

**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-22179,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 23421
ORDER NO. R-22179**

EXHIBIT INDEX

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A-3	Plat of Tracts, Ownership Interests, Additional Interest Owner to be Pooled
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
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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-22179,
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**CASE NO. 23421
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**SELF-AFFIRMED STATEMENT
OF MARK HAJDIK**

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 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 application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. On July 11, 2022, the Division entered Order No. R-22179 (“Order”) in Case No. 22671, which pooled uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the S/2 S/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Order further dedicated the Unit to the Uluru 35 Fed State Com 203H (“Well”) and designated Applicant as operator of the Unit and Well.

5. A copy of the Order is attached as **Exhibit A-2**.

6. Since the Order was entered, Colgate has identified an additional uncommitted interest in the Unit that has not been pooled under the terms of the Order.

**Colgate Operating LLC
Case No. 23421
Exhibit A**

7. **Exhibit A-3** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interest to be pooled under the terms of the Order, which is highlighted in yellow. The additional interest owner to be pooled is locatable.

8. **Exhibit A-4** is a sample well proposal letter and AFE that I sent to the additional party to be pooled under the terms of the Order.

9. In my opinion, Colgate made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-5**.

10. Colgate requests the additional uncommitted interest be pooled under the terms of the Order.

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

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

13. I understand this Self-Affirmed Statement will be used as written testimony in this case. 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 next to my signature below.



Mark Hajdik

4/4/23

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-22179,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23421
ORDER NO. R-22179**

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-22179. Applicant states the following in support of its application.

1. On July 11, 2022, the Division entered Order No. R-22179 (“Order”) in Case No. 22671, which pooled uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the S/2 S/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Order further dedicated the Unit to the Uluru 35 Fed State Com 203H (“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 No. 23421
Exhibit A-1**

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on April 6, 2023, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22179.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

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Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22179, Eddy County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22179. Order No R-22179 (“Order”) pooled uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the S/2 S/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Order further dedicated the Unit to the Uluru 35 Fed State Com 203H well (“Well”) and designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 12 miles northeast of Carlsbad, 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. 22671
ORDER NO. R-22179**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on April 21, 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 No. 23421
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

- 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: 7/11/2022

CASE NO. 22671
ORDER NO. R-22179

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Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case No.:	22671
Hearing Date:	4/21/2022
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors	N/A
Well Family	Uluru
Formation/Pool	
Formation Name(s) or Vertical Extent	Wolfcamp
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Wolfcamp
Pool Name and Pool Code	East WC Burton Flat East, Upper Wolfcamp (98315)
Well Location Setback Rules	Statewide
Spacing Unit Size	320-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre
Building Blocks	quarter-quarter
Orientation	Laydown
Description: TRS/County	S/2S/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Well(s)	
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	Uluru 35 Fed State Com 203H (API # pending) SHL: 431' FSL, 560' FEL (Unit P) of Section 34, T19S-R28E BHL: 990' FSL & 10' FEL (Unit P) of Section 36, T19S-R28E Completion Target: Wolfcamp (Approximately 8914' TVD) Completion status: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits D-2, D-4

