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

## APPLICATION OF ELIZABETH KAY DILLARD TO REOPEN CASE NO. 21226 (ORDER NO. R-21354), EDDY COUNTY, NEW MEXICO

CASE NO. 22323

## <u>COLGATE OPERATING, LLC'S</u> <u>PRE-HEARING STATEMENT</u>

Colgate Operating, LLC ("Colgate") submits its Pre-Hearing Statement pursuant to the

rules of the Oil Conservation Division ("Division").

## **APPEARANCES**

## **APPLICANT** Elizabeth Kaye Dillard

## ATTORNEYS

Scott S. Morgan Brandon D. Hajny P. O. Box 1216 Albuquerque, NM 87103 (505) 243-5400 smorgan@cilawnm.com bhajny@cilawnm.com

**INTERESTED PARTIES** Colgate Operating, LLC

## ATTORNEYS

Dana S. Hardy Jaclyn M. McLean P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com *Counsel for Colgate Operating, LLC* 

#### **STATEMENT OF THE CASE**

Order No. R-21354 ("Order"), which was issued on June 10, 2020 in Case No. 21226, pooled all uncommitted interests in the Winchester Bone Spring Pool underlying the S/2 of Sections 33 and 34, Township 19 South, Range 38 East, N.M.P.M., Eddy County, New Mexico. The Order further dedicated the unit to the Dawson 34 Fed State Com 123H, 124H, 133H, and 134H wells ("Wells") and designated Colgate as operator of the Wells. Applicant Elizabeth Kaye Dillard filed her application more than sixteen months later, requesting that the Division reopen Case No. 21226 based on her claim that she did not receive notice of Colgate's application and therefore did not have an opportunity to participate in the Wells. She also claims that the 200% risk charge assessed in the pooling order is unreasonable. As explained below, Colgate denies Ms. Dillard's allegations and her application should be denied.

## I. Ms. Dillard lacks standing to challenge Order No. R-21354 because Colgate gave her an opportunity to participate in the Wells after the Order was issued and she declined to do so.

On December 10, 2020, Colgate sent a well proposal to Ms. Dillard at 1307 Hodges Avenue, Ruston, Louisiana, 71270, which is the address Ms. Dillard claims is correct. *See* Application at 4. Ms. Dillard declined to respond and then filed her application to reopen the Order nearly a year later. Ms. Dillard's due process rights were not violated as she claims, and she lacks standing to challenge the Order.

The Division's adjudication rules provide that "[t]he division, attorney general, an operator or producer or other person *with standing* may file an application with the division for an adjudicatory hearing. The director, upon receiving a division examiner's recommendation, may dismiss an application for an adjudicatory proceeding upon a showing that the applicant *does not have standing*." 19.5.4.8(A) NMAC (emphasis added). To establish standing, an individual must meet the following elements: (1) injury in fact, (2) causation, and (3) redressability. *See*, *e.g.*, *ACLU v. City of Albuquerque*, 2008-NMSC-045, ¶ 7, 144 N.M. 471.

In this case, Ms. Dillard cannot establish that the alleged lack of notice caused her claimed injury (*i.e.* deprived her of the option to participate in the wells), because Colgate gave her an opportunity to participate after the Order was issued and she declined to respond. Because Ms. Dillard lacks standing to challenge the Order, her application should be denied.

# II. Ms. Dillard's application should be denied because she failed to timely challenge the Order.

Neither New Mexico common law nor the Oil and Gas Act affords parties an unlimited period of time to challenge a pooling order. The doctrines of equitable estoppel and laches apply here and bar Ms. Dillard's claims. "[E]stoppel is the preclusion, by acts or conduct, from asserting a right which might otherwise have existed, to the detriment and prejudice of another, who, in reliance on such acts and conduct, has acted thereon." *Waters-Haskins v. N.M. Human Servs. Dept.*, 2009-NMSC-031, ¶ 15, 146 N.M. 391. The doctrine of laches prevents litigation of a stale claim. The elements of laches are: (1) conduct on the part of the defendant giving rise to the situation of which complaint is made and for which the complainant seeks a remedy; (2) delay in asserting the complainant's rights after having been afforded an opportunity to initiate a suit; (3) lack of knowledge or notice on the part of the defendant that the complainant would assert the claim; and (4) injury or prejudice to the defendant in the event relief is accorded to the complainant or the suit is not barred. *Garcia v. Garcia*, 1991-NMSC-023, ¶ 31, 111 N.M. 581.

In this case, Ms. Dillard failed to timely challenge the Order after Colgate afforded her an opportunity to participate in the Wells, and Colgate relied on the Order in proceeding to develop its acreage and in allocating costs and revenues. At this point, the Wells are producing or are being

completed, and allowing Ms. Dillard an opportunity to participate at this late date would unduly prejudice Colgate.

Further, the Oil and Gas Act provides: "When any matter or proceeding is referred to an examiner and the decision is rendered thereon, any party of record adversely affected shall have the right to have the matter heard de novo before the commission upon application filed with the division within thirty days from the time any such decision is rendered." NMSA 1978, § 70-2-13. The Commission's adjudication regulation mirrors the statutory provision and similarly requires *de novo* appeals to be filed within 30 days after the Division's order is issued. 19.15.4.23(A) NMAC.

Without time limitations like those set out in Section 70-2-13, parties could challenge the Division's orders at any time, regardless of the age of the order. This result would lead to a lack of certainty and finality of the orders issued by the Division. That outcome would be untenable for the Division and for the parties who rely on its orders, including parties who have drilled wells the Division has approved. Allowing parties to challenge pooling orders for an unlimited period of time would inject instability into oil and gas development in New Mexico and would thereby violate the Oil and Gas Act's requirement that the Division act to prevent waste and protect correlative rights. *See, e.g.*, NMSA 1978, § 70-2-11.

#### **III.** Colgate used reasonable diligence to attempt to locate Ms. Dillard.

Colgate performed a diligent search of public records, including phone directories and computer searches, to locate Ms. Dillard's contact information. Colgate also timely published notice of the hearing in the Carlsbad Current-Argus. Ms. Dillard's claim that Colgate failed to use reasonable diligence to locate her is incorrect.

## IV. The 200% risk charge included in the pooling order is just and reasonable.

With respect to the risk charge, NMAC 19.15.13.8 establishes that a 200% charge for risk is reasonable and states that an operator need not present technical evidence justifying the charge. A party who argues that the 200% risk charge is unreasonable must present relevant geological or technical evidence to support the challenge. If Ms. Dillard presents geological or technical evidence to challenge the 200% risk charge, Colgate reserves the right to present testimony by its Vice President of Engineering, Jordan Cox, in response.

#### STATEMENT OF FACTS

The primary factual issues to be addressed include whether Colgate used reasonable diligence in attempting to locate Dillard and, if Ms. Dillard presents geological or technical evidence regarding the 200% risk charge, whether the charge is reasonable. Colgate has not identified undisputed material facts other than those that were addressed and decided in Case No. 21226.

#### **PROPOSED EVIDENCE**

Witness	Occupation	<b>Estimated Time</b>	Exhibits
Mark Hajdik	Landman	20 minutes	Approx. 5

A copy of Mr. Hadjik's testimony and exhibits is attached.

## **PROCEDURAL MATTERS**

Colgate is unaware of procedural matters to be addressed at this time.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com *Counsel for Colgate Operating, LLC* 

## **CERTIFICATE OF SERVICE**

I hereby certify that on May 12, 2022, I caused a true and correct copy of this document to be electronically served on the following:

Scott S. Morgan Brandon D. Hajny smorgan@cilawnm.com bhajny@cilawnm.com Attorneys for Elizabeth Kaye Dillard

/s/ Dana S. Hardy

Dana S. Hardy

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

## APPLICATION OF ELIZABETH KAY DILLARD TO REOPEN CASE NO. 21226 (ORDER NO. R-21354), EDDY COUNTY, NEW MEXICO

CASE NO. 22323

## COLGATE OPERATING, LLC'S HEARING EXHIBITS

- Exhibit A Self-Affirmed Statement of Mark Hadjik
  - A-1 Order No. R-21354
  - A-2 Affidavit of Mark Hadjik in Case No. 21226
  - A-3 Affidavit of Ernest L. Padilla in Case No. 21226
  - A-4 December 10, 2022 Well Proposal

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

## APPLICATION OF ELIZABETH KAY DILLARD TO REOPEN CASE NO. 21226 (ORDER NO. R-21354), EDDY COUNTY, NEW MEXICO

CASE NO. 22323

## SELF-AFFIRMED STATEMENT OF MARK HADJIK

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am a Senior Staff Landman with Colgate Energy ("Colgate"). I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted.

3. I am familiar with the matters addressed in Ms. Dillard's application.

4. I have handled the land matters associated with Colgate's development of the Dawson wells, which are located in the S/2 of Sections 33 and 34, Township 19 South, Range 38 East. These wells were the subject of Order No. R-21354 ("Order"), which was issued on June 10, 2020 in Case No. 21226. The Order pooled all uncommitted interests in the Winchester Bone Spring Pool underlying the S/2 of Sections 33 and 34, Township 19 South, Range 38 East, N.M.P.M., Eddy County, New Mexico ("Unit"). The Order further dedicated the Unit to the Dawson 34 Fed State Com 123H, 124H, 133H, and 134H wells ("Wells") and designated Colgate as operator of the Wells. A copy of the Order is attached as **Exhibit A-1**.

5. I submitted an affidavit and supporting exhibits in Case No. 21226. A copy of those documents is attached as **Exhibit A-2**.

## Case No. 22323 Colgate Operating Exh. A

6. As shown in the exhibits, I submitted a well proposal letter to the working interest owners on November 4, 2019.

7. I attempted to locate all of the interest owners in the Unit, including Ms. Dillard. To locate Ms. Dillard, I searched county records and ran internet searches. I identified several potential addresses for Ms. Dillard. I determined that the estate of Ms. Dillard's mother was probated in Plano, Texas. Based on that information, I located an address for Ms. Dillard of 3208 Wellshire Court, Plano, TX 75093. I sent the initial well proposals to that address and did not receive a response. This was not unusual, as parties often do not pick up certified mail.

8. Colgate's hearing notice in Case No. 21226 was sent to the address I had located in Plano, but the envelope was returned. Colgate did timely publish notice of the hearing. A copy of the notice exhibits in Case No. 21226 is attached as **Exhibit A-3**.

9. After the Order was issued, I performed additional research in an attempt to locate the parties to whom the Wells would be re-proposed. Through that research, I located an address for Ms. Dillard of 1307 Hodges Ave., Ruston, Louisiana 71270. I sent a well proposal to Ms. Dillard at that address on December 10, 2020. A copy of the well proposal is attached as **Exhibit A-4.** I did not receive a response. Again, this was not unusual.

10. I used reasonable diligence to locate all of the interest owners in Case No. 21226, including Ms. Dillard.

11. Two of the Wells have been producing since approximately February of 2021. Colgate relied on the Order in expending significant funds to develop its acreage and in allocating costs and revenues among the working interest owners.

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

13. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 12 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Mark Hadjik

<u>5/11/22</u> Date

## 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. <u>21226</u> ORDER NO. <u>R-21354</u>

## <u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on May 28, 2020, 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.

Case No. 22323 Colgate Operating Exh. A-1

## **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 by19.15.4.12 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 described depth(s) and location(s) in the Unit.
- 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 Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
- 19. 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 before commencing production of the well.

- 20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.
- 21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
- 22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
- 23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
- 24. 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 elects to pay its share of the Actual Well Costs out of production from the 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."
- 25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, 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.

- 27. 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."
- 28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 29. 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.
- 30. 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.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and 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

Date: 6/10/2020

ADRIENNE SANDOVAL DIRECTOR AS/tgw

## Exhibit A

ALL INFORMAION IN THE APPLICATION MUST BE SUPPORTED BY SIGN	NED AFFIDAVITS
Case: 21226	Applicant's Response
Date May 28, 2020	
Applicant	Colgate Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	371449
Applicant's Counsel	Ernest L. Padilla
Case Title:	Application of Colgate Operating, LLC, Case No. 21226 for
	compulsory pooling, and non-standard spacing and
	proration unit, Eddy County, New Mexico
Intries of Appearance/Intervenors	Modrall-Lance D. Hough for EOG & James Bruce for Mewbourne
Well Family	Dawson 34 Fed State Com
ormation/Pool	
ormation Name(s) or Verticle Extent	Winchester, Bone Spring
Primary Product (Oil or Gas)	oll
Pooling this verticle extent	Bone Spring Formation
ool Name and Pool Code	
	Winchester, Bone Spring (Pool code 65010)
Vell Location Setback Rules	Standard
pacing Unit Size	320 ac
pacing Unit	
ype (Horizontal/Verticle)	Horizontal
ize (acres)	320
uilding Blocks	guarter-guarter sections
rientation	East to West
escription: TRS/County	N/2 S/2 of Sections 33 & 34 19S, 28E, Eddy County, NM
Description: TRS/County	5/2 S/2 of Sections 33 & 34 195, 28E, Eddy County, NM
tandard Horizontal Well Spacing Unit	Yes
other Situations	
Pepth Severance: No	No
roximity Tracts: If yes, description	No
roximity Defining Well: If yes, description	No
Applicant's Ownership in Each Tract	
Vell(s)	Ex. 1 105 through 108
Name & API (if assigned), surface and bottom hole location	
ootages, completion target, orientation, completion status standard or non-standard)	
	<ul> <li>(Unit L) of Section 33, Township 19 South, Range 28 East, NMPM.</li> <li>Completion Target: Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD Well Orientation: East to West</li> <li>Completion Location: standard</li> <li>Dawson 34 Fed State Com 133H</li> <li>SHL: 1505 feet from the South line and 760 feet from the East line,</li> <li>(Unit 1) of Section 34, Township 19 South, Range 28 East, NMPM</li> <li>BHL: 1750 feet from the South line and 10 feet from the West line</li> <li>(Unit 1) of Section 34, Township 19 South, Range 28 East, NMPM.</li> <li>Completion Target: 3rd Bone Spring Sand at approx 8600 feet TVD.</li> <li>Well Orientation:East to West</li> <li>Completion Target: 3rd Bone Spring Sand at approx 8600 feet TVD.</li> <li>Well Orientation:East to West</li> <li>Completion Jage Township 19 South, Range 28 East, NMPM.</li> <li>BHL: 325 feet from the South line and 10 feet from the East line,</li> <li>(Unit P) of Section 34, Township 19 South, Range 28 East, NMPM.</li> <li>BHL: 330 feet from the South line and 10 feet from the West line,</li> <li>(Unit P) of Section 34, Township 19 South, Range 28 East, NMPM.</li> <li>BHL: 330 feet from the South line and 10 feet from the West line,</li> <li>(Unit P) of Section 34, Township 19 South, Range 28 East, NMPM.</li> <li>Dewson 34 Fed State Com 134H</li> <li>SHL: 340 feet from the South line and 560 feet from the East line</li> <li>(Unit P) of Section 34, Township 19 South, Range 28 East, NMPM.</li> <li>Dawson 34 Fed State Com 134H</li> <li>SHL: 340 feet from the South line and 10 feet from the East line</li> <li>(Unit P) of Section 34, Township 19 South, Range 28 East, NMPM.</li> <li>SHL: 340 feet from the South line and 10 feet from the East line</li> <li>(Unit P) of Section 34, Township 19 South, Range 28 East, NMPM.</li> </ul>
orizontal Well First and Last Take Points Impletion Target (Formation, TVD and MD)	Completion Target: 3rd Bone Spring Sand at approx 8600 feet TVD Well Orientation: East to West Completion Location: standard Exhibit 1 pages 006, 018, 030, 042 Exhibit 1 AFE's pages 120, 123, 124, 125, 126 and also listed above with each well.
	Identify the Exhibit and Page for Information below this line
FE Capex and Operating Costs	
rilling Supervision/Month \$	\$8000/\$800
roduction Supervision/Month \$	Exhibit 1 pages 123 through 126 for AFE's

CASE NO. 21226 ORDER NO. R-21354

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Justification for Supervision Costs	Exhibit 1 pages 123 through 126 for AFE's			
Request Risk Charge	200% please see Exhibit 1 pages 123 through 126 for AFE's			
Notice of Hearing				
Proposed Notice of Hearing	Exhibit 3 pages 004-012 (Affidavit of Ernest L. Padilla)			
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3 pages 013 through 025 (Affiavit of Ernest L. Padilla)			
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 3 pages 078-083			
Ownership Determination				
Land Ownership Schematic of the Spacing Unit	Exhibit 1, pages 105-108			
Tract List (including lease numbers and owners)	Exhibit 1, pages 105-108			
Pooled Parties (including ownership type)	Exhibit 1, pages 105-108			
Unlocatable Parties to be Pooled	Exhibit 3, pages 021 through 025 pages 078-083			
Ownership Depth Severance (including percentage above & below)	None			
Joinder				
Sample Copy of Proposed Letter	Exhibit 1, pages 118-119			
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 1, pages 105-108			
Chronology of Contact with Non-Joined Working Interests	Exhibit 1, page 117			
Overhead Rates in Proposal Letter	Exhibit 1, pages 118-119			
Cost Estimates to Drill and Complete	Exhibit 1, pages 123-126 of AFE's			
Cost Estimate to Equip Well	Exhibit 1, pages 123-126 of AFE's			
Cost Estimate for Production Facilities	Exhibit 1, pages 123-126 of AFE's			
Geology				
Summary (Including special considerations)	Exhibit 2, pages 001-002			
Spacing Unit Schematic	None			
Gunbarrel/Lateral Trajectory Schematic	Exhibit 2, page 005			
Well Orientation (with rationale)	none			
Target Formation	Exhibit 2, pages 012, 013 & 014			
HSU Cross Section	Exhibit 2, pages 012, 013 & 014			
Depth Severance Discussion	none			
Forms, Figures and Tables	none			
C-102	see above			
Tracts	Exhibit 2, page 009, 010, 011			
Summary of Interests, Unit Recapitulation (Tracts)	none			
General Location Map (including basin)	Exhibit 2, page 006			
Well Orientation (with rationale)	Exhibit 2, page 009			
Structure Contour Map - Subsea Depth	Exhibit 2, page 008 & 010			
Cross Section Location Map (including wells)	Exhibit 2, page 012			
Cross Section (including Landing Zone)	Exhibit 2, page 013, 014			
Additional Information CERTIFICATION: I hereby certify that the information provided in this che	scklist is complete and accurate.			
Printed Name: (Attorney or Party Representative):				
Signed Name: (Attorney or Party Representative):	Stat. Das polla			
Date: June 4. 2020	autornaby -			

#### 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 TEXAS ) ) ss. COUNTY OF MIDLAND )

Mark Hadjik, being duly sworn, deposes and states:

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

2. My area of responsibility of Colgate Operating. LLC includes the area of Eddy

County in New Mexico.

