

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

APPLICATION OF COLGATE OPERATING LLC  
TO NUNC PRO TUNC AMEND ORDER NO. R-21590  
EDDY COUNTY, NEW MEXICO

CASE NO. 22579  
ORDER NO. R-21590  
(Re-Open)

Examiner Docket: March 3, 2022

**COLGATE'S EXHIBITS**

Bolander 32 State Fed Com 122H  
Bolander 32 State Fed Com 132H



Earl E. DeBrine, Jr.  
Deana M. Bennett  
Jamie L. Allen



MODRALL SPERLING

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

**APPLICATION OF COLGATE OPERATING LLC  
TO NUNC PRO TUNC AMEND ORDER NO. R-21590  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 22579  
ORDER NO. R-21590  
(Re-Open)**

**Exhibit A      Self-Affirmed Declaration of Mark Hajdik**

**A-1      Application for Case No. 22579**

**A-2      Order No.R-21590**

**Exhibit B      Affidavit of Jamie L. Allen**

**B-1      Hearing Notice Letter / February 2, 2022**

**B-2      Certified Mail Log / Notice February 2, 2022**

**Certified Mail Log / Report March 1, 2022**

**B-3      Affidavit of Publication / February 5, 2022**

Earl E. DeBrine, Jr.

Deana M. Bennett

Jamie L. Allen

 **MODRALL SPERRING**

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

**APPLICATION OF COLGATE OPERATING LLC  
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**CASE NO. 22579  
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(Re-Open)**

**SELF-AFFIRMED DECLARATION**

Mark Hajdik, hereby states and declares as follows:

1. I am over the age of 18, I am a landman for Colgate Operating, LLC ("Colgate") and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and I have been qualified by the Division as an expert petroleum landman.

2. My area of responsibility at Colgate includes the area of Eddy County in New Mexico.

3. I am familiar with the application filed by Colgate in the above-captioned case, which is attached as **Exhibit A-1**.

4. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above-referenced application.

5. I am familiar with the status of the lands that are subject to this application.

6. The purpose of the application in this case is to amend Order No. R-21590, attached as **Exhibit A-2**, *nunc pro tunc* as of the date of the filing of the application, to allow for one-year extension of time to commence drilling the initial wells under Order No. R-21590.

7. Order No. R-21590, pooled uncommitted interest owners in a 320-acre (more or less) Bone Spring horizontal spacing unit underlying the S/2 N/2 of Section 32 and S/2 N/2 of



Section 31, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 19 miles southeast of Artesia, New Mexico.

8. Order No. R-21590 designated Colgate as the operator of the wells and the unit. Under Order No. R-21590, Colgate would be required to commence drilling the initial well by February 2, 2022.

9. There have been changes in Colgate's drilling schedule due to COVID-19 and a disruption caused by difficulties in drilling a well and advancing a well on the schedule to qualify for a lease extension that have prevented Colgate from drilling the wells authorized in Order R-21590 by the February 2, 2002 date provided for in the order.

10. Colgate is in good standing under the statewide rules and regulations.

11. Colgate asks that the deadline to commence drilling the initial well be extended for one year from February 2, 2022 to February 2, 2023.

12. Colgate, through its counsel, notified all pooled working interest owners of Colgate's request to re-open Order No. R-21590 for the purpose specified in the application. No opposition is expected because the pooled working interest owners have been contacted, and have not indicated any opposition. Proof of notification is attached as **Exhibit B** to this Declaration. Exhibit B shows the notice letter enclosing a copy of the application was mailed to the parties entitled to notice, the parties who were notified of this hearing and the status of whether they received notice.


13. The attachments to this Declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

14. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

15. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

16. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: February 28, 2022

  
\_\_\_\_\_  
Mark Hajdik

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

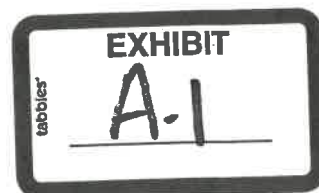
APPLICATION OF COLGATE OPERATING LLC  
TO NUNC PRO TUNC AMEND ORDER NO. R-21590  
EDDY COUNTY, NEW MEXICO

CASE NO. 22579  
ORDER NO. R-21590  
(Re-Open)

APPLICATION

Colgate Operating LLC ("Colgate"), OGRID Number 371449, through its undersigned counsel, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21590 ("the Order") to allow for an extension of time for drilling the well under the Order. Colgate asks that the order extending the time for drilling be entered *nunc pro tunc* effective as of the date this Application was filed. In support of this application, Colgate states as follows:

1. The Division heard Case No. 21468 on January 21, 2021 and entered Order No. R-21590 on February 2, 2021.
2. The Order designated Colgate as the operator of the horizontal spacing unit for the drilling of Colgate's proposed **Bolander 32 State Fed Com 122H and Bolander 32 State Fed Com 132H** wells; and pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 32 and S/2 N/2 of Section 31, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico.
3. Paragraph 19 of the Order states: "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." Paragraph 20 of the Order states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown."





