

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

**APPLICATION OF COLGATE OPERATING,
LLC FOR COMPULSORY POOLING AND
NON-STANDARD SPACING AND PRORATION
UNIT IN EDDY COUNTY, NEW MEXICO.**

Case No, 21226

APPLICATION TO REOPEN FOR LACK OF NOTICE

COMES NOW, Respondent, Elizabeth Kaye Dillard (“Ms. Dillard”) by and through her attorneys, Cavin & Ingram, P.A. (Scott S. Morgan and Brandon D. Hajny) and hereby applies to reopen Case No. 21226 regarding the Application of Colgate Operating, LLC (“Colgate”) for Compulsory Pooling and Non-Standard Spacing and Proration Unit in Eddy County, New Mexico. In support of this application, Respondent states:

BACKGROUND

1. On March 3, 2020 Colgate filed an Application for Compulsory Pooling and Non-Standard Spacing and Proration Unit (the “Application”), with the Oil Conservation Division, seeking an order pooling all mineral interests in the Winchester Bone Spring Pool underlying Sections 33 and 34, Township 19 South, Range 38 East, N.M.P.M., Eddy County, New Mexico (the “Subject Lands”).

2. The purpose of pooling the Subject Lands was to drill the Dawson 34 Fed State Com 123H well, the Dawson 34 Fed State Com 133H well, the Dawson 34 Fed State Com 124H well, and the Dawson 34 Fed State Com 134H well (collectively, the “Dawson Wells”).

3. The Application also sought the approval of actual operating charges and costs of supervision as well as the imposition of 200% risk charge against any working owner who did not voluntarily participate in the drilling of the Dawson Wells.

4. Ms. Dillard is a working interest owner in the Subject Lands.

5. At no point during the proceedings in this Case did Ms. Dillard receive notice of the proceedings, Colgate's Application, or the entry of the Order pooling her interest; as a result, Ms. Dillard was denied due process and her right to recover or receive her just fair share of oil and gas without unnecessary expense.

ARGUMENT

A. **Colgate Failed to Engage in Good Faith Negotiations with Ms. Dillard and, Thus, Failed to Meet the Statutory and Regulatory, and Constitutional Prerequisites to Compulsory Pooling.**

6. Section 70-2-17 NMSA states that:

All orders effecting [compulsory] pooling... shall be upon such terms and conditions as are just and reasonable and will afford to the owner or owners of each tract or interest in the unit the opportunity to recover or receive without unnecessary expense his just fair share of the oil or gas, or both.

7. When seeking to pool two or more separately owned tracts, Operators have the "obligation" to attempt to obtain voluntary agreements pooling the lands. *See* NMSA 1978 Section 70-2-18. Additionally, prior to the issuance of a unitization order, applicants must show that the "operator has made a good a good faith effort to secure voluntary unitization within the pool."

8. It is self-evident that the requirement of a "good faith effort to secure voluntary unitization" encompasses, at a minimum, providing each working interest owner with notice of the proposed wells and an opportunity to participate in the same without the imposition of a risk penalty. This voluntary participation allows the owner to "recover or receive without unnecessary expense" their fair share of oil or gas, or both.

9. In this case Colgate made no attempt whatsoever to obtain Ms. Dillard's voluntary agreement to the Dawson Wells. Ms. Dillard never received well proposals, AFE's, or any other

communication from Colgate regarding the Dawson Wells. Due to this lack of notice, Ms. Dillard did not have the opportunity to consent to participate in the Dawson Wells. While Ms. Dillard has contacted Colgate and informed them of the failure of notice and her desire to participate in the Dawson wells, Colgate has refused to allow her to do so, insisting she bear a 200% risk penalty instead. As a result, Ms. Dillard has been deprived of her statutory right to recover or receive her just fair share of oil and gas without unnecessary expense. Colgate clearly did not satisfy the statutory and regulatory prerequisites to compulsory pooling and this matter should be reopened and set for a hearing.

