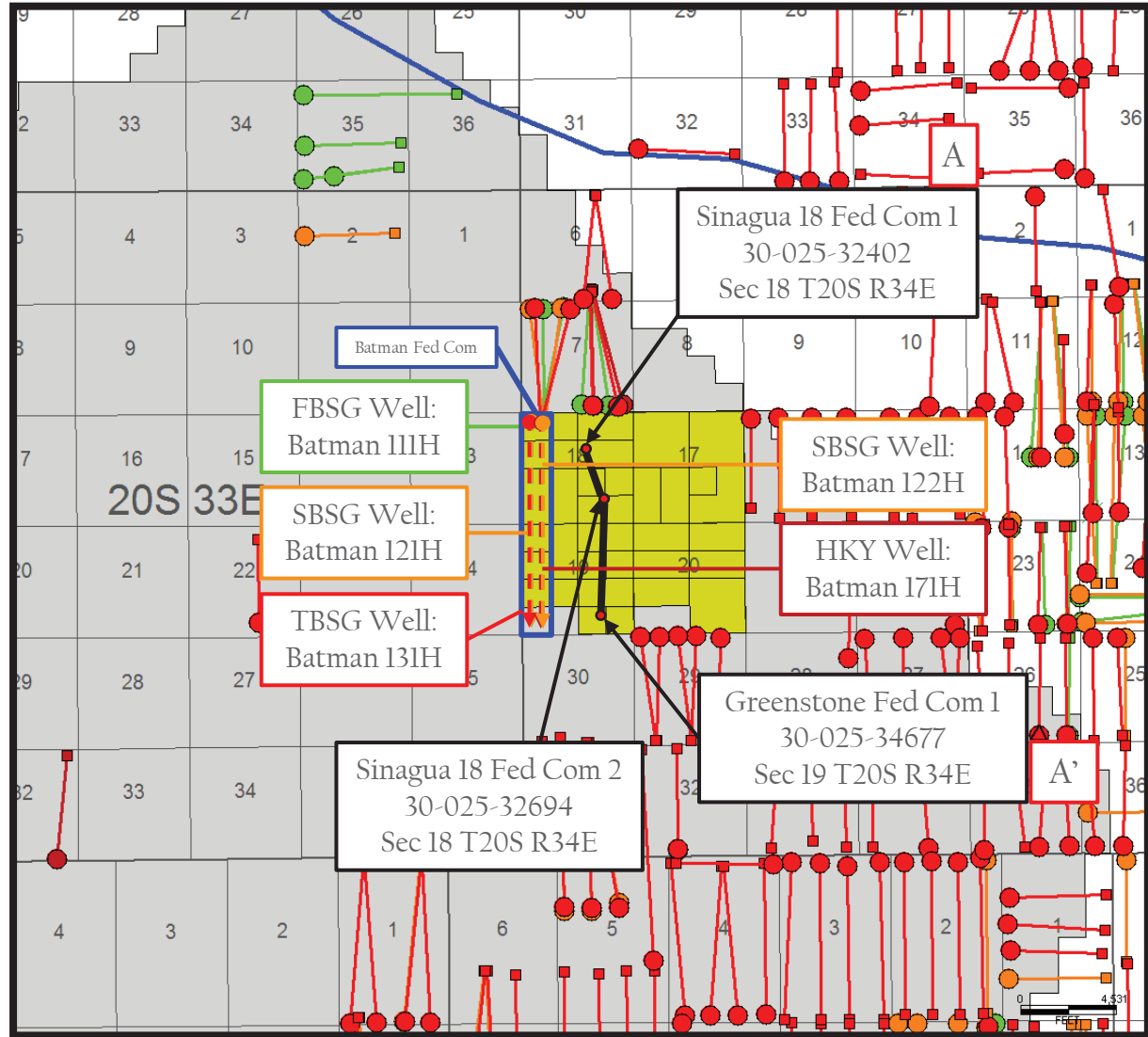
Batman Fed Com - 111H, 121H, 122H, 171H, 131H

Colgate Operating, LLC  
 Case Nos. 23149-23156  
 Exhibit B-7



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### Proposed Wells

- FBSG**
- SBSG**
- HKY**
- TBSG**

### Producing Wells

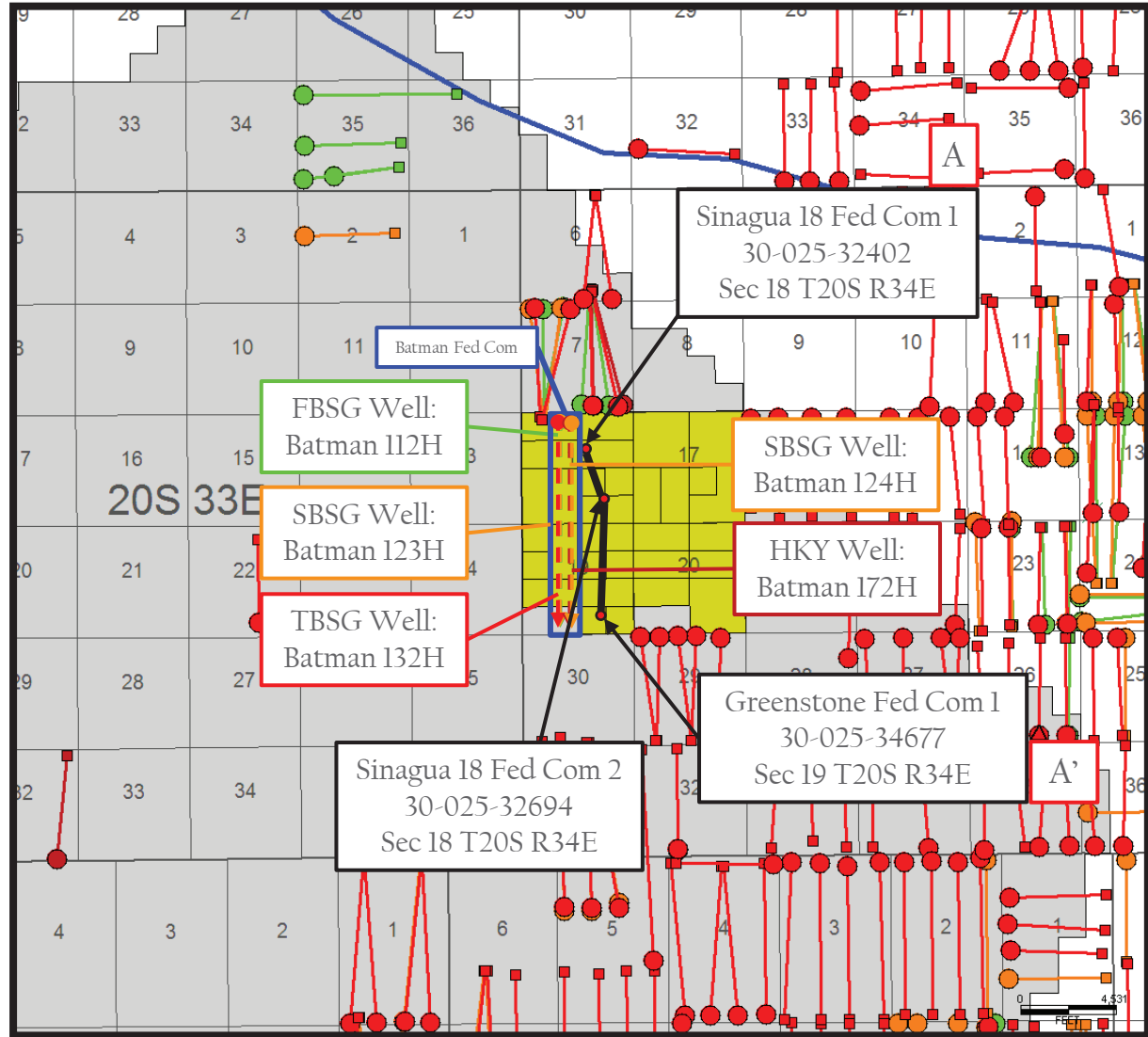
- FBSG**
- SBSG**
- HKY**
- TBSG**

Colgate Energy

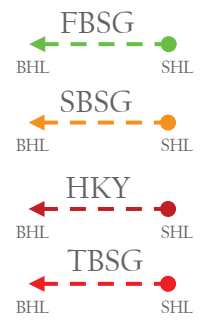
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# Cross-Section Locator Map

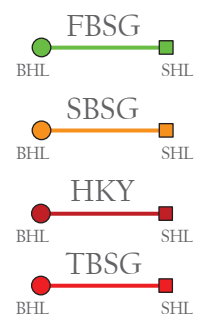
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### Proposed Wells



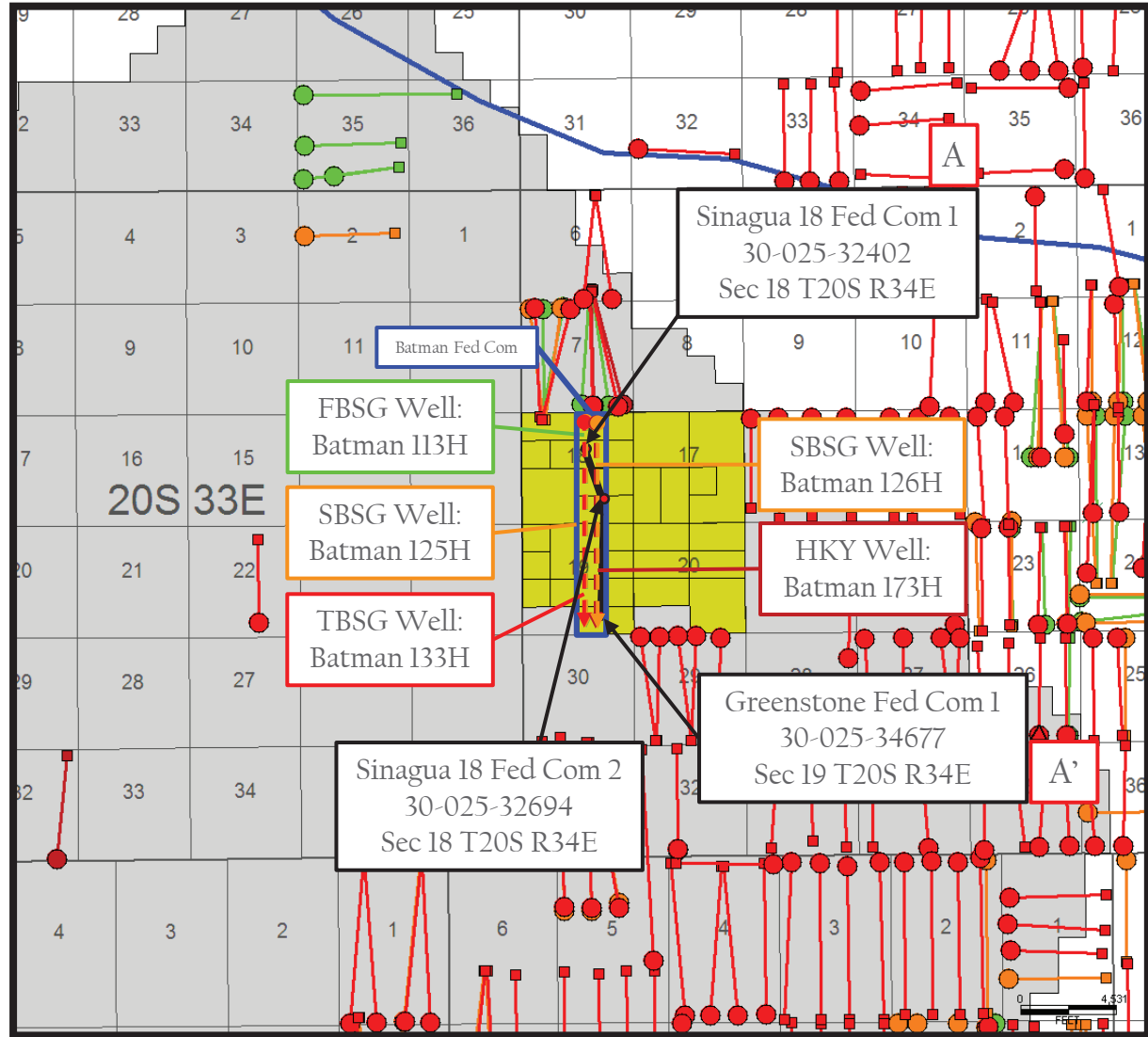
### Producing Wells



Colgate Energy

# Cross-Section Locator Map

Batman Fed Com - 113H, 125H, 126H, 173H, 133H



### Proposed Wells

- FBSG  
BHL — SHL
- SBSG  
BHL — SHL
- HKY  
BHL — SHL
- TBSG  
BHL — SHL

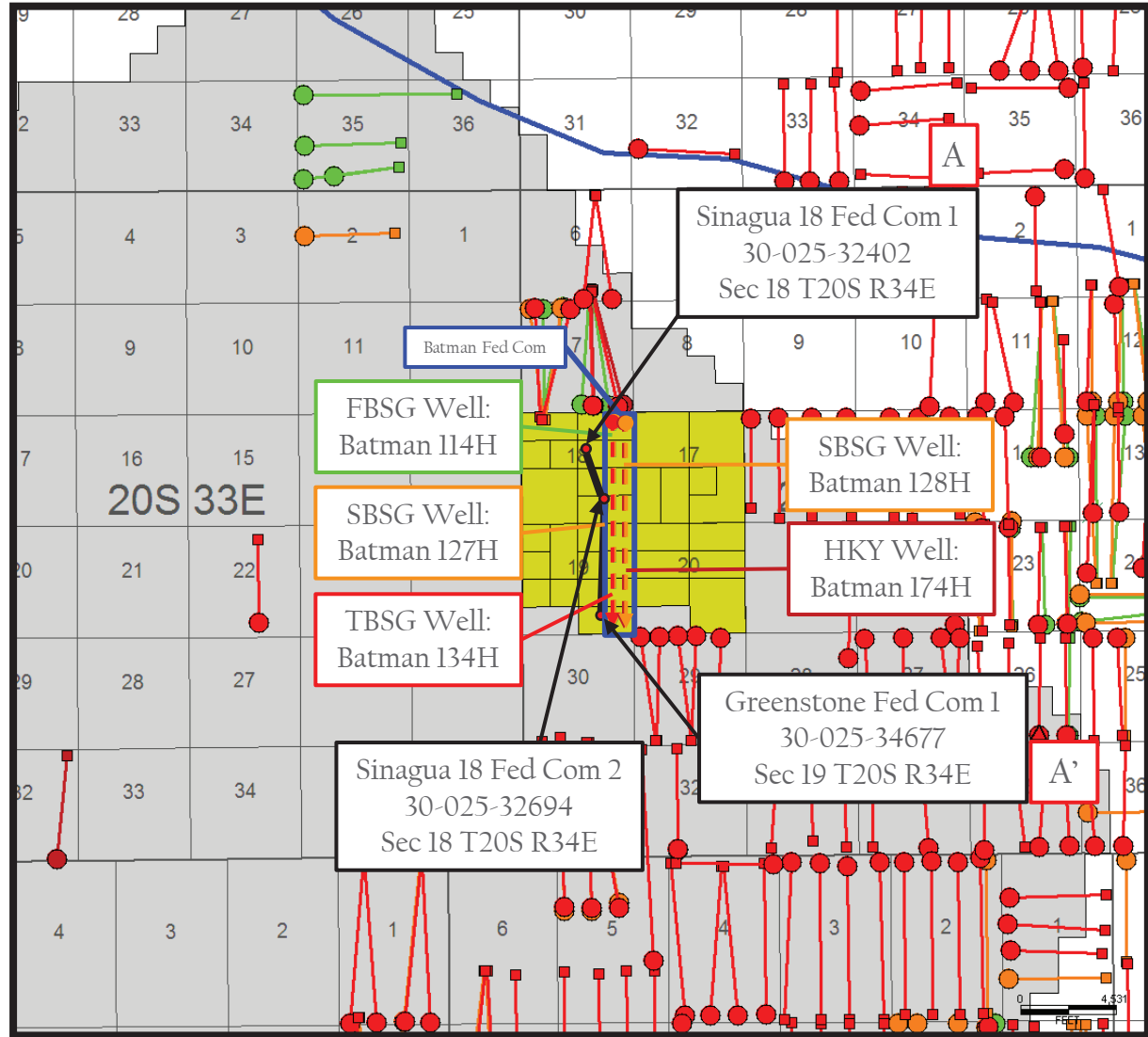
### Producing Wells

- FBSG  
BHL — SHL
- SBSG  
BHL — SHL
- HKY  
BHL — SHL
- TBSG  
BHL — SHL

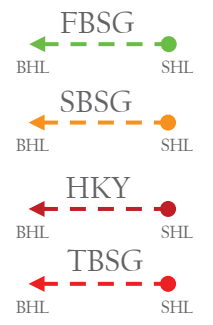
Colgate Energy

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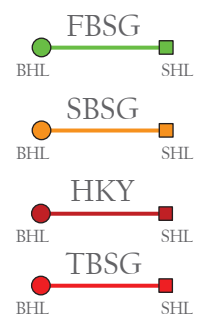
Batman Fed Com - 114H, 127H, 128H, 174H, 134H