4. Under the Order, Colgate would be required to commence drilling the well by February 2, 2022.

5. Colgate requests that the Order be re-opened and amended to allow Colgate an additional year to commence drilling the well under the Order.

6. Colgate requests this extension because there have been disruptions in Colgate's drilling schedule due to the COVID-19 pandemic and operational problems encountered by Colgate when drilling another well that have prevented Colgate from drilling the well by the date provided in Order No. R-21590.

7. Good cause exists for Colgate's request for an extension of time.

8. Colgate asks that the deadline to commence drilling the well be extended for a year from February 2, 2022 to February 2, 2023.

9. Because the deadline to commence drilling under Order No. R-21590 is likely to expire before this case can be heard by the Division, Colgate is providing notice to all parties entitled to notice concurrently with the filing of this application and requesting that the order extending the time for drilling be entered *nunc pro tunc* effective as of the date this Application was filed.

WHEREFORE, Colgate requests this application be set for hearing before an Examiner of the Oil Conservation Division on the March 3, 2022 docket, and after notice and hearing as required by law, the Division amend Order No. R-21590 to extend the time for Colgate to commence drilling the well under the Order for a year, through February 2, 2023.

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: /s/ Earl E. DeBrine, Jr.

Earl E. DeBrine  
Deana M. Bennett  
Jamie L. Allen  
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*Attorneys for Applicant*

W4311058.DOCX



**(Re-Open) Application of Colgate Operating LLC to Amend Order No. R-21590, Eddy County, New Mexico.** Applicant seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21590 *nunc pro tunc* effective as of the date its application was filed to allow for a one-year extension of time to commence drilling the initial well under the Order. The Division issued Order No. R-21590 on February 2, 2021, which designated Colgate as the operator of the unit and the **Bolander 32 State Fed Com 122H** and **Bolander 32 State Fed Com 132H** wells; and pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 32 and S/2 N/2 of Section 31, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. Said area is located approximately 19 miles southeast of Artesia, 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. 21468  
ORDER NO. R-21590**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 21, 2021, 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 compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.



9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

CASE NO. 21468  
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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**

A handwritten signature in black ink, appearing to read 'ASD', is written over a horizontal line.

**ADRIENNE SANDOVAL  
DIRECTOR  
AES/kms**

**Date:** 2/02/2021

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## Exhibit "A"


<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 21468</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>January 21, 2021</b>
<b>Applicant</b>	<b>Colgate Operating LLC</b>
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	<b>Colgate Operating, LLC (OGRID 371449)</b>
<b>Applicant's Counsel:</b>	<b>Modrall Sperling</b>
<b>Case Title:</b>	<b>APPLICATION OF COLGATE OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, CASE NO. 21468</b>
<b>Entries of Appearance/Intervenors:</b>	<b>B.C. Operating, Inc.</b>
<b>Well Family</b>	<b>Bolander</b>
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	<b>Bone Spring Formation</b>
<b>Primary Product (Oil or Gas):</b>	<b>Oil</b>
<b>Pooling this vertical extent:</b>	<b>Bone Spring Formation</b>
<b>Pool Name and Pool Code:</b>	<b>Winchester, Bone Spring, West Pool (Code 97569)</b>
<b>Well Location Setback Rules:</b>	<b>Latest Statewide Horizontal Rules Apply</b>
<b>Spacing Unit Size:</b>	<b>Approximately 320 Acres</b>
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	<b>Horizontal</b>
<b>Size (Acres)</b>	<b>Approximately 320 Acres</b>
<b>Building Blocks:</b>	<b>Quarter-Quarter Section Equivalents</b>
<b>Orientation:</b>	<b>East to West</b>
<b>Description: TRS/County</b>	<b>S/2 N/2 of Section 32 and S/2 N/2 of Section 31, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico</b>
<b>Standard Horizontal Well Spacing Unit (Y/N), if No, describe</b>	<b>Yes; previously described as "non-standard" due to slightly atypical section shape</b>
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	<b>No</b>
<b>Proximity Tracts: If yes, description</b>	<b>No</b>
<b>Proximity Defining Well: if yes, description</b>	<b>N/A</b>
<b>Applicant's Ownership in Each Tract</b>	<b>Exhibit B.2</b>
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	<b>See Exhibit B.4-68 and Exhibit B.5-68</b>