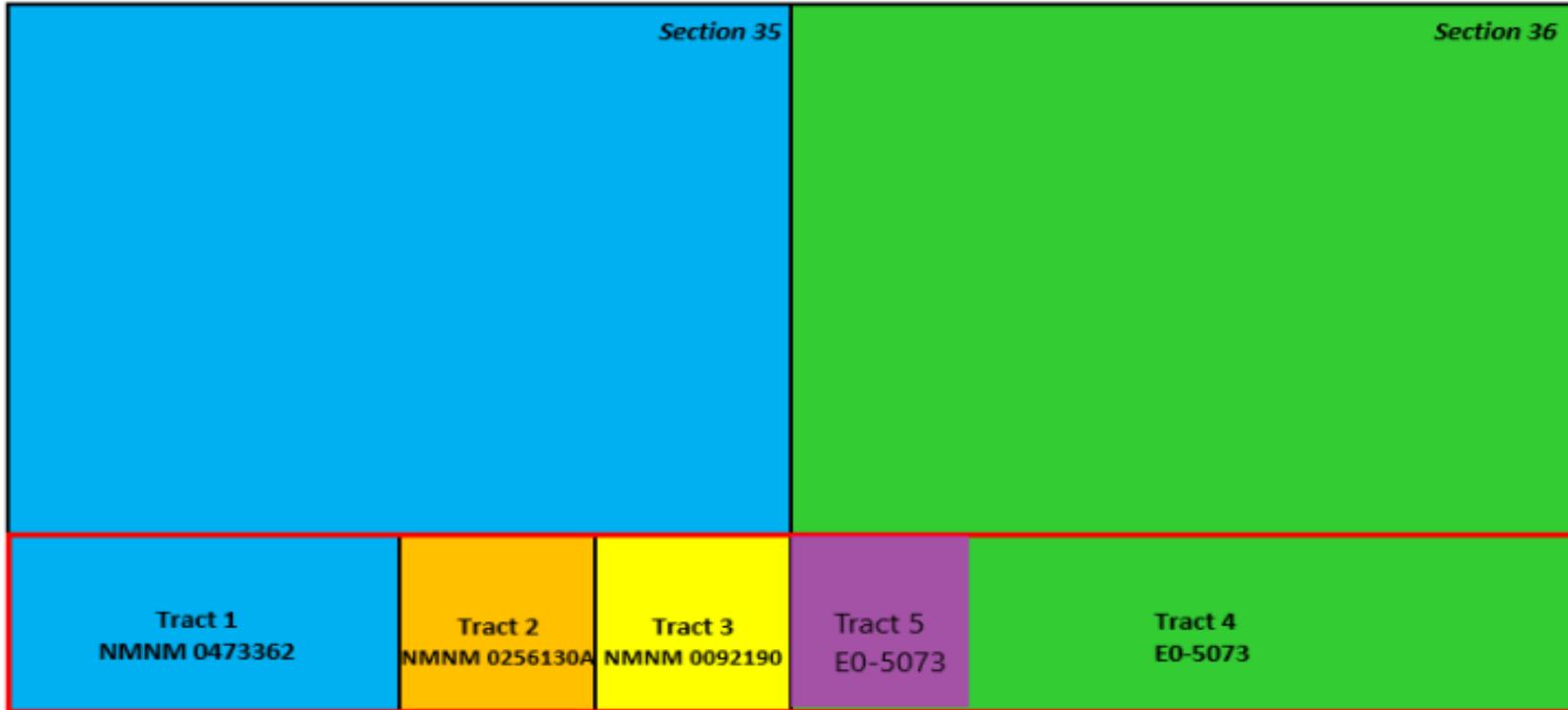
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Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-5
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance	N/A
Joinder	
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
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-6
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibit C
HSU Cross Section	Exhibit C-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibit C-3
Cross Section Location Map (including wells)	Exhibit C-2
Cross Section (including Landing Zone)	Exhibit C-5
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	4/19/2022

Uluru 35 Fed State Com Tract Details



Colgate Operating LLC
Case No. 23421
Exhibit A-3

ULURU 35 FED STATE COM 203H (S/2S/2 Sec 35 & 36 Wolfcamp)				
WI OWNER	WI	Net Ac	Tract No	FORCE POOL INTEREST
Colgate Production, LLC	71.2262%	227.924	1, 2, 3, 4	Operator
Harvard Exploration Company	2.3438%	7.5	1	Previously Pooled or Subject to JOA
Michael Harrison Moore, Trustee of the Michael Harrison Moore	1.6113%	5.15625	1	Previously Pooled or Subject to JOA
PEO Lobo, LLC	1.6113%	5.15625	1	Previously Pooled or Subject to JOA
Source Energy Permian II, LLC	0.7813%	2.5	1	Previously Pooled or Subject to JOA
EnPlat III, LLC	0.7813%	2.5	1	Previously Pooled or Subject to JOA
Cheron Oil & Gas Company, Inc.	0.9521%	3.04688	1	Previously Pooled or Subject to JOA
Dorsar Investment Company	0.5859%	1.87501	1	Previously Pooled or Subject to JOA
Bluebonnet Eddy Partners, LLC	1.7578%	5.625	1	Previously Pooled or Subject to JOA
Chief Capital (O&G) II LLC	2.0898%	6.68751	1	Previously Pooled or Subject to JOA
Rockwood Resources LLC	1.1719%	3.75	1	Previously Pooled or Subject to JOA
SITL Energy, LLC	1.6721%	5.35059	1	Previously Pooled or Subject to JOA
BEXP II Alpha, LLC	0.7129%	2.2814	1	Previously Pooled or Subject to JOA
BEXP II Omega, LLC	0.9591%	3.06919	1	Previously Pooled or Subject to JOA
Pregler Oil Company, LLC	0.2197%	0.70312	1	Previously Pooled or Subject to JOA
Beaird Mineral Interest, LP	0.5859%	1.87499	1	Previously Pooled or Subject to JOA
Gosier Energy, LLC	7.8750%	25.2	5	Previously Pooled or Subject to JOA
Latham Energy, LLC	0.8750%	2.8	5	Previously Pooled or Subject to JOA
Red River Energy Partners	0.6250%	2	5	Previously Pooled or Subject to JOA
Heirs or devisees of Ralph E. Williamson	1.5625%	5	5	Yes
	100%	320		