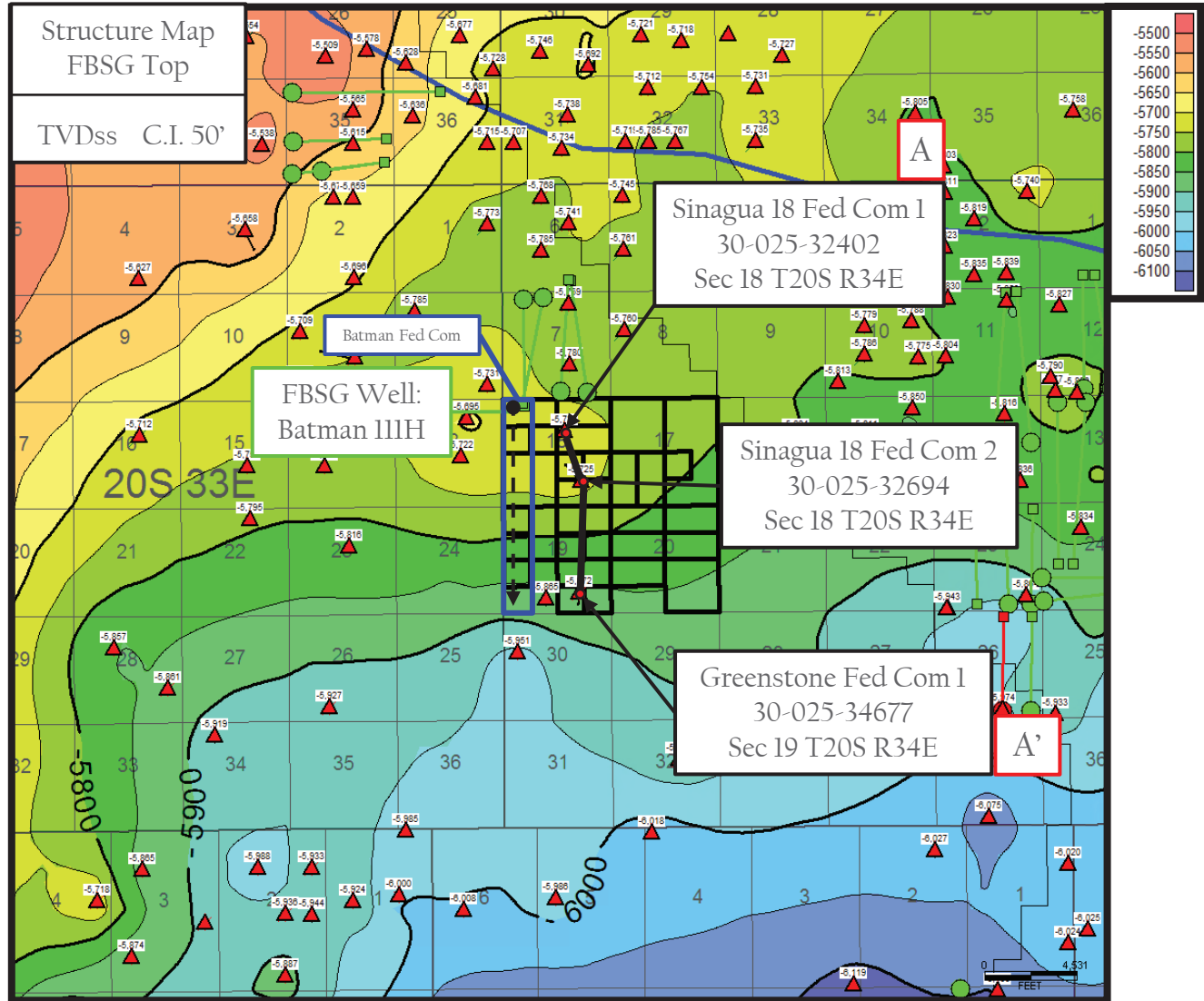
### Proposed Wells



### Producing Wells



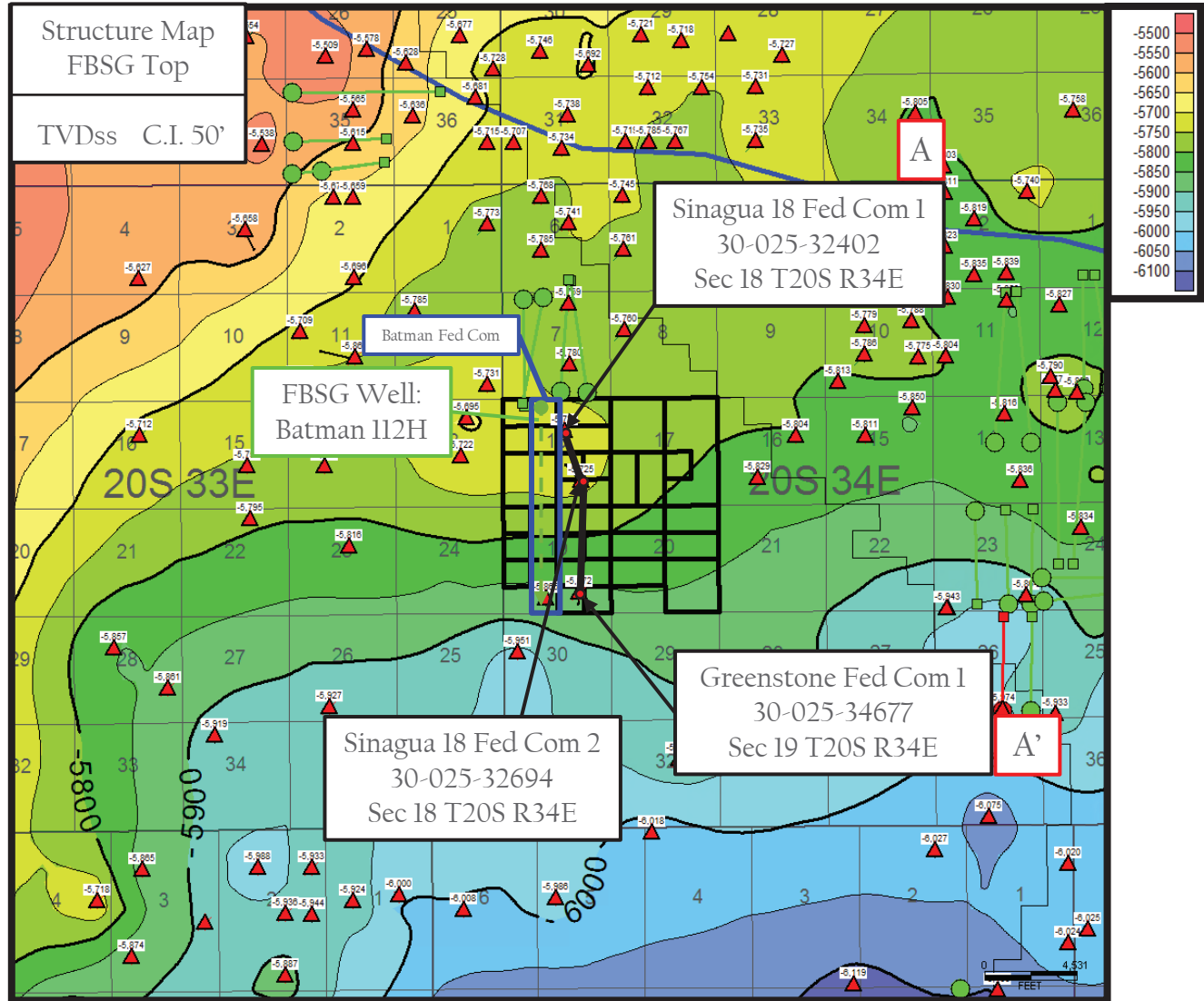
Colgate Energy



Colgate Energy

# First Bone Spring – Structure Map

Batman Fed Com II2H



Colgate Energy

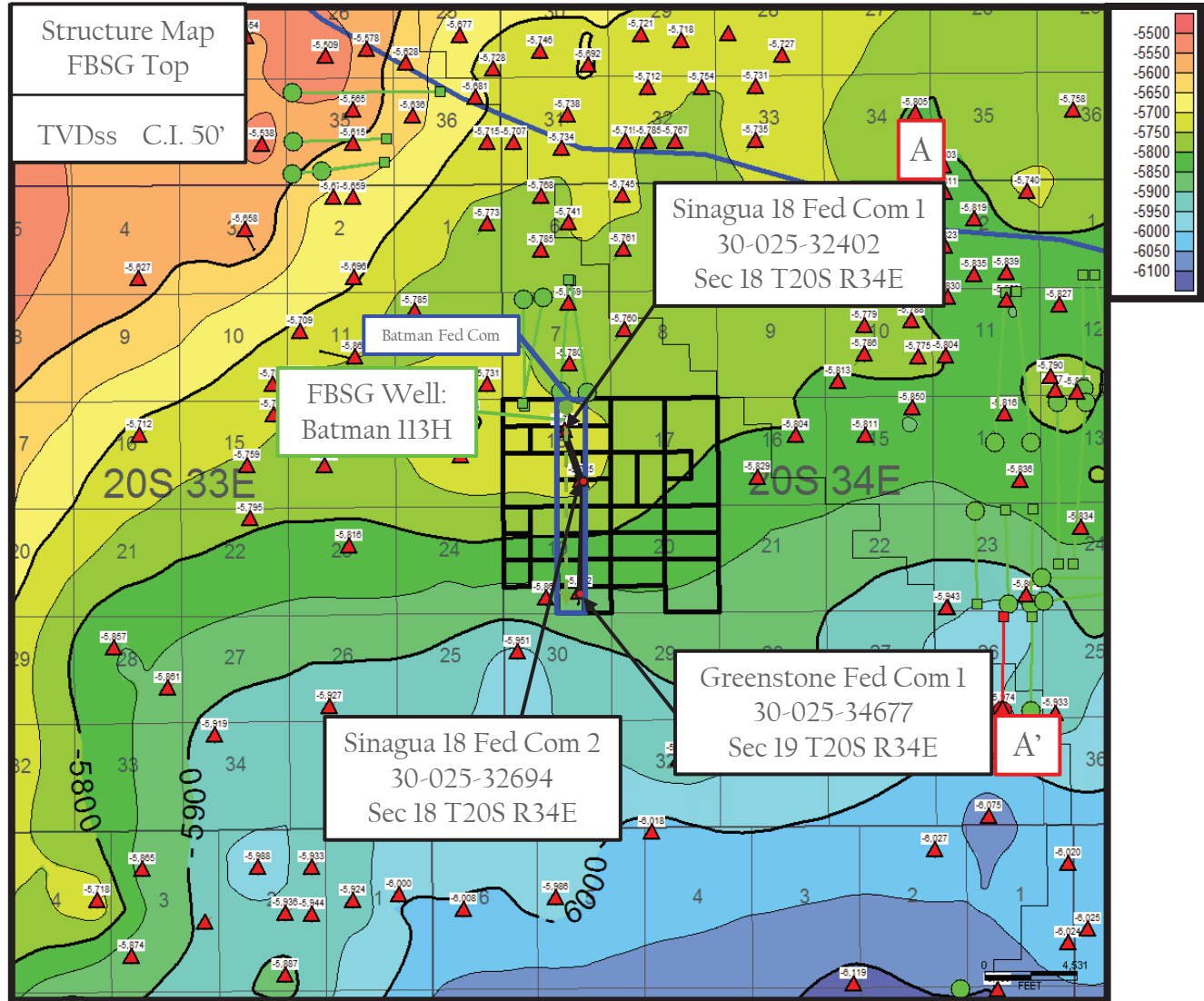


# First Bone Spring – Structure Map

Batman Fed Com 113H

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Colgate Energy

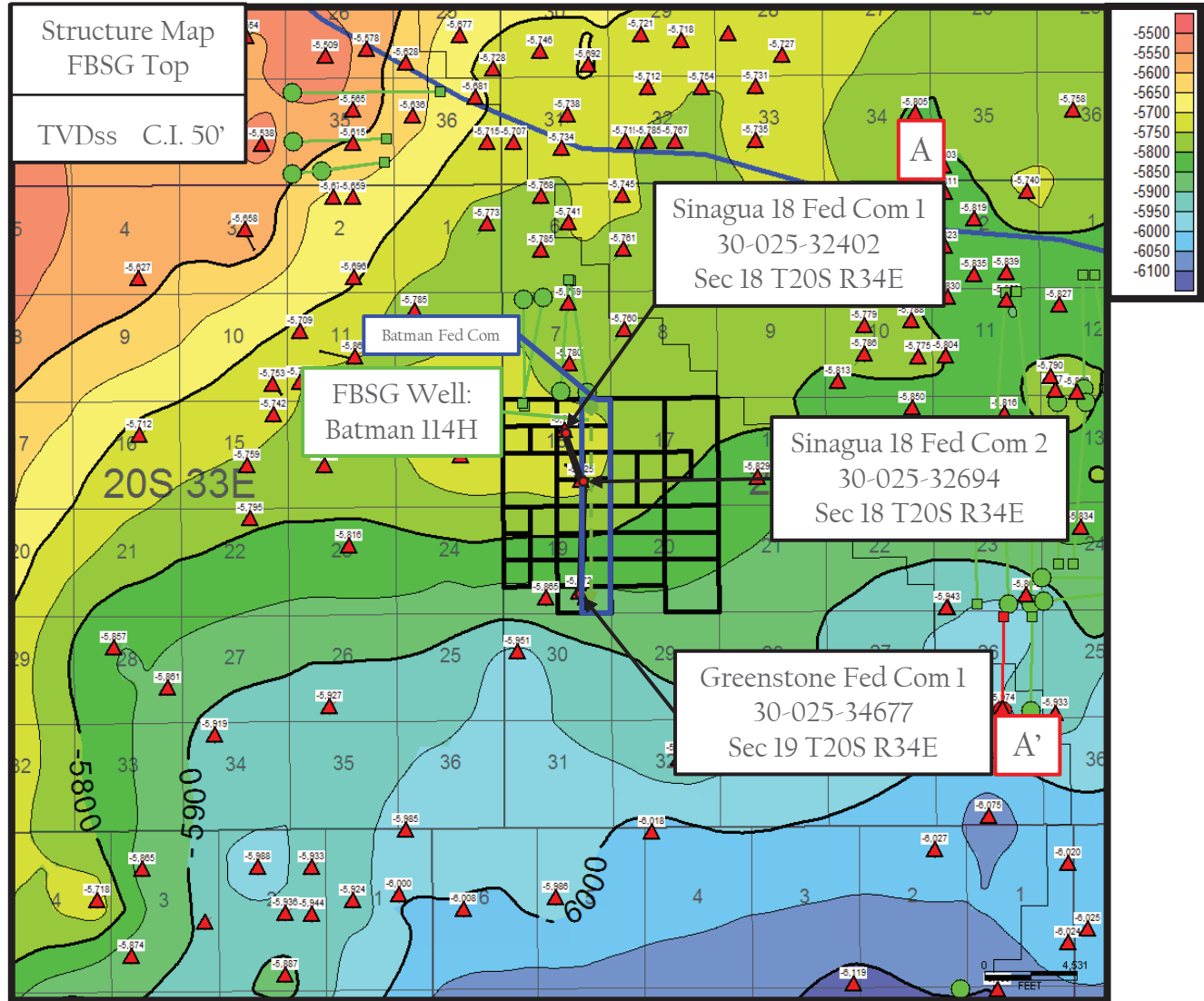
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# First Bone Spring – Structure Map