B. Colgate Intentionally Failed to Provide Ms. Dillard with Notice of the Application by Sending the Notice to Ms. Dillard's Old Address, even though Colgate Had Ms. Dillard's More Recent Address, and, Thus, Violated Ms. Dillard's Right to Due Process and Rendering the Entered Order Void.

10. Rule 19.15.4.12 NMAC requires that, for compulsory pooling cases,

The applicant shall give notice to each owner of an interest in the mineral estate of any portion of the lands the applicant proposes to be pooled or unitized whose interest is evidenced by a written conveyance document either of record or known to the applicant at the time the applicant filed the application and whose interest has not been voluntarily committed to the area proposed to be pooled or unitized (other than a royalty interest subject to a pooling or unitization clause).

11. An Affidavit filed by Mr. Ernest L. Padilla, counsel for Colgate in this Case, and dated May 26, 2021 reflects the notices sent out by Colgate in this Case. (Relevant portions of the Affidavit are attached hereto as **Exhibit A**). Page 27 of the Affidavit contains a copy of a letter dated March 5, 2020, alerting interest owners of the existence of Case No. 21226 (the "Notice Letter"). Page 71 of the Affidavit contains a photocopy of an envelope, postmarked March 5, 2020, and sent by certified mail receipt requested to:

Elizabeth Kaye Tullis Dillard, SSP
3208 Wellshire Court
Plano Texas 75093

This envelope reflects that it was returned to Colgate and marked “Return to Sender Not Deliverable as Addressed Unable to Forward”. The address for Ms. Dillard used by Colgate to send her notice is an address that Ms. Dillard moved from in 2016. Colgate used this old address even though it had, in its record, an updated address for Ms. Dillard. On February 11, 2020, nearly a month before it sent out the Notice Letter, Colgate, acting through a Landman as its agent, sent Ms. Dillard a Leasehold Purchase Proposal (attached as **Exhibit B**) offering to purchase her interests in the Subject Lands; this Proposal was sent to the following, updated address for Ms. Dillard:

Elizabeth Kaye Tullis Dillard
1307 Hodges Avenue
Ruston, LA 71270

The Proposal contained a proposed Assignment, Conveyance and Bill of Sale, which listed Ms. Dillard as the Assignor, and included the above-described Ruston, LA address. Ms. Dillard declined Colgate’s offer to purchase.

12. Given that Colgate had an updated address for Ms. Dillard and declined to use it, and now continues to refuse Ms. Dillard’s requests to participate in the Dawson wells, one can only assume that the failure to give her notice in this matter was intentional. One might assume that, once Colgate realized they could not purchase Ms. Dillard’s interest in the Subject Lands, they proceeded to take it.

13. Notice and an opportunity to respond is a bedrock constitutional protection of the due process clause. Additionally, notice that does not satisfy notice requirements is defective and renders an order void. *See Johnson v. N.M. Oil Conservation Comm’n*, 1999-NMSC-021, ¶3, 127 N.M. 120 (holding that the Oil Conservation Commission’s order was invalid as to parties without actual notice); *see also Nesbit v. City of Albuquerque*, 1977-NMSC-107, ¶3, 91 N.M. 455 (holding

that substantial compliance with mandatory publication requirements rendered the decision of the zoning authority invalid) (*citing Hopper v. Board of County Commissioners*, 1973-NMCA-005, 84 N.M. 604).

14. In this case, Colgate failed to provide notice of Case No. 21226 to Ms. Dillard and, as a result, failed to meet the notice requirements outlined in Rule 19.15.4.12 NMAC. This failure of notice occurred due to Colgate's decision to send notice papers to an old address of Ms. Dillard's while ignoring the updated address it had in its records. This failure of notice renders the orders issued in this case void as to Ms. Dillard and the case should be reopened for a hearing.