CASE NO. 21468  
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Well #1	<p>Bolander 32 State Fed Com 122H  SHL: 1388 feet from the North line and 300 feet from the East line, SE/4 NE/4 of Section 32, Township 19 South, Range 28 East, NMPM, Eddy County.  BHL: 2285 feet from the North line and 10 feet from the West line, SW/4 NW/4 of Section 31, Township 19 South, Range 28 East, NMPM, Eddy County.</p> <p>Completion Target: 2nd Bone Spring at approx 7,500 feet TVD.  Well Orientation: East to West  Completion Location expected to be: standard</p>
Well #2	<p>Bolander 32 State Fed Com 132H  SHL: 1343 feet from the North line and 300 feet from the East line, SE/4 NE/4 of Section 32, Township 19 South, Range 28 East, NMPM, Eddy County.  BHL: 2271 feet from the North line and 10 feet from the West line, SW/4 NW/4 of Section 31, Township 19 South, Range 28 East, NMPM, Eddy County.</p> <p>Completion Target: 3rd Bone Spring at approx 8,600 feet TVD.  Well Orientation: East to West  Completion Location expected to be: standard</p>
Horizontal Well First and Last Take Points	Exhibit B.5-68
Completion Target (Formation, TVD and MD)	Exhibit B; Exhibit B.3; Exhibit B.4-68; Exhibit C.3 through C.10
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit B.6-68 for AFEs
Requested Risk Charge	200%; see Exhibit B
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.2
Tract List (including lease numbers and owners)	Exhibit B.2
Pooled Parties (including ownership type)	Exhibit B.2
Unlocatable Parties to be Pooled	Exhibit B.2; Exhibit D.2

Ownership Depth Severance (Including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B.3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.2
Chronology of Contact with Non-Joined Working Interests	Exhibit B.1
Overhead Rates In Proposal Letter	Exhibit B.3
Cost Estimate to Drill and Complete	Exhibit B.6-68 for AFEs
Cost Estimate to Equip Well	Exhibit B.6-68 for AFEs
Cost Estimate for Production Facilities	Exhibit B.6-68 for AFEs
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits B.5-68, C.2, and C.3
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.3
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits C.3 through C.10
HSU Cross Section	Exhibits C.7 through C.10
Depth Severance Discussion	Exhibit B
<b>Forms, Figures and Tables</b>	
C-102	Exhibits B.5-68
Tracts	Exhibit B.2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.2
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibits C.2 through C.10
Structure Contour Map - Subsea Depth	Exhibits C.4 and C.6
Cross Section Location Map (including wells)	Exhibit C.2
Cross Section (including Landing Zone)	Exhibits C.7 through C.10
<b>Additional Information</b>	
Special Provisions/Stipulations	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Lance Hough
Signed Name (Attorney or Party Representative):	
Date:	January 18, 2021

CASE NO. 21468  
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**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF COLGATE OPERATING LLC  
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EDDY COUNTY, NEW MEXICO**

**CASE NO. 22579  
ORDER NO. R-21590  
(Re-Open)**

**AFFIDAVIT OF JAMIE L. ALLEN**

STATE OF NEW MEXICO            )  
  )ss.  
COUNTY OF BERNALILLO        )

Jamie L. Allen, attorney in fact and authorized representative of Colgate Operating LLC ("Colgate"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under notice of hearing to parties entitled to notice; that notice letters were mailed February 2, 2022; that publication occurred February 5, 2022; and that the following are attached hereto: a sample of said notice of hearing as **Exhibit B-1**, proof of notice and report of mailing receipt as **Exhibit B-2** and proof of publication for notice of hearing as **Exhibit B-3**.

  
\_\_\_\_\_  
Jamie L. Allen

SUBSCRIBED AND SWORN to before me this 1<sup>st</sup> day of March 2022 by Jamie L. Allen.