Batman Fed Com 114H

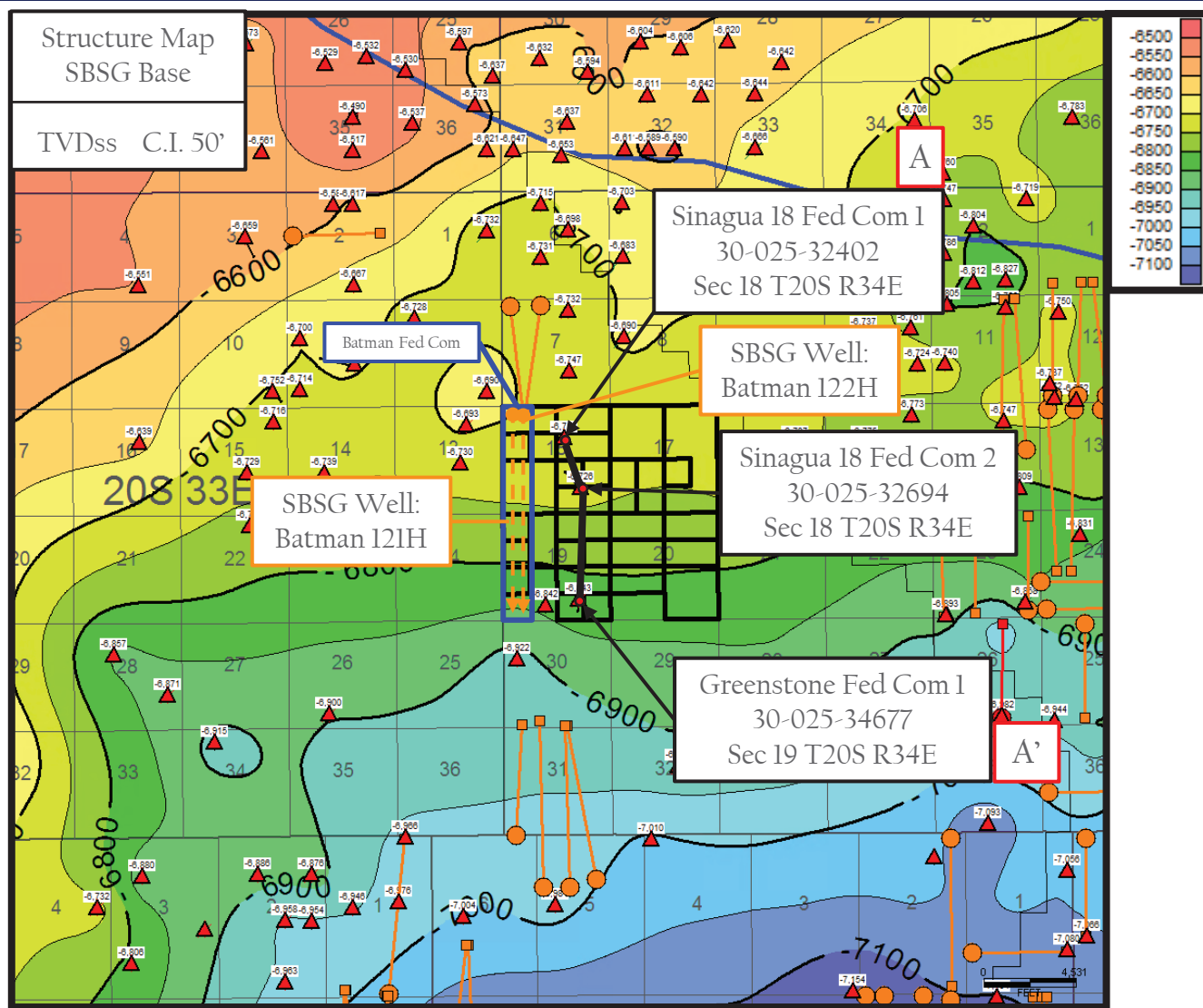
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Colgate Energy

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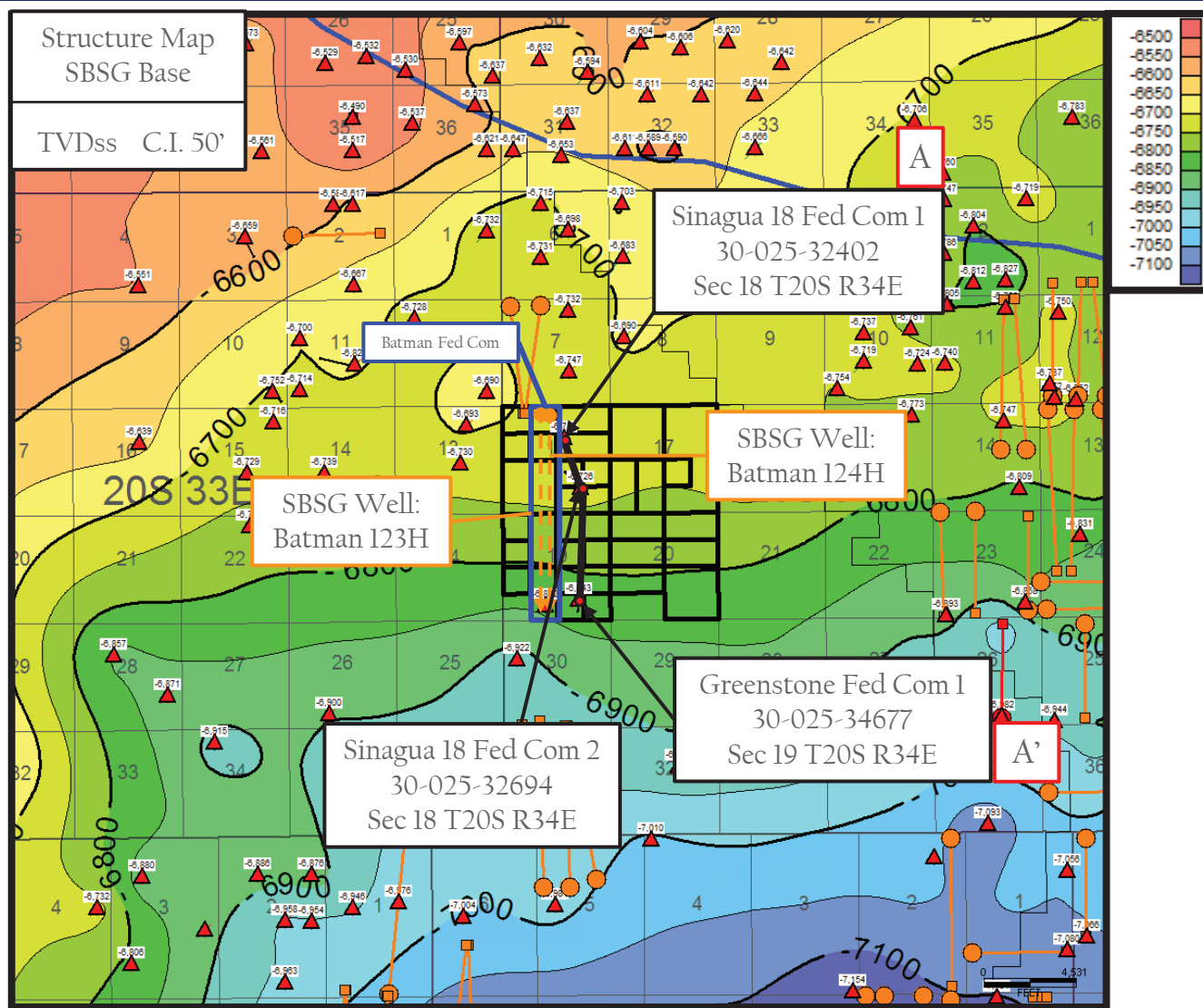