Lessee of Record	WI	Net Ac	Tract No	FORCE POOL INTEREST
Estate of DW Underwood	None	None	1	Yes
Estate of JC Williamson	None	None	1	Yes
Oxy USA Inc.	None	None	2, 3	Yes
Mewbourne Oil Company	None	None	4	Yes

ORRI Owners
Colgate Royalties, LP
Duane D. Anderson, as his separate property
Mark and Paula McClellan, husband and wife
Ross and Kandace McClellan, husband and wife
Frank J. Pisor, Jr., as his separate property
D. Lloyd Henderson
EnPlat III, LLC
Thomas B. Lemann and wife, Barbara Lemann
J.M. Dunbar and wife, Amanda Dunbar
Harvey S. Apple and wife, Carolyn Apple
George W. Strake, Jr., marital status unknown
SMAC Oil Limited Partnership
CMP Viva LP
Catherine F. Sweeney, separate property
BCRK, an Oklahoma Limited Partnership
ExxonMobil Corporation
Red Rock Royalty Limited Partnership
Virginia K. Edelson, Trustee
Laura K. Gibbs
Elsie F. Henderson, separate property
Maylon S. Baker, marital status unknown
Sharron Wolfenbarger Jones, separate property
John D. Keslar, separate property
David R. Conley, marital status unknown
R.N. Hillin, marital status unknown
Marsha Cope Huie, for the Estate of Ralph E. Williamson
Karl F. Koch, marital status unknown



February 4, 2022

Via Certified Mail

Dome Petroleum Corp.
ATTN: Outside Operated JV
PO Box 940970
Houston, TX 77094

RE: Uluru 35 Fed State Com – Well Proposals
Section 35: All, Section 36: All, T19S-R28E, Bone Spring and Wolfcamp Formation
Eddy County, New Mexico

To Whom It May Concern:

Colgate Operating, LLC, as operator for Colgate Production, LLC (“Colgate”), hereby proposes the drilling and completion of the following eleven (11) wells, the Uluru 35 Fed State Com 121H, 122H, 123H, 124H, 131H, 132H, 133H, 134H, 201H, 202H, & 203H at the following approximate locations within Township 19 South, Range 28 East:

1. Uluru 35 Fed State Com 121H

SHL: At a legal location in the NW/4NW/4 of Section 35
BHL: 10' FEL & 370' FNL of Section 35
FTP: 100' FWL & 370' FNL of Section 35
LTP: 100' FEL & 370' FNL of Section 35
TVD: 7,524'
TMD: Approximately 12,809'
Proration Unit: N2N2 of Section 35
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

2. Uluru 35 Fed State Com 122H

SHL: At a legal location in the NW/4NW/4 of Section 35
BHL: 10' FEL & 1,889' FNL of Section 35
FTP: 100' FWL & 1,889' FNL of Section 35
LTP: 100' FEL & 1,889' FNL of Section 35
TVD: 7,524'
TMD: Approximately 12,809'
Proration Unit: S2N2 of Section 35
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

300 N. Marienfeld St., Suite 1000, Midland, Texas 79701
P: (432) 695-4222 | F: (432) 695-4063
www.ColgateEnergy.com

Colgate Operating LLC
Case No. 23421
Exhibit A-4

Uluru 35 Fed State Com Well Proposal

3. Uluru 35 Fed State Com 123H

SHL: At a legal location in the SE/4 of Section 35
BHL: 10' FEL & 2,032' FSL of Section 35
FTP: 100' FWL & 2,032' FSL of Section 35
LTP: 100' FEL & 2,032' FSL of Section 35
TVD: 7,509'
TMD: Approximately 12,794'
Proration Unit: N2S2 of Section 35
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