SEAL  
STATE OF NEW MEXICO  
NOTARY PUBLIC  
Zina Carmelita Crum  
Commission No. 1062220  
December 07, 2023

  
\_\_\_\_\_  
Notary Public  
My commission expires: 12-07-2023





MODRALL SPERLING

L A W Y E R S

February 2, 2022

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Earl E. DeBrine, Jr.  
Tel: 505.848.1810  
[edebrine@modrall.com](mailto:edebrine@modrall.com)

This letter is to advise you that Colgate Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division:

**Case No. 22579 ((Re-Open) Application of Colgate Operating LLC to Amend Order No. R-21590, Eddy County, New Mexico.** Applicant seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21590 *nunc pro tunc* effective as of the date its application was filed to allow for a one-year extension of time to commence drilling the initial well under the Order. The Division issued Order No. R-21590 on February 2, 2021, which designated Colgate as the operator of the unit and the **Bolander 32 State Fed Com 122H and Bolander 32 State Fed Com 132H** wells; and pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 32 and S/2 N/2 of Section 31, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. Said area is located approximately 19 miles southeast of Artesia, New Mexico.

This application has been set for hearing before a Division Examiner at **8:15 a.m. on March 3, 2022**. During the COVID-19 Public Health Emergency, the hearing will be conducted remotely. Instructions to appear can be found at <http://www.emnrd.state.nm.us/OCD/documents/10-08OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Earl E. DeBrine, Jr.  
*Attorney for Applicant*

EED/kta/W4315801.DOCX  
Enclosure: as stated

Modrall Sperling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
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Kathleen Allen  
Modrall Sperlberg  
500 Fourth St. NW, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
02/02/2022

Firm Mailing Book ID: 221994

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0091 4303 15	Crown Oil Partners, VI, LLC Crump Energy Partners, III, LLC P.O. Box 50820 Midland TX 79710	\$1.36	\$3.75	\$1.85	\$0.00	
2	9314 8699 0430 0091 4303 22	Marathon Oil Permian 5555 San Felipe Street Houston TX 77056	\$1.36	\$3.75	\$1.85	\$0.00	
3	9314 8699 0430 0091 4303 39	Pentec Oil Corporation 1515 West Calle Sur Street Hobbs NM 88240	\$1.36	\$3.75	\$1.85	\$0.00	
4	9314 8699 0430 0091 4303 46	Mexco Energy Corporation P.O. Box 10502 Midland TX 79702	\$1.36	\$3.75	\$1.85	\$0.00	
5	9314 8699 0430 0091 4303 53	Sabinal Energy Operating, LLC 1780 Hughes Blvd. Suite 1200 The Woodlands TX 77380	\$1.36	\$3.75	\$1.85	\$0.00	
6	9314 8699 0430 0091 4303 60	Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City OK 73102	\$1.36	\$3.75	\$1.85	\$0.00	
7	9314 8699 0430 0091 4303 77	Gayle Martin & Richard Lantz P.O. Box 1880 Block Canyon City AZ 85324	\$1.36	\$3.75	\$1.85	\$0.00	
8	9314 8699 0430 0091 4303 84	Loco Hills Production Company LLC P.O. Box 779 Artesia NM 88211	\$1.36	\$3.75	\$1.85	\$0.00	
9	9314 8699 0430 0091 4303 91	Silverhair, LLC 1301 Lewis Road Artesia NM 88210	\$1.36	\$3.75	\$1.85	\$0.00	
10	9314 8699 0430 0091 4304 07	Thomas A. Crow for Mark E. Boling Revocable Trust 8210 Louisiana Boulevard NE, Suite B Albuquerque NM 87113	\$1.36	\$3.75	\$1.85	\$0.00	
11	9314 8699 0430 0091 4304 14	Abuelo, LLC 21 Cook Drive Artesia NM 88210	\$1.36	\$3.75	\$1.85	\$0.00	
12	9314 8699 0430 0091 4304 21	Ergodic Resources, LLC P.O. Box 2021 Roswell NM 88202	\$1.36	\$3.75	\$1.85	\$0.00	
13	9314 8699 0430 0091 4304 38	The Board of Regents Univ. Texas System re Texas M.D. Anderson Cancer Ctr P.O. Box 551 Midland TX 79702	\$1.36	\$3.75	\$1.85	\$0.00	
	9314 8699 0430 0091 4304 45	Mark Wilson Family Partnership P.O. Box 2415 Midland TX 79702	\$1.36	\$3.75	\$1.85	\$0.00	



tabbles'

EXHIBIT

B.2



Kathleen Allen  
Modrall Sperling  
500 Fourth St. NW, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
02/02/2022