3. I am familiar with the application filed with by Colgate Operating. LLC.

4. I am familiar with the status of the lands that are subject to these applications.

5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support

of the above referenced compulsory pooling applications.

1

Case No. 22323 Colgate Operating Exh. A-2 12

	EXHIBIT
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6. In Case 21226 Applicant seeks an order pooling all mineral interests within the Winchester Bone Spring Pool (Pool Code 65010), underlying Sections 34 and 33, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the horizontal spacing unit described below to the following four initial wells:

#### A. Dawson 34 Fed State Com 123H

SHL: 1505 feet from the South line and 715 feet from the East line, (Unit I) of Section 34, Township 19 South, Range 28 East, NMPM.
BHL: 1650 feet from the South line and 10 feet from the West line, (Unit L) of Section 33, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: East to West
Completion Location: standard
Spacing Unit: N/2 S/2 of Section 34 and N/2 S/2 of Section 33.

## B. Dawson 34 Fed State Com 133H

SHL: 1505 feet from the South line and 760 feet from the East line, (Unit I) of Section 34, Township 19 South, Range 28 East, NMPM.
BHL: 1750 feet from the South line and 10 feet from the West line, (Unit L) of Section 34, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8600 feet TVD.
Well Orientation: East to West
Completion Location: standard
Spacing Unit: N/2 S/2 of Section 34 and N/2 S/2 of Section 33.

## C. Dawson 34 Fed State Com 124H

SHL: 295 feet from the South line and 560 feet from the East line, (Unit P) of Section 34, Township 19 South, Range 28 East, NMPM.
BHL: 330 feet from the South line and 10 feet from the West line, (Unit M) of Section 33, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: East to West
Completion Location: standard
Spacing Unit: S/2 S/2 of Section 34 and S/2 S/2 of Section 33.

## D. Dawson 34 Fed State Com 134H

SHL: 340 feet from the South line and 560 feet from the East line,
(Unit P) of Section 34, Township 19 South, Range 28 East, NMPM.
BHL: 430 feet from the South line and 10 feet from the West line,
(Unit M) of Section 33, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8600 feet TVD.
Well Orientation: East to West
Completion Location: standard
Spacing Unit: S/2 S/2 of Section 34 and S/2 S/2 of Section 33.

Attached hereto as **Exhibits 1, 2, 3, and 4** are copies of the C-102s for the foregoing wells, together with associated and aerial maps.

7. In Case 21227 Applicant seeks an order pooling all mineral interests within the Winchester Bone Spring Pool (Pool Code 65010), underlying Sections 34 and 33, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the horizontal spacing unit described below to the following four initial wells:

#### A. Shamrock 34 Fed State Com 121H

SHL: 700 feet from the North line and 330 feet from the West line,
(Unit D) of Section 35, Township 19 South, Range 28 East, NMPM.
BHL: 990 feet from the North line and 10 feet from the West line,
(Unit D) of Section 33, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: East to West
Completion Location: standard
Spacing Unit: N/2 N/2 of Section 34 and N/2 N/2 of Section 33

## B. Shamrock 34 Fed State Com 131H

SHL: 655 feet from the North line and 330 feet from the West line,
(Unit D) of Section 35, Township 19 South, Range 28 East, NMPM.
BHL: 890 feet from the North line and 10 feet from the West line,
(Unit D) of Section 33, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8600 feet TVD.
Well Orientation: East to West
Completion Location: standard
Spacing Unit: N/2 N/2 of Section 34 and N/2 N/2 of Section 33

## C. Shamrock 34 Fed State Com 122H

SHL: 2610 feet from the South line and 295 feet from the East line,
(Unit I) of Section 34, Township 19 South, Range 28 East, NMPM.
BHL: 2310 feet from the North line and 10 feet from the West line,
(Unit E) of Section 33, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: East to West
Completion Location: standard
Spacing Unit: S/2 N/2 of Section 34 and S/2 N/2 of Section 33

## D. Shamrock 34 Fed State Com 132H

SHL: 2610 feet from the South line and 340 feet from the East line,
(Unit I) of Section 34, Township 19 South, Range 28 East, NMPM.
BHL: 2210 feet from the North line and 10 feet from the West line,
(Unit E) of Section 33, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8600 feet TVD.
Well Orientation: East to West
Completion Location: standard

Spacing Unit: S/2 N/2 of Section 34 and S/2 N/2 of Section 33.

Attached hereto as **Exhibits 5, 6, 7 and 8** are copies of the C-102s for the foregoing wells, together with associated and aerial maps.

The parties being pooled and the percent of their interests are shown in Exhibits 9 and 10 for the respective cases. The owners of overriding royalty interests are also identified in Exhibits 9 and 10.

9. Colgate Operating LLC have conducted a diligent search of the public records in the county where the wells are located and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed all parties well proposals. Copies of Communication Timelines are attached hereto as Exhibits 11 and 12 for both cases.

10. In my opinion, Colgate Operating. LLC has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

11. Exhibit 13 and 14 is a copy of a proposal letter sent to working interest owners, which were sent on November 4, 2019, for the proposed wells in both cases together with AFEs.

12. The proposal letters identified the proposed first and last take points and approximate TVD.

13. Exhibit 15 contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico. Colgate Operating. LLC requests overhead and administrative rates of \$8,000.00/month for drilling a well and \$800.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Colgate Operating. LLC requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

14. Colgate Operating. LLC requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

15. Colgate Operating. LLC requests that it be designated operator of the wells.

- 16. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.
  - 17. l attest that the information provided herein is correct and complete to the best of

my knowledge and belief.

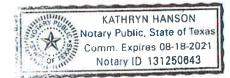
18. The granting of this application is in the interests of conservation and the prevention of waste.

MARK HADJIK

SUBSCRIBED AND SWORN to before me this 26th day of May, 2020, by MARK HADJIK on behalf of Colgate Operating. LLC

Ahngn Hansm

Notary Public



Ay Commission Expires:

District I 1625 N, French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S, First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 220 S, St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462	Energy, Minerals & OIL CONSER 1220 Sou Santa	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505				
API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name				

de				6.	Well Number					
			DAV	VSON 34 FED	СОМ			123H		
				<sup>8</sup> Operator	Name			<sup>9</sup> Elevation		
		COLGATE OPERATING, LLC								
				" Surface	e Location					
Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County	
34	19 S	28 E		1505	SOUTH	715	EAS	ST	EDDY	
		" B	ottom H	ole Location	If Different Fr	om Surface				
Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County	
33	19 S	28 E		1650	SOUTH	10	WE	ST	EDDY	
<sup>12</sup> Dedicated Acres <sup>13</sup> Joint or Infill <sup>14</sup> Consolidation			Code	15 Order No.						
	Section 34 Section 33	Section Township 34 19 S Section Township 33 19 S	Section Township Range 34 19 S 28 E " B Section Township Range 33 19 S 28 E	Section Township Range Lot Idn 34 19 S 28 E "Bottom H Section Township Range Lot Idn 33 19 S 28 E	DAWSON 34 FED       " Operator       " Operator       COLGATE OPER       " Surfac       Section     Township     Range       34     19 S     28 E     1505       " Bottom Hole Location       Section     Township     Range       33     19 S     28 E     1650	DAWSON 34 FED COM       "Operator Name       COLGATE OPERATING, LLC       " Surface     Location       Section     Township     Range     Lot Idn     Feet from the     North/South line       34     19 S     28 E     1505     SOUTH       " Bottom Hole Location If Different Fr       Section     Township     Range     Lot Idn     Feet from the     North/South line       33     19 S     28 E     1650     SOUTH	DAWSON 34 FED COM         * Operator Name         * Operator Name         COLGATE OPERATING, LLC         * Surface Location         Section       Township       Range       Lot Idn       Feet from the       North/South line       Feet from the         34       19 S       28 E       1505       SOUTH       715         * Bottom Hole Location If Different From Surface         Section         33       19 S       28 E       1650       SOUTH       10	DAWSON 34 FED COM         'Operator Name         COLGATE OPERATING, LLC         '' Surface Location         Section       Township       Range       Lot Idn       Feet from the       Surface Location         Section       Township       Range       Lot Idn       Feet from the       South Colspan="4">South Colspan="4">South Colspan="4">Section         34       19 S       28 E       1505       SOUTH       715       EA         Section       Township       Range       Lot Idn       Feet from the       SOUTH       Feet from the       East/Weight Colspan="4">East/Weight Colspan="4">Section         33       19 S       28 E       Lot Idn       Feet from the       SOUTH       10       WEight Colspan="4">Weight Colspan="4">Weight Colspan="4">South Hole Location	DAWSON 34 FED COM         'Operator Name         'Operator Name         COLGATE OPERATING, LLC         "Surface       Location         Section       Township       Range       Lot Idn       Feet from the 1505       North/South line SOUTH       Feet from the 715       East/West line EAST         34       19 S       28 E       Lot Idn       Feet from the 1505       North/South line SOUTH       Feet from the 715       EAST         '' Bottom Hole Location If Different From Surface         Section 33       Township 19 S       Range 28 E       Lot Idn       Feet from the 1650       North/South line SOUTH       Feet from the 10       East/West line WEST	

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	"OPERATOR CERTIFICATION
	I hereby certify that the information contained herein is true and complete to the
	best of my knowledge and belief, and that this organization either owns a
	working interest or unleased nuneral interest in the land including the proposed
NW CORNER SEC. 33 N/4 CORNER SEC. 33 N/4 CORNER SEC. 34 LAT. = 32.6243712'N LAT. = 32.6244127'N LAT. = 32.6244550'N LAT. = 32.6244929'N LAT. = 32.6245314'N	bottom hole location or has a right to drill this well at this location pursuant to
LONG. = 104.1897528 W LONG. = 104.1812729 W LONG. = 104.1727993 W LONG. = 104.1643165 W LONG. = 104.1588342 W	a contract with an owner of such a mineral or working interest, or to a
N = 590962.73 N = 590925.84 N = 590944.89 N = 590962.73 N = 590980.97	voluntary pooling agreement or a compulsory pooling order heretofore entered
	by the division.
N89'35'22"E 2611.38 FT N89'34'38"E 2609.43 FT N89'36'31"E 2612.27 FT N89'36'00"E 2612.11 FT	
	Signature Date
0.655	Signature Date
2	
	Printed Name
$\Delta T_{\mu} = 32.6171414^{\circ}N$ LAL = 32.6172067 N DAWSON 34 FED LAL = 32.6172730 N	
NMSP FAST (FT) ELEV. = 3304.5'	
Z N = 588276.46 N = 588307.74 LAT. = (32.6141478'N (NAD83) N = 588340.22 E = 585372.29 LAST TAKE POINT E = 590637.73 LONG. = 104.1585355'W E = 595907.70	E-mail Address
1650 FSL 100 FWL NMSP EAST (FT)	
	<b>*SURVEYOR CERTIFICATION</b>
	I hereby certify that the well location shown on this plat was
10' LAT. = 32.6144359'N LONG. = 104.1904921'W	plotted from field notes of actual surveys made by me or under
LONG, = 104.1904921'W NMSP EAST (FT) N = 587292.13 C = 587292.1	
N = 567292.13 50 E = 585318.78	my supervision, and that the same is true and correct to the
	best of my belief.
	FEBRUARY 19, 2020
S89'41'20'W 2657.33 FT S89'40'24'W 2656.81 FT S89'40'55'W 2657.67 FT S89'40'46'W 2657.46 FT	
SW CORNER SEC.         33         S/4         CORNER SEC.         33         SECTION CORNER         S/4         CORNER SEC.         34         SE         CORNE SEC.         34         SE <td>Date of Survey</td>	Date of Survey
LONG = 104.1908777W LONG = 104.1822499'W LONG = 104.1736238'W LONG = 104.1649949'W LONG = 104.1563667'W	
N = 585641.87 N = 585655.30 N = 585671.44 N = 585685.20 N = 585701.06	ANAN TONYA ANA
E = 585202.25 E = 587858.90 E = 590515.02 E = 593172.01 E = 595828.78	
	Signature and seal of professional second
	Certificate Number: FURIO JARAMALO PIS 12797
	PROFESSION NO. 7983
	10/ E0000 NO. 1983
	J



Intent As Drilled		
AP! #		
Operator Name:	Property Name:	Well Number
COLGATE OPERATING, LLC	DAWSON 34 FED COM	123H

#### Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude				Longitude		NAD			

## First Take Point (FTP)

	Section 34	Township 19S	Range 28E	Lot	Feet 1650	From N/S SOUTH	Feet 100	From E/W EAST	County EDDY	
Latitude 32.6145529				Longitude	65224	NAD 83				

#### Last Take Point (LTP)

UL L	Section 33	Township 19S	Range 28E	Lot	Feet 1650	From N/S SOUTH	Feet 100	From E/W	County EDDY
Latitude					Longitud	de		NAD	
32.6144370					104.1	901991		83	

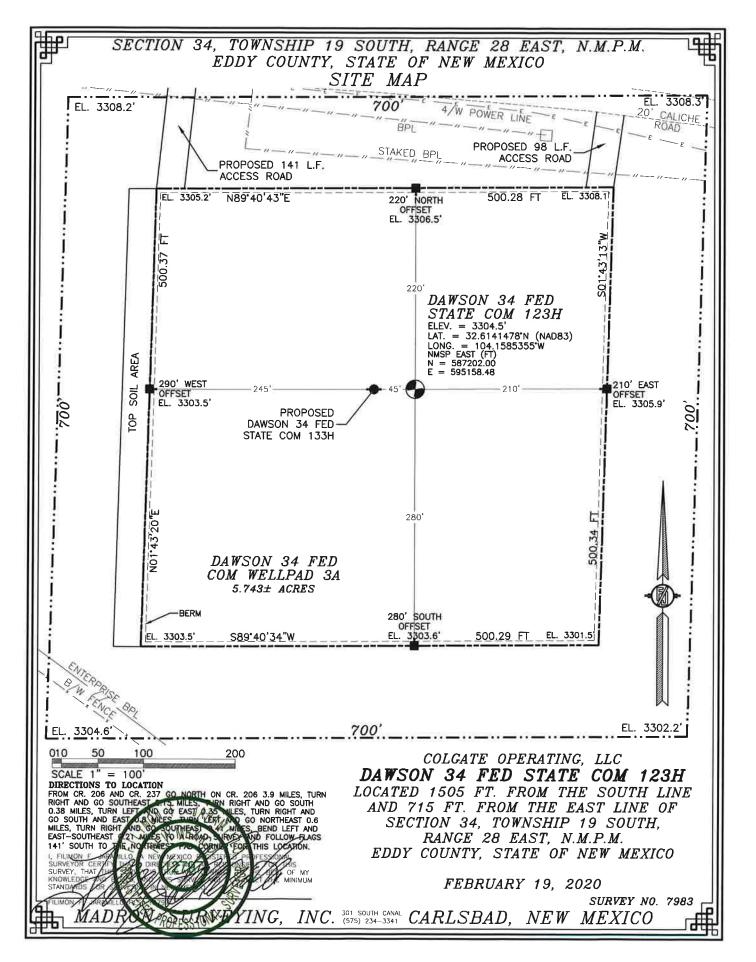
Is this well the defining well for the Horizontal Spacing Unit?

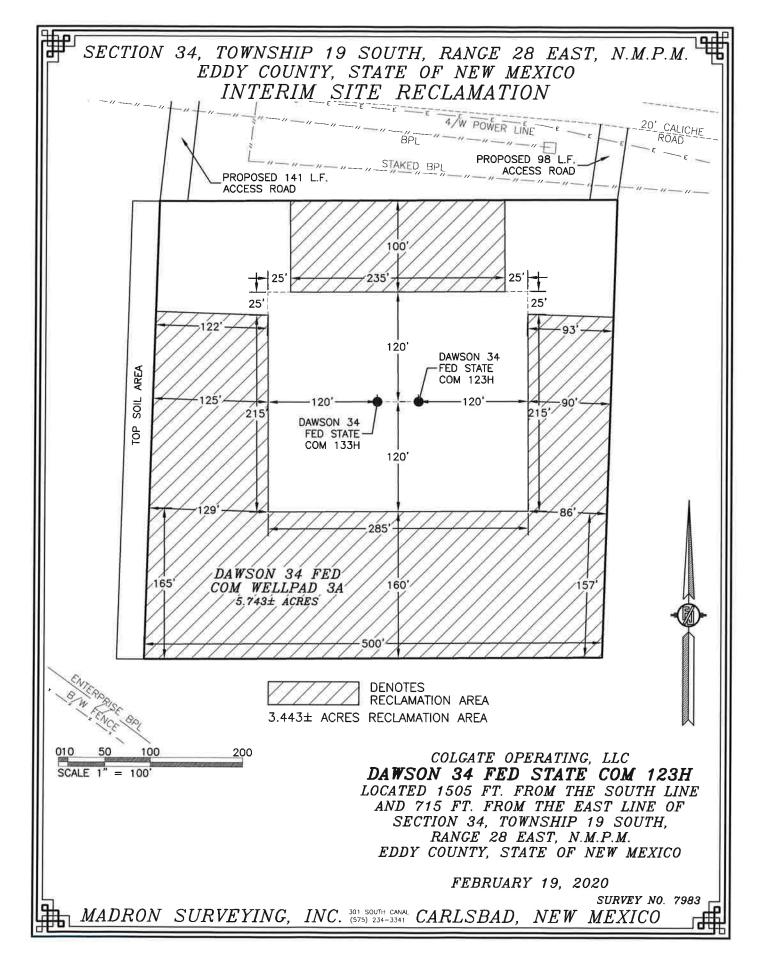
Is this well an infill well?