C. The Administrative Overhead Attributable to Drilling and Operations in Colgate's Proposed Well Costs are Unreasonably High and the 200% Risk Penalty is Onerous and Neither Should Have Been Approved.

15. Ms. Dillard has the right, as part of her statutorily protected right to recover or receive her just fair share of oil and gas without unnecessary expense to challenge, before the Oil Conservation Division, the administrative overhead charges for drilling and operation listed in Colgate's proposals for the Dawson Wells as well as the reasonableness of the 200% consent penalty. The administrative charge and the risk penalty were both approved by the OCD without Ms. Dillard having an opportunity to challenge them.

16. Additionally, the Dawson wells are currently being drilled, meaning that Colgate has, knowingly and without Ms. Dillard's consent or notice, engaged in operations to produce Ms. Dillard's share of oil and gas underneath the Subject Lands. Colgate's actions satisfy the elements of bad faith trespass and Colgate should not be allowed to recover any of its drilling expenses, and especially not a 200% risk penalty, from Ms. Dillard's interest. Ms. Dillard was deprived of her statutory rights to contest Colgate's well expense proposals for the Dawson Wells and, as a result, this matter should be reopened and set for a hearing.

CONCLUSION

Respondent, Elizabeth Kaye Dillard, requests that the Oil Conservation Division reopen Case No. 21226 and set the same for a hearing. Due to the fact that Colgate is currently drilling the Dawson Wells, Respondent requests that the OCD set this matter for a hearing as soon as possible. Colgate Operating, LLC failed to meet the notice requirements outlined in the New Mexico rules and required to satisfy due process and Ms. Dillard has the legal right to a hearing regarding this matter, an opportunity to voluntarily participate in the Dawson Wells, and a chance to contest Colgate's unreasonable risk penalty and administrative costs in their well proposals.

RESPECTFULLY SUBMITTED,

CAVIN & INGRAM, P.A.

By: /s/ Brandon D. Hajny

Scott S. Morgan

Brandon D. Hajny

P. O. Box 1216

Albuquerque, NM 87103

(505) 243-5400

smorgan@cilawnm.com

bhajny@cilawnm.com

Attorneys for Respondent, Elizabeth Kaye Dillard

I hereby certify that a true and correct copy of the foregoing was served via e-mail on October 29, 2021 to the following:

Ernest L. Padilla
PO Box 2523
Santa Fe, New Mexico 87504
padillalaw@qwestoffice.net

Attorneys for Colgate Operating, LLC

James Bruce
PO Box 1056
Santa Fe, New Mexico 87504
jamesbruc@aol.com

Attorneys for Mewbourne Oil Company

MODRALL SPERLING, ROEHL, HARRIS
& SISK, P.A.
c/o Deana M. Bennett
P.O. Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
dmb@modrall.com

Attorneys for EOG Resources

CAVIN & INGRAM, P.A.

By: /s/ Brandon D. Hajny
Brandon D. Hajny

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

**APPLICATION OF COLGATE OPERATING,
LLC FOR COMPULSORY POOLING, AND
NON-STANDARD SPACING AND
PRORATION UNIT IN
EDDY COUNTY, NEW MEXICO**

CASE NO. 21226

**APPLICATION OF COLGATE OPERATING,
LLC FOR COMPULSORY POOLING, AND
NON-STANDARD SPACING AND
PRORATION UNIT IN
EDDY COUNTY, NEW MEXICO**

CASE NO. 21227

AFFIDAVIT

**STATE OF NEW MEXICO }
 }ss
COUNTY OF SANTA FE }**

AFFIANT, ERNEST L. PADILLA, first being duly sworn on oath states:

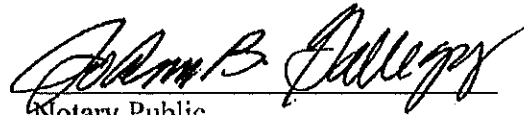
Ernest L. Padilla, attorney for COLGATE OPERATING, LLC, the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.



