

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Colgate Operating, LLC  
OPERATOR ADDRESS: 300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.  
(4) Measurement type: ☐ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code. Parkway; Bone Spring [49622]  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Cory Walk TITLE: Agent DATE: 6/3/2021  
TYPE OR PRINT NAME Cory Walk TELEPHONE NO.: 505-466-8120  
E-MAIL ADDRESS: cory@permitswest.com

Wells commingling production at the Crazy Horse Central Tank Battery:

Crazy Horse 32 State Fed Com 131H

- API: 30-015-48001
- SHL: SWNW, Sec 32, T-19-S, R-30-E
- Producing: N2N2, Sec 32 & 33, T-19-S, R-30-E
- Communitization Agreement Pending: NMNM-xxxxxx
- Leases Involved: VB06200002, VB06140002, NMNM-130861, NMNM-0006771A

Crazy Horse 32 State Fed Com 201H

- API: 30-015-48118
- SHL: SWNW, Sec 32, T-19-S, R-30-E
- Producing: N2N2, Sec 32 & 33, T-19-S, R-30-E
- Communitization Agreement Pending: NMNM-xxxxxx
- Leases Involved: VB06200002, VB06140002, NMNM-130861, NMNM-0006771A

Crazy Horse 32 State Fed Com 132H

- API: 30-015-48119
- SHL: SWNW, Sec 32, T-19-S, R-30-E
- Producing: S2N2, Sec 32 & 33, T-19-S, R-30-E
- Communitization Agreement Pending: NMNM-xxxxxx
- Leases Involved: VB06200002, VB06140002, NMNM-130861, NMNM-0006771A

Crazy Horse 32 State Fed Com 133H

- API: 30-015-48000
- SHL: SWSW, Sec 32, T-19-S, R-30-E
- Producing: N2S2, Sec 32 & 33, T-19-S, R-30-E
- Communitization Agreement Pending: NMNM-xxxxxx
- Leases Involved: VB06200002, VB06140002, NMNM-0006771A

Crazy Horse 32 State Fed Com 134H

- API: 30-015-47999
- SHL: SWSW, Sec 32, T-19-S, R-30-E
- Producing: S2S2, Sec 32 & 33, T-19-S, R-30-E
- Communitization Agreement Pending: NMNM-xxxxxx
- Leases Involved: VB06200002, VB06140002, NMNM-0006771A, NMNM-0006771B






Crazy Horse 32 State Fed Com 203H

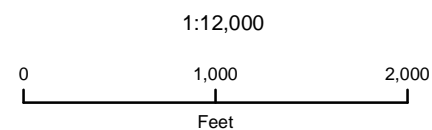
- API: 30-015-47998
- SHL: SWSW, Sec 32, T-19-S, R-30-E
- Producing: S2S2, Sec 32 & 33, T-19-S, R-30-E
- Communitization Agreement Pending: NMNM-xxxxxx
- Leases Involved: VB06200002, VB06140002, NMNM-0006771A, NMNM-0006771B

All wells will be producing from the same pool and formation (Parkway; Bone Spring - 49622).