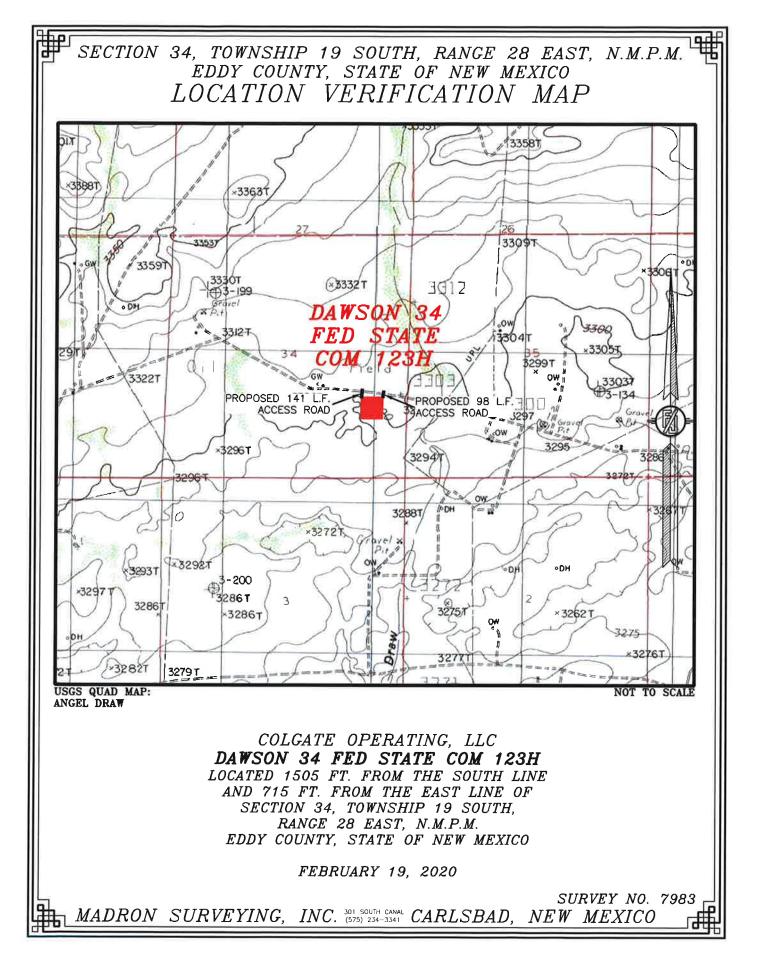
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

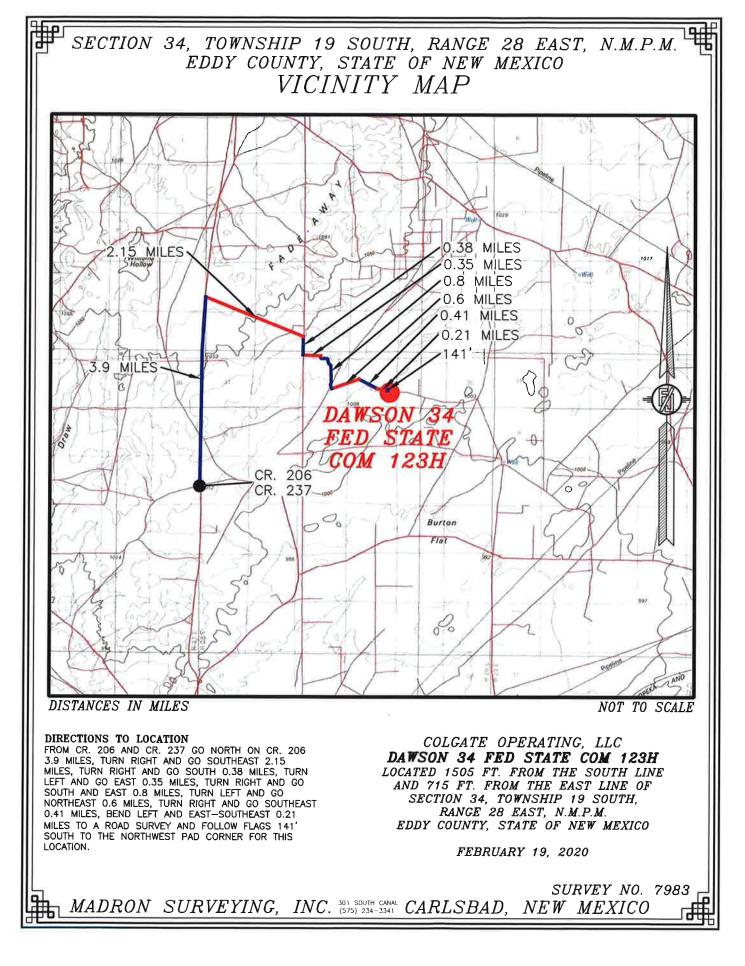
API #		
Operator Name:	Property Name:	Well Number
		K7.05/20/2010

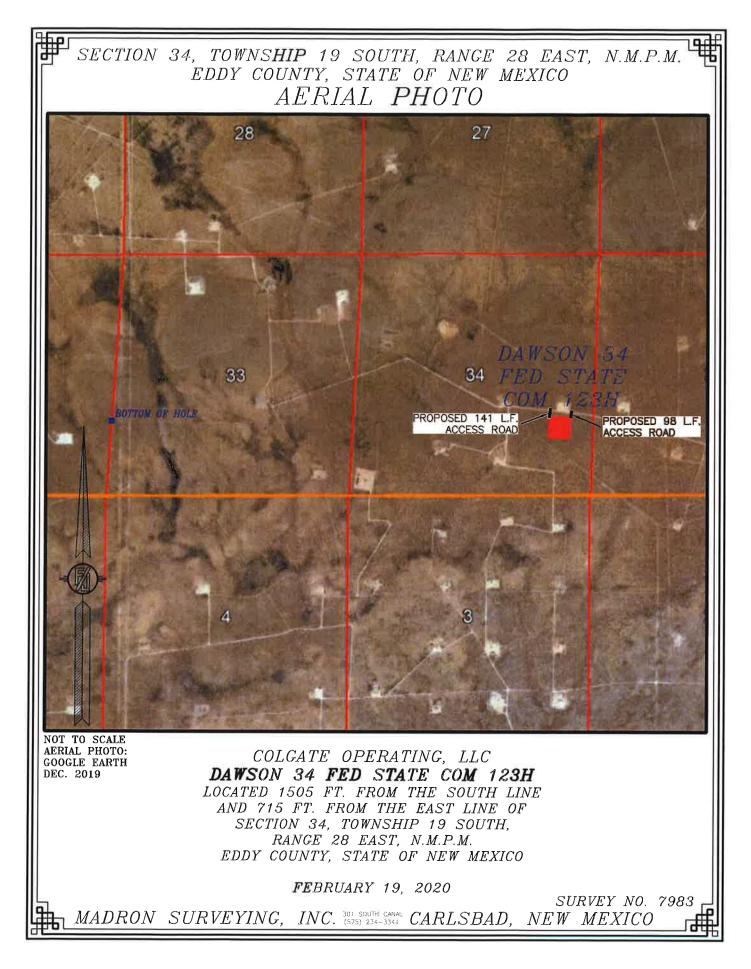
KZ 06/29/2018

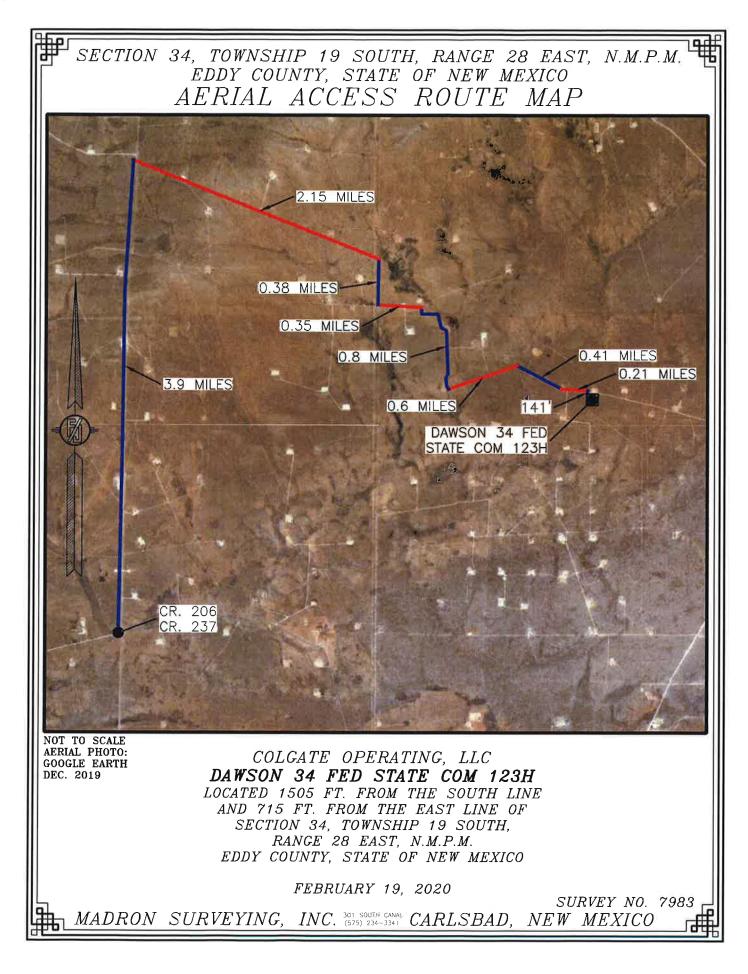


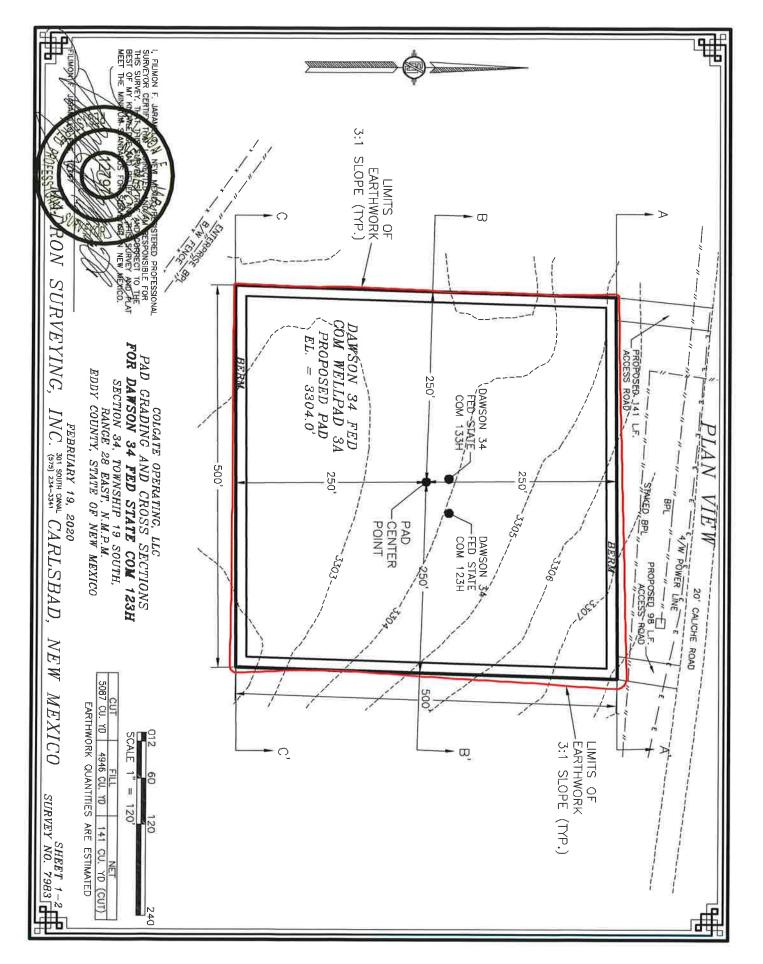


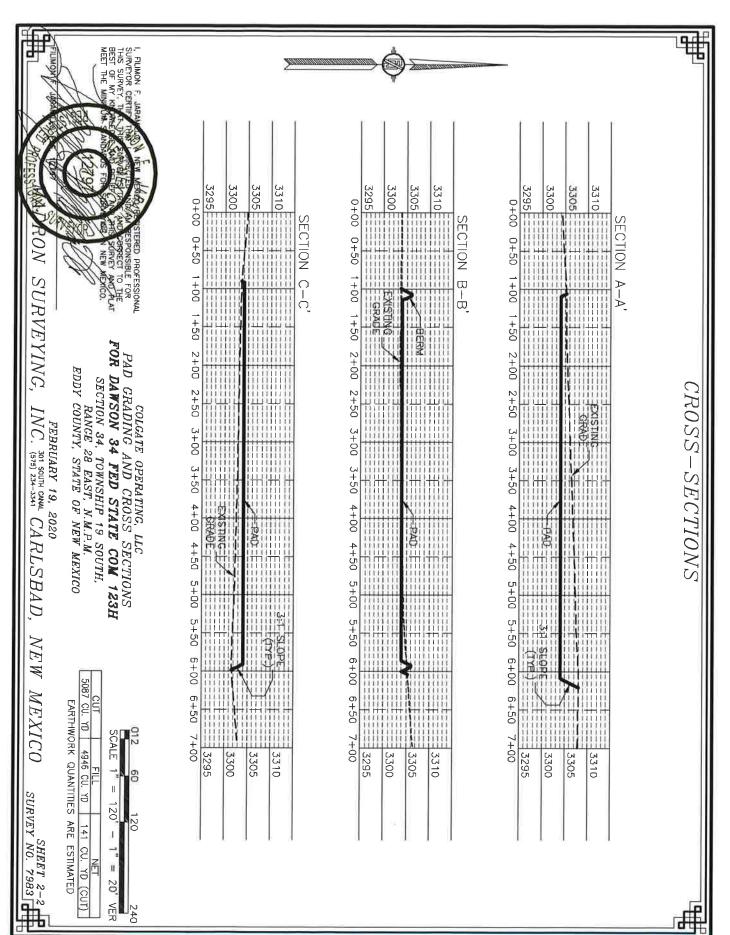




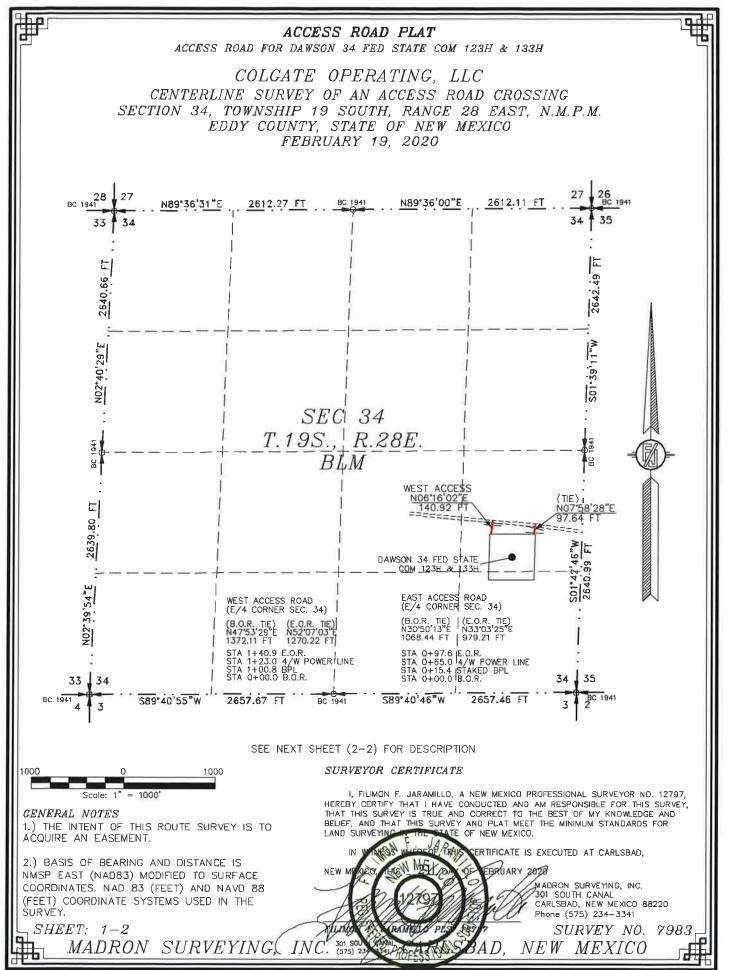




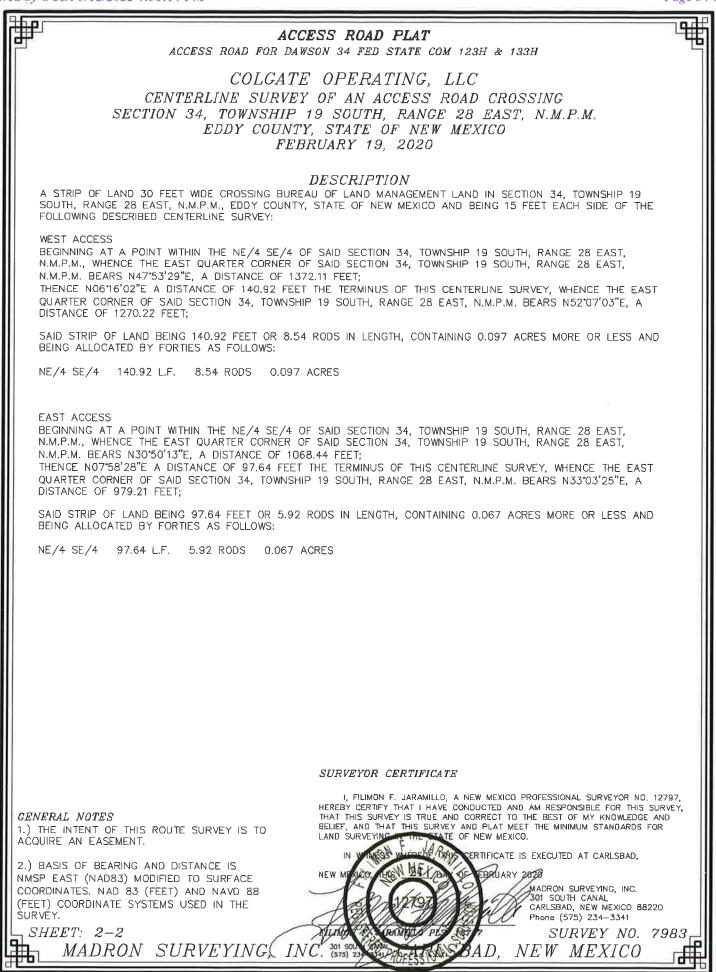




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1625 N French Dr., Hobbs, NM 88240

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1220 S St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

District I

District II

District III

District IV

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT API Number <sup>2</sup> Pool Code Pool Name <sup>4</sup> Property Code <sup>5</sup> Property Name Well Number **DAWSON 34 FED COM** 124H OGRID No. 8 Operator Name \* Elevation COLGATE OPERATING, LLC 371449 3297.7 Surface Location Lot Idn UL or lot no. Section Township Range Feet from the North/South line Feet from the East/West line County P 34 19 S 28 E SOUTH **EDDY** 295 560 EAST "Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 19 S 330 WEST 33 28 E SOUTH EDDY M 10 12 Dedicated Acres 13 Joint or Infill <sup>14</sup> Consolidation Code <sup>15</sup> Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

NW CORNER SEC. 33         N/4 CORNER SEC. 33         SECTION CORNER         N/4 CORNER SEC. 34         NE CORNER SEC. 34           LAT. = 32.6243712*N         LAT. = 32.6244514*N         LAT. = 32.6244529*N         LAT. = 32.6245314*N           LONG. = 104.1897528*W         LONG. = 104.1812729         LONG. = 104.181365*W         LONG. = 104.1563142*W           NMSP EAST (FT)           NMSP EAST S0025.64         N = 590906.93         N = 590906.23         N = 590908.07         E = 5081572.00         E = 5081572.50         E = 5081572.50	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
NB9:35722*         2611.38 FT         NB9:34'38*E         2609.43 FT         NB9:36'31*E         2612.27 FT         NB9:36'00*E         2612.11 FT           UN         SEC.         3.3         UNAPTER COMPER         SEC.         3.4         FT         SEC.         3.4           UN         SEC.         3.3         UNAPTER COMPER         DAWSON 3.4 FED         EA         FA         COMPER SEC.         3.4           UN         SEC.         3.4         IAI. = 32.610205*N         IAI. = 32.61025*N         IAI. = 32.61025*N         IAI. = 32.61025*N         IAI. = 32.61025*N         IA	Signature Date Printed Name E-mail Address Ite SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. FEBRUARY 14, 2020 Date of Survey Signature and locat of the proceeding of the