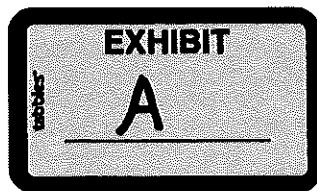
ERNEST L. PADILLA

SWORN TO AND SUBSCRIBED to before me this 26th day of May, 2020, by

Ernest L. Padilla.



Notary Public



PADILLA LAW FIRM, P.A.

STREET ADDRESS
1512 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
MAILING ADDRESS
P.O. BOX 2523
SANTA FE, NEW MEXICO 87504-2523

TELEPHONE
505-988-7577

FACSIMILE
505-988-7592

EMAIL ADDRESS
padillalaw@qwestoffice.net

March 5, 2020

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

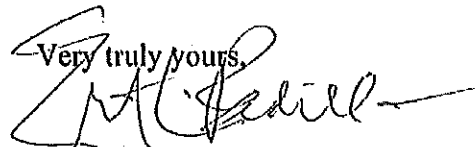
TO: ALL INTEREST OWNERS

Re: NMOCD Case Numbers#21226 and 21227, In the Matter of the Application of Colgate Operating, LLC, for compulsory pooling, non-standard spacing and proration unit in Eddy County, New Mexico.

Ladies and Gentlemen:

This letter will advise that Colgate Operating, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order for compulsory pooling, non-standard spacing and proration unit in Eddy County, New Mexico as referenced above. Copy of the application is enclosed.

This application will be set for hearing before a Division Examiner on April 2, 2020 at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,

ERNEST L. PADILLA

ELP:jbg

cc: Colgate Operating, LLC

7018 3090 0001 4738 0715

Padilla Law Firm, P.A.
Ernest I. Padilla

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Certified Mail Fee \$3.35

Extra Services & Fees (check box and fee as appropriate)

Return Receipt (hardcopy) \$2.85

Return Receipt (electronic) \$0.00

Certified Mail Restricted Delivery \$0.00

Adult Signature Required \$0.00

Adult Signature Restricted Delivery \$0.00

Postage \$7.05

Total Postage amt \$10.40

Sent to Elizabeth Kaye Tullis Dillard, SSP
3208 Wellshire Court
Plano, Texas 75093

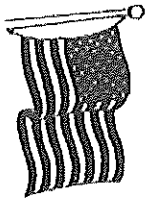
PS Form 3800, April 2015 PSN 7530-02-000-9000 See Reverse for Instructions

CERTIFIED MAIL

E252-40528



0001 4738 0715



Elizabeth Kaye Tullis Dillard, SSP
3208 Wellshire Court
Plano, Texas 75093

RETURNS TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

BC: 87504252323 *2182-02462-13-17



7018 3090 0001 4738 0784

Padilla Law Firm, P.A.
Ernest I. Padilla

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Return Receipt (electronic) \$0.00

Certified Mail Restricted Delivery \$0.00

Adult Signature Required \$0.00

Adult Signature Restricted Delivery \$0.00

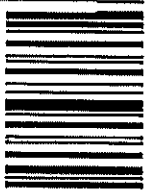
Postage \$7.05

Total Postage amt \$10.60

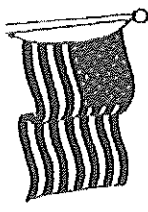
Sent to Hodge Natural Gas Gathering, LLC
1013 Centre Road, Suite 403S
Wilmington, DE 19805

PS Form 3800, April 2015 PSN 7530-02-000-9000 See Reverse for Instructions

CERTIFIED MAIL



4738 0784



Hodge Natural Gas Gathering, LLC
1013 Centre Road, Suite 403S
Wilmington, DE 19805