Sec.32 & 33, T19S, R30E  
Eddy County, New Mexico

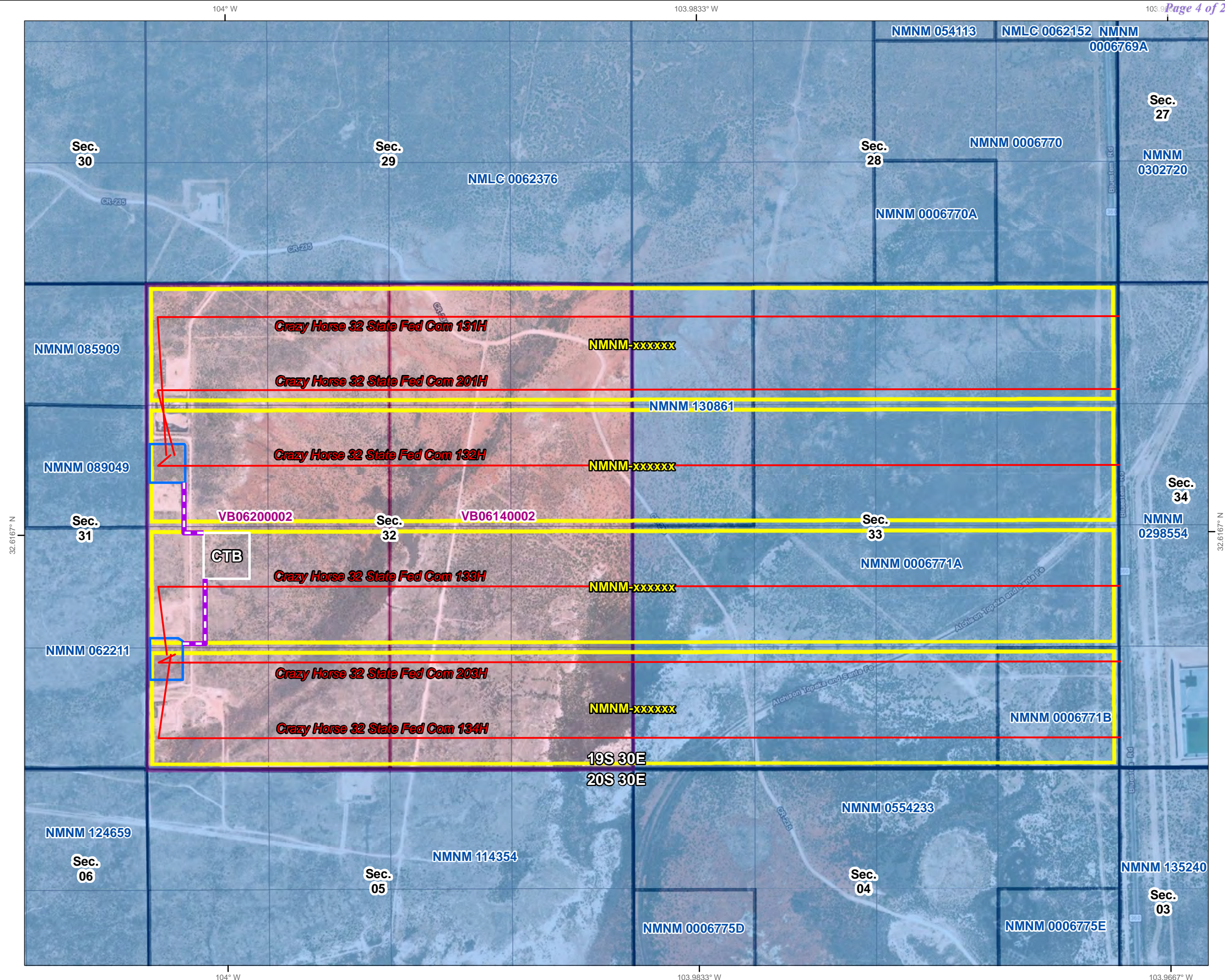
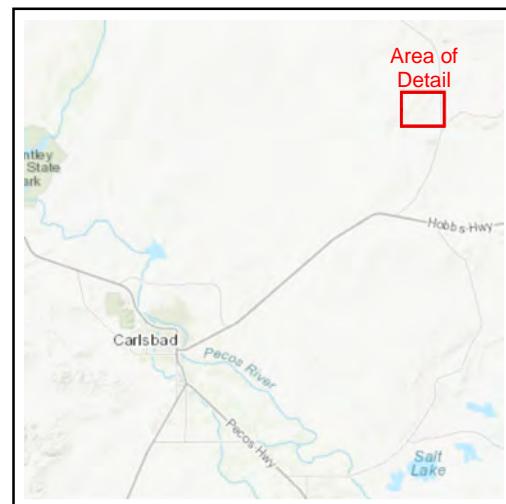
-  Pending Communitization Agreement
-  State O&G Lease
-  Federal O&G Lease
-  Proposed Wellbore
-  Proposed Flowline