4. Uluru 35 Fed State Com 124H

SHL: At a legal location in the SE/4 of Section 35
BHL: 10' FEL & 330' FSL of Section 36
FTP: 100' FWL & 330' FSL of Section 35
LTP: 100' FEL & 330' FSL of Section 36
TVD: 7,509'
TMD: Approximately 17,794'
Proration Unit: S2S2 of Sections 35 & 36
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

5. Uluru 35 Fed State Com 131H

SHL: At a legal location the E/2E/2 of Section 34
BHL: 10' FEL & 990' FNL of Section 36
FTP: 100' FWL & 990' FNL of Section 35
LTP: 100' FEL & 990' FNL of Section 36
TVD: 8,662'
TMD: Approximately 18,947'
Proration Unit: N2N2 of Sections 35 & 36
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

6. Uluru 35 Fed State Com 132H

SHL: At a legal location the E/2E/2 of Section 34
BHL: 10' FEL & 2,310' FNL of Section 36
FTP: 100' FWL & 2,310' FNL of Section 35
LTP: 100' FEL & 2,310' FNL of Section 36
TVD: 8,662'
TMD: Approximately 18,947'
Proration Unit: S2N2 of Sections 35 & 36
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

7. Uluru 35 Fed State Com 133H

SHL: At a legal location the E/2E/2 of Section 34
BHL: 10' FEL & 1,650' FSL of Section 36
FTP: 100' FWL & 1,650' FSL of Section 35
LTP: 100' FEL & 1,650' FSL of Section 36
TVD: 8,647'
TMD: Approximately 18,932'
Proration Unit: N2S2 of Sections 35 & 36
Targeted Interval: 3rd Bone Spring

Uluru 35 Fed State Com Well Proposal

Total Cost: See attached AFE

8. Uluru 35 Fed State Com 134H

SHL: At a legal location in the SE/4SE/4 of Section 34

BHL: 10' FEL & 330' FSL of Section 36

FTP: 100' FWL & 330' FSL of Section 35

LTP: 100' FEL & 330' FSL of Section 36

TVD: 8,647'

TMD: Approximately 18,932'

Proration Unit: S2S2 of Sections 35 & 36

Targeted Interval: 3rd Bone Spring

Total Cost: See attached AFE

9. Uluru 35 Fed State Com 201H

SHL: At a legal location in the NW/4NW/4 of Section 35

BHL: 10' FEL & 1,650' FNL of Section 36

FTP: 100' FWL & 1,650' FNL of Section 35

LTP: 100' FEL & 1,650' FNL of Section 36

TVD: 8,929'

TMD: Approximately 19,214'

Targeted Interval: Wolfcamp XY

Total Cost: See attached AFE

10. Uluru 35 Fed State Com 202H

SHL: At a legal location in the SE/4 of Section 35

BHL: 10' FEL & 2,310' FSL of Section 36

FTP: 100' FWL & 2,310' FSL of Section 35

LTP: 100' FEL & 2,310' FSL of Section 36

TVD: 8,929'

TMD: Approximately 19,214'

Targeted Interval: Wolfcamp XY

Total Cost: See attached AFE

11. Uluru 35 Fed State Com 203H

SHL: At a legal location in the SE/4SE/4 of Section 34

BHL: 10' FEL & 990' FSL of Section 36

FTP: 100' FWL & 990' FSL of Section 35

LTP: 100' FEL & 990' FSL of Section 36

TVD: 8,914'

TMD: Approximately 19,199'

Targeted Interval: Wolfcamp XY

Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Colgate is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$8,000/\$800 drilling and producing rates
- Colgate Operating, LLC named as Operator

Uluru 35 Fed State Com Well Proposal

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the previously proposed AFE, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Colgate will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well. If you do not wish to participate, Colgate would be interested in acquiring your interest in the subject lands which is subject to further negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.357.3886 or by email at mhajdik@colgateenergy.com.