Firm Mailing Book ID: 221994

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0091 4304 52	BrLi, LLC 2135 Sedona Hills Parkway Las Cruces NM 88011	\$1.36	\$3.75	\$1.85	\$0.00	
16	9314 8699 0430 0091 4304 69	Escondido Oil and Gas, LLC P.O. Box 51390 Midland TX 79710	\$1.36	\$3.75	\$1.85	\$0.00	
17	9314 8699 0430 0091 4304 76	Tim Lilley and wife, Tashina Lilley 4873 Raintree Circle Parker CO 80134	\$1.36	\$3.75	\$1.85	\$0.00	
18	9314 8699 0430 0091 4304 83	Laurance Merritt, SSP 221 S. Lomita Avenue Ojai CA 93023	\$1.36	\$3.75	\$1.85	\$0.00	
19	9314 8699 0430 0091 4304 90	Mary Overstreet a/k/a Mary Merritt 3009 Helen Street Orlando FL 32804	\$1.36	\$3.75	\$1.85	\$0.00	
20	9314 8699 0430 0091 4305 06	Pecas Management, LP 3138 Quail Valley East Drive Missouri City TX 77489	\$1.36	\$3.75	\$1.85	\$0.00	
21	9314 8699 0430 0091 4305 13	Karen Johnston, SSP 2017 Quail Hollow Run Carlsbad NM 88220	\$1.36	\$3.75	\$1.85	\$0.00	
22	9314 8699 0430 0091 4305 20	Presbyterian Village North Foundation 8600 Skyline Drive - #1212 Dallas TX 75243	\$1.36	\$3.75	\$1.85	\$0.00	
23	9314 8699 0430 0091 4305 44	Presbyterian Healthcare Foundation 8440 Walnut Hill Lane, Suite 800 Dallas TX 75231	\$1.36	\$3.75	\$1.85	\$0.00	
24	9314 8699 0430 0091 4305 51	Oxy USA, Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.36	\$3.75	\$1.85	\$0.00	
<b>Totals:</b>			<b>\$32.64</b>	<b>\$90.00</b>	<b>\$44.40</b>	<b>\$0.00</b>	<b>Grand Total: \$167.04</b>

Dated:

Postmaster:  
Name of receiving employeeTotal Number of Pieces  
Received at Post OfficeList Number of Pieces  
Listed by Sender

24

*[Signature]*

Transaction Report Details - CertifiedPro.net Firm Mail Book ID: 221994 Generated: 3/1/2022 12:00:16 PM										
USPS Article Number	Date Created	Name 1	Name 2	Address 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300091430551	2022-02-02 10:45 AM	Oxy USA, Inc.		5 Greenway Plaza, Suite 110	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 3:53 PM
9314869904300091430544	2022-02-02 10:45 AM	Presbyterian Healthcare Foundation		8440 Walnut Hill Lane, Suite 800	Dallas	TX	75231	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 2:50 PM
9314869904300091430520	2022-02-02 10:45 AM	Presbyterian Village North Foundation		8600 Skyline Drive - #1212	Dallas	TX	75243	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 3:59 PM
9314869904300091430513	2022-02-02 10:45 AM	Karen Johnson, SSP		2017 Quail Hollow Run	Carlsbad	NM	88220	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-09 12:00 AM
9314869904300091430506	2022-02-02 10:45 AM	Pecos Management, LP		3138 Quail Valley East Drive	Missouri City	TX	77489	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-09 12:00 AM
9314869904300091430490	2022-02-02 10:45 AM	Mary Overstreet, a/k/a Mary Merritt		3009 Helen Street	Orlando	FL	32804	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-09 12:00 AM
9314869904300091430483	2022-02-02 10:45 AM	Laurence Merritt, SSP		221 S. Lomita Avenue	Ojai	CA	93023	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-05 10:03 PM
9314869904300091430476	2022-02-02 10:45 AM	Tim Lilley and wife, Tashina Lilley		4873 Raintree Circle	Parker	CO	80134	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 10:22 AM
9314869904300091430469	2022-02-02 10:45 AM	Escondido Oil and Gas, LLC		P.O. Box 51390	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 10:29 AM
9314869904300091430452	2022-02-02 10:45 AM	Brilli, LLC		2135 Sedona Hills Parkway	Las Cruces	NM	88013	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300091430445	2022-02-02 10:45 AM	Mark Wilson Family Partnership		P.O. Box 2415	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-14 2:09 PM
9314869904300091430438	2022-02-02 10:45 AM	The Board of Regents Univ. Texas System	re Texas M.D. Anderson Cancer Ctr	P.O. Box 551	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-14 11:16 AM
9314869904300091430421	2022-02-02 10:45 AM	Engold Resources, LLC		P.O. Box 2021	Roswell	NM	88202	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300091430414	2022-02-02 10:45 AM	Abuelo, LLC		21 Cook Drive	Artesia	NM	88210	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-15 10:58 AM
9314869904300091430407	2022-02-02 10:45 AM	Thomas A. Crow	for Mark E. Boling Revocable Trust	8210 Louisiana Boulevard NE, Suite B	Albuquerque	NM	87113	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-04 11:27 AM
9314869904300091430391	2022-02-02 10:45 AM	Silverhair, LLC		1301 Lewis Road	Artesia	NM	88210	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 3:39 PM
9314869904300091430384	2022-02-02 10:45 AM	Loco Hills Production Company LLC		P.O. Box 779	Artesia	NM	88211	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300091430377	2022-02-02 10:45 AM	Gayle Martin & Richard Lantz		P.O. Box 1880	Block Canyon City	AZ	85324	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-10 12:00 AM
9314869904300091430360	2022-02-02 10:45 AM	Devon Energy Production Company, L.P.		333 West Sheridan Avenue	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 8:49 AM
9314869904300091430353	2022-02-02 10:45 AM	Sabinal Energy Operating, LLC		1780 Hughes Blvd, Suite 1200	The Woodlands	TX	77380	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 2:52 PM
9314869904300091430346	2022-02-02 10:45 AM	Mexco Energy Corporation		P.O. Box 10502	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-14 12:22 PM
9314869904300091430339	2022-02-02 10:45 AM	Pennco Oil Corporation		1515 West Calle Sur Street	Hobbs	NM	88240	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 2:03 PM
9314869904300091430322	2022-02-02 10:45 AM	Marathon Oil Permian		5555 San Felipe Street	Houston	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-23 11:35 PM
9314869904300091430315	2022-02-02 10:45 AM	Crown Oil Partners, VI, LLC	Crump Energy Partners, III, LLC	P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-07 10:29 AM