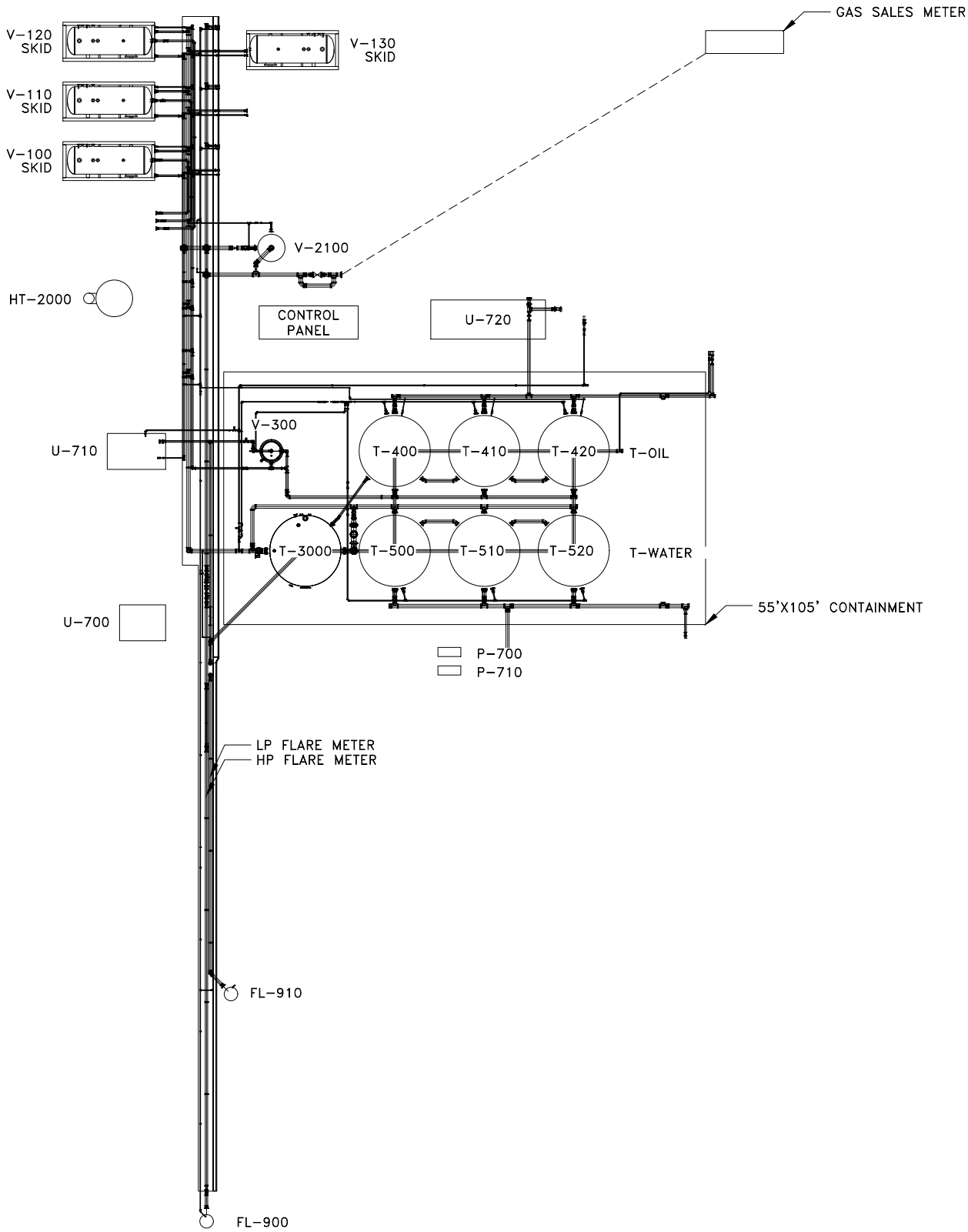
NAD 1983 New Mexico State Plane East  
FIPS 3001 Feet