Intent As Drilled		
API #		
Operator Name:	Property Name:	Well Number
COLGATE OPERATING, LLC	DAWSON 34 FED COM	124H

#### Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude				Longitude				NAD	

## First Take Point (FTP)

UL P	Section 34	Township 19S	Range 28E	Lot	Feet 330	From N/S SOUTH	Feet 100	From E/W EAST	County EDDY
Latitude					Longitude		NAD		
32.6	32.6109250					6577	83		

## Last Take Point (LTP)

UL M	Section 33	Township 19S	Range 28E	Lot	Feet 330	From N/S SOUTH	Feet 100	From E/W	County EDDY	
Latitude					Longitud	le		NAD		
32.6	32.6108085					104.1904816			83	

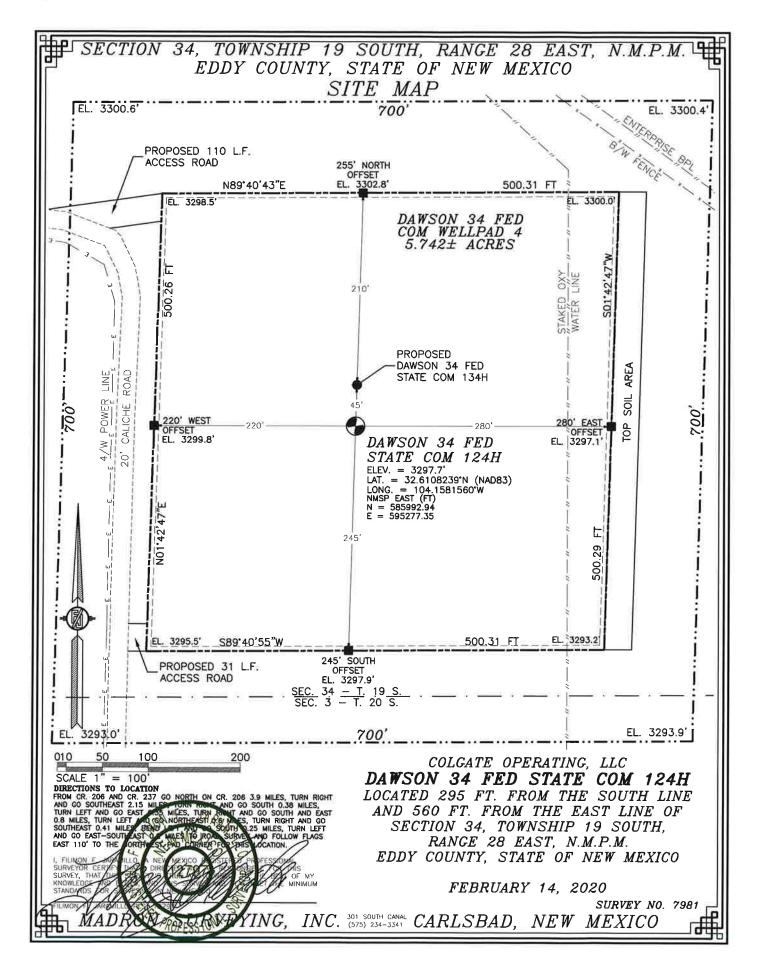
Is this well the defining well for the Horizontal Spacing Unit?

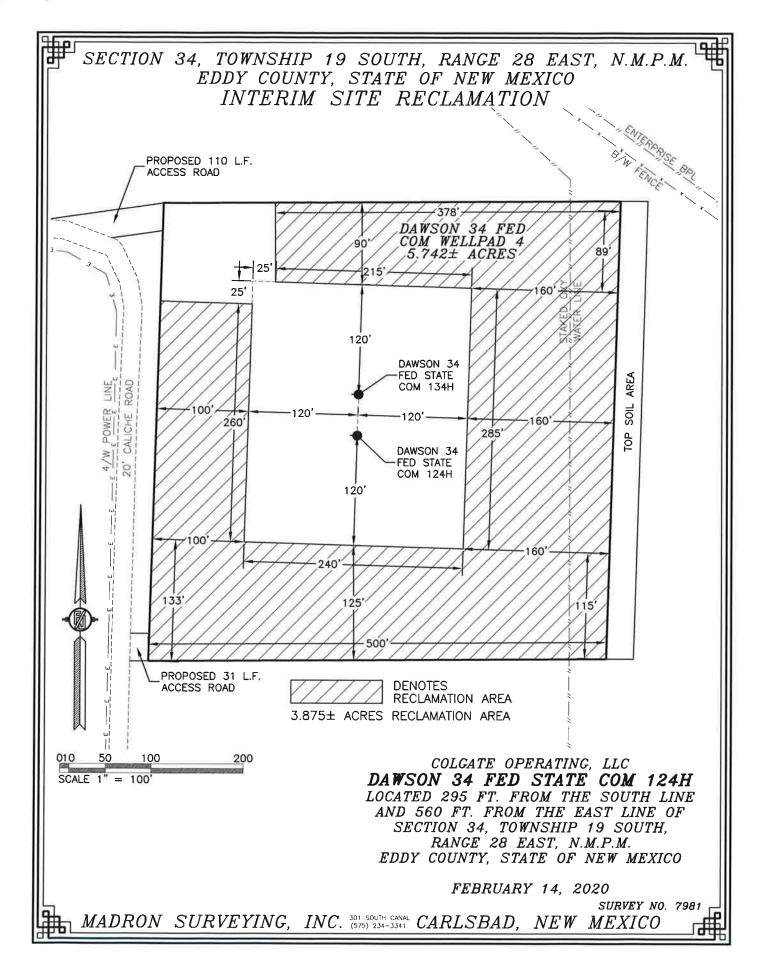
Is this well an infill well?

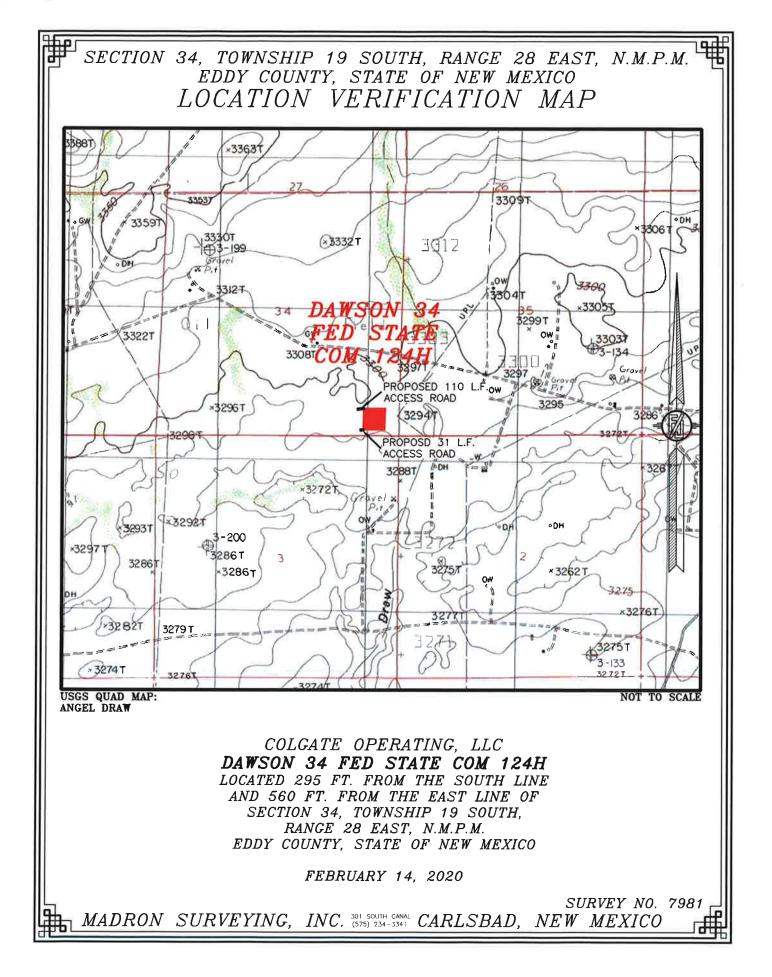
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

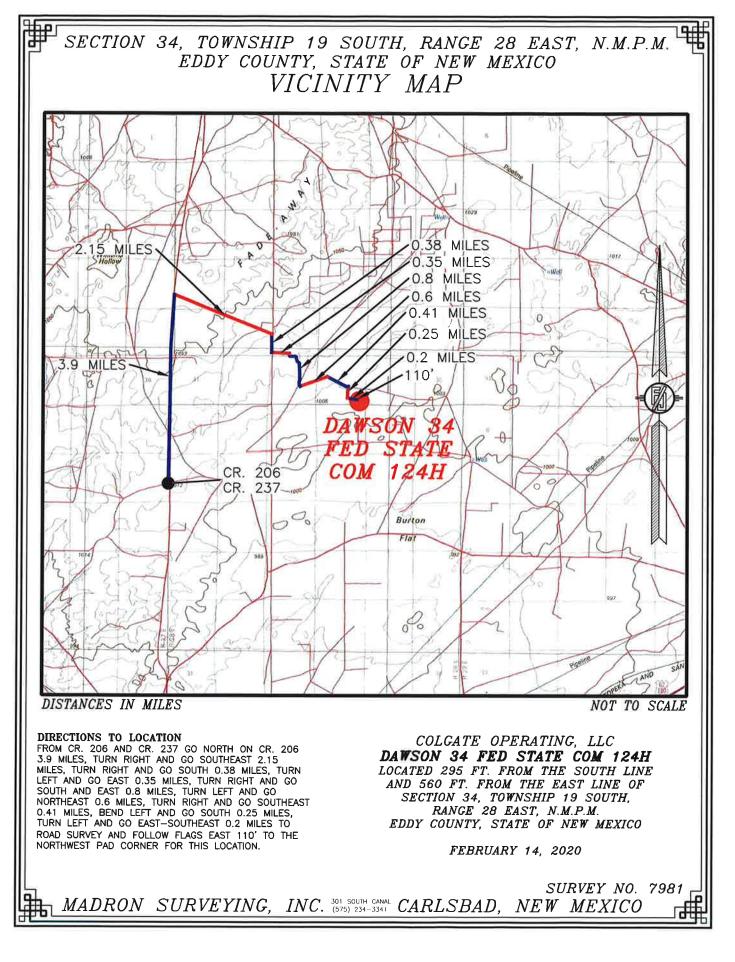
API #		
Operator Name:	Property Name:	Well Number