Void 10-1-14



176 DE 1 0003/14/20

RETURN TO SENDER
ATTEMPTED - NOT KNOWN
UNABLE TO FORWARD

ANK BC: 87504252323 *2827-05053-07-19

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

310 W. WALL, SUITE 305

MIDLAND, TX 79701

(432) 685-1404

February 11, 2020

Elizabeth Kaye Tullis Dillard
1307 Hodges Avenue
Ruston, LA 71270

(214) 704-9248

Re: Leasehold Purchase Proposal
Township 19 South, Range 28 East
Section 34: NE/4, E/2SE/4 and SW/4SE/4
Containing 280.00 acres, more or less
From the Surface down to 11,345'

Dear Mrs. Dillard,

According to our research, you own an undivided 17.5 net acres (6.25% Working Interest) in the above described tract of land and specified depth interval as to the leasehold operating rights. Our client, Colgate Production, LLC, ("Colgate") desires to purchase all of your leasehold operating rights in said land for the price of \$6,000.00 per net acre, subject to approval of title and Colgate management. Please find the enclosed Assignment, Conveyance, and Bill of Sale ("Assignment").

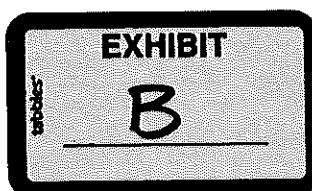
If the above terms and Assignment meet with your approval, please sign the enclosed Assignment in the presence of a Notary Public and thereafter return the Assignment along with a completed W9 form to me in Midland, TX at the above letterhead address. Upon receipt, subject to verification of title and approval of Colgate management, we will process the Assignment and forward you a check in the amount of \$105,000.00 within thirty (30) business days.

Thank you very much for your attention to this matter. Please contact me on my cell at (432) 853-1106 to discuss this proposal.

Sincerely,
SHAW INTERESTS



Brad Carter, CPL
bcarter@shawinterests.com



ASSIGNMENT, CONVEYANCE AND BILL OF SALE

STATE OF NEW MEXICO §
 § **KNOW ALL MEN BY THESE PRESENTS THAT:**
 COUNTY OF EDDY §

THIS ASSIGNMENT, CONVEYANCE AND BILL OF SALE (this "Assignment") is made between **Elizabeth Kaye Tullis Dillard**, herein dealing in her sole and separate property, having an address of 1307 Hodges Avenue, Ruston, LA 71270, hereinafter called "Assignor", and **Colgate Production, LLC**, a Delaware limited liability company having an address of 303 West Wall Street, Suite 700, Midland, Texas 79701, hereinafter called "Assignee".

IN CONSIDERATION of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and the mutual promises made between Assignor and Assignee, Assignor hereby grants, sells, assigns, bargains, transfers and conveys to Assignee, Assignee's heirs, successors and assigns, subject to the terms and conditions contained herein, all of Assignor's right, title and interest in and to the following properties and interests (collectively, the "Properties"):

- (a) The oil and gas leases more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Leases");
- (b) All oil, gas, water, disposal and injection wells located on the lands covered by the Leases or included in pooled acreage or units with which any Lease may have been pooled or unitized (the "Wells"), including the Wells listed on Exhibit "B", and all oil, gas and other hydrocarbons produced from or attributable to the Wells at and after the Effective Date; and
- (c) All other real and personal property, and any and all other property rights relating to the Leases or Wells, the leasehold estates created by the Leases, or the lands covered by the Leases or included in pooled acreage or units with which any Lease may have been pooled or unitized, including, but not limited to, all easements, rights-of-way, servitudes, contracts, contract rights, operating rights, water rights, lease, title and other files, geophysical and seismic data, well equipment, pipelines, gathering systems, processing facilities, storage facilities, drillsite pads, imbalances, liens and security interests securing payment for the sale of oil, gas or other hydrocarbons, and any overriding royalty interest, mineral interest, fee interest, net profits interest, production payments, reversionary interests and other interests in the oil and gas in place or the production thereof from the lands covered by the Leases or included in pooled acreage or units with which any Leases may have been pooled or unitized.