Prepared by Permits West, Inc., June 4, 2021  
for Colgate Energy, LLC







- V-100 THRU 130**  
**3-PHASE SEPARATOR**  
HZ. 3PH SEPARATOR  
72" OD X 15'-0" S/S
- HT-2000**  
**HEATER TREATER**  
HZ, VESSEL  
96" OD X 20'-0" S/S
- V-2100**  
**GAS SCRUBBER**  
VERT. VESSEL  
72" OD X 15'-0" S/S
- U-700**  
**VAPOR RECOVERY UNIT**  
VAPOR RECOVERY UNIT  
20 H.P.
- U-710**  
**GAS RECOVERY UNIT**  
GAS RECOVERY UNIT  
118 H.P.
- U-720**  
**LACT**  
100 H.P.  
SKID: 8'-6" x 25'-0"
- V-300**  
**VAPOR RECOVERY TOWER**  
3PH VRT  
48" OD X 45'-0" HT
- T-3000**  
**SKIM TANK**  
SKIM TANK  
15'-6" OD X 30'-0" HT  
1000 BBL  
COLOR: BLM SHALE GREEN
- T-500 THRU 520**  
**WATER TANKS**  
WATER STORAGE TANK  
15'-6" OD X 24'-0" HT  
750 BBL  
COLOR: BLM SHALE GREEN
- T-400 THRU 420**  
**OIL TANKS**  
OIL STORAGE TANKS  
15'-6" OD X 24'-0" HT  
750 BBL  
COLOR: BLM SHALE GREEN
- V-320**  
**FLARE K.O.**  
2'-0" X 5'-0"
- P-700/710**  
**WATER TRANSFER PUMPS**  
XXX H.P. ELECTRIC PUMPS
- FS-900**  
**FLARE**  
XX,000 MSCFD
- FS-910**  
**FLARE**  
XX,000 MSCFD

NOTE:

**ISSUED**  
JUNE 02, 2021  
**FOR APPROVAL**

R:\01\_Colgate\21198 - Crazy Horse CTB\2. Eng., Design\2.3 Piping, Mech\2.3.2 Plot Plans\D-21198-20-001.dwg 20210602.07531101

Released to Imaging: 1/27/2022 11:28:26 AM

REFERENCE DRAWINGS		REVISIONS					
NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.
		A	06/02/21	ISSUED FOR REVIEW	MAC	RG	



**3S Services, LLC**  
**ENGINEERING & DESIGN**  
Ph: 432-687-5611 Midland, Texas 79705  
WWW.3SENGINEERINGDESIGN.COM  
TBPE FIRM REG. #13809  
NM FIRM REG. #4545320  
OKLA FIRM REG. #3712353615

NOTICE

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ENGINEERING RECORD		CRAZY HORSE BATTERY PLOT PLAN			
BY	DATE				
DRN: MAC	05/27/21	PLOT SCALE NONE		DWG. NO.	REV
DES:		CAD NO.		D-21198-20-001	A
CHK:					
APP:					
AFE No.					
FACILITY ENGR.					
PROJ. ENGR:					
SCALE: NONE					

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0005051063

This is not an invoice

PERMITS WEST INC  
37 VERANO LOOP

SANTA FE, NM 87508-8351

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

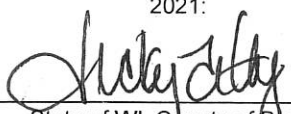
12/19/2021

Notice of Application for Surface Commingling: Colgate Operating, LLC located at 300 N Marienfeld Street, Suite 1000, Midland TX 79701 is applying to the NMOCD to commingle oil and gas production from their Crazy Horse 32 State Fed Com wells producing from leases located in Eddy County, Sections 32 & 33, T19S-R30E. Commingling will take place at the Crazy Horse CTB located in NWSW, Section 32, T19S-R30E. All wells involved in the proposed commingling will be producing from the Parkway; Bone Spring. Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Cory Walk at 505-466-8120. #0005051063, Current Argus, December 19, 2201