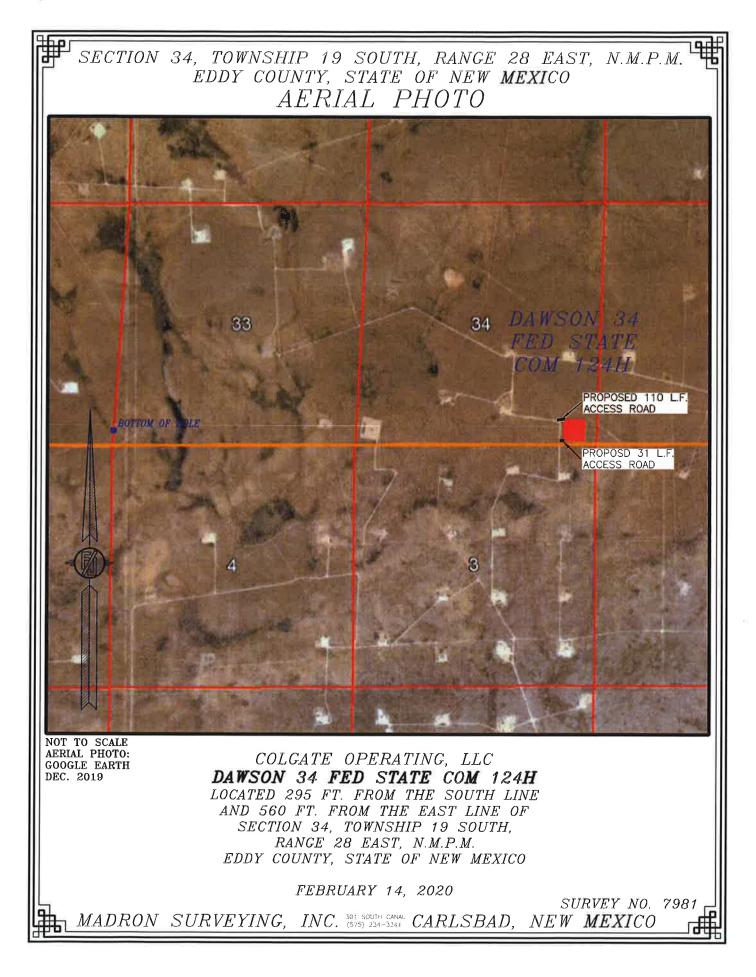
KZ 06/29/2018

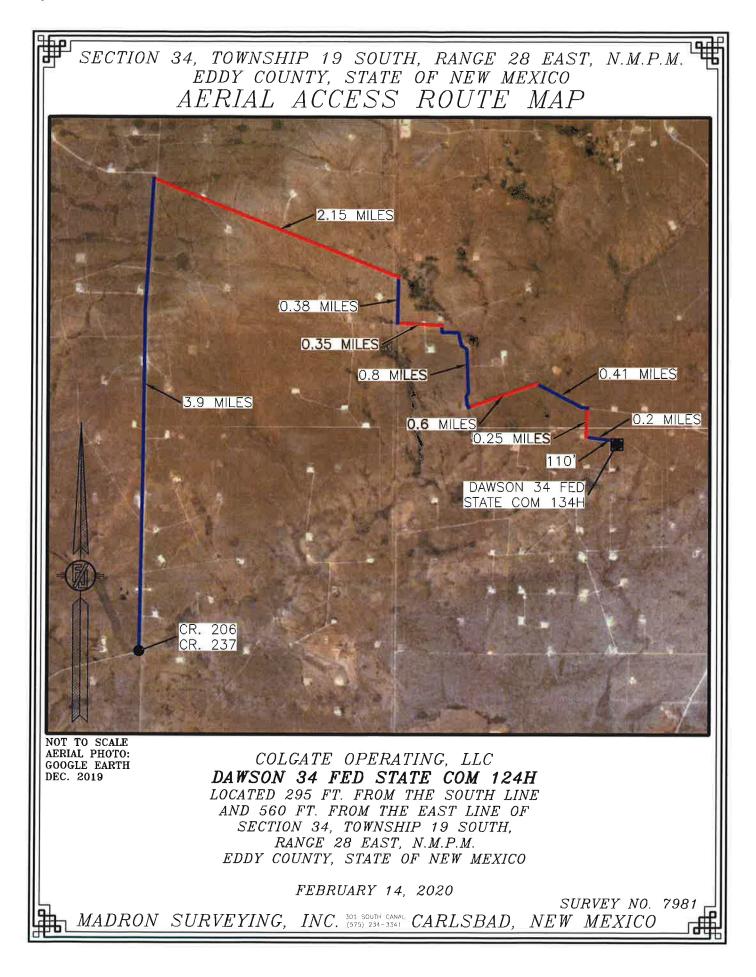


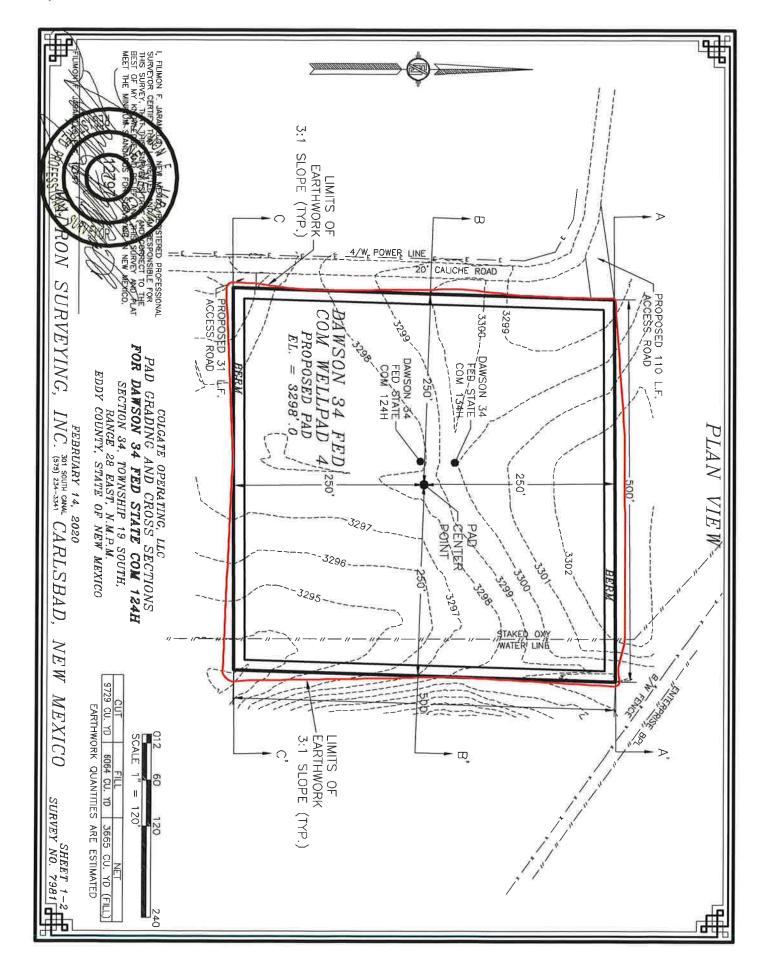


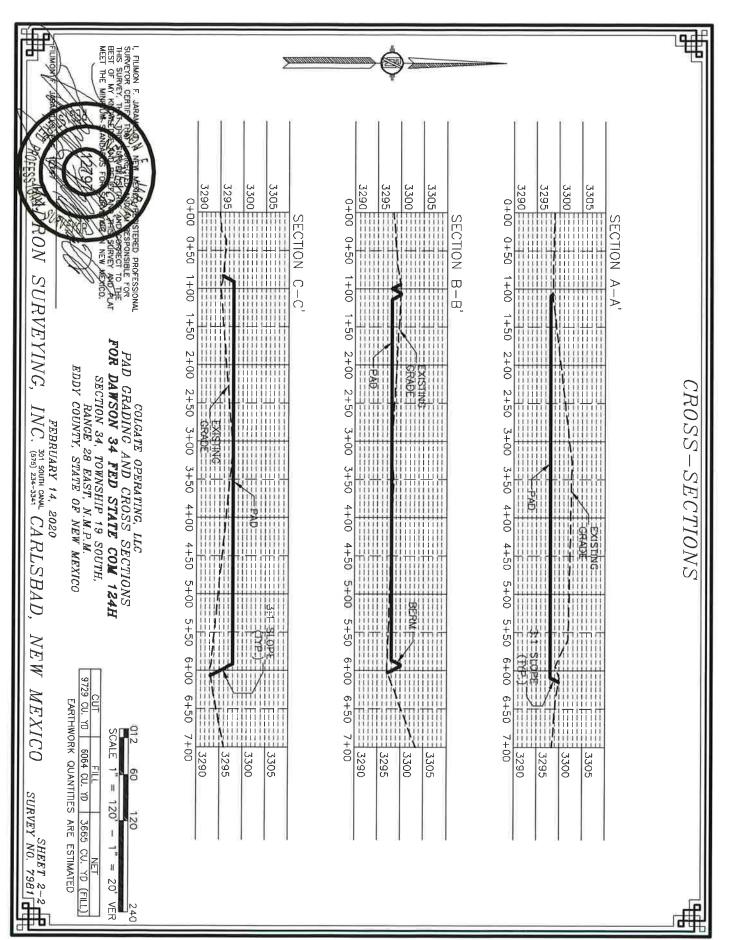




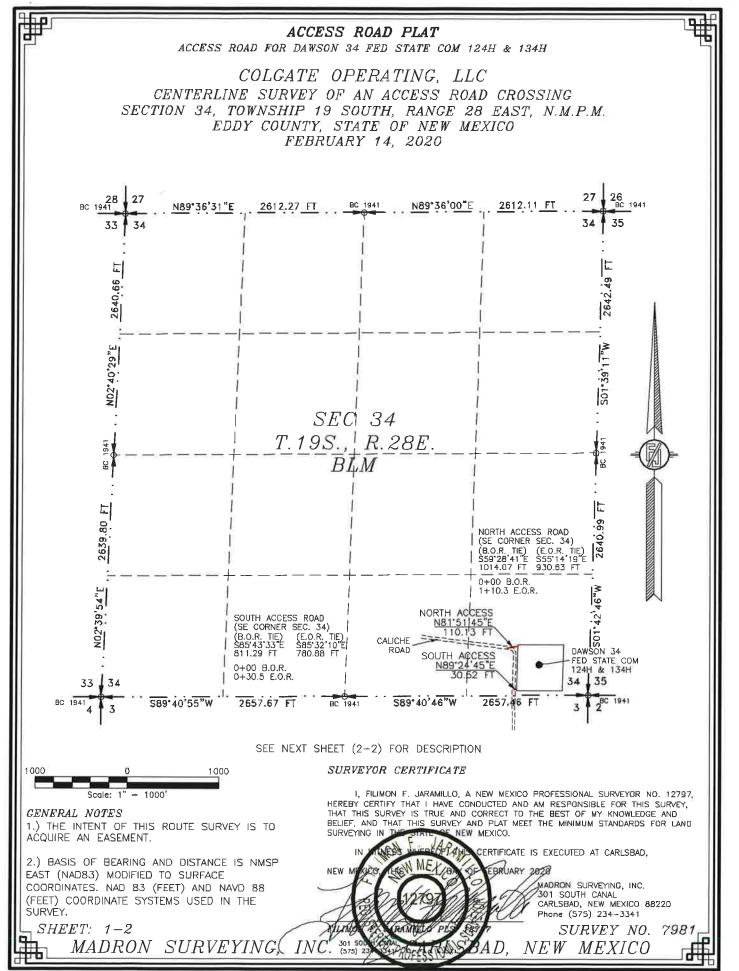




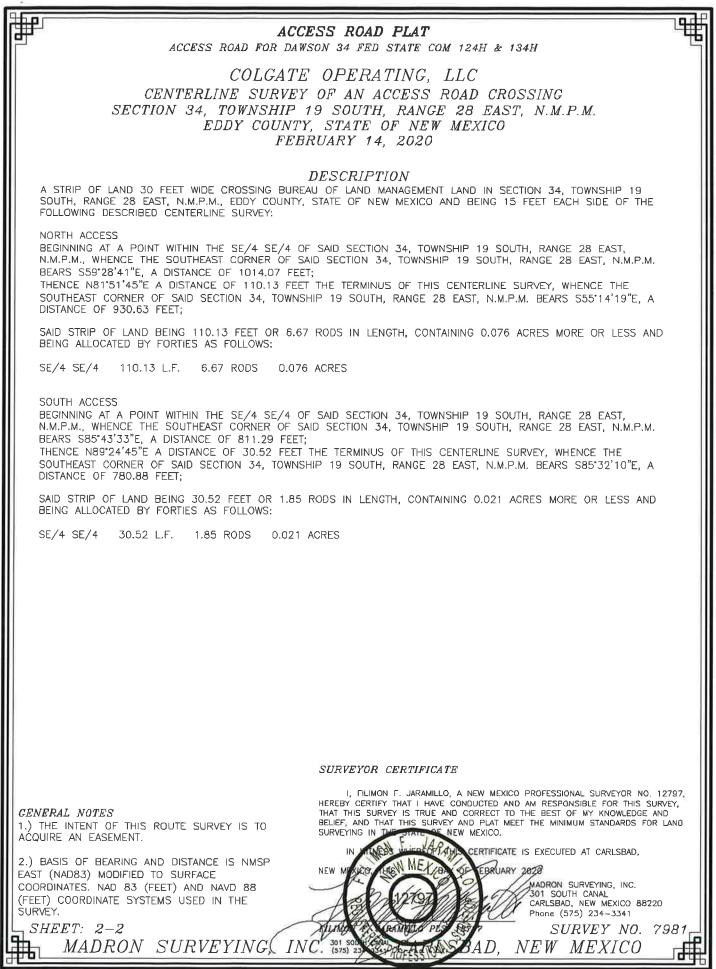




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District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Numbe	r		<sup>2</sup> Pool Code	2	те				
<sup>4</sup> Property (	Code		_	DAV	<sup>5</sup> Property Name WSON 34 FED COM 133H					
<sup>7</sup> OGRID 1 37144					<sup>8</sup> Operator		* Elevation 3304.3			
					" Surface	e Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County	
Ι	34	19 S	28 E		1505	SOUTH	760	EAST	EDDY	
			"В	ottom H	ole Location	If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County	
L	33	19 S	28 E		1750	SOUTH	10	WEST	EDDY	
<sup>2</sup> Dedicated Acre	s <sup>13</sup> Joint	or Infill <sup>14</sup> (	Consolidation	1 Code			<sup>15</sup> Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	V
	" OPERATOR CERTIFICATION
	I hereby certify that the information contained herein is true and complete to the
	best of my knowledge and belief, and that this organization either owns a
	working interest or unleased nuneral interest in the land including the proposed
NW CORNER SEC. 33 N/4 CORNER SEC. 33 SECTION CORNER N/4 CORNER SEC. 34 NE CORNER SEC. 34	bottom hole location or has a right to drill this well at this location pursuant to
LAT = $32.6243712$ LAT = $32.6244127$ LAT = $32.6244550$ LAT = $32.6244550$ LAT = $32.6246514$ LAT = $32.6246712$ LAT = $32.624712$ LAT = $32.624$	a contract with an owner of such a mineral or working interest, or to a
NMSP EAST (FT) NMSP EAST (FT) NMSP EAST (FT) NMSP EAST (FT)	,
N = 590926,33 N = 590925,64 N = 590944,89 N = 590962,73 N = 590980,97 E = 585541,53 E = 588152,20 E = 590760,93 E = 593372,50 E = 595983,91	voluntary pooling agreement or a compulsory pooling order heretofore entered
N89'35'22"E 2611.38 FT N89'34'38"E 2609.43 FT N89'36'31"E 2612.27 FT N89'36'00"E 2612.11 FT	by the division,
	Signature Date
6.55 0.65 2.49	
9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	
	Printed Name
LAT = $32.6172067N$ LAT = $32.6172067N$ LAT = $32.6172730N$	
	E-mail Address
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	E-mail Address
BOTTOM 1750 FSL, 100 FWL NMSP EAST (FT)	
N = 587201.75	<b>SURVEYOR CERTIFICATION</b>
FIRST TAKE POINT LOCATION	I hereby certify that the well location shown on this plat was
10' LAT. = 32.6147108'N LOLATION LOCATION LOCATION LAT. = 32.6147108'N LONG = 104.1904707'W NMSP EAST (FT) NMSP EAST (FT) NMSP EAST (FT)	plotted from field notes of actual surveys made by me or under
CING. = 104.1904707 W CIDE LAT. = 32.6148277 N	pioned from field notes of actual surveys made by me or under
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	my supervision, and that the same is true and correct to the
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	best of my belief.
8	FEBRUARY 19, 2020
589'41'20"W 2657.33 FT S89'40'24"W 2656.81 FT 589'40'55"W 2657.67 FT S89'40'46"W 2657.46 FT	FEBRUART 19, 2020
SW CORNER SEC, 33 S/4 CORNER SEC, 33 SECTION CORNER S/4 CORNER SEC, 34 SE CORNER SEC, 34 LAT = 32 60990013N LAT = 32 6099001N LAT = 32 6099001N LAT = 32 6099001N LAT = 32 6099001N	Date of Survey
LAT. = 32.6099003'N LAT. = 32.6099298'N LAT. = 32.6099208'N LAT. = 32.6099000'N LAT. = 32.6099001'N LAT. = 32.6009001'N LAT. = 32.60000000'N LAT. = 32.60000'N N LAT. = 32.6000'N N LAT. = 32.6000'N N LAT. = 32.6000'N N LAT. = 3	A SEW MERS X
NMSP EAST (FT) N = 585686.20 N = 585701.06	ASTAN CONTRACTOR
K = 505041.67 $K = 505051.50$ $K = 500515.02$ $E = 593172.01$ $E = 595828.78$	NA 17 Straw New
	Signature and Seal of Indextonal Sumor:
	Certificate Number: JARANELO, DIS 12797
	PHOFESSUR NO. 7984



Intent As Drilled		
API #		
Operator Name:	Property Name:	Well Number
COLGATE OPERATING, LLC	DAWSON 34 FED COM	133H

#### Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitu	de				Longitude				NAD

## First Take Point (FTP)

UL Sec I 34	ion Township 19S	Range 28E	Lot	Feet 1750	From N/S	Feet 100	From E/W	County EDDY
Latitude				Longitude	Longitude			NAD
32.6148277					104.1565122			83

#### Last Take Point (LTP)

UL L	Section 33	Township 19S	Range 28E	Lot	Feet 1750	From N/S SOUTH	Feet 100	From E/W	County EDDY	
Latit	Latitude				Longitu	de		NAD		
32.0	32.6147118				104.1	104.1901777			83	

Is this well the defining well for the Horizontal Spacing Unit?

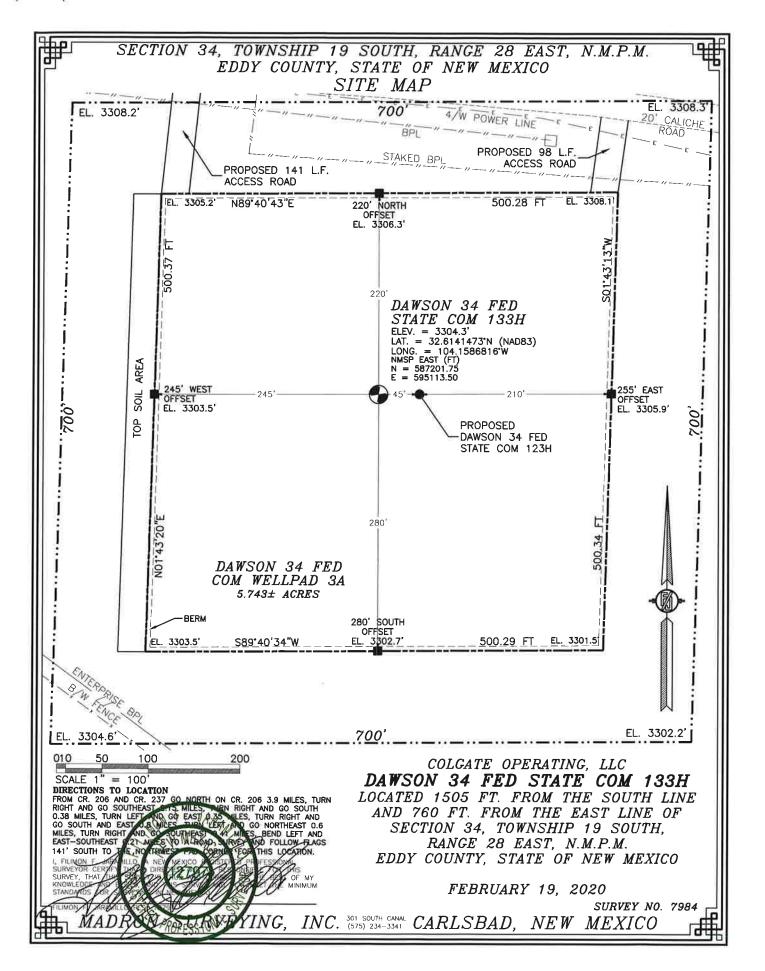
Is this well an infill well?

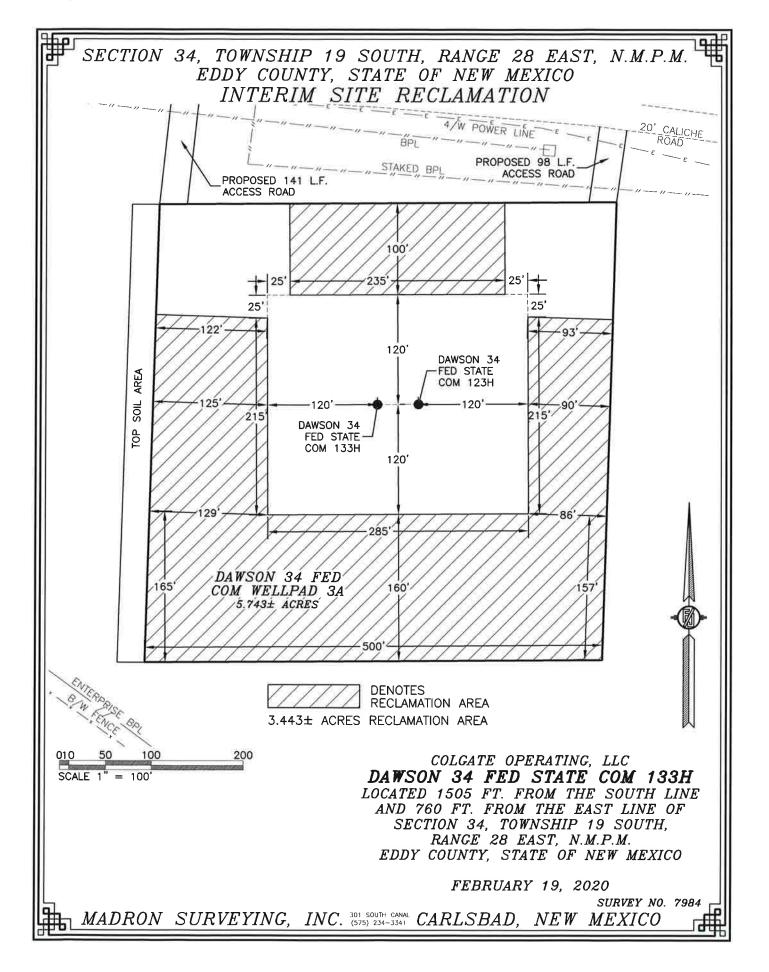
ell?

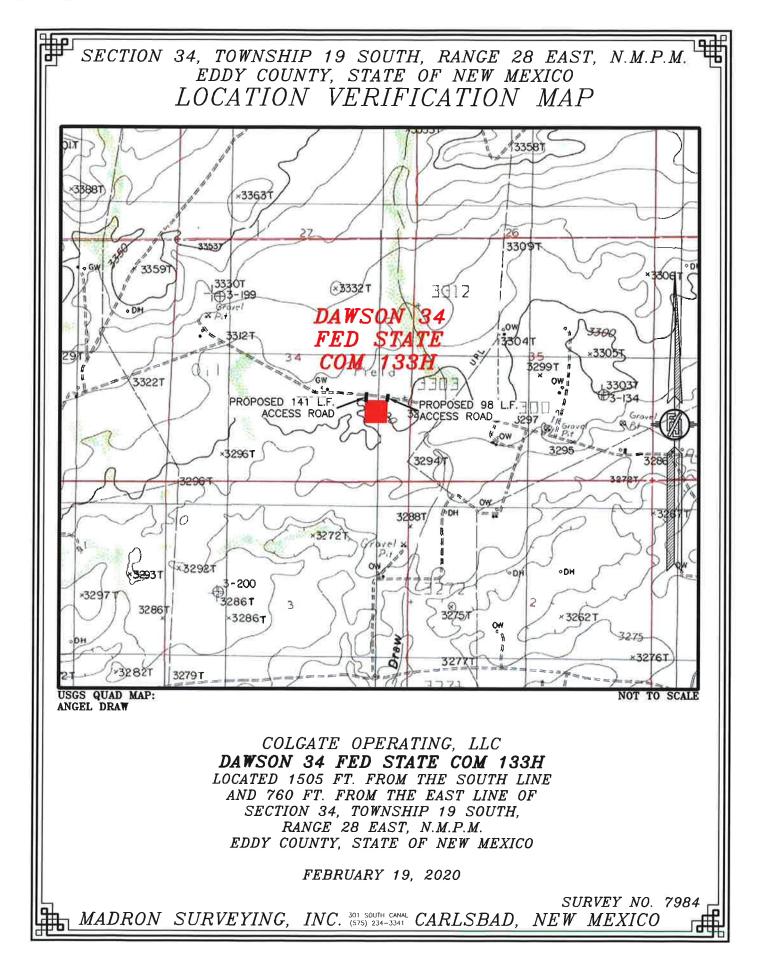
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