Respectfully,



Mark Hajdik
Senior Staff Landman
Enclosures

Uluru 35 Fed State Com Well Proposal

Well Elections: <i>(Please indicate your responses in the spaces below)</i>		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Uluru 35 Fed State Com 121H		
Uluru 35 Fed State Com 122H		
Uluru 35 Fed State Com 123H		
Uluru 35 Fed State Com 124H		
Uluru 35 Fed State Com 131H		
Uluru 35 Fed State Com 132H		
Uluru 35 Fed State Com 133H		
Uluru 35 Fed State Com 134H		
Uluru 35 Fed State Com 201H		
Uluru 35 Fed State Com 202H		
Uluru 35 Fed State Com 203H		

Company Name (If Applicable):

By: _____

Printed Name: _____

Date: _____

Colgate Energy

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	2/4/2022	AFE NO.:	0
WELL NAME:	Uluru 35 Fed State Com 203H	FIELD:	Winchester; BONE SPRING
LOCATION:	Sections 35 & 36, Block T19S-R28E	MD/TVD:	19199' MD / 8914' TVD
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000
Colgate WI:		DRILLING DAYS:	20.6
GEOLOGIC TARGET:	WCXY	COMPLETION DAYS:	18.6

REMARKS: Drill a horizontal WC well and complete. AFE includes drilling, completions, flowback and initial AL install cost

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 42,500	\$ -	\$ -	\$ 42,500
2 Location, Surveys & Damages	207,601	13,000	25,000	245,601
4 Freight / Transportation	34,270	30,250	-	64,520
5 Rental - Surface Equipment	93,261	153,700	13,700	260,661
6 Rental - Downhole Equipment	147,810	26,250	-	174,060
7 Rental - Living Quarters	35,691	43,450	-	79,141
10 Directional Drilling, Surveys	318,239	-	-	318,239
11 Drilling	566,652	-	-	566,652
12 Drill Bits	72,080	-	-	72,080
13 Fuel & Power	142,742	290,000	-	432,742
14 Cementing & Float Equip	149,460	-	-	149,460
15 Completion Unit, Swab, CTU	-	-	26,000	-
16 Perforating, Wireline, Slickline	-	282,875	9,000	291,875
17 High Pressure Pump Truck	-	46,000	-	46,000
18 Completion Unit, Swab, CTU	-	75,950	-	75,950
20 Mud Circulation System	78,313	-	-	78,313
21 Mud Logging	15,847	-	-	15,847
22 Logging / Formation Evaluation	7,221	6,000	-	13,221
23 Mud & Chemicals	260,890	305,488	-	566,378
24 Water	31,270	469,400	-	500,670
25 Stimulation	-	543,543	-	543,543
26 Stimulation Flowback & Disp	-	102,125	-	102,125
28 Mud / Wastewater Disposal	138,945	44,000	-	182,945
30 Rig Supervision / Engineering	91,356	102,075	9,800	203,231
32 Drig & Completion Overhead	7,875	-	-	7,875
35 Labor	103,986	50,000	20,000	173,986
54 Proppant	-	635,625	-	635,625
95 Insurance	10,100	-	-	10,100
97 Contingency	-	16,306	8,850	25,156
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	2,556,108	3,236,037	112,350	5,878,495

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 21,818	\$ -	\$ -	\$ 21,818
61 Intermediate Casing	126,995	-	-	126,995
62 Drilling Liner	-	-	-	-
63 Production Casing	473,568	-	-	473,568
64 Production Liner	-	-	-	-
65 Tubing	-	-	55,000	55,000
66 Wellhead	46,640	-	59,100	105,740
67 Packers, Liner Hangers	10,600	-	4,500	15,100
68 Tanks	-	-	-	-
69 Production Vessels	-	-	84,000	84,000
70 Flow Lines	-	-	24,800	24,800
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	88,000	88,000
73 Compressor	-	-	-	-
74 Installation Costs	-	-	34,000	34,000
75 Surface Pumps	-	-	5,000	5,000
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	12,500	12,500
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	15,400	15,400
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	40,000	40,000
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical / Grounding	-	-	90,900	90,900
85 Communications / SCADA	-	-	15,000	15,000
86 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	679,621	0	528,200	1,207,821
TOTAL COSTS >	3,235,729	3,236,037	640,550	7,086,317
	\$ 324	\$ 324	\$ 709	

PREPARED BY Colgate Energy:

Drilling Engineer: SS/RM/IS
 Completions Engineer: BA/ML
 Production Engineer: Levi Harris

Colgate Energy APPROVAL:

Co-CEO: WH
 Co-CEO: JW
 VP - Operations: CRM
 VP - Land & Legal: BC
 VP - Geosciences: SO

NON OPERATING PARTNER APPROVAL:

Company Name: _____ Working Interest (%): _____ Tax ID: _____
 Signed by: _____ Date: _____
 Title: _____ Approval: Yes No (mark one)

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, custative, regulatory, leakage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

Uluru 35 Communication Timeline

January 2023 – Title opinion correction identified three parties which were not originally pooled. Two of the interests are executing a JOA and will not be pooled at this time.