Legal Clerk

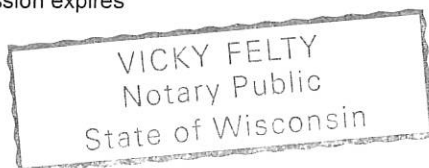
Subscribed and sworn before me this December 19, 2021:



State of WI, County of Brown  
NOTARY PUBLIC

9-19-25

My commission expires



Ad # 0005051063

PO #: Colgate - Crazy Horse Commingle  
# of Affidavits 1

This is not an invoice



June 4, 2021

**CERTIFIED MAIL**

**RETURN RECEIPT REQUESTED**

Interest Owners

Re: Request for commingling

Crazy Horse 32 State Fed Com #131H

Sec. 32, T19S, R30E

API: 30-015-48001

Parkway; Bone Spring

Eddy County, NM

Dear Interest Owner:

This letter is to advise you that Colgate Operating, LLC, is filing an application with the New Mexico Oil Conservation Division seeking approval for oil and gas commingling at the Crazy Horse Central Tank Battery.

A copy of our submitted application is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (505) 466-8120 should you have any questions or need any additional information.

Sincerely,

Cory Walk

Agent

Permits West Inc.



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Armstrong Energy Corporation

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Roswell NM 88202

Colgate Crazy Horse 32 State Fed Com

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Roswell NM 88202

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First Roswell Company

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Julia Ann High Tower Barnett

2502 Auburn Place

Midland TX 79705

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Twenty-nine Palms CA 92277

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5555 San Felipe Street

Houston TX 77056

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Artesia NM 88210

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STR Corporation  
1614 Ventura Midland  
Midland TX 79705  
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Postage  
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Total Postage and Fees  
\$

Postmark  
Here

7020 1810 0000 3948 2272

Sent To  
Susannah D. Adelson  
15 East 5th Street Suite 3300  
Tulsa OK 74103  
Colgate Crazy Horse 32 State Fed Com

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☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage  
\$

Total Postage and Fees  
\$

Postmark  
Here

7020 1810 0000 3948 2289

Sent To  
Zorus Energy LLC  
15 East 5th Street Suite 3300  
Tulsa OK 74103  
Colgate Crazy Horse 32 State Fed Com

City, State, ZIP+4<sup>®</sup>

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

Well Name: CRAZY HORSE 32 STATE FED COM	Well Location: T19S / R30E / SEC 32 / SWNW /	County or Parish/State:
Well Number: 131H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM130861	Unit or CA Name:	Unit or CA Number:
US Well Number: 3001548001	Well Status: Approved Application for Permit to Drill	Operator: COLGATE OPERATING LLC

Notice of Intent

Type of Submission: Notice of Intent	Type of Action: Commingling (Surface)
Date Sundry Submitted: 06/04/2021	Time Sundry Submitted: 04:28
Date proposed operation will begin: 06/21/2021	

**Procedure Description:** Colgate Operating, LLC would like to request oil and gas commingling at the Crazy Horse Central Tank Battery located in NWSW, section 32, T-19-S, R-30-E. Please see the attached list of wells, map, facility diagram, serial register pages of involved federal leases, and a letter to all interest owners for additional information. Communitization Agreements are pending.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Colgate\_CrazyHorse\_Commingle\_Attachment\_20210604162852.pdf