Colgate Energy

# Second Bone Spring – Structure Map

Batman Fed Com 123H, 124H

Released to Imaging: 12/9/2022 8:06:19 AM



Control Point

TVDss  
▲

Proposed Wells

SBSG  
← BHL → SHL

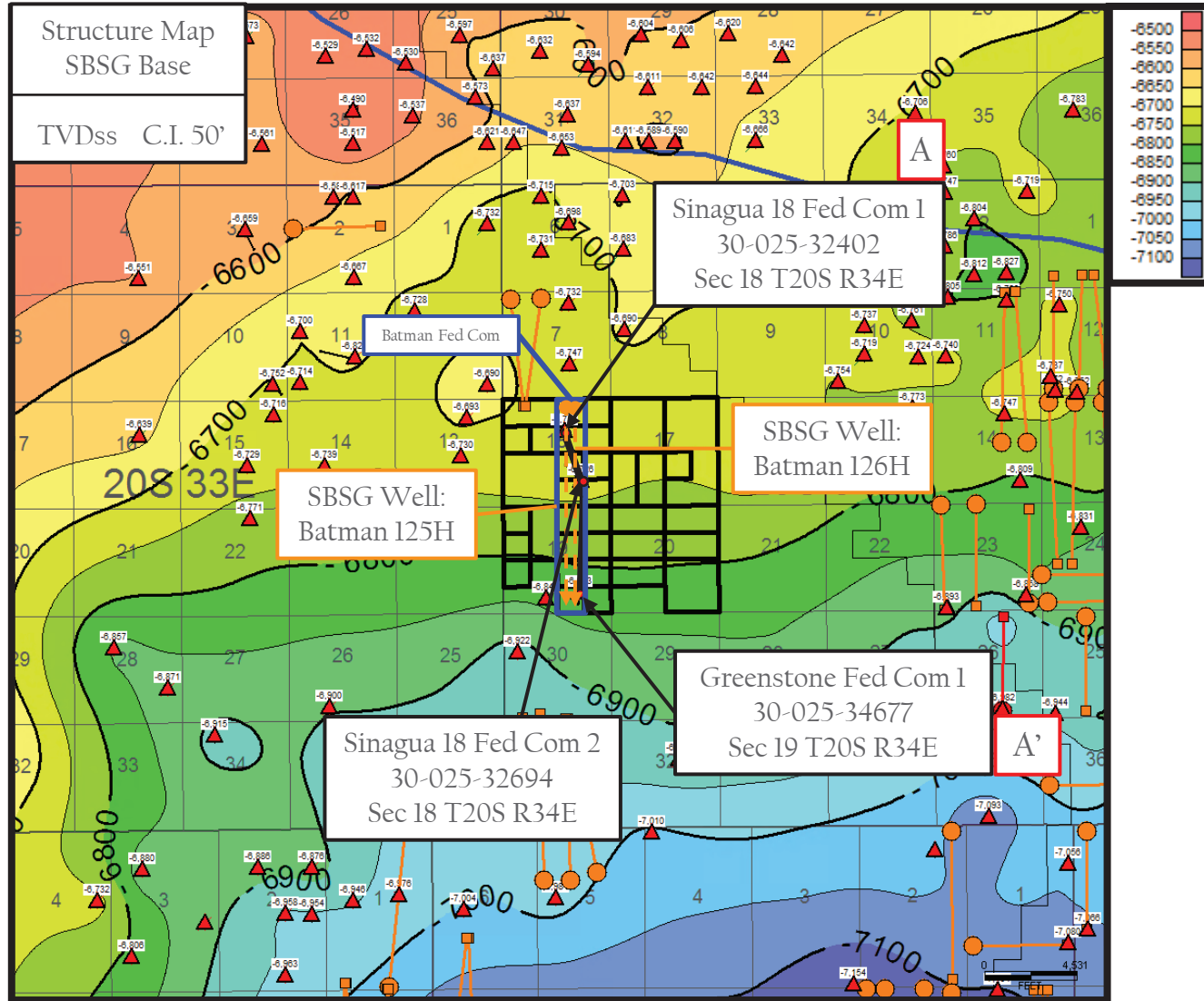
Producing Wells

SBSG  
● BHL ■ SHL

Colgate Energy

# Second Bone Spring – Structure Map

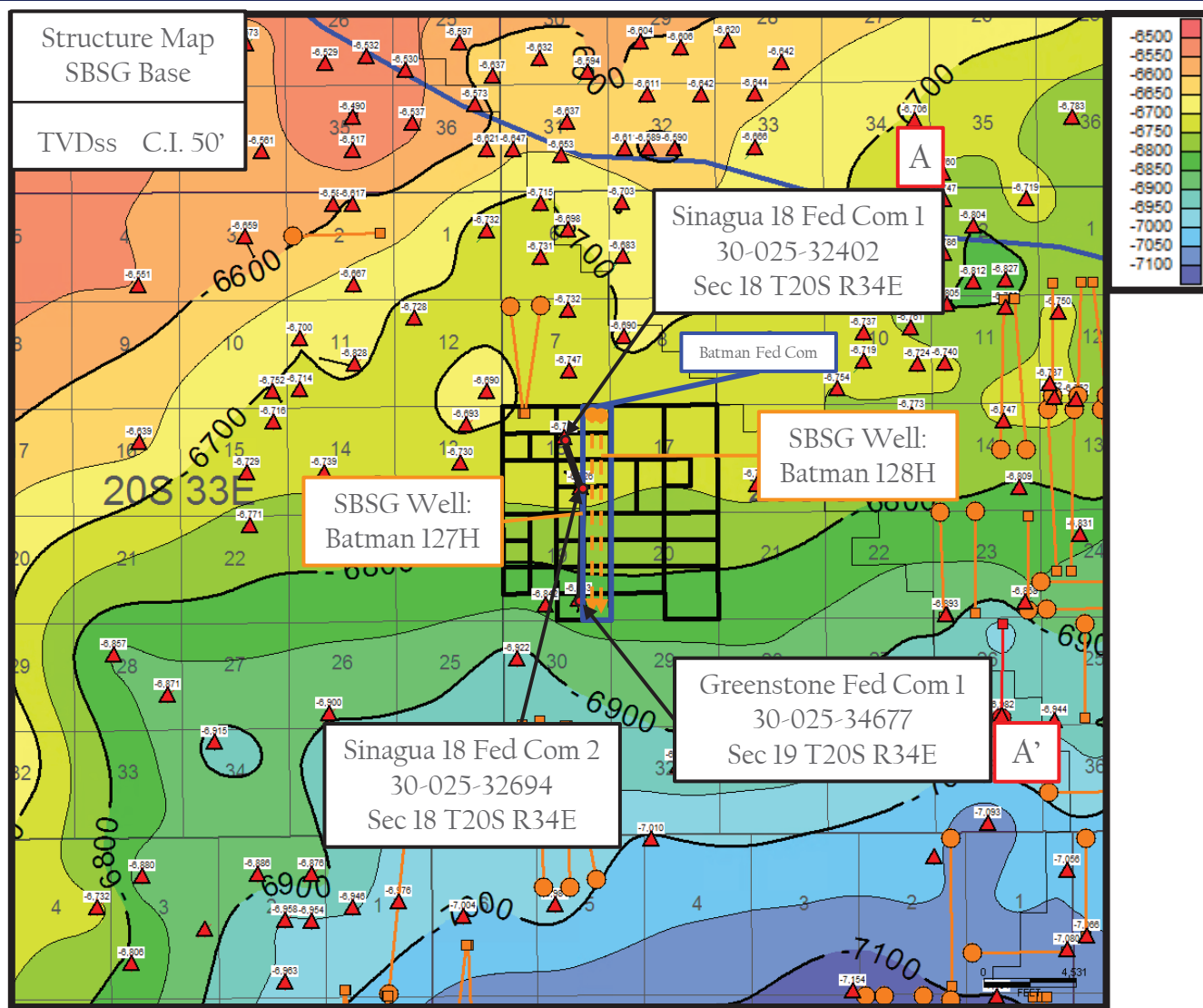
Batman Fed Com 125H, 126H



Colgate Energy

# Second Bone Spring – Structure Map

Batman Fed Com 127H, 128H



Control Point



Proposed Wells

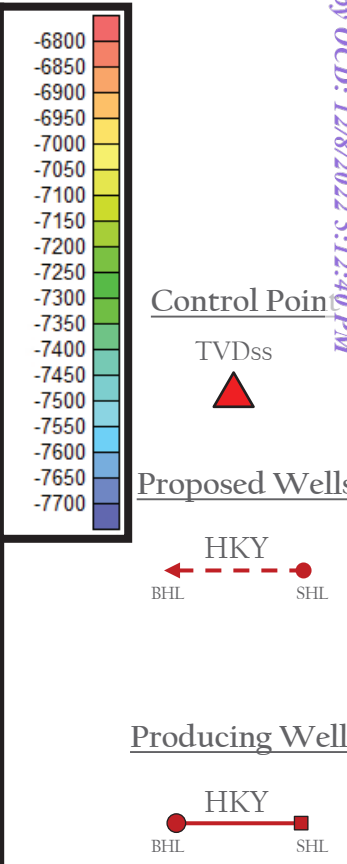
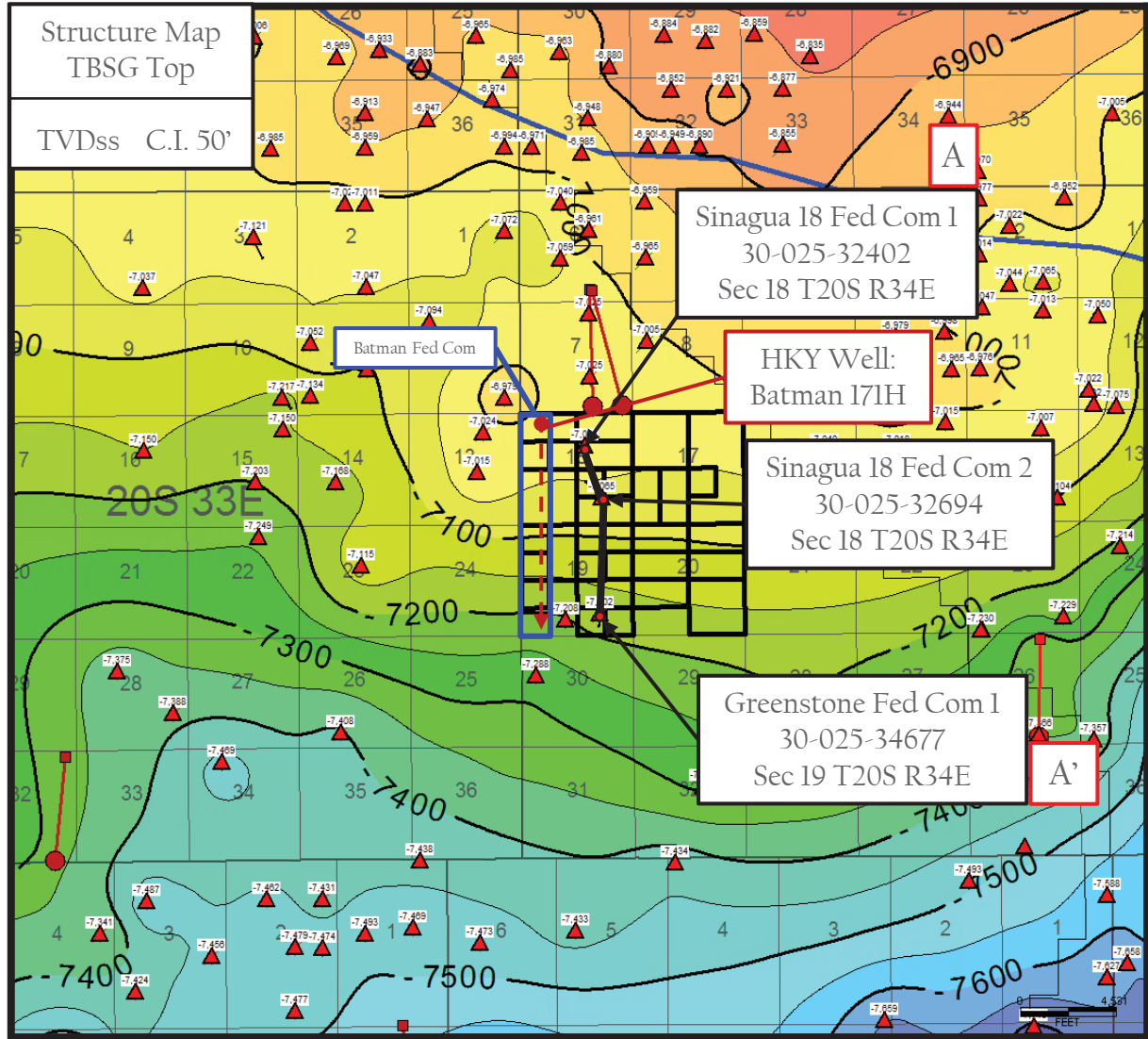


Producing Wells



Colgate Energy





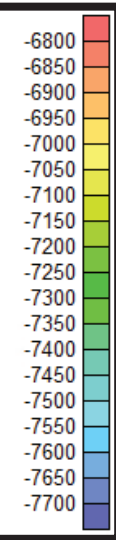
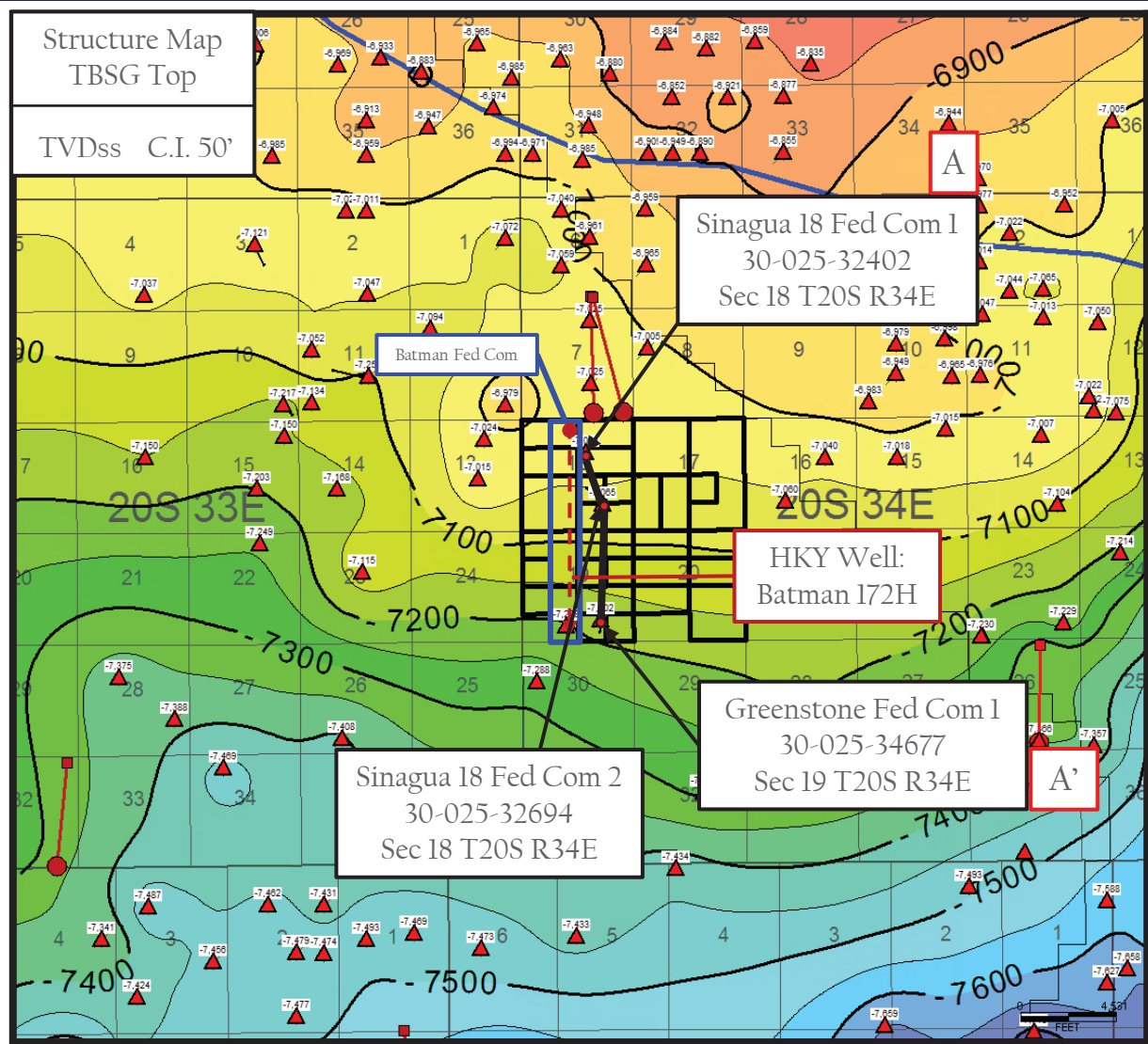
Colgate Energy

# Third Bone Spring – Structure Map

Batman Fed Com 172H

Received by OCD: 12/8/2022 5:12:40 PM

Released to Imaging: 12/9/2022 8:06:19 AM



Control Point

TVDss



Proposed Wells

HKY

BHL SHL

Producing Wells

HKY

BHL SHL

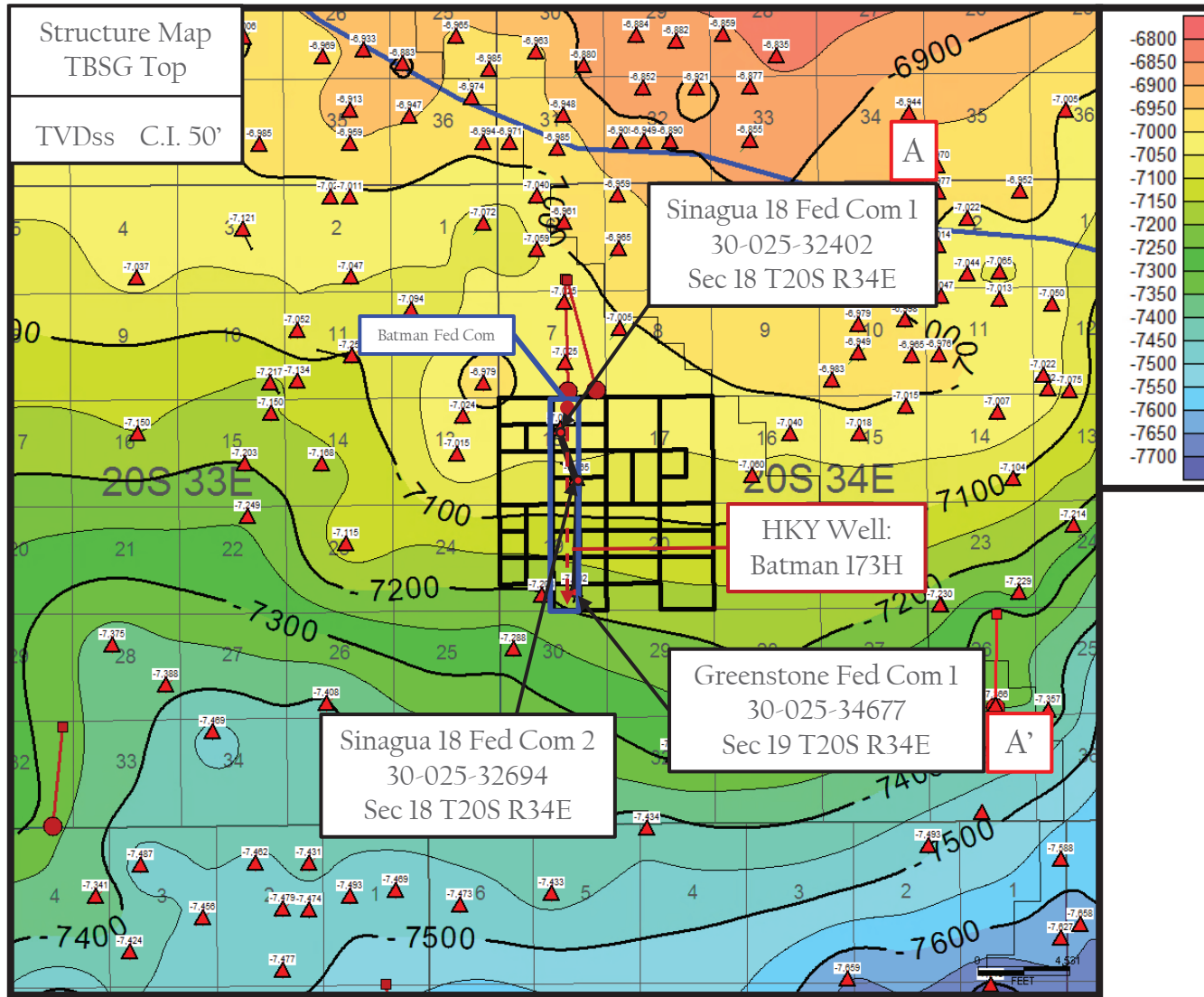
Colgate Energy

# Third Bone Spring – Structure Map

Batman Fed Com 173H

Received by OCD: 12/8/2022 5:12:40 PM

Released to Imaging: 12/9/2022 8:06:19 AM



Control Point



Proposed Wells



Producing Wells

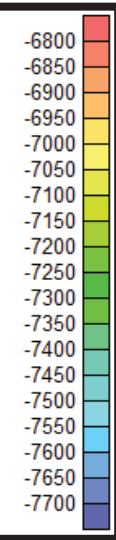
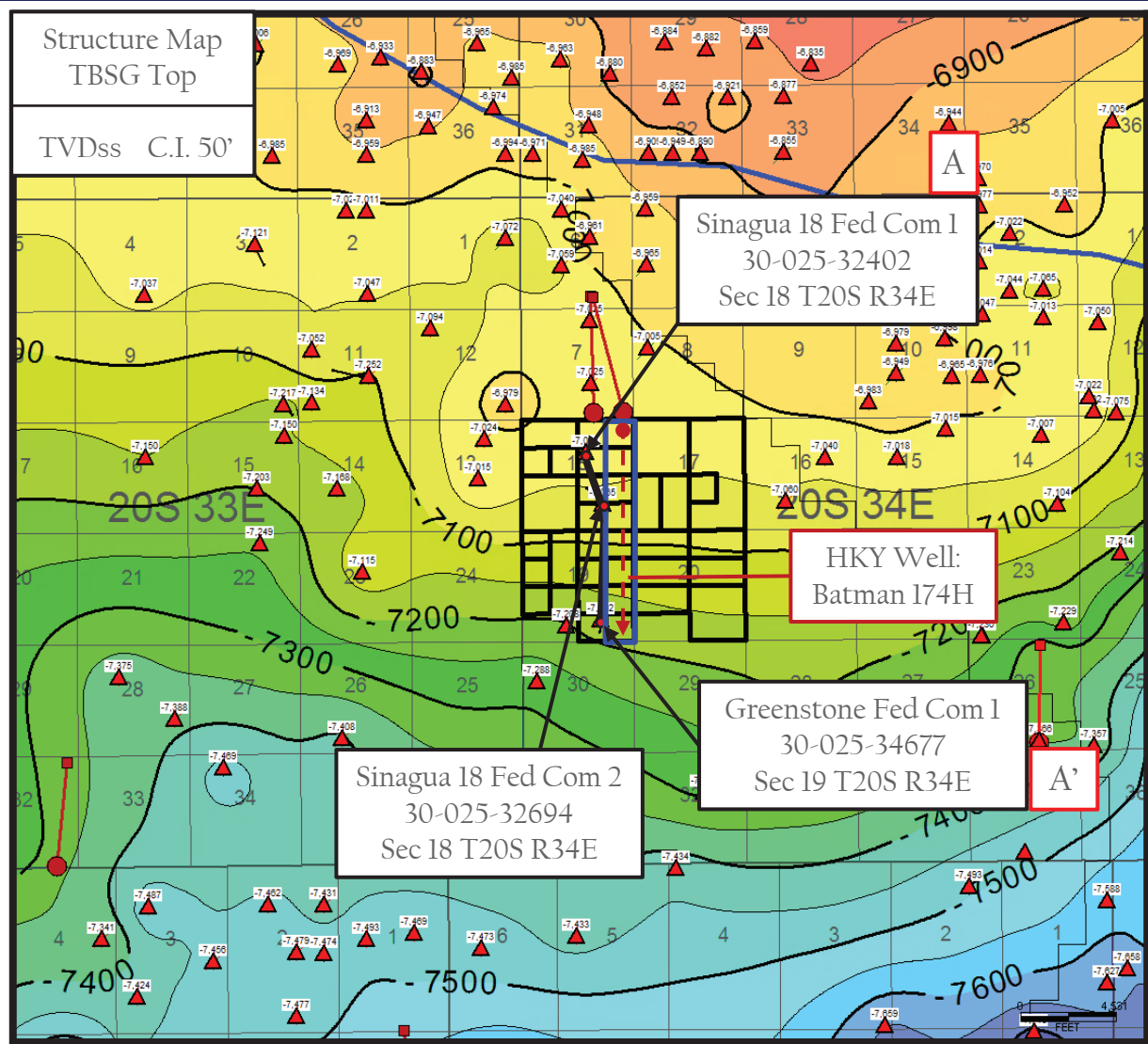