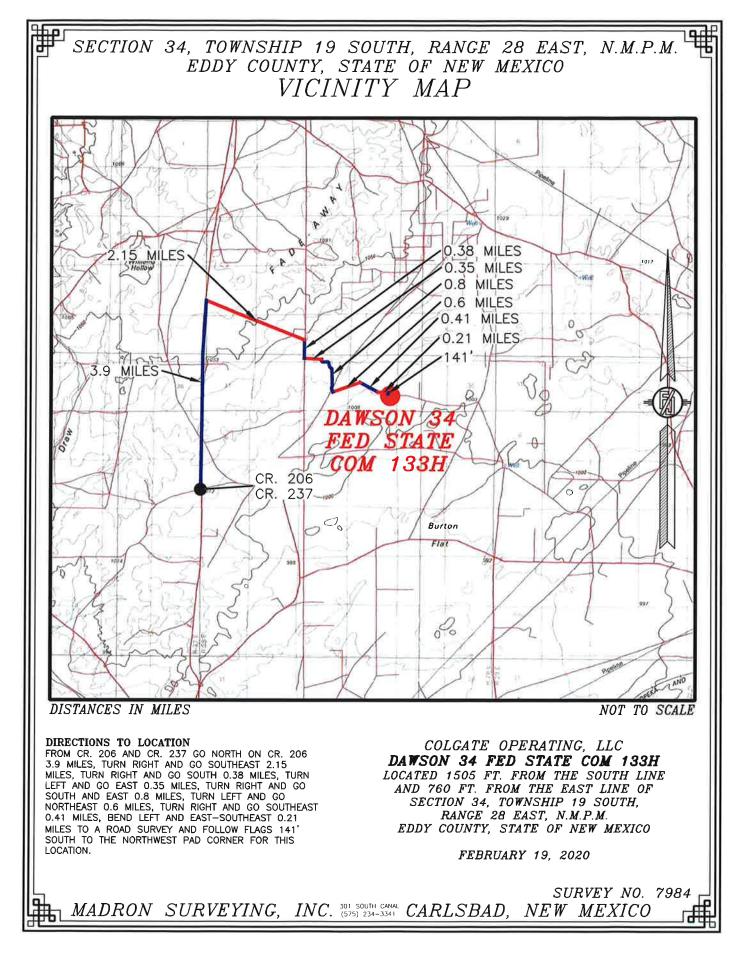
API #		
Operator Name:	Property Name:	Well Number

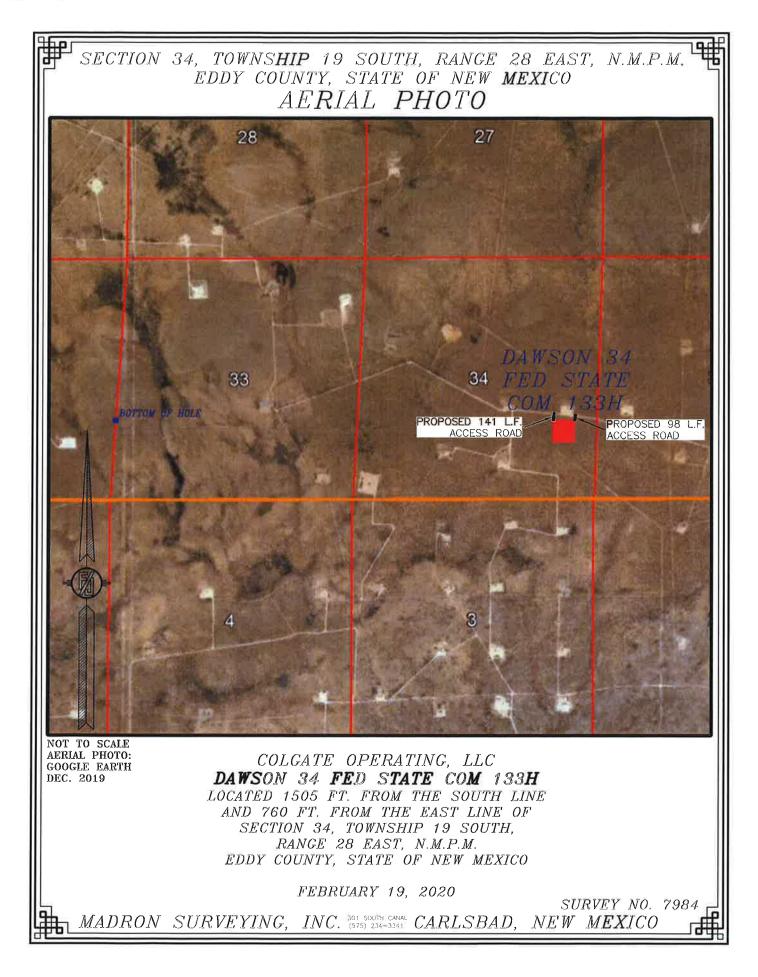
KZ 06/29/2018

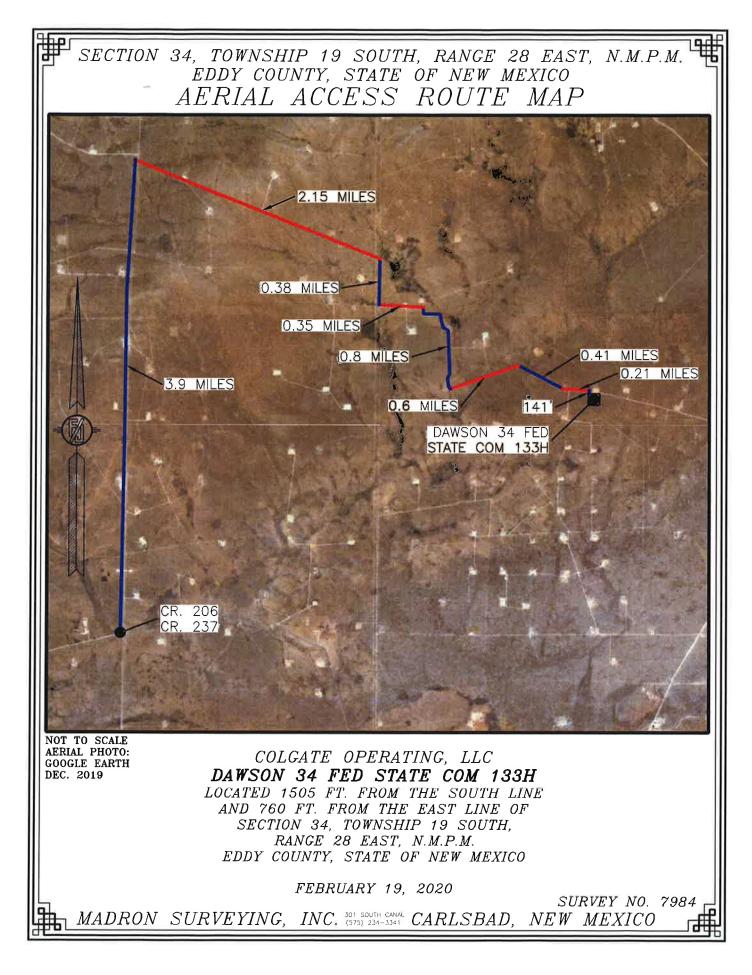


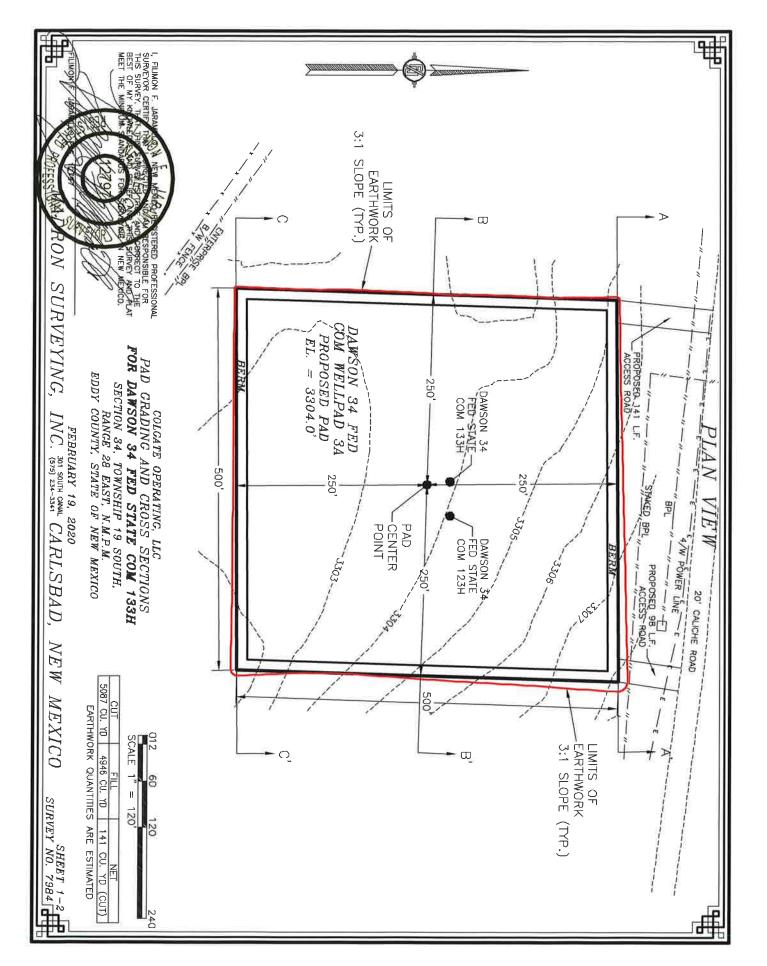




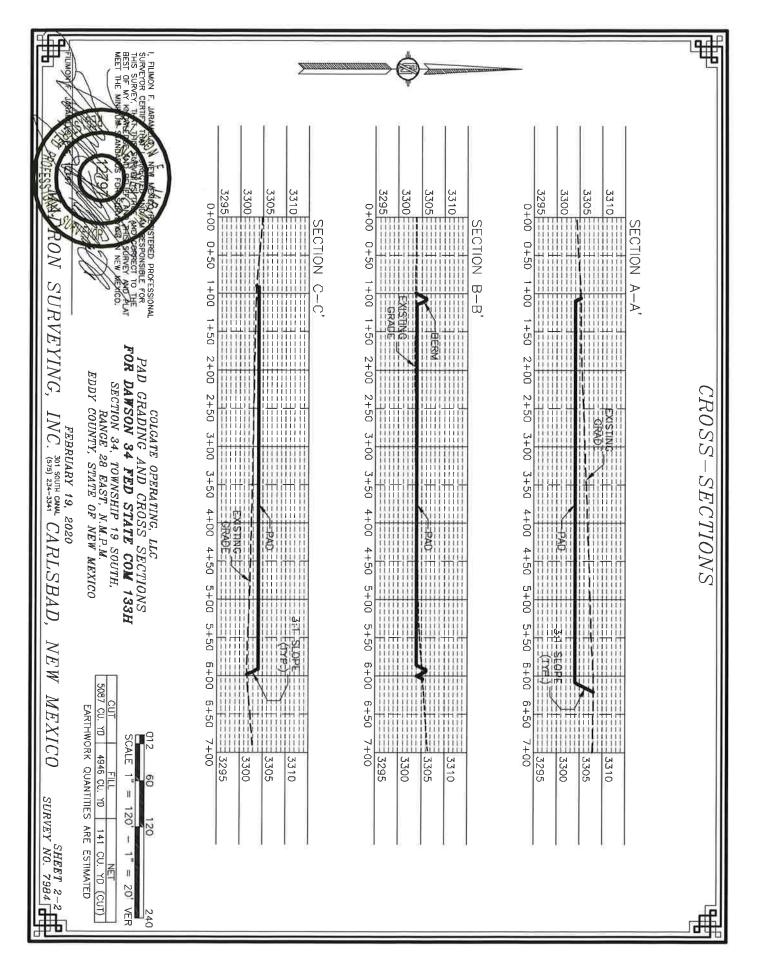




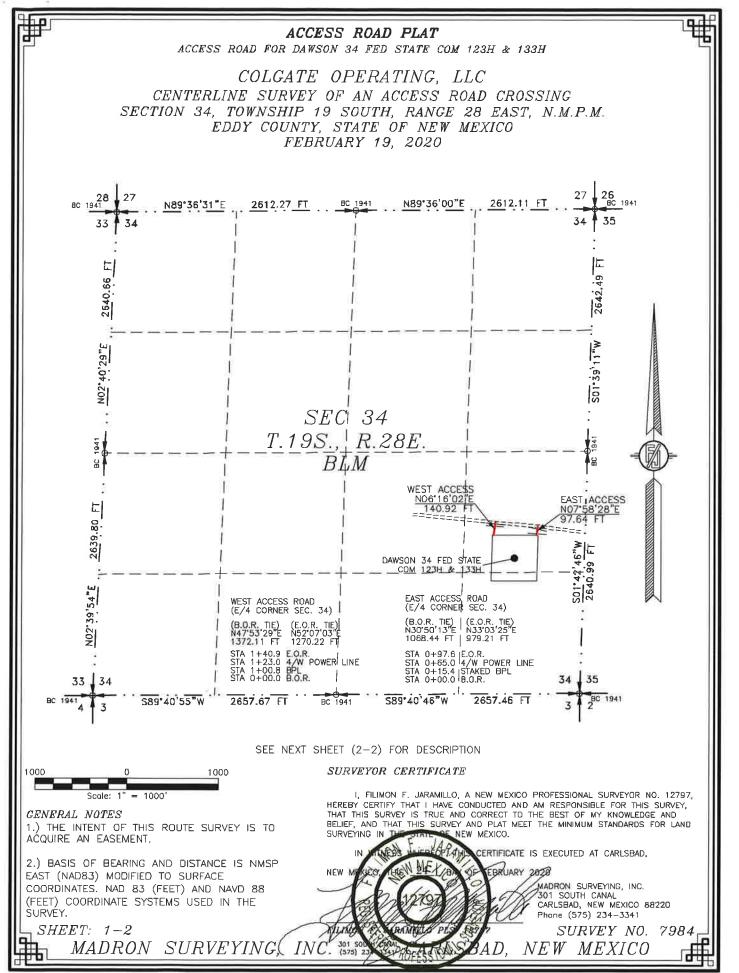




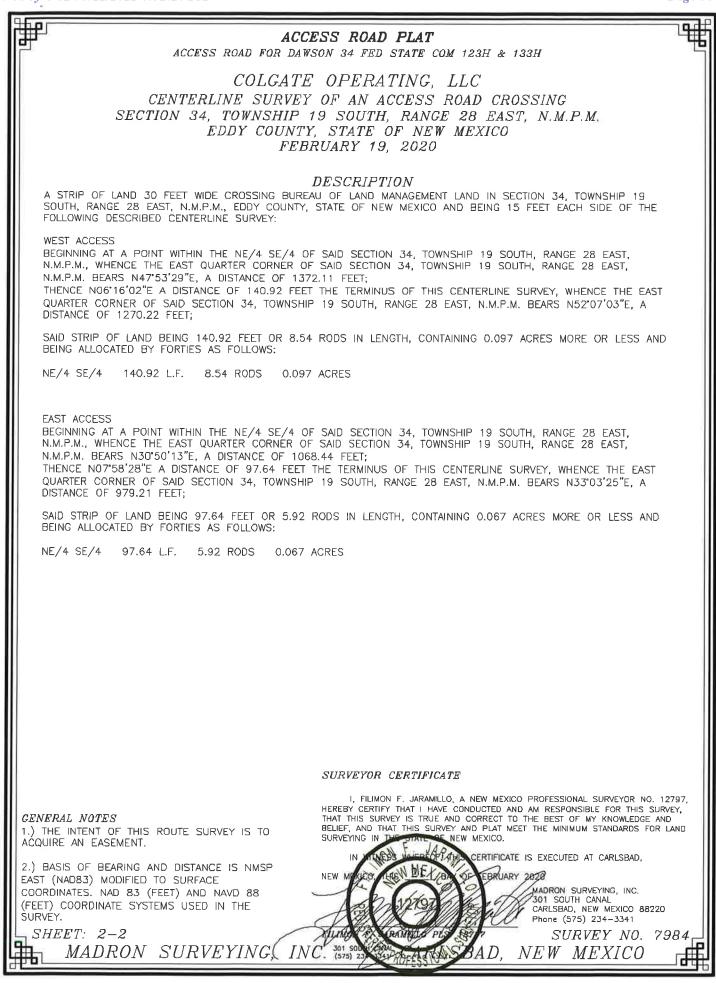




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1625 N. French Dr., Hobbs, NM 88240

811 S. First St., Artesia, NM 88210

Phone: (575) 393-6161 Fax: (575) 393-0720

Phone: (575) 748-1283 Fax: (575) 748-9720

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

District I

District II

District III

District IV

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

ſ,	API Numbe	г		<sup>2</sup> Pool Code	e	me						
* Property	Code				<sup>5</sup> Property Name					<sup>6</sup> Well Number		
				DAV	VSON 34 FED	COM			134H			
<sup>7</sup> OGRID No. <sup>8</sup> Operator Name										<sup>9</sup> Elevation		
37144	1449 COLGATE OPERATING, LLC									3299.9		
Surface Location												
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County		
Р	34	19 S	28E		340	SOUTH	560	EAS	ST	EDDY		
			" B	lottom H	ole Location	If Different Fi	om Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County		
Μ	33	19 S	28 E		430	SOUTH	10	WEST EDDY				
<sup>12</sup> Dedicated Acre	s <sup>13</sup> Joint	or Infill <sup>14</sup> (	Consolidation	n Code		<sup>15</sup> Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	" OPERATOR CERTIFICATION
	I hereby certify that the information contained herein is true and complete to the
	best of my knowledge and belief, and that this organization either owns a
	working interest or unleased mineral interest in the land including the proposed
NW CORNER SEC. 33 N/4 CORNER SEC. 33 SECTION CORNER N/4 CORNER SEC. 34 NE CORNER SEC. 34 LAT = 32 6244321(21) LAT = 32 624432(21) LAT = 32 624432	bottom hole location or has a right to drill this well at this location pursuant to
LONG = 104.189752BW LONG = 104.1812729W LONG = 104.1727993W LONG = 104.1643165W LONG = 104.1558342W	a contract with an owner of such a mineral or working interest, or to a
NMSP_EAST (FT) NMSP_E	voluntary pooling agreement or a compulsory pooling order heretofore entered
E = 585541.53 E = 588152.20 E = 590760.93 E = 593372.50 E = 595983.91	by the division
N89'35'22"E 2611.38 FT N89'34'38"E 2609.43 FT N89'36'31"E 2612.27 FT N89'36'00"E 2612.11 FT	
	Signature Date
1005-402 1010-50 10402-40	O'BINGO DIC
SEC 33 SEC 34 SEC 34	
	Printed Name
Operation         Date	
NMSP EAST (FT) ELEV. = 3299.9' NMSP EAST (FT)	E-mail Address
$E = 585372.29$ LAST TAKE POINT $E = 590637.73$ LONG. $= 104.158151_3W$ $E = 595907.70$	
L 430' FSL, 100' FWL NMSP EAST (FT) LAT. = 32.6110834'N N = 586037.92	<b>SURVEYOR CERTIFICATION</b>
LONG. = 104.1904602'W BOTTOM OF HOLE UAT. = 32.6110823'N LAT. = 32.6110823'N LAT. = 595278.71 FIRST TAKE POINT 430' FSL, 100' FEL FTP	I hereby certify that the well location shown on this plat was
LAI. = 32.0110823 N 91 930 FSL, 100 FEL FTP - 10	
BOTTOM NNSP FAST (FT)	plotted from field notes of actual surveys made by me or under
OF HOLE N = 586071.97 UF HOLE E = 585240.03 SURFACE	my supervision, and that the same is true and correct to the
LTP LOCATION	best of my belief.
	FEBRUARY 14, 2020
\$89'41'20"W 2657.33 FT \$89'40'24"W 2656.81 FT \$89'40'55"W 2657.67 FT \$89'40'46"W 2657.46 FT	Data of Guerry
SW CORNER SEC. 33 S/4 CORNER SEC. 33 SECTION CORNER S/4 CORNER SEC. 34 SE CORNER SEC. 34 LAT. = 32.6099003'N LAT. = 32.6099298'N LAT. = 32.6099608'N LAT. = 32.6099901'N LAT. = 32.6100191'N	Date of Survey
LONG. = 104.1908777'W LONG. = 104.1822499'W LONG. = 104.1736238'W LONG. = 104.1649949'W LONG. = 104.1563667'W NMSP EAST (FT) N	- A Stand
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	ANNUL FRANK
	Signature and Seal of International Summor:
	Certificate Number: INFO LARANGLO PS 12797
	PROFESSION NO. 7982