<b>Well Name:</b> CRAZY HORSE 32 STATE FED COM	<b>Well Location:</b> T19S / R30E / SEC 32 / SWNW /	<b>County or Parish/State:</b>
<b>Well Number:</b> 131H	<b>Type of Well:</b> OIL WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM130861	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 3001548001	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> COLGATE OPERATING LLC

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

<b>Operator Electronic Signature:</b> BRIAN WOOD	<b>Signed on:</b> JUN 04, 2021 04:28 PM
<b>Name:</b> COLGATE OPERATING LLC	
<b>Title:</b> President	
<b>Street Address:</b> 37 VERANO LOOP	
<b>City:</b> SANTA FE	<b>State:</b> NM
<b>Phone:</b> (505) 466-8120	
<b>Email address:</b> AFMSS@PERMITSWEST.COM	

Field Representative

<b>Representative Name:</b>		
<b>Street Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone:</b>		
<b>Email address:</b>		

**NEW MEXICO  
STATE  
LAND OFFICE**

**APPLICATION FOR  
COMMINGLING AND OFF-LEASE STORAGE  
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

**Applicant:** Colgate Operating, LLC **OGRID #:** 371449  
**Well Name:** Crazy Horse 32 State Federal Com #131H **API #:** 30-015-48001  
**Pool:** Parkway; Bone Spring [49622]

**OPERATOR NAME:** Colgate Operating, LLC

**OPERATOR ADDRESS:** 300 N Marienfeld Street, Suite 1000, Midland, TX 79701

**APPLICATION REQUIREMENTS – SUBMIT:**

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

**CERTIFICATION:** To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Cory Walk

Print or Type Name

*Cory Walk*

Signature

6/3/2021

Date

505-466-8120

Phone Number

cory@permitswest.com

e-mail Address

**Submit application to:**  
 Commissioner of Public Lands  
 Attn: Commingling Manager  
 PO Box 1148  
 Santa Fe, NM 87504-1148

Questions?  
 Contact the Commingling Manager:  
 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.



Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

<b>Applicant:</b> <u>Colgate Operating, LLC</u>	<b>OGRID Number:</b> <u>371449</u>
<b>Well Name:</b> <u>Crazy Horse 32 State Federal Com #131H</u>	<b>API:</b> <u>30-015-48001</u>
<b>Pool:</b> <u>Parkway; Bone Spring</u>	<b>Pool Code:</b> <u>49622</u>

### SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL

☐ NSP (PROJECT AREA)

☐ NSP (PRORATION UNIT)

☐ SD

B. Check one only for [ I ] or [ II ]

[ I ] Commingling – Storage – Measurement

☐ DHC

☒ CTB

☐ PLC

☐ PC

☐ OLS

☐ OLM

[ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX

☐ PMX

☐ SWD

☐ IPI

☐ EOR

☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

A. ☐ Offset operators or lease holders

B. ☒ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☒ Notification and/or concurrent approval by SLO

E. ☒ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☒ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

#### FOR OCD ONLY

☐ Notice Complete

☐ Application  
Content  
Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

06/03/2021

Date

Cory Walk

Print or Type Name

(505) 466-8120

Phone Number

Cory Walk

Signature

cory@permitswest.com

e-mail Address

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Cory Walk](#); [Mikah Thomas](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order CTB-1006  
**Date:** Thursday, January 27, 2022 11:24:21 AM  
**Attachments:** [CTB1006 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1006 which authorizes Colgate Operating, LLC (371449) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-015-48001	Crazy Horse 32 State Federal Com #131H	N/2 N/2	32-19S-30E	49622
		N/2 N/2	33-19S-30E	
30-015-48119	Crazy Horse 32 State Federal Com #132H	S/2 N/2	32-19S-30E	49622
		S/2 N/2	33-19S-30E	
30-015-48000	Crazy Horse 32 State Federal Com #133H	N/2 S/2	32-19S-30E	49622
		N/2 S/2	33-19S-30E	
30-015-47999	Crazy Horse 32 State Federal Com #134H	S/2 S/2	32-19S-30E	49622
		S/2 S/2	33-19S-30E	

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

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

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



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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY COLGATE OPERATING, LLC**

**ORDER NO. CTB-1006**

**ORDER**

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

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.