TO HAVE AND TO HOLD unto Assignee and its successors and assigns forever, subject to the following terms, representations, warranties, conditions, limitations and exceptions:

1. ASSIGNOR WARRANTS TITLE TO THE PROPERTIES FROM AND AGAINST ALL PERSONS CLAIMING BY, THROUGH OR UNDER ASSIGNOR, BUT NOT OTHERWISE.
2. This Assignment shall be effective as of **February 11, 2020** at 7:00 a.m., local time where the Properties are located (the "Effective Date").
3. It is agreed that Assignor will be responsible for the payment of any and all production and severance taxes due or payable prior to the Effective Date. Ad valorem taxes shall be prorated between Assignor and Assignee as of the Effective Date. With respect to proceeds held in suspense for production attributable to the Properties prior to the Effective Date, Assignee shall be responsible for the payment or distribution of such amounts held in suspense only to the extent such amounts are transferred to Assignee by Assignor on or after the Effective Date.
4. The terms, conditions or exceptions contained herein shall constitute covenants running with the land, and shall be binding upon, and for the benefit of, the respective successors and assigns of Assignor and Assignee. This Assignment and the other documents delivered pursuant hereto shall be governed and construed in accordance with the laws of the State of New Mexico, without giving effect to principles of conflicts of laws that would result in the application of the laws of another jurisdiction.
5. Assignor agrees to execute and deliver such other instruments and documents and take such other actions as may be reasonably necessary to evidence and effectuate the transactions contemplated

by this Assignment, including but not limited to delivering additional and/or corrective assignments to transfer properties and interest that are improperly described herein or inadvertently omitted from this Assignment (including the exhibits attached hereto). In addition to filing this Assignment of record in Eddy County, New Mexico, the parties shall execute and file with the appropriate authorities, whether state, federal or local, all forms or instruments required by applicable law or regulation to effectuate the conveyance contemplated hereby. Said instruments shall be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein as fully as though the same were set forth in each such instrument. The interests conveyed by such separate assignments are the same, and not in addition to, the Properties conveyed herein.

6. To the extent permitted by law, Assignee shall be subrogated to Assignor's rights in and to representations, warranties and covenants given with respect to the Properties. Assignor hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable and permitted by law, the benefit of and the right to enforce the covenants, representations and warranties, if any, which Assignor is entitled to enforce with respect to the Properties, but only to the extent not enforced by Assignor.
7. Assignor represents and warrants to Assignee that:
 - (A) ~~Assignor is a limited partnership organized and in good standing under the laws of the state of Wisconsin and is qualified to do business in the state of New Mexico.~~
 - (B) Assignor has full power to enter into and perform its obligations under this Assignment and has taken all proper action to authorize entering into this Assignment and performance of its obligations hereunder.
 - (C) Neither the execution and delivery of this Assignment, nor the consummation of the transactions contemplated hereby, nor the compliance with the terms hereof, will result in any default under any agreement or instrument to which Assignor is a party or by which the Leases are bound, or violate any order, writ, injunction, decree, statute, rule or regulation applicable to Assignor or to the Leases.
 - (D) This Assignment constitutes the legal, valid and binding obligation of Assignor, enforceable in accordance with its terms, except as limited by bankruptcy or other laws applicable generally to creditor's rights and as limited by general equitable principles.
 - (E) There are no pending suits, actions, or other proceedings in which Assignor is a party (or to Assignor's knowledge, based upon a reasonable investigation with its officers and employees, which have been threatened to be instituted) which affect the Leases (including, without limitation, any actions challenging or pertaining to Assignor's title to any of the Leases), or affect the execution and delivery of this Assignment or the consummation of the transactions contemplated hereby.
 - (F) Except for approvals required to be obtained from governmental entities who are lessors under leases forming a part of the Leases (or who administer such leases on behalf of such lessors) which are customarily obtained post-closing, none of the Leases is subject to the terms of any preferential right for a third party to purchase such Property, a right of first refusal, any area of mutual interest agreement, or requires the consent of any third party to the valid assignment of such Property to Assignee.
 - (G) All taxes related to taxable periods or portions thereof ending prior to or on the Effective Date have been accurately recorded and duly paid, collected or withheld and remitted to the appropriate governmental agency, except for current taxes not due and payable prior to or on the Effective Date.
 - (H) There are no outstanding authorities for expenditures as of the Effective Date with respect to the Leases. There are no authorities for expenditure with respect to the Leases which Assignor has not consented to.
 - (I) Assignor is not a foreign person within the meaning of Section 1445 of the United States Internal Revenue Code of 1986, as amended.
 - (J) There exist no material agreements or arrangements for the sale of production from the Properties (including calls on, or other rights to purchase, production, whether or not the same are currently