Colgate Energy

Page 161 of 191

# Third Bone Spring – Structure Map

Batman Fed Com 174H



Control Point



Proposed Wells



Producing Wells



Colgate Energy

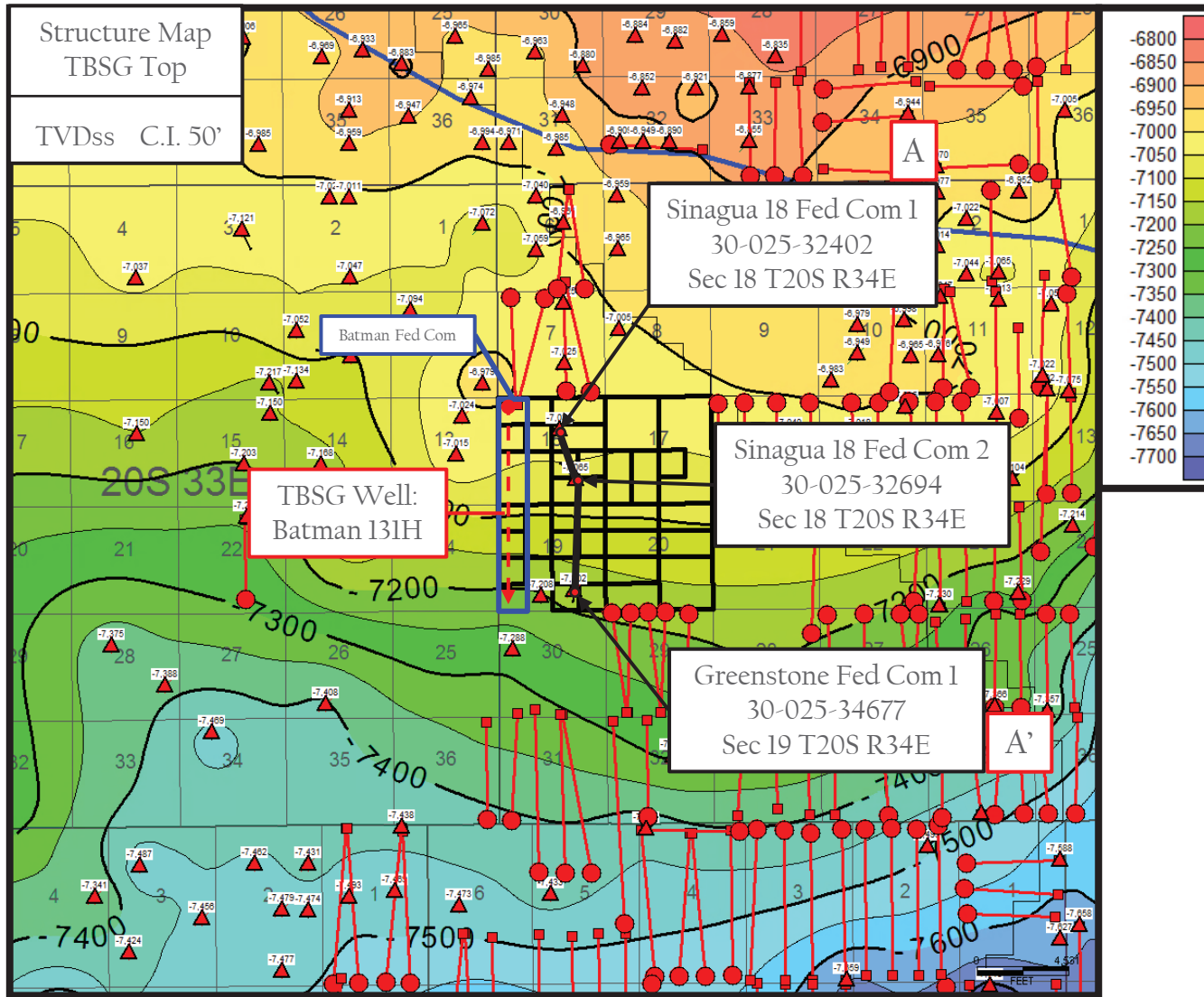
# Third Bone Spring – Structure Map

Batman Fed Com I31H

Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit B-11



Received by OCD: 12/8/2022 5:12:40 PM



Control Point

TVDss  
▲

Proposed Wells

TBSG  
← BHL → SHL

Producing Wells

TBSG  
● — SHL

Colgate Energy

Page 163 of 191

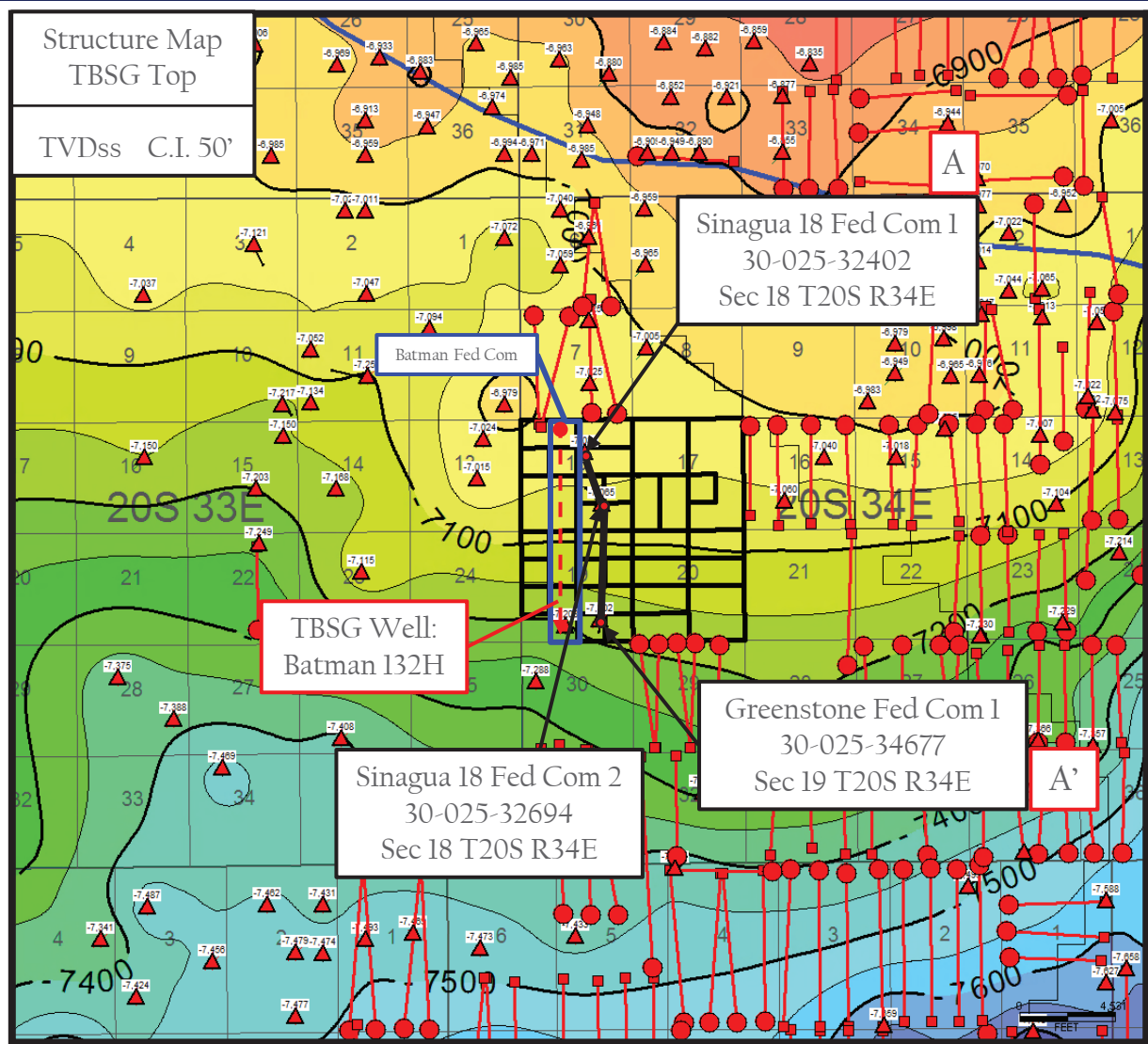


# Third Bone Spring – Structure Map

Batman Fed Com I32H

Received by OCD: 12/8/2022 5:12:40 PM

Released to Imaging: 12/9/2022 8:06:19 AM



Colgate Energy

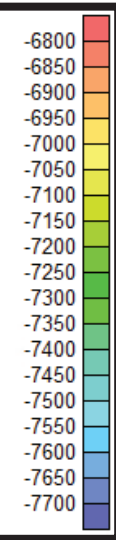
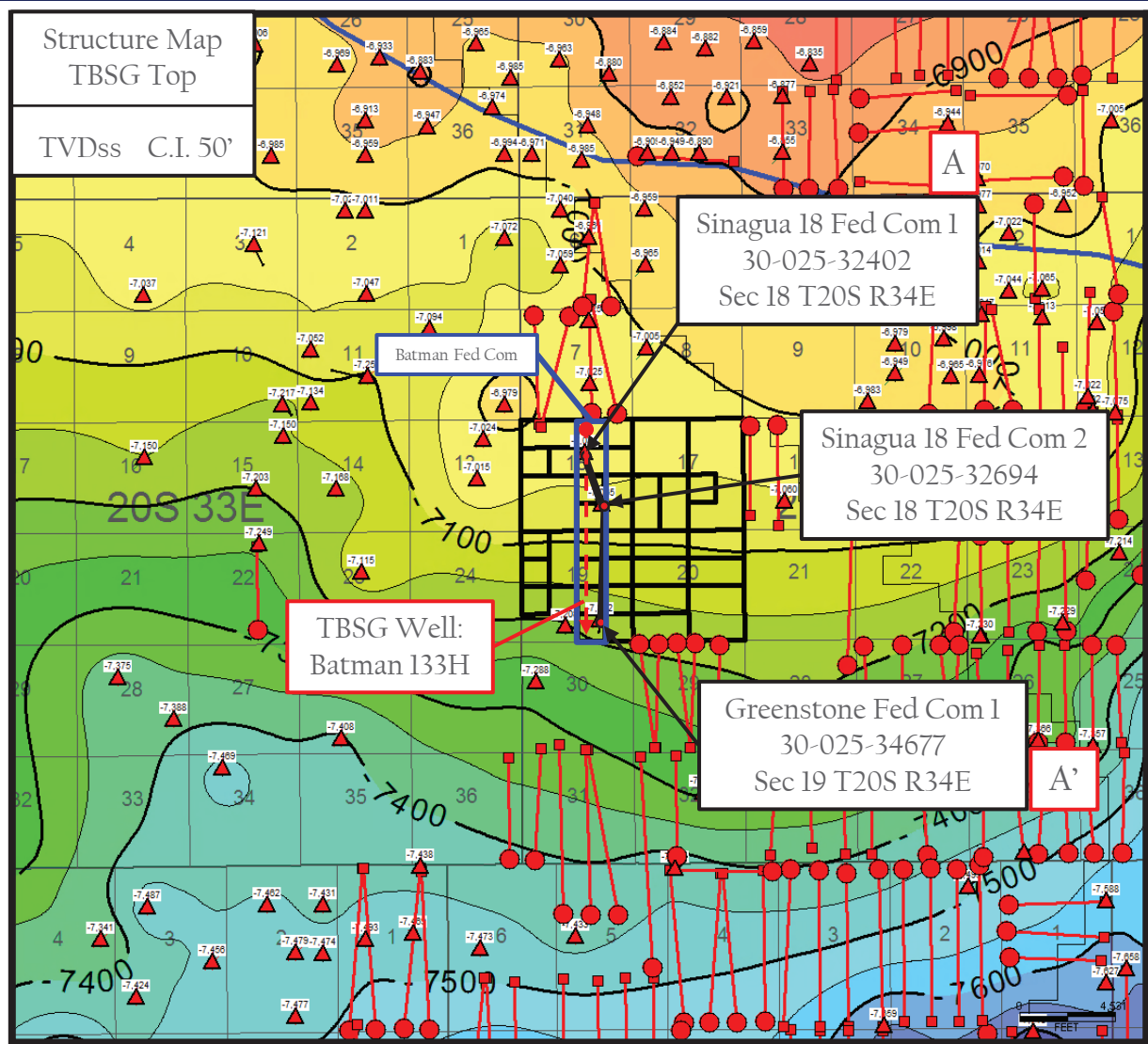
Page 164 of 191



# Third Bone Spring – Structure Map

Batman Fed Com I33H

Released to Imaging: 12/9/2022 8:06:19 AM



Control Point

TVDss  
▲

Proposed Wells

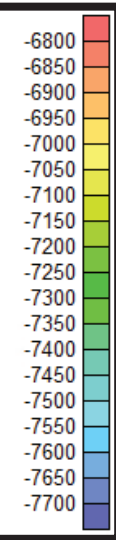
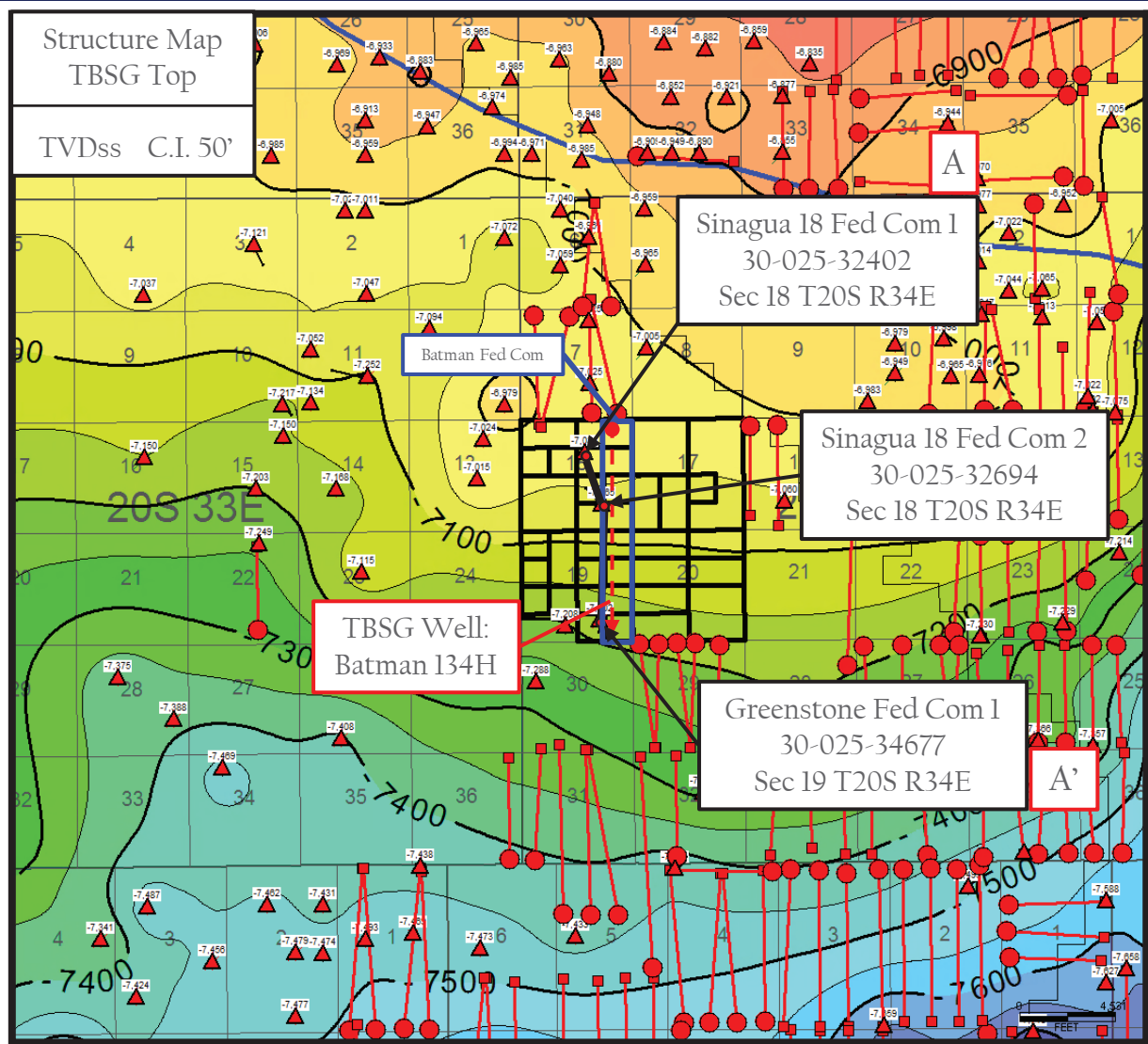
TBSG  
← BHL → SHL