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

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 1/26/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **CTB-1006**  
Operator: **Colgate Operating, LLC (371449)**  
Central Tank Battery: **Crazy Horse Central Tank Battery**  
Central Tank Battery Location: **Unit L, Section 32, Township 19 South, Range 30 East**  
Gas Title Transfer Meter Location: **Unit L, Section 32, Township 19 South, Range 30 East**

### Pools

Pool Name	Pool Code
<b>PARKWAY; BONE SPRING</b>	<b>49622</b>

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
<b>VB 06200002</b>	<b>W/2</b>	<b>32-19S-30E</b>
<b>VB 06140002</b>	<b>E/2</b>	<b>32-19S-30E</b>
<b>NMNM 130861</b>	<b>W/2 NW/4</b>	<b>33-19S-30E</b>
<b>NMNM 0006771B</b>	<b>SE/4 SE/4</b>	<b>33-19S-30E</b>
<b>NMNM 0006771A</b>	<b>All minus D E P</b>	<b>33-19S-30E</b>

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
<b>30-015-48001</b>	<b>Crazy Horse 32 State Federal Com #131H</b>	<b>N/2 N/2</b>	<b>32-19S-30E</b>	<b>49622</b>
<b>30-015-48119</b>	<b>Crazy Horse 32 State Federal Com #132H</b>	<b>S/2 N/2</b>	<b>32-19S-30E</b>	<b>49622</b>
<b>30-015-48000</b>	<b>Crazy Horse 32 State Federal Com #133H</b>	<b>S/2 N/2</b>	<b>33-19S-30E</b>	<b>49622</b>
<b>30-015-48000</b>	<b>Crazy Horse 32 State Federal Com #133H</b>	<b>N/2 S/2</b>	<b>32-19S-30E</b>	<b>49622</b>
<b>30-015-47999</b>	<b>Crazy Horse 32 State Federal Com #134H</b>	<b>N/2 S/2</b>	<b>33-19S-30E</b>	<b>49622</b>
		<b>S/2 S/2</b>	<b>32-19S-30E</b>	<b>49622</b>
		<b>S/2 S/2</b>	<b>33-19S-30E</b>	<b>49622</b>



State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: **CTB-1006**  
Operator: **Colgate Operating, LLC (371449)**

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bonespring NMNM 143885	S/2 S/2	32-19S-30E	320	A
	S/2 S/2	33-19S-30E		
CA Bonespring NMNM 144174	N/2	32-19S-30E	640	B
	N/2	33-19S-30E		
CA Bonespring BLM	N/2 S/2	32-19S-30E	320	C
	N/2 S/2	33-19S-30E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VB 06200002	S/2 SW/4	32-19S-30E	80	A
VB 06140002	S/2 SE/4	32-19S-30E	80	A
NMNM 0006771A	M N O	33-19S-30E	120	A
NMNM 0006771B	SE/4 SE/4	33-19S-30E	40	A
VB 06200002	NW/4	32-19S-30E	160	B
VB 06140002	NE/4	32-19S-30E	160	B
NMNM 130861	W/2 NW/4	33-19S-30E	80	B
NMNM 0006771A	A B C F G H	33-19S-30E	240	B
VB 06200002	N/2 SW/4	32-19S-30E	80	C
VB 06140002	N/2 SE/4	32-19S-30E	80	C
NMNM 0006771A	N/2 S/2	33-19S-30E	160	C

**District I**

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

**District II**

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

**District III**

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

**District IV**

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

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

CONDITIONS

Action 32531

**CONDITIONS**

Operator: COLGATE OPERATING, LLC 300 North Marienfeld Street Midland, TX 79701	OGRID: 371449
	Action Number: 32531
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	1/27/2022