# Carlsbad Current Argus.

ARTICLE OF THE NEW MEXICO PRESS

## Affidavit of Publication

Ad # 0005118459

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MODRALL SPERLING  
POBOX 2168

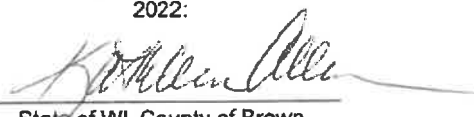
ALBUQUERQUE, NM 87103

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:

02/05/2022

  
Legal Clerk

Subscribed and sworn before me this February 5, 2022:

  
State of WI, County of Brown  
NOTARY PUBLIC  
1-7-25  
My commission expires

CASE NO. 22579 (Re-Open): Application of Colgate Operating LLC to Amend Order No. R-21590, Eddy County, New Mexico. Notice to all affected parties, as well as their heirs and devisees, of Oxy USA, Inc.; Presbyterian Healthcare Foundation; Presbyterian Village North Foundation; Karen Johnston, SSP; Pecos Management, LP; Mary Overstreet a/k/a Mary Merritt; Laurance Merritt, SSP; Tim Lilley and wife, Tashina Lilley; Escondido Oil and Gas, LLC; Brili, LLC; Mark Wilson Family Partnership; The Board of Regents Univ. Texas System; Ergodic Resources, LLC; Abuelo, LLC; Thomas A. Crow; Silverhair, LLC; Loco Hills Production Company LLC; Gayle Martin & Richard Lantz; Devon Energy Production Company, L.P.; Sabinal Energy Operating, LLC; Mexco Energy Corporation; Penroc Oil Corporation; Marathon Oil Permian; and Crown Oil Partners, VI, LLC of Colgate Operating, LLC's Application for compulsory pooling, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on March 3, 2022 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/documents/10-08OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21590 to allow for a one-year extension of time to commence drilling the initial well under the Order. The Division issued Order No. R-21590 on February 2, 2021, which designated Colgate as the operator of the unit and the Bolander 32 State Fed Com 122H and Bolander 32 State Fed Com 132H wells; and pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 32 and S/2 N/2 of Section 31, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. Said area is located approximately 19 miles southeast of Artesia, New Mexico.  
#5118459, Current Argus, Feb. 5, 2022

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

Ad # 0005118459  
PO #: CASE NO. 22579  
# of Affidavits 1

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