Producing Wells

TBSG  
● BHL — SHL

# Third Bone Spring – Structure Map

Batman Fed Com I34H



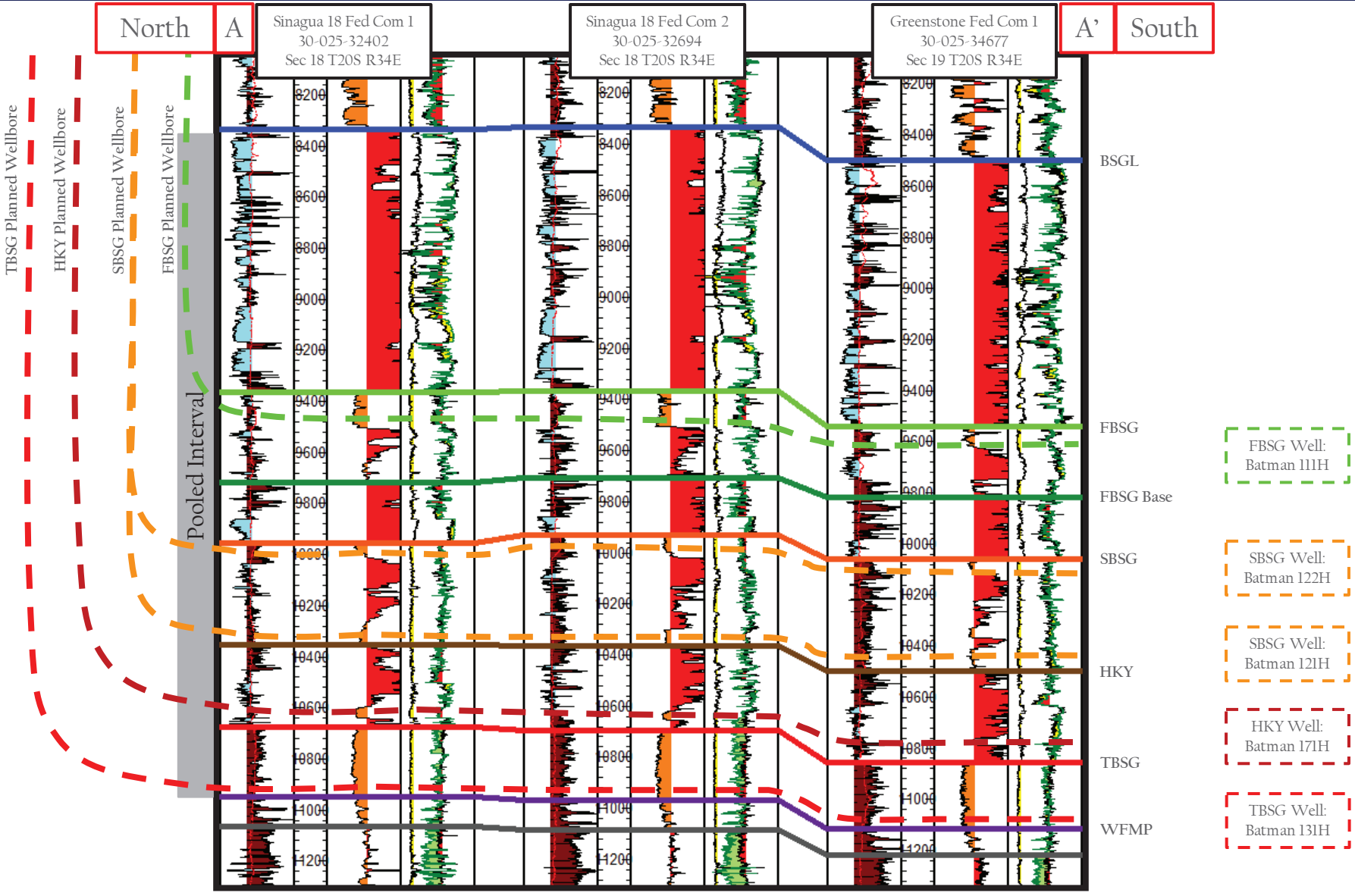
**Control Point**  
TVDss  
▲

**Proposed Wells**

**TBSG**  
BHL SHL

**Producing Wells**  
BHL SHL

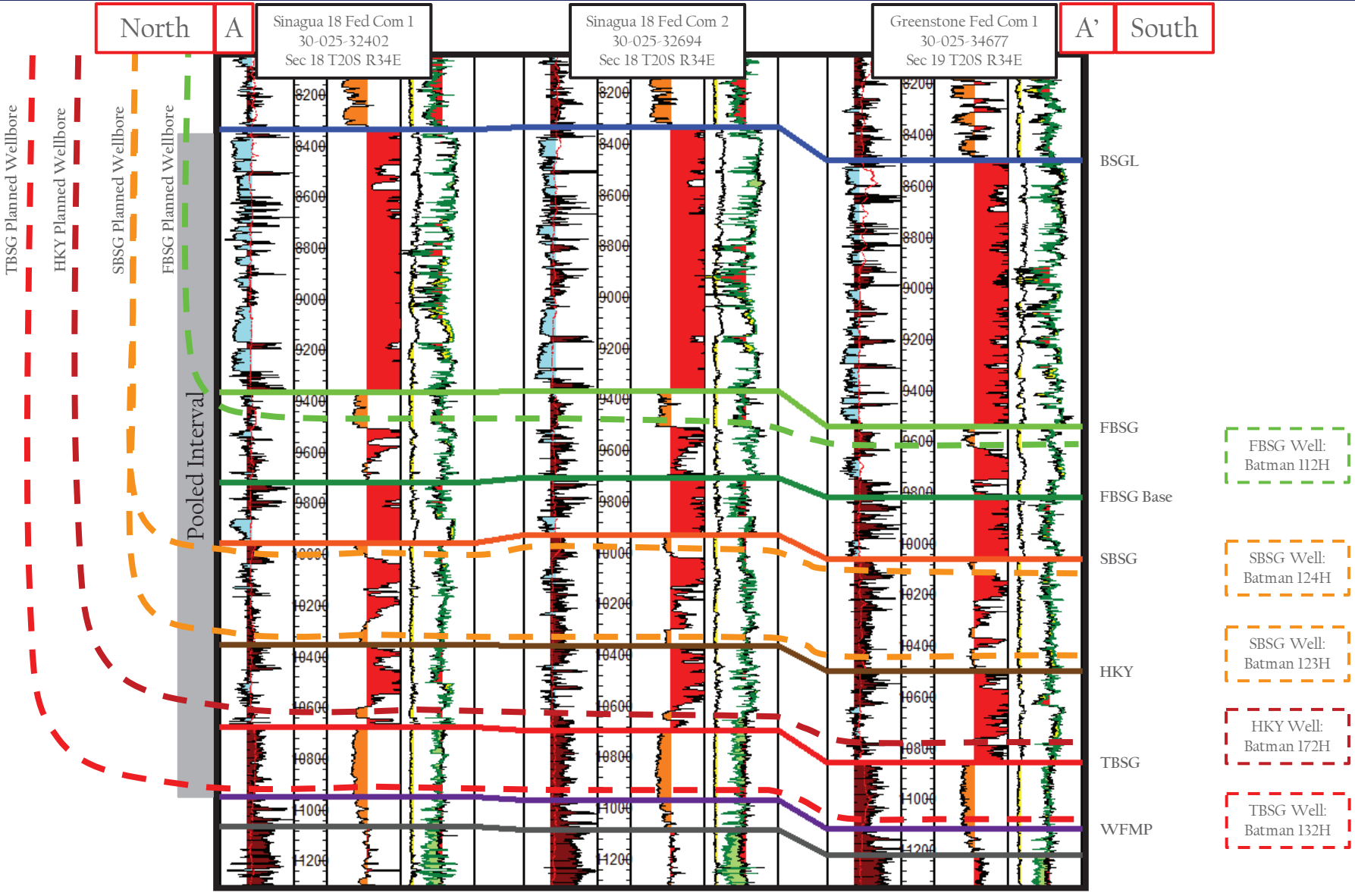
Colgate Energy



# Structural Cross-Section A-A'

Batman Fed Com 112H, 123H, 124H, 172H, 132H

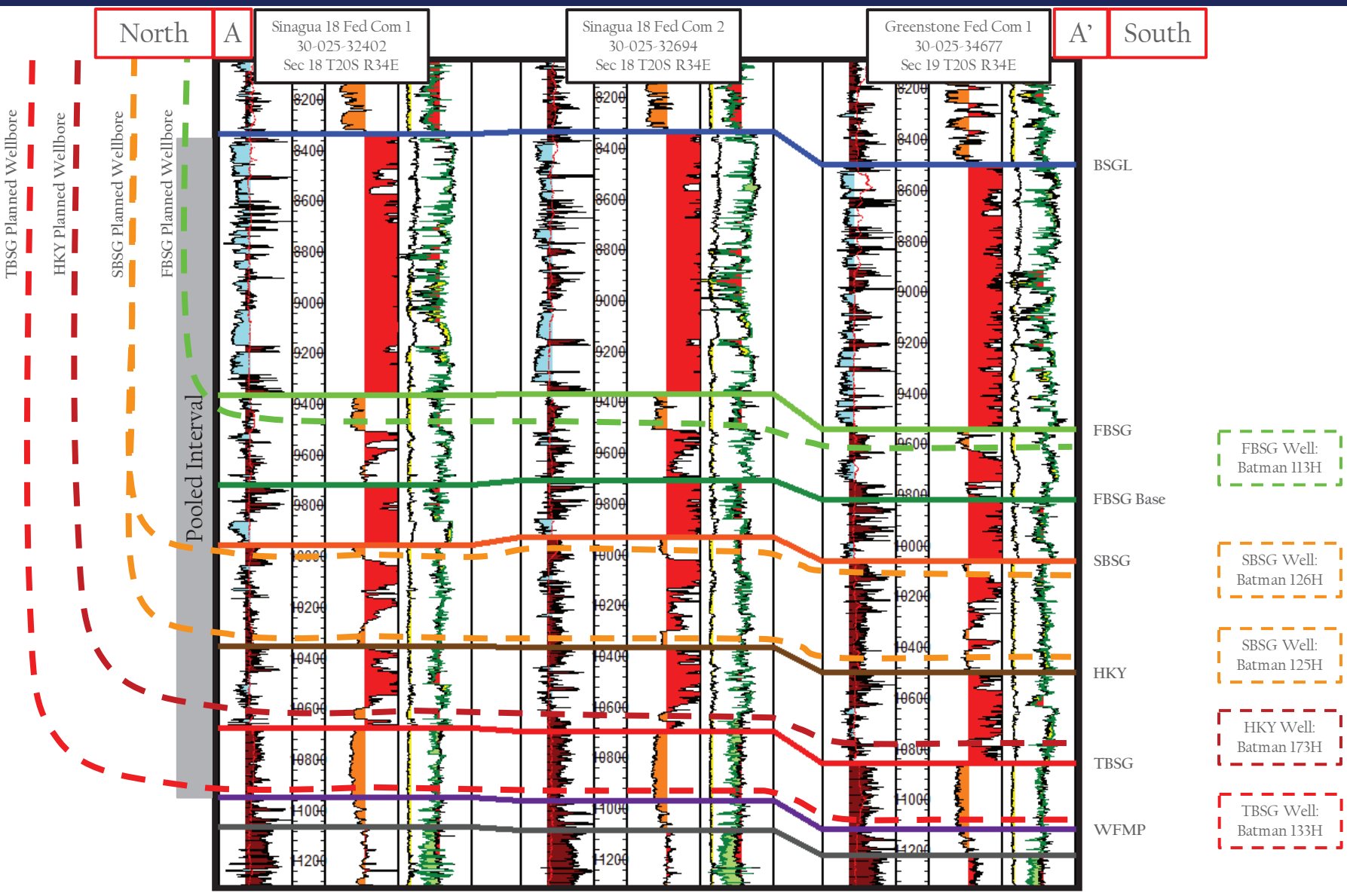
Released to Imaging: 12/9/2022 8:06:19 AM



# Structural Cross-Section A-A'

Batman Fed Com 113H, 125H, 126H, 173H, 133H

Released to Imaging: 12/9/2022 8:06:19 AM

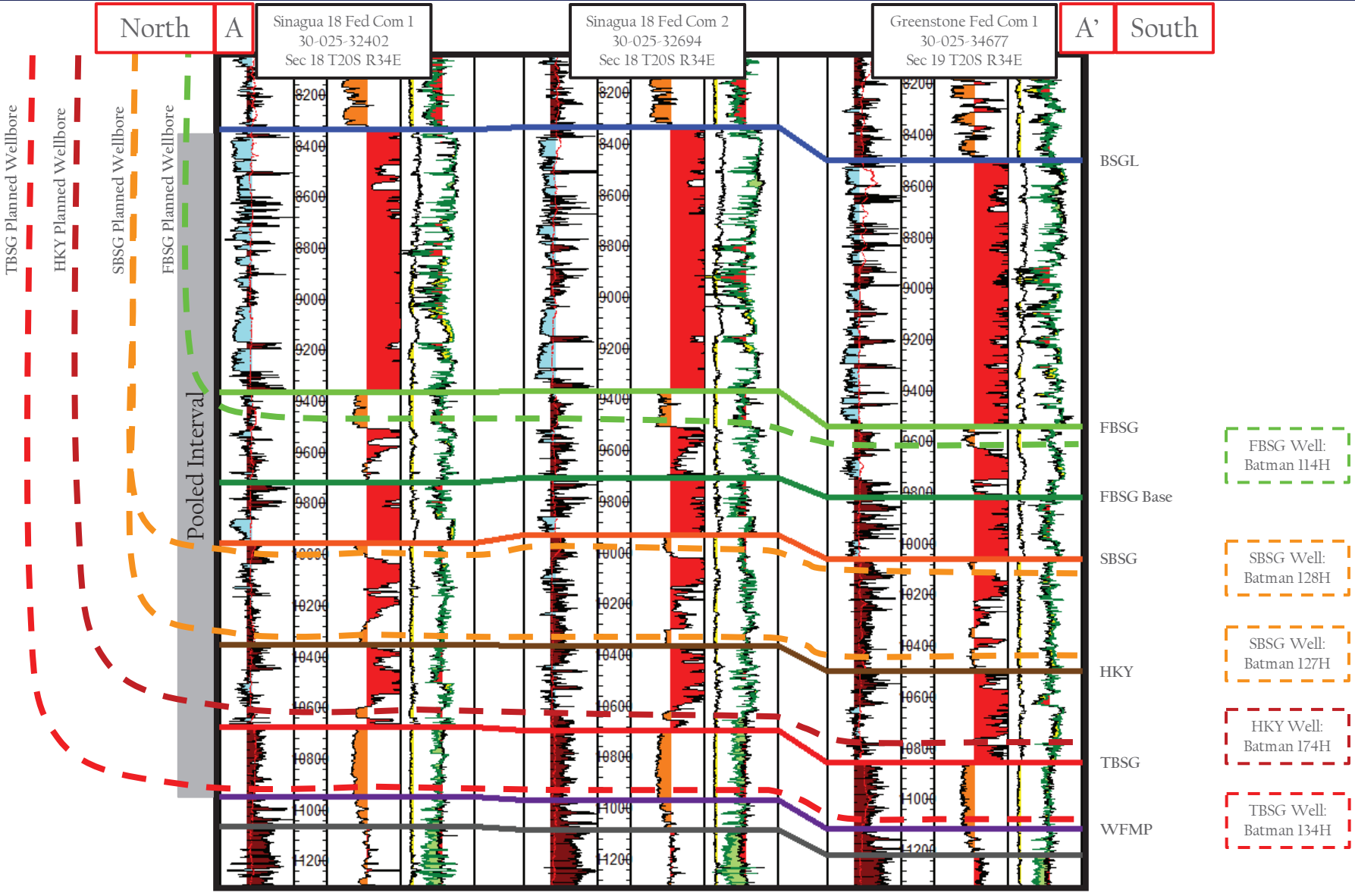




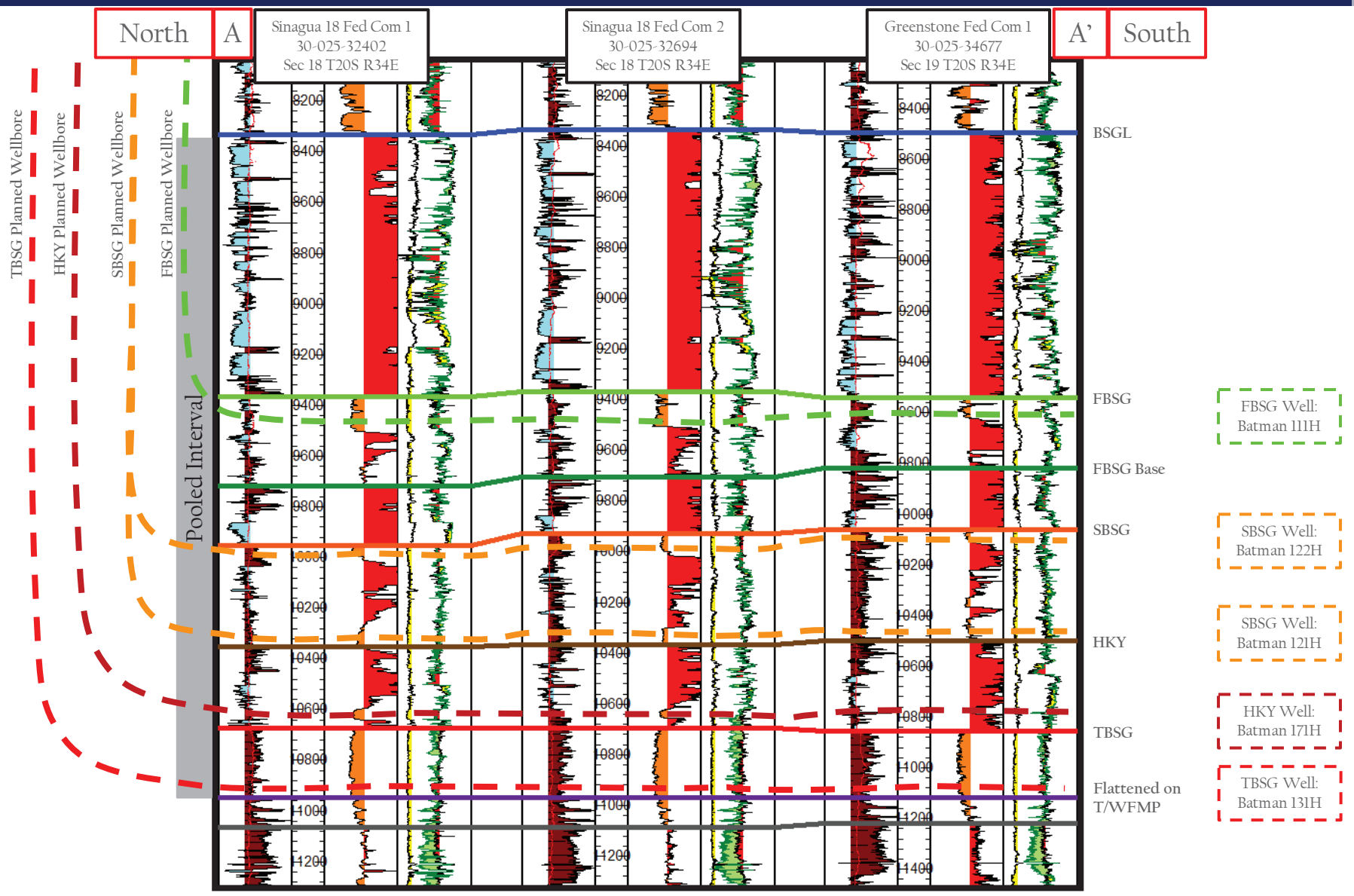
# Structural Cross-Section A-A'