being exercised) other than production sales contracts or arrangements that are cancellable on 90 days notice or less without penalty or detriment and, other than the agreements mentioned in this subparagraph, there are no other material contracts that will be binding on Assignee or the Properties upon or after delivery of this Assignment from Assignor to Assignee.

- (K) There exist no material defaults under the Leases.
- (L) There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by or threatened against Assignor.

The foregoing representations and warranties shall survive execution and delivery of this Assignment indefinitely and Assignor agrees to indemnify Assignee for all losses suffered by and expenses incurred in connection with any misrepresentation or breach of warranty.

EXECUTED AND DELIVERED this ____ day of _____, 2020, but to be effective for all purposes as of the Effective Date.

ASSIGNOR:

By: _____
Elizabeth Kaye Tullis Dillard, dealing in her
sole and separate property

ASSIGNEE:

Colgate Production, LLC

By: _____
Name: Brandon Gaynor
Title: Senior Vice President of Land and Legal

ACKNOWLEDGMENTS

STATE OF LOUISIANA §
 §
PARISH OF LINCOLN §

This instrument was acknowledged before me on this ____ day of _____, 2020, by Elizabeth Kaye Tullis Dillard.

Notary Public, State of Louisiana

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this ____ day of _____, 2020, by Brandon Gaynor, Senior Vice President of Land and Legal of Colgate Production, LLC, a Delaware limited liability company, on behalf of said company.

Notary Public, State of Texas

Exhibit "A"

Attached to and made a part of that certain Assignment, Conveyance and Bill of Sale dated effective February 11, 2020 by and between Elizabeth Kaye Tullis Dillard, as Assignor, and Colgate Production, LLC, as Assignee.

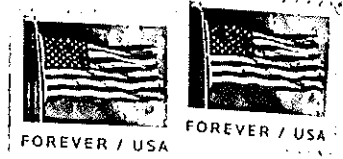
1) Lease Serial No.:	NM-0473362
Lessor:	United States of America
Lessee:	Geo. A. Lauck
Date:	January 1, 1964
Lands:	INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS: <u>Township 19 South, Range 28 East, N.M.P.M.</u> Section 34: NE/4, E/2SE/4 and SW/4SE/4 As to those depths from the Surface down to 11,345' Eddy County, New Mexico

Exhibit "B"

Attached to and made a part of that certain Assignment, Conveyance and Bill of Sale dated effective February 11, 2020 by and between Elizabeth Kaye Tullis Dillard, as Assignor, and Colgate Production, LLC, as Assignee.

Well Name	API Number	Location
DWU Federal No. 4	30-015-23078	SW/4SE/4 of Section 34, T19S-R28E
DWU Federal No. 6	30-015-28803	NE/4SE/4 of Section 34, T19S-R28E

SHAW INTERESTS, INC.
OIL & GAS PROPERTIES
310 W. WALL ST., SUITE 305
MIDLAND, TEXAS 79701



February 11, 2020

Elizabeth Kaye Tullis Dillard
1307 Hodges Avenue
Ruston, LA 71270

7127035507 0008