Intent As Drilled		
API #		
Operator Name:	Draw antra Managa	Mar II November
Operator Name:	Property Name:	Well Number
COLGATE OPERATING, LLC	DAWSON 34 FED COM	134H

#### Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitu	de				Longitude				NAD

## First Take Point (FTP)

UL P	Section 34	Township <b>19S</b>	Range 28E	Lot	Feet <b>430</b>	From N/S SOUTH	Feet 100	From E/W EAST	County EDDY
Latitude				Longitude	Longitude			NAD	
32.6	32.6111998			104.1566	104.1566475			83	

#### Last Take Point (LTP)

UL M	Section 33	Township 19S	Range 28E	Lot	Feet 430	From N/S SOUTH	Feet 100	From E/W	County EDDY	
Latitu	Latitude					le		NAD		
32.6	32.6110834					904602		83		

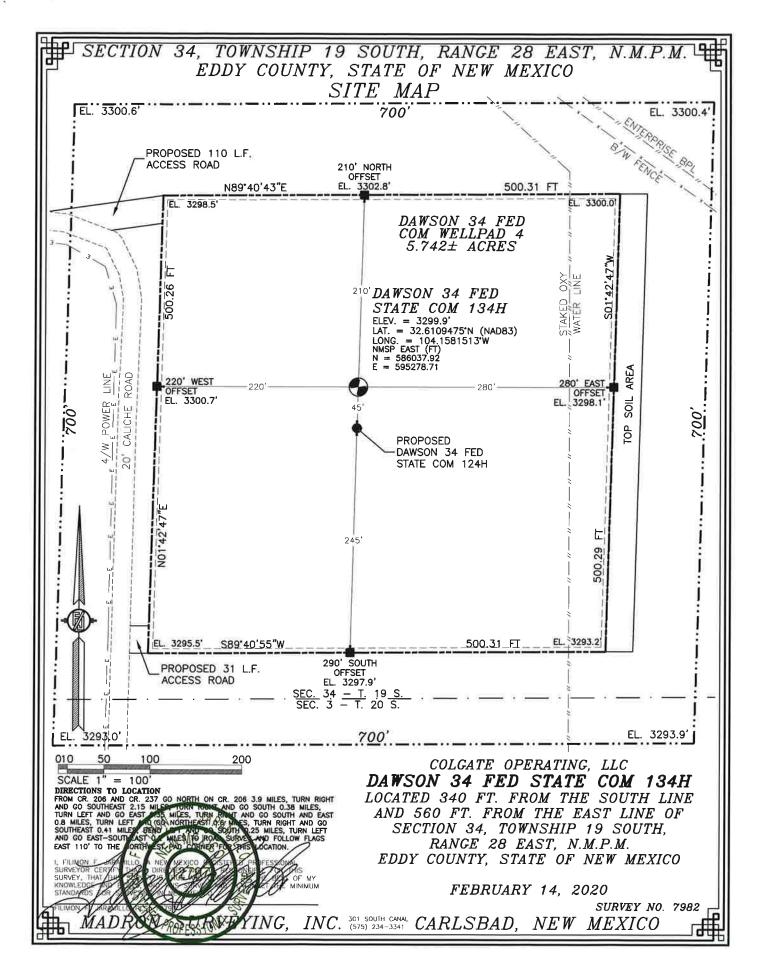
Is this well the defining well for the Horizontal Spacing Unit?

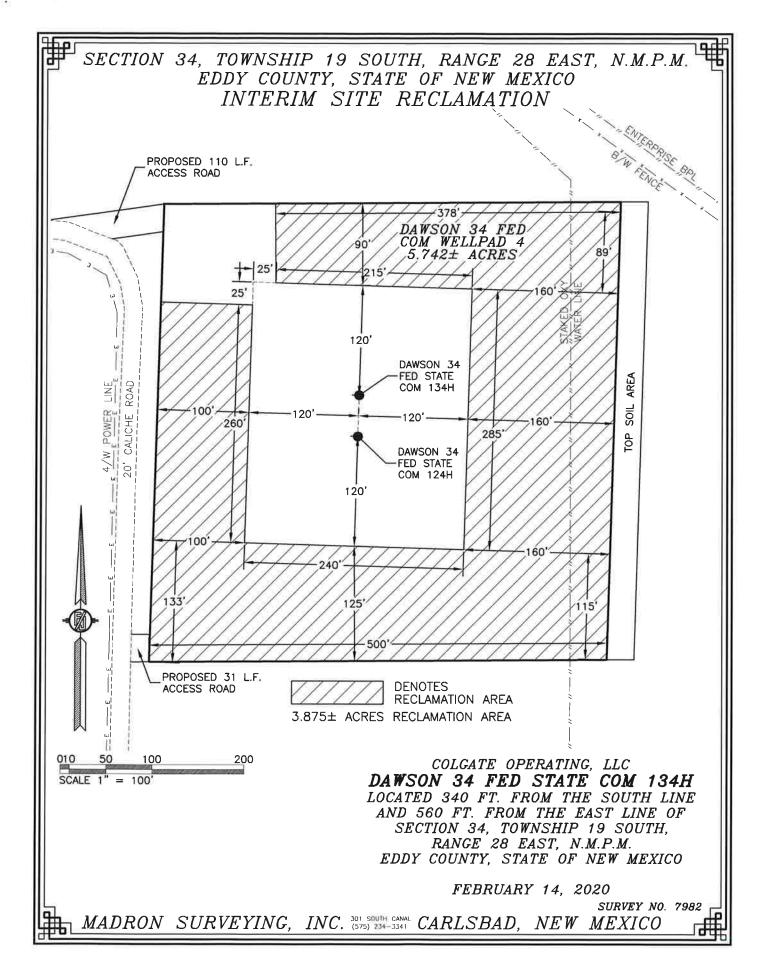
Is this well an infill well?

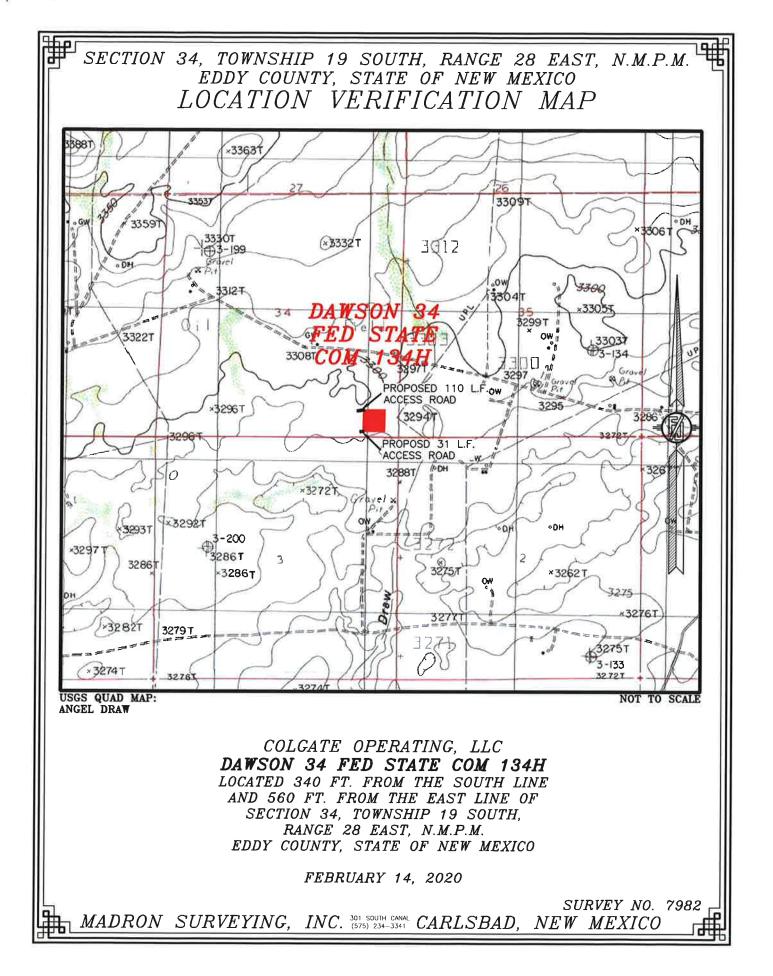
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

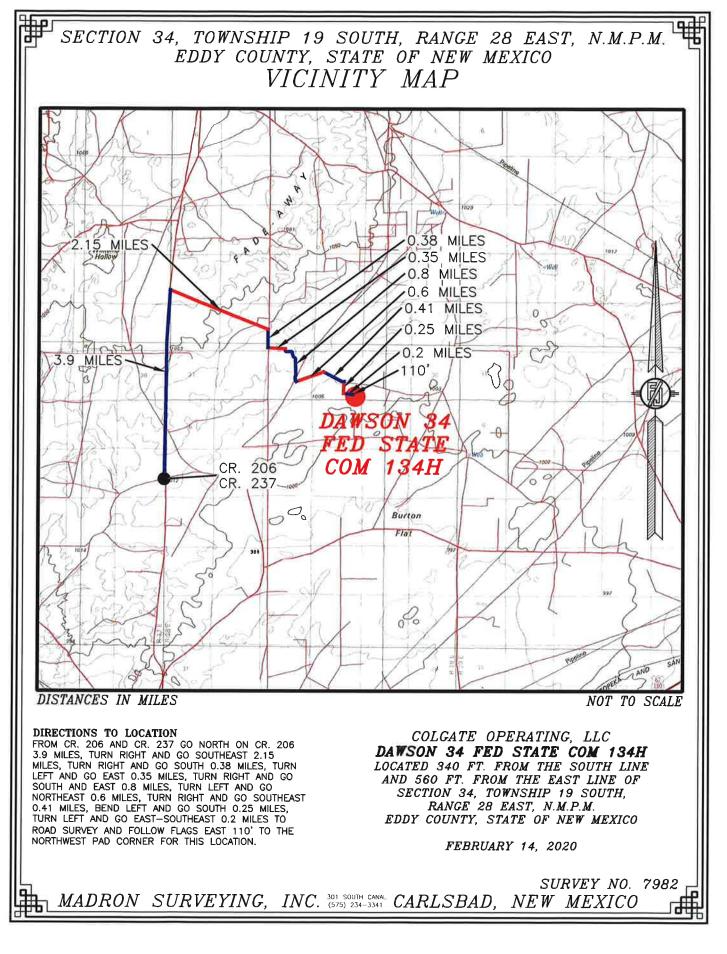
API #		
Operator Name:	Property Name:	Well Number