Batman Fed Com 114H, 127H, 128H, 174H, 134H

Released to Imaging: 12/9/2022 8:06:19 AM



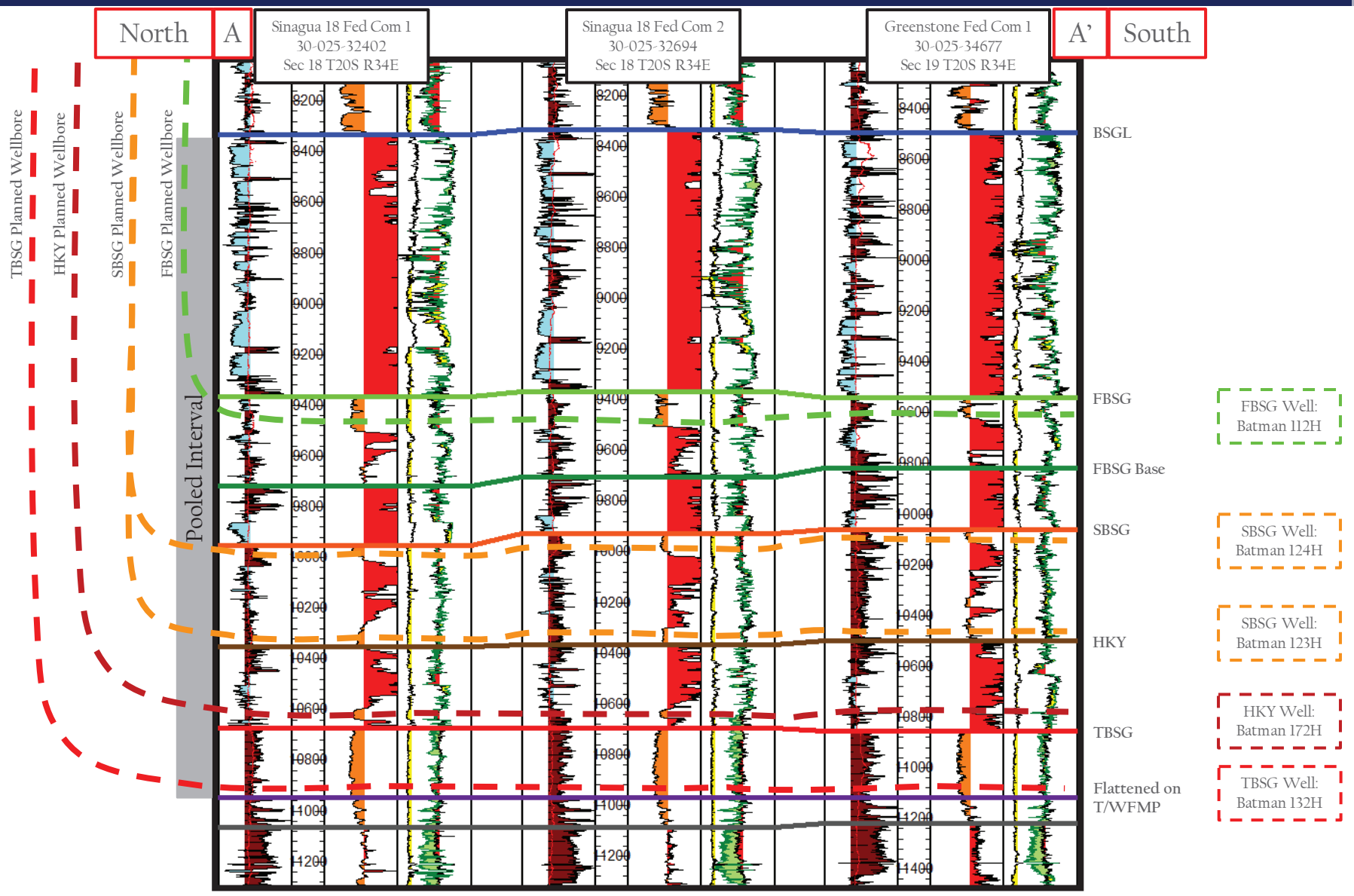




# Stratigraphic Cross-Section A-A'

Batman Fed Com 112H, 123H, 124H, 172H, 132H

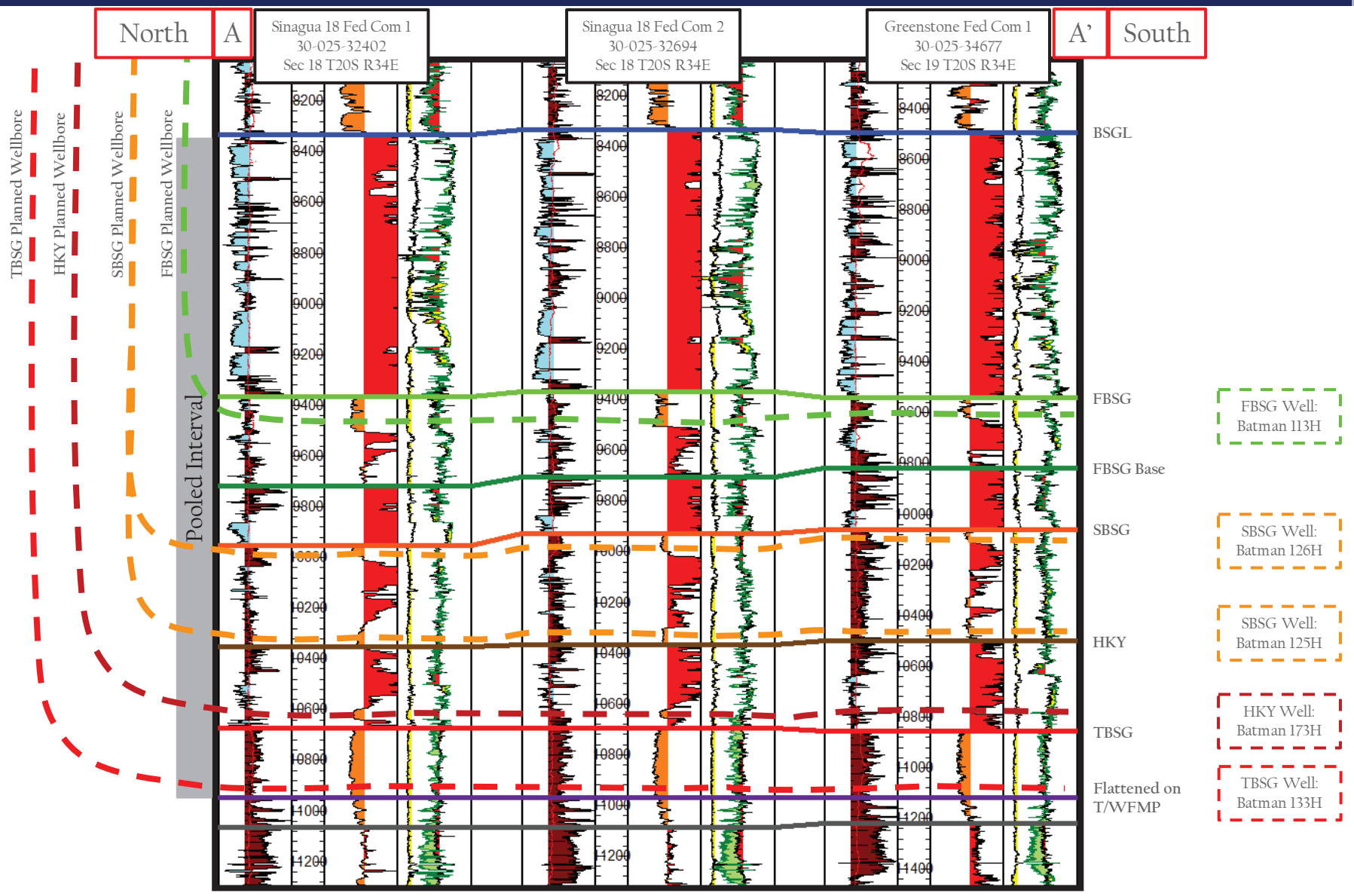
Released to Imaging: 12/9/2022 8:06:19 AM



# Stratigraphic Cross-Section A-A'

Batman Fed Com 113H, 125H, 126H, 173H, 133H

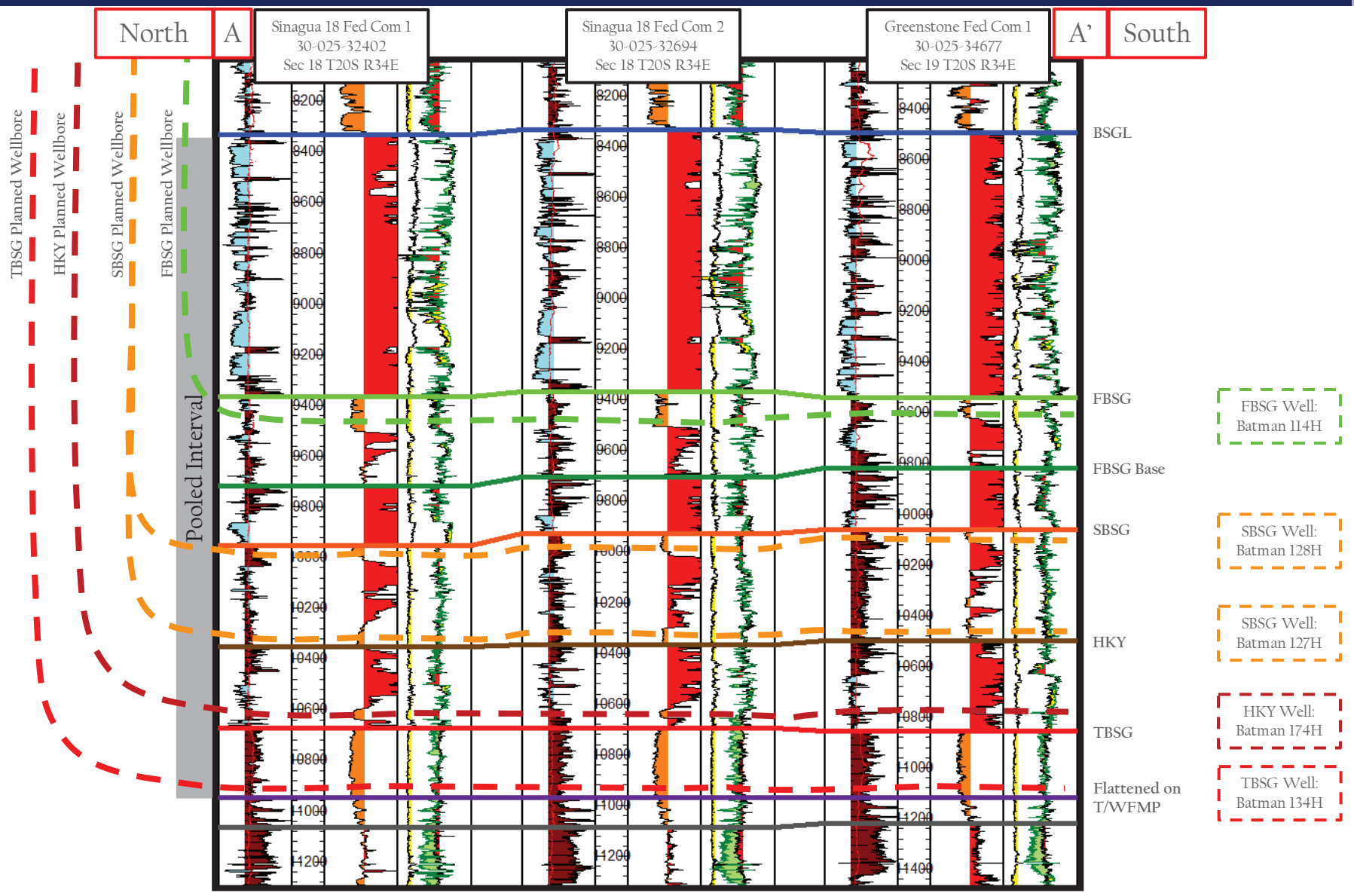
Released to Imaging: 12/9/2022 8:06:19 AM



# Stratigraphic Cross-Section A-A'

Batman Fed Com 114H, 127H, 128H, 174H, 134H

Released to Imaging: 12/9/2022 8:06:19 AM



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

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22277  
LEA COUNTY, NEW MEXICO.

CASE NO. 23149  
ORDER NO. R-22277

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22278  
LEA COUNTY, NEW MEXICO.

CASE NO. 23150  
ORDER NO. R-22278

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22279  
LEA COUNTY, NEW MEXICO.

CASE NO. 23151  
ORDER NO. R-22279

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22280  
LEA COUNTY, NEW MEXICO.

CASE NO. 23152  
ORDER NO. R-22280

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22281  
LEA COUNTY, NEW MEXICO.

CASE NO. 23153  
ORDER NO. R-22281

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22282  
LEA COUNTY, NEW MEXICO.

CASE NO. 23154  
ORDER NO. R-22282

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22283  
LEA COUNTY, NEW MEXICO

CASE NO. 23155  
ORDER NO. R-22283

APPLICATION OF COLGATE OPERATING,  
LLC, TO POOL ADDITIONAL INTERESTS,  
UNDER ORDER NO. R-22284  
LEA COUNTY, NEW MEXICO.

CASE NO. 23156  
ORDER NO. R-22284

SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY

Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit C

1. I am attorney in fact and authorized representative of Colgate Operating, LLC, the Applicant herein.

2. I am familiar with the Notice Letters attached as **Exhibit C-1**

3. The above referenced Applications were provided along with the Notice Letters, to the recipients listed in **Exhibit C-2**. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received and includes copies of the certified mail green cards and white slips as supporting documentation for proof of mailing.

4. On October 18, 2022, I caused a notice to be published to all interested parties in the Hobbs News Sun. The Affidavits of Publication from the Legal Clerk of the Hobbs News Sun, along with copies of the notice publications, are attached as **Exhibit C-3**.