January 28, 2023 – Proposal for the Uluru 35 Wells received by the third party via certified mail. Address for executor of estate was derived using county records and paid subscription idicore.

February 2023 to present – No response or communication received from party. Engaged a broker to attempt to obtain contact. Did not respond to brokers contact attempts either.

Present – Moved forward with hearing after no response to contact attempts.

**Colgate Operating LLC
Case No. 23421
Exhibit A-5**

**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-22179,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 23421
ORDER NO. R-22179**

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

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 B-1** and caused the Notice Letters, along with the Application in this case, to be sent to the parties set out in the charts attached as **Exhibit B-2**.

3. Exhibit B-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

5. On March 21, 2023, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit B-4**.

6. 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.

/s/ Dana S. Hardy
Dana S. Hardy

April 3, 2023
Date

**Colgate Operating, LLC
Case No. 23421
Exhibit B**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

March 16, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Estate of Ralph E. Williamson
c/o Elizabeth Anne Williamson
1601 Kansas Ave
Midland, TX 79701

Re: Case Nos. 23421, 23422, 23423 - Applications of Colgate Operating, LLC to Pool Additional Interests under Order Nos. R-22179, R-22181, and R-22182, Eddy 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 **April 6, 2023** 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.nm.gov/OCD/OCDPermitting>) or via e-mail to ocd.hearings@emnrd.nm.gov 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 do not hesitate to contact me if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Colgate Operating LLC
Case No. 23421
Exhibit B-1

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

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

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

**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-22179,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23421
ORDER NO. R-22179**

**APPLICATION OF COLGATE OPERATING,
LLC TO POOL ADDITIONAL INTERESTS
UNDER ORDER NO. R-22181,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23422
ORDER NO. R-22181**

**APPLICATION OF COLGATE OPERATING,
LLC TO POOL ADDITIONAL INTERESTS
UNDER ORDER NO. R-22182,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23423
ORDER NO. R-22182**

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Estate of Ralph E. Williamson c/o Elizabeth Anne Williamson 1601 Kansas Ave Midland, TX 79701	03/16/23	03/22/23

**Colgate Operating LLC
Case No. 23421
Exhibit B-2**

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$
 Total Postage and Fees \$

Estate of Ralph E. Williamson
 c/o Elizabeth Anne Williamson
 1601 Kansas Ave
 Midland, TX 79701
 23421-23 Colgate - Uluru

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

SANTA, FE, NM 87501
MAR 16 2023
USPS

7020 0090 0000 0865 6304

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> [Signature] <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Estate of Ralph E. Williamson c/o Elizabeth Anne Williamson 1601 Kansas Ave Midland, TX 79701 23421-23 Colgate - Uluru</p> <p>9590 9402 7635 2122 8883 65</p>	<p>B. Received by (Printed Name) [Signature]</p>	<p>C. Date of Delivery MAR 22 2023</p>
<p>2. Article Number (Transfer from service label) 7020 0090 0000 0865 6304</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>RECEIVED MAR 22 2023 [Signature]</p>	
<p>3. Service Type Santa Fe NM 87501 <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>		
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt	

Colgate Operating LLC
 Case No. 23421
 Exhibit B-3

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005635527

This is not an invoice

HINKLE SHANOR, LLP
POBOX 2068

SANTA FE, NM 87504

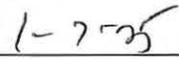
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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:

03/21/2023


Legal Clerk

Subscribed and sworn before me this March 21, 2023:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires

This is to notify all interested parties, including the Estate of Ralph E. Williamson c/o Elizabeth Anne Williamson; 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. 23421). The hearing will be conducted remotely on April 6, 2023, 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/oed/hearing-info/>. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22179. Order No R-22179 ("Order") pooled uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the S/2 S/2 of Sections 35 and 36, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Order further dedicated the Unit to the Uluru 35 Fed State Com 203H well ("Well") and designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 12 miles northeast of Carlsbad, New Mexico. #5635527, Current Argus, March 21, 2023

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005635527
PO #: 0005635527
of Affidavits 1

This is not an invoice

Colgate Operating LLC
Case No. 23421
Exhibit B-4