5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy  
Dana S. Hardy

December 8, 2022  
Date





**HINKLE SHANOR LLP**  
 ATTORNEYS AT LAW  
 PO BOX 2068  
 SANTA FE, NEW MEXICO 87504  
 505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner  
 dhardy@hinklelawfirm.com

October 7, 2022

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case Nos. 23151, 23152, 23155, 23156 - Applications of Colgate Operating, LLC to Pool Additional Interests under Order Nos. R-22279, R-22280, R-22283, and R-22284, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **November 3, 2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) or via e-mail to [ocd.hearings@state.nm.us](mailto:ocd.hearings@state.nm.us) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Travis Macha at (432) 400-1037 if you have questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

**Colgate Operating, LLC**  
**Case Nos. 23149-23156**  
**Exhibit C-1**

Enclosure

PO BOX 10  
 ROSWELL, NEW MEXICO 88202  
 575-622-6510  
 (FAX) 575-623-9332

PO BOX 1720  
 ARTESIA, NEW MEXICO 88211  
 575-622-6510  
 (FAX) 575-746-6316

PO BOX 2068  
 SANTA FE, NEW MEXICO 87504  
 505-982-4554  
 (FAX) 505-982-8623

7601 JEFFERSON ST NE - SUITE 180  
 ALBUQUERQUE, NEW MEXICO 87109  
 505-858-8320  
 (FAX) 505-858-8321



hinklelawfirm.com

# HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

October 7, 2022

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Doyle Hartman  
P.O. Box 10426  
Midland, TX 79702

**Re: Case Nos. 23149 -23156 - Applications of Colgate Operating, LLC to Pool Additional Interests under Order Nos. R-22277, R-22278, R-22279, R-22280, R-22281, R-22282, R-22283, and R-22284, Lea County, New Mexico.**

Dear Mr. Hartman:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. You are receiving this notice because you are a record title owner of the leases at issue, and Colgate seeks to pool your record title interest. The hearing will be conducted on **November 3, 2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/oed/oedpermitting/>) or via e-mail to [oed.hearings@state.nm.us](mailto:oed.hearings@state.nm.us) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Travis Macha at (432) 400-1037 if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
575-622-6510  
(FAX) 575-623-9332

PO BOX 1720  
ARTESIA, NEW MEXICO 88211  
575-622-6510  
(FAX) 575-746-6316

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
505-982-4554  
(FAX) 505-982-8623

7601 JEFFERSON ST NE • SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

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

**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NOS. R-22279-80  
AND R-22283-84, LEA COUNTY,  
NEW MEXICO.**

**CASE NOS. 23151-52 & 23155-56  
ORDER NOS. R-22279-80 & R-22283-84**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Khody Land & Minerals Co. 333 W. Sheridan Ave. Oklahoma City, OK 73102-5010	10/07/22	Per USPS Tracking (Last checked 12/07/22):  10/15/22 – Item in transit to next facility.
Lerwick Ltp 101 Brookline Drive Asheville, NC 28803	10/07/22	10/17/22

**Colgate Operating, LLC  
Case Nos. 23149-23156  
Exhibit C-2**



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

**APPLICATION OF COLGATE OPERATING,  
LLC TO POOL ADDITIONAL  
INTERESTS UNDER ORDER NOs. R-22277-84,  
LEA COUNTY, NEW MEXICO.**

**CASE NOs. 23149-56  
ORDER NOs. R-22277-84**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Doyle Hartman P.O. Box 10426 Midland, TX 79702	10/07/22	10/31/22

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OCT 07 2022  
87501-9998

7021 0950 0002 0371 5426

Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	
\$	
Total Postage and Fees	
\$	
Lerwick Ltp 101 Brookline Drive Asheville, NC 28803 23151-52 & 23155-56 Coigate - Batman Re-Open	

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p>																
<p>1. Article Addressed to:</p> <p>Lerwick Ltp          101 Brookline Drive          Asheville, NC 28803  <small>23151-52 &amp; 23155-56 Coigate - Batman Re-Open</small></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; color: green;"><b>RECEIVED</b></p> <p style="text-align: center; font-size: 1.2em;">OCT 17 2022</p>																
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; text-align: center;">7021 0950 0002 0371 5426</p>	<p>3. Service Type</p> <table style="width: 100%; font-size: 0.8em;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Restricted Delivery																
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt																

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OCT 27 2022  
Postmark Here  
87501-9998

7021 0950 0002 0371 5389

Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	
\$	
<b>Total Postage and Fees</b>	
\$	
Doyle Hartman P.O. Box 10426 Midland, TX 79702 23149-23156 Colgate – Batman Re-Open D.H.	

PS Form 3800, April 2015 PSN 7530-02-000-9047      See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p><b>A. Signature</b>  <input checked="" type="checkbox"/> <i>Betsy Lanehart</i>      <input type="checkbox"/> Agent  <input type="checkbox"/> Address:</p> <p><b>B. Received by (Printed Name)</b>      <b>C. Date of Delivery</b>  <i>BETSY LANEHART</i>      <i>10/24/22</i></p> <p><b>D. Is delivery address different from item 1?</b>      <input type="checkbox"/> Yes                  If YES, enter delivery address below:      <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; font-weight: bold; color: #000080;">RECEIVED</p> <p style="text-align: center; font-size: 1.5em; font-weight: bold; color: #000080;">OCT 31 2022</p>
<p><b>1. Article Addressed to:</b></p> <p style="margin-left: 20px;">Doyle Hartman P.O. Box 10426 Midland, TX 79702</p> <p style="text-align: right; font-size: 0.8em;">23149-23156 Colgate – Batman Re-Open D.H.</p> <div style="text-align: center;">                   9590 9402 6746 1074 3806 66             </div>	<p><b>3. Service Type</b>      <i>Hinkle Shanor LLP</i></p> <p><input type="checkbox"/> Adult Signature      <b>Santa Fe NM 87504</b>      <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery      <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail®      <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery      <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery      <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p><b>2. Article Number (Transfer from service label)</b></p> <p style="font-size: 1.2em; font-weight: bold;">7021 0950 0002 0371 5389</p>	<p style="text-align: right;">Domestic Return Receipt</p>

PS Form 3811, July 2020 PSN 7530-02-000-9053



7021 0950 0002 0371 5433

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**OFFICIAL USE**

Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
<b>Total Postage and Fees</b>	\$



Khody Land & Minerals Co.  
 333 W. Sheridan Ave.  
 Oklahoma City, OK 73102-5010  
 23151-52 & 23155-56 Colgate - Batman Re-Open

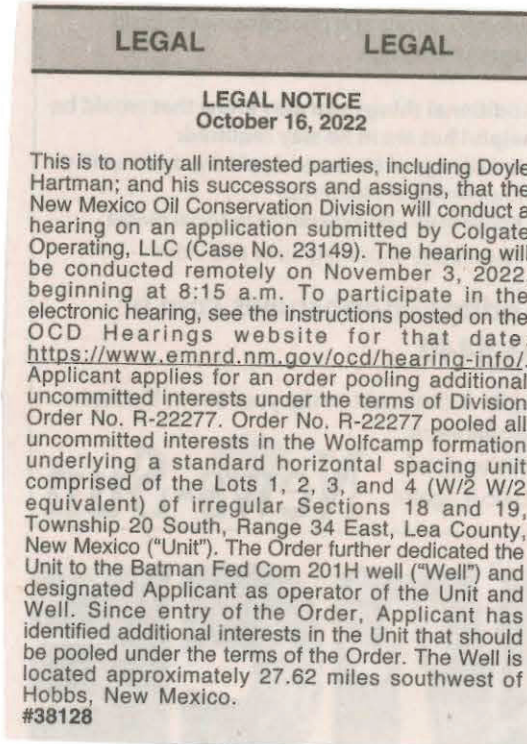
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

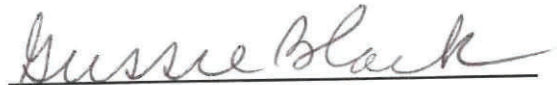
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
October 16, 2022  
and ending with the issue dated  
October 16, 2022.

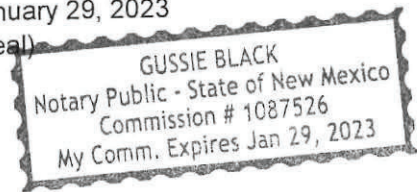


  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
16th day of October 2022.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023  
(Seal)



02107475

00271991

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HINKLE, SHANOR LLP  
PO BOX 2068  
SANTA FE, NM 87504

**Colgate Operating, LLC**  
**Case Nos. 23149-23156**  
**Exhibit C-3**

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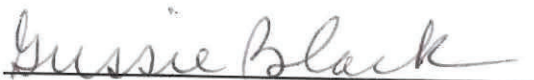
STATE OF NEW MEXICO  
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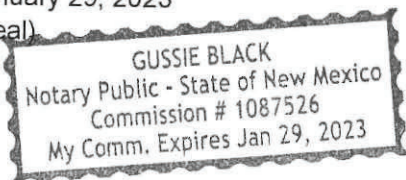
Beginning with the issue dated  
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October 18, 2022.

  
\_\_\_\_\_  
Publisher

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\_\_\_\_\_  
Business Manager

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This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL NOTICE**  
October 18, 2022

This is to notify all interested parties, including Doyle Hartman, and his successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23150). The hearing will be conducted remotely on November 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22278. Order No. R-22278 pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 202H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.  
#38148

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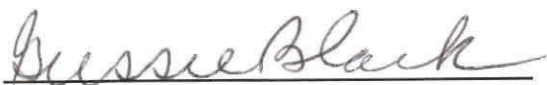
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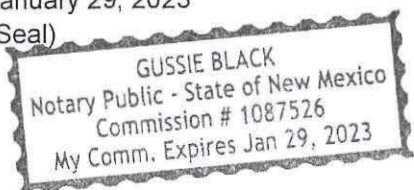
Publisher

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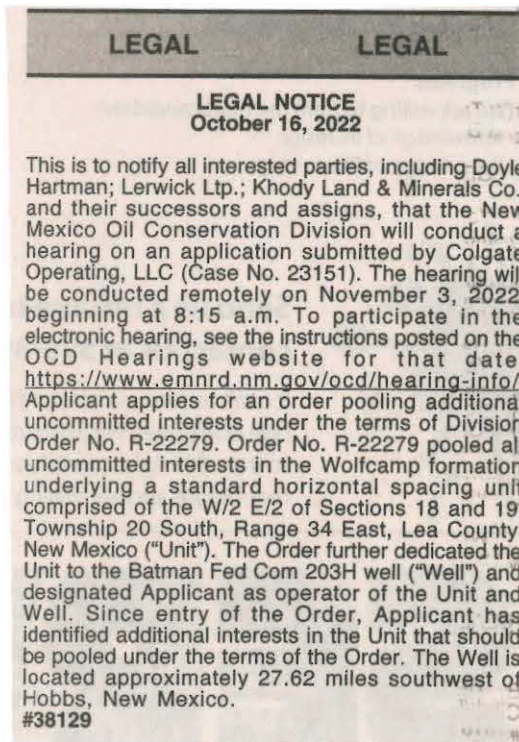


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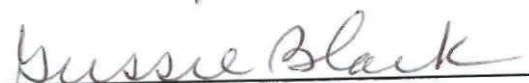
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COUNTY OF LEA

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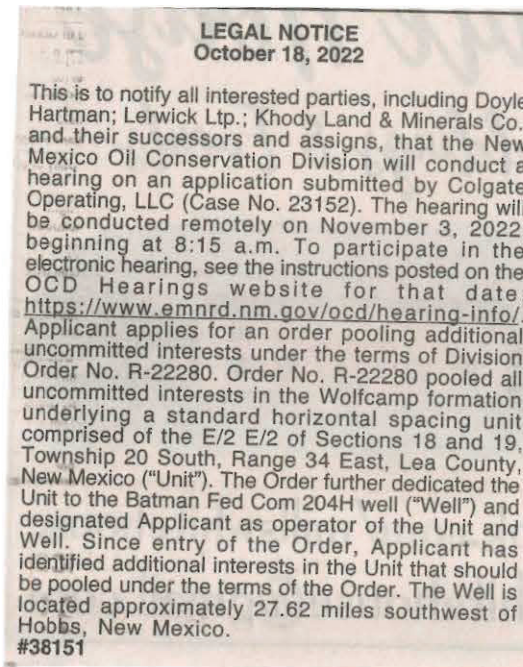
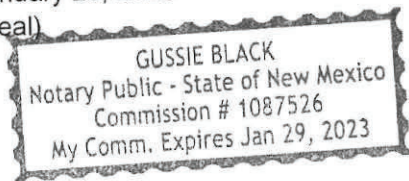
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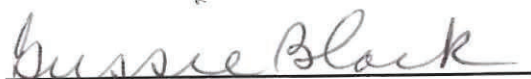
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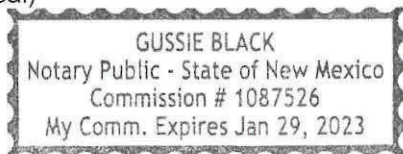
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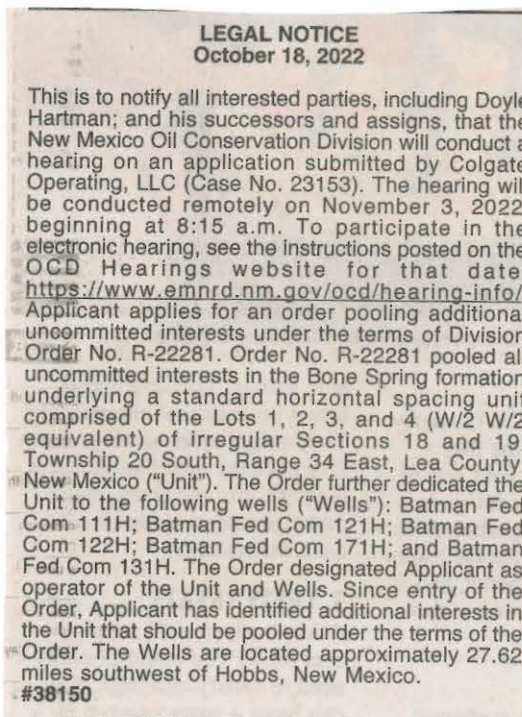


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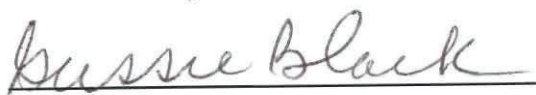
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COUNTY OF LEA

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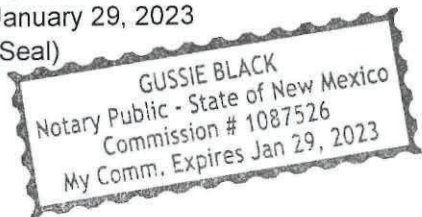
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Publisher

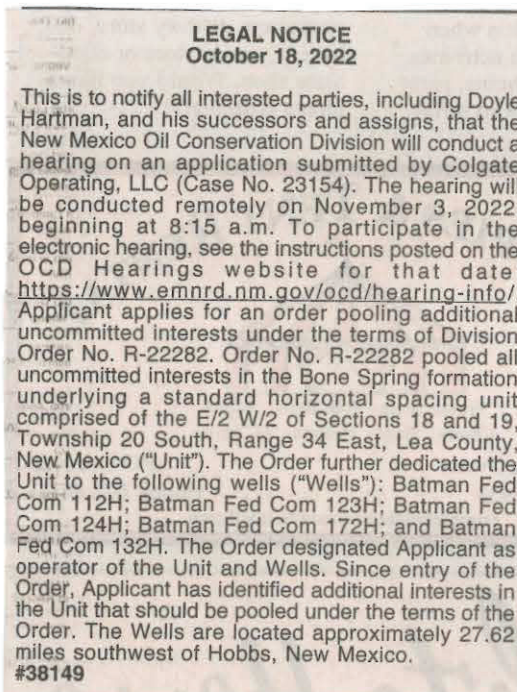
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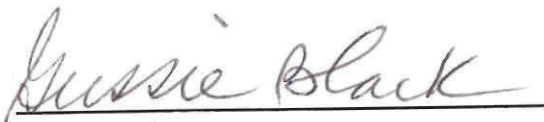
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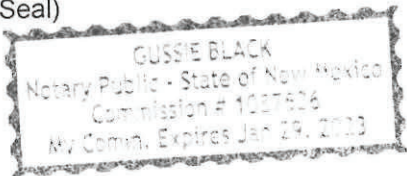
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LEGAL	LEGAL
<b>LEGAL NOTICE</b> October 16, 2022	
<p>This is to notify all interested parties, including Doyle Hartman; Lerwick Ltp.; Khody Land &amp; Minerals Co.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23155). The hearing will be conducted remotely on November 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22283. Order No. R-22283 pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 113H; Batman Fed Com 125H; Batman Fed Com 126H; Batman Fed Com 173H; and Batman Fed Com 133H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico. #38130</p>	

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00271995

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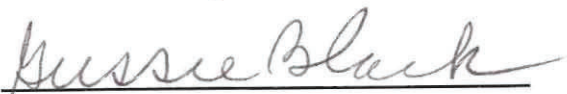
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Publisher

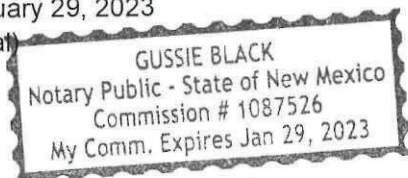
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**LEGAL NOTICE**  
October 16, 2022

This is to notify all interested parties, including Doyle Hartman; Lerwick Ltp.; Khody Land & Minerals Co.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23156). The hearing will be conducted remotely on November 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22284. Order No. R-22284 pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 114H; Batman Fed Com 127H; Batman Fed Com 128H; Batman Fed Com 174H; and Batman Fed Com 134H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

#38131

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00271996

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