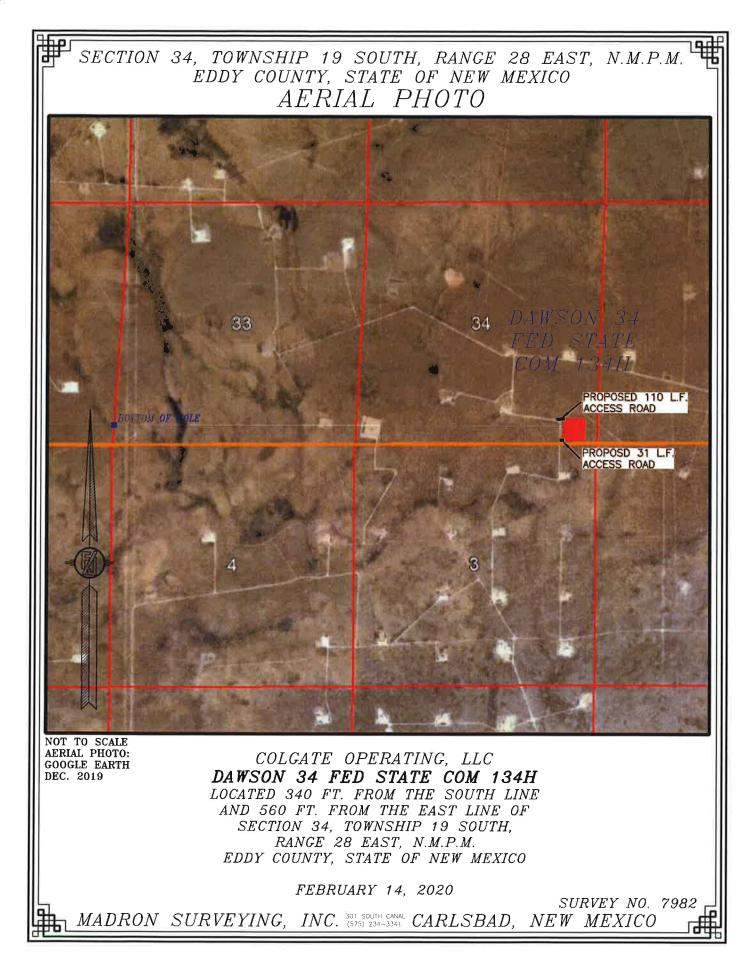
KZ 06/29/2018

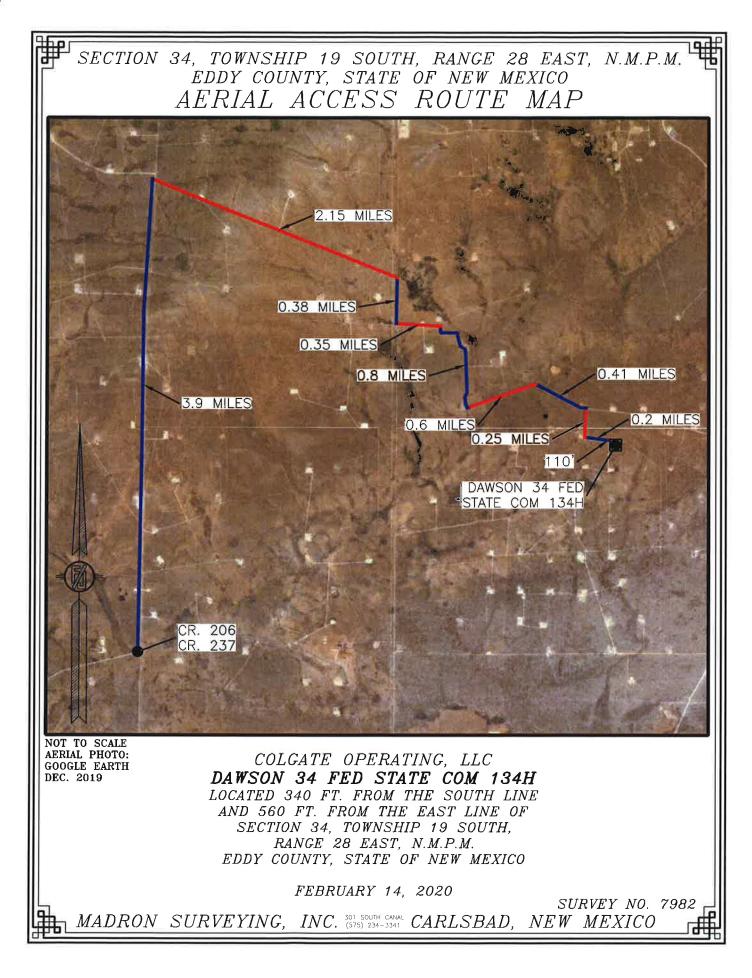


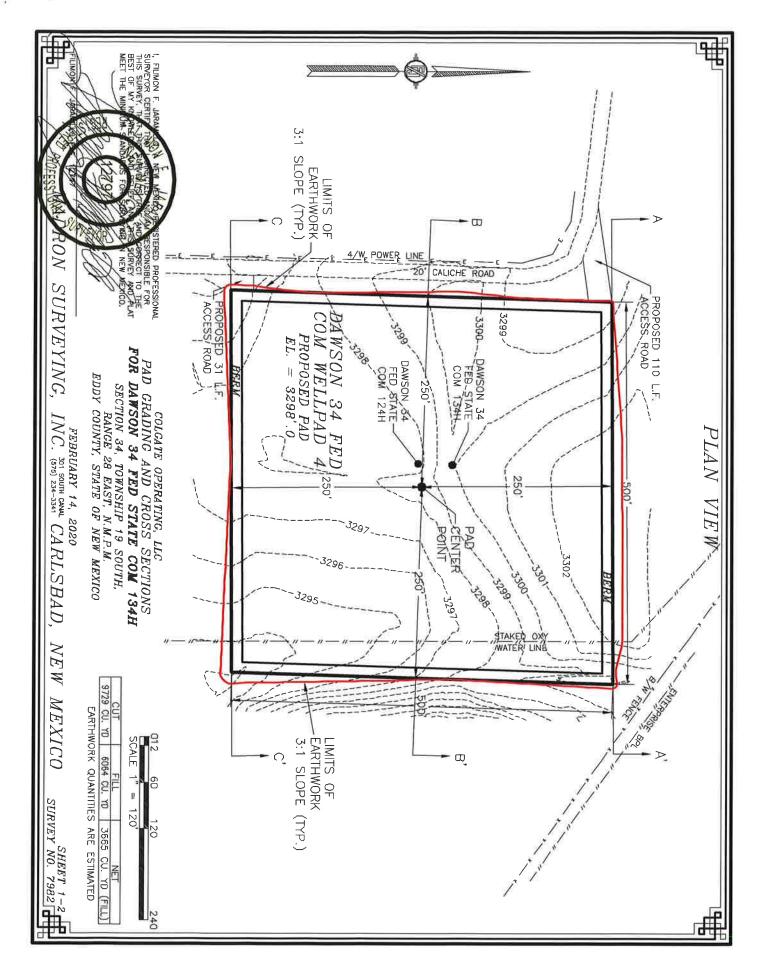




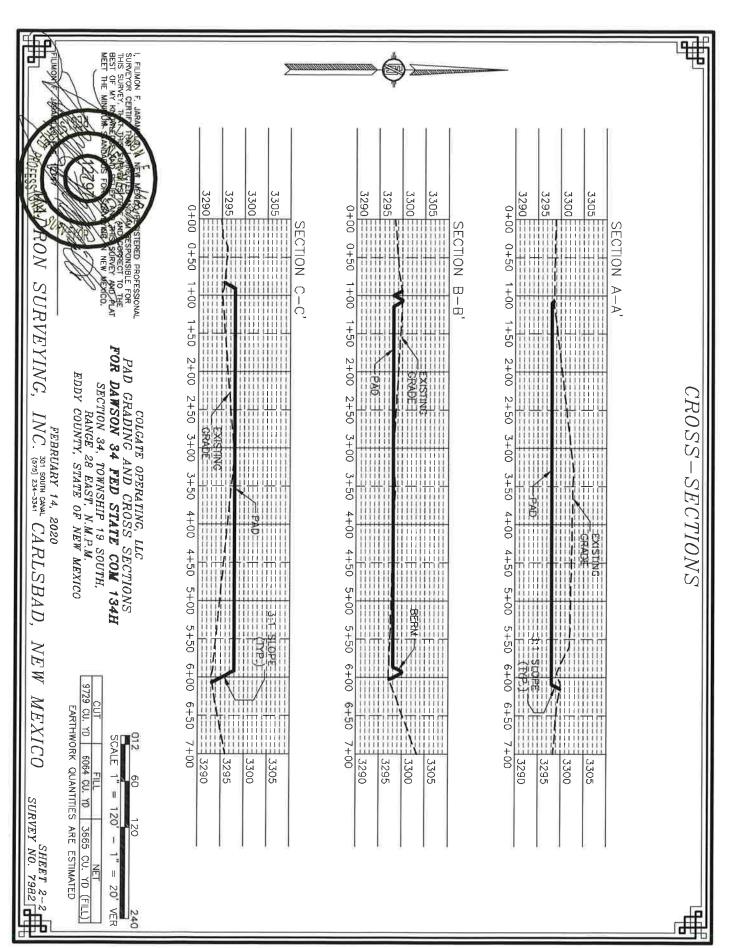




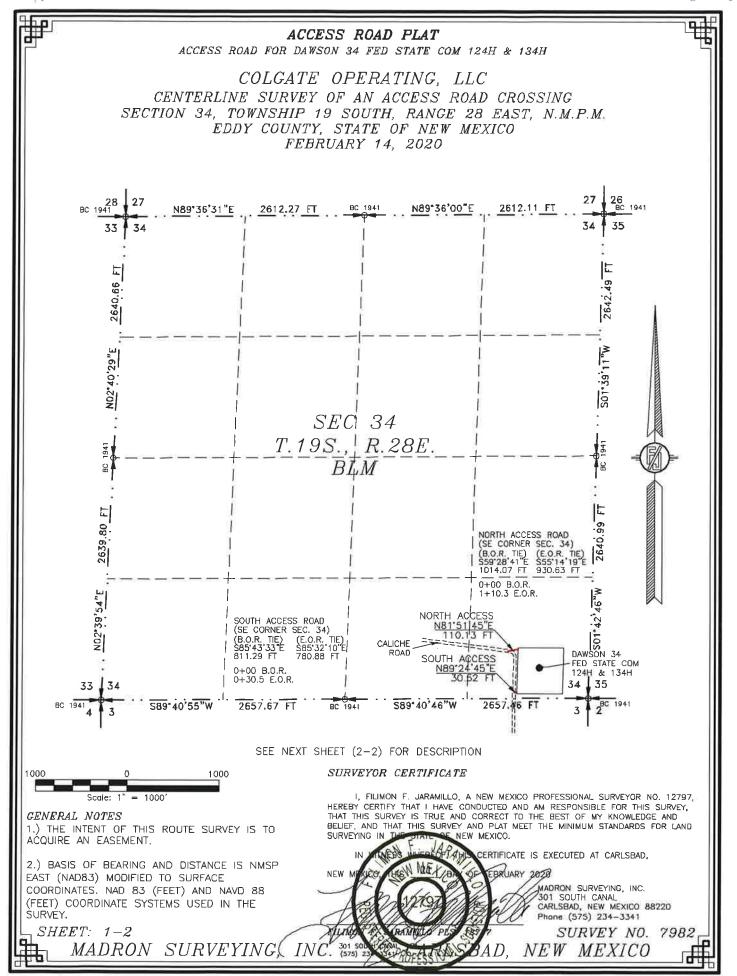




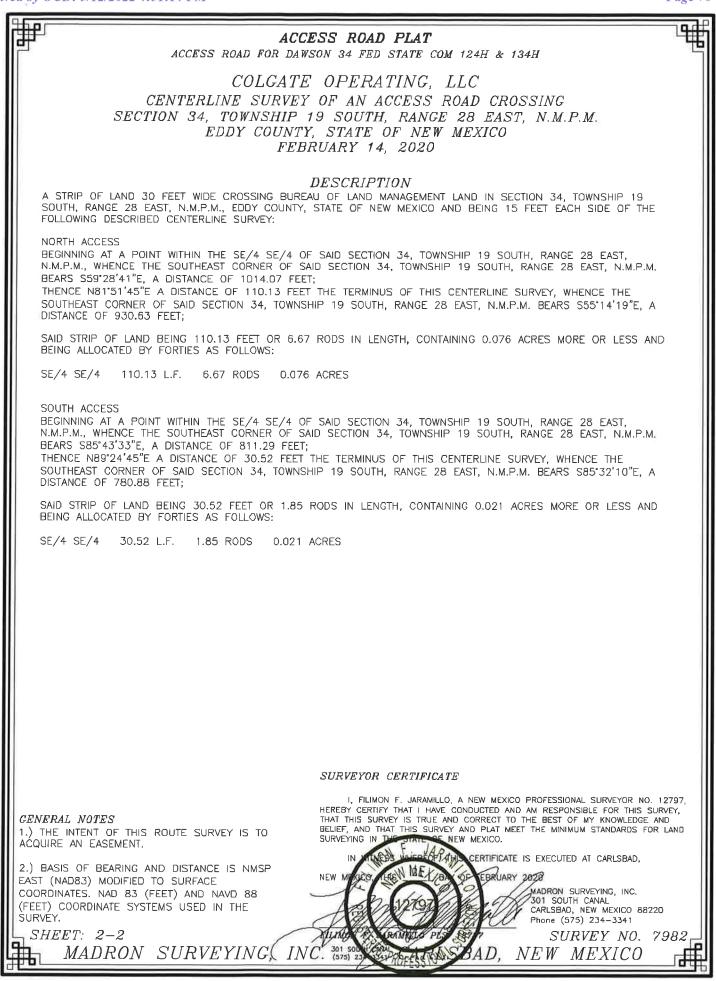




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1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

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

District I

District II

District III

District IV

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

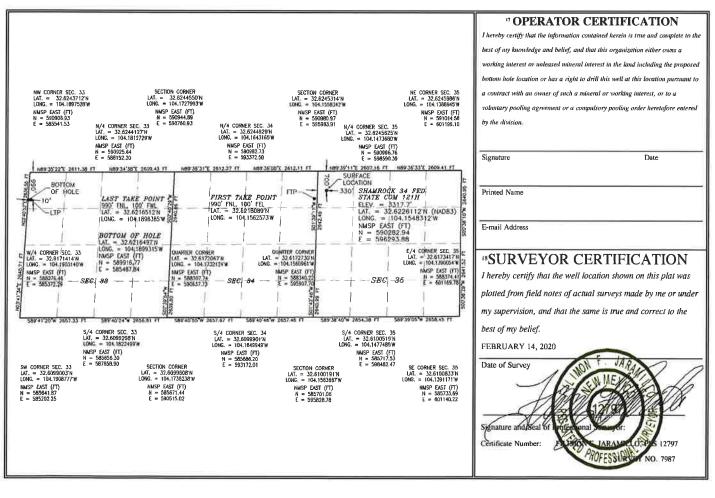
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <sup>2</sup> Poo						<sup>3</sup> Pool Name						
<sup>4</sup> Property	Code				<sup>s</sup> Property 1		° Well Number					
SHAMROCK 34 FED STATE COM										121H		
<sup>7</sup> OGRID	No.				<sup>8</sup> Operator	Name				<sup>9</sup> Elevation		
37144	9			COI	LGATE OPER		3317.7					
					• Surface	e Location						
UL or lot no.	Section	Township	Township Range		Feet from the	North/South line	Feet from the	East/West line		County		
D	35	19 S 28 E			700	NORTH	330	WEST		EDDY		
			" B	ottom H	ole Location	If Different Fi	om Surface					
UL or lot no.	Section	Township	Range Lot Idn		Feet from the	North/South line	Feet from the	East/West line		County		
D 33 19 S 28 E					990	NORTH	10	WES	ST	EDDY		
<sup>2</sup> Dedicated Acre	s <sup>13</sup> Joint	or Infill <sup>14</sup> (	Consolidation	Code	<sup>15</sup> Order No.							

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.





Intent As Drilled		
API #		
Operator Name:	Property Name:	Well Number
COLGATE OPERATING, LLC	SHAMROCK 34 FED STATE COM	121H

#### Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude		NAD		

#### First Take Point (FTP)

UL A	Section 34	Township 19S	Range 28E	Lot	Feet 990	From N/S NORTH	Feet 100	From E/W	County EDDY
1	Latitude						NAD		
32.6	32.6218089					2573	83		

## Last Take Point (LTP)

UL D	Section 33	Township 19S	Range 28E	Lot	Feet 990	From N/S NORTH	Feet 100	From E/W	County EDDY
Latitu	Latitude					le		NAD	
32.6216512					104.1896385				83

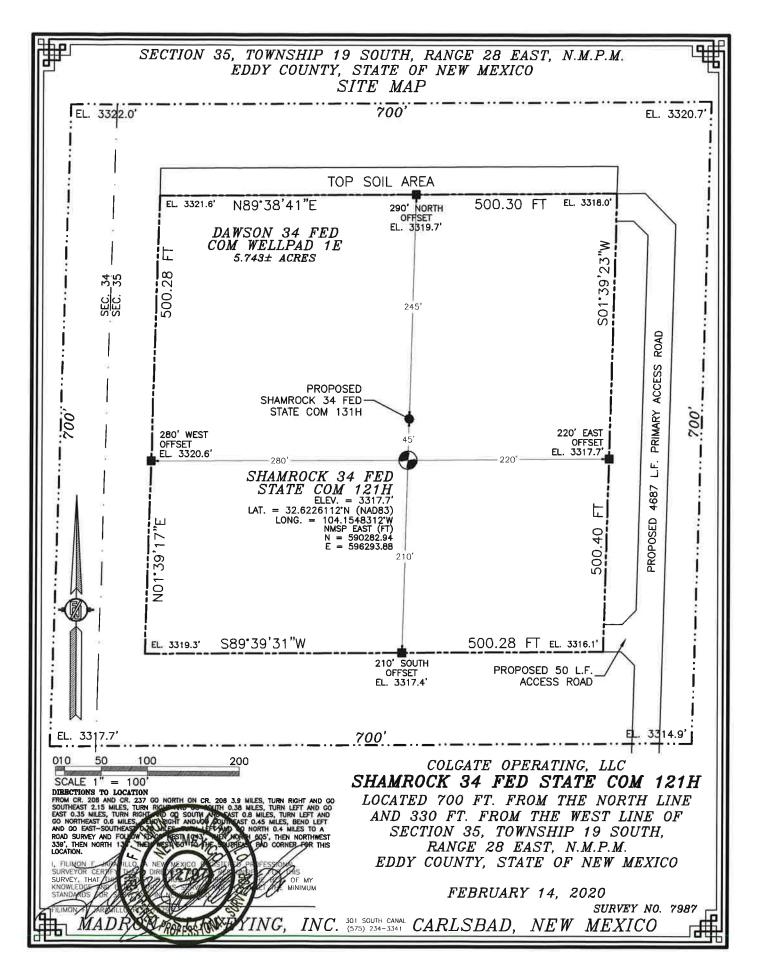
Is this well the defining well for the Horizontal Spacing Unit?

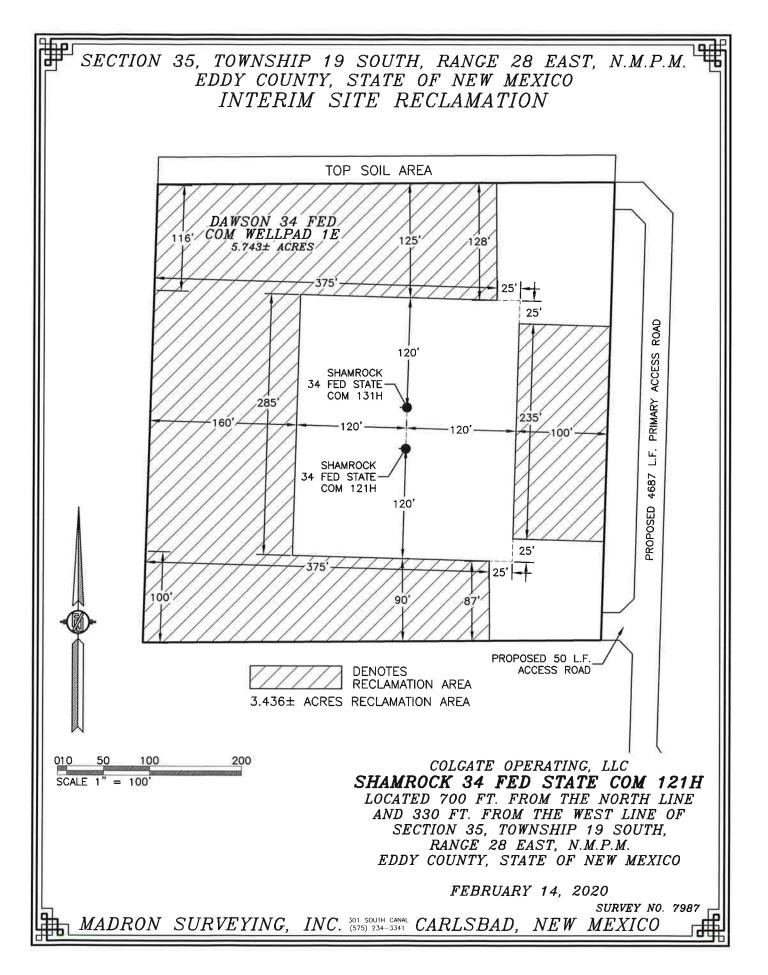
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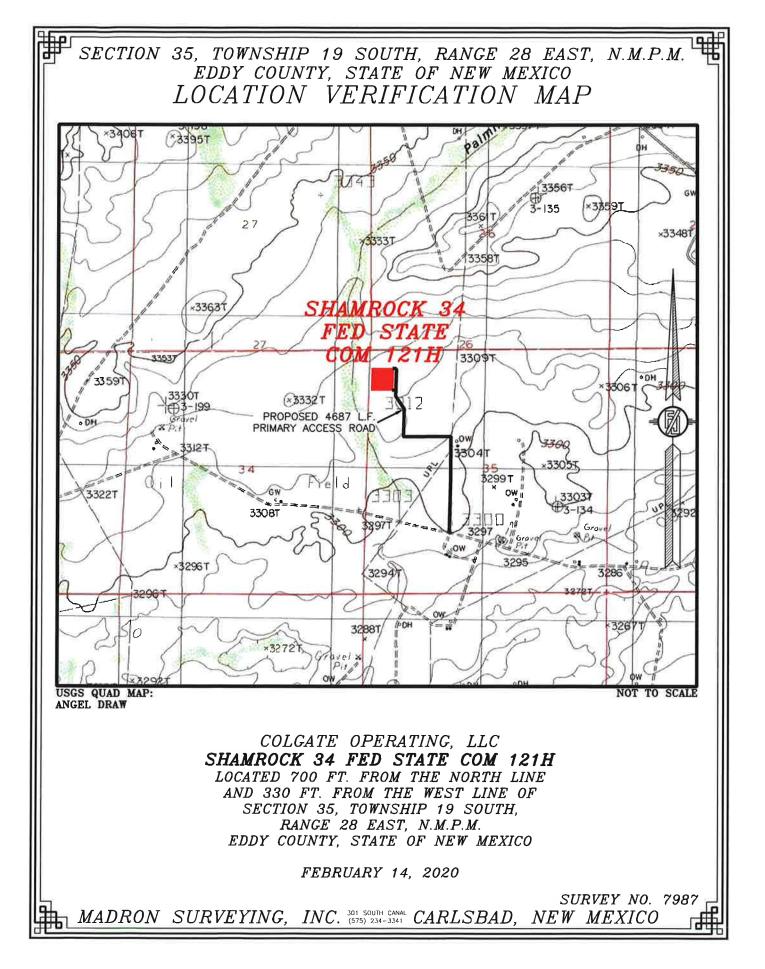
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

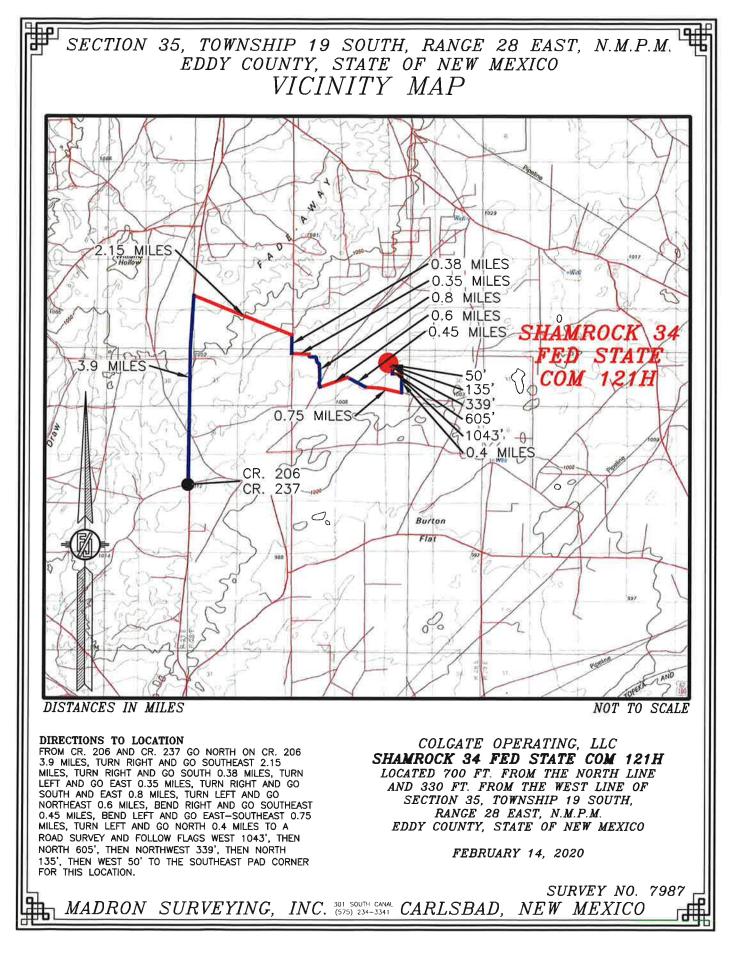
API #		
Operator Name:	Property Name:	Well Number
		1/7 00 100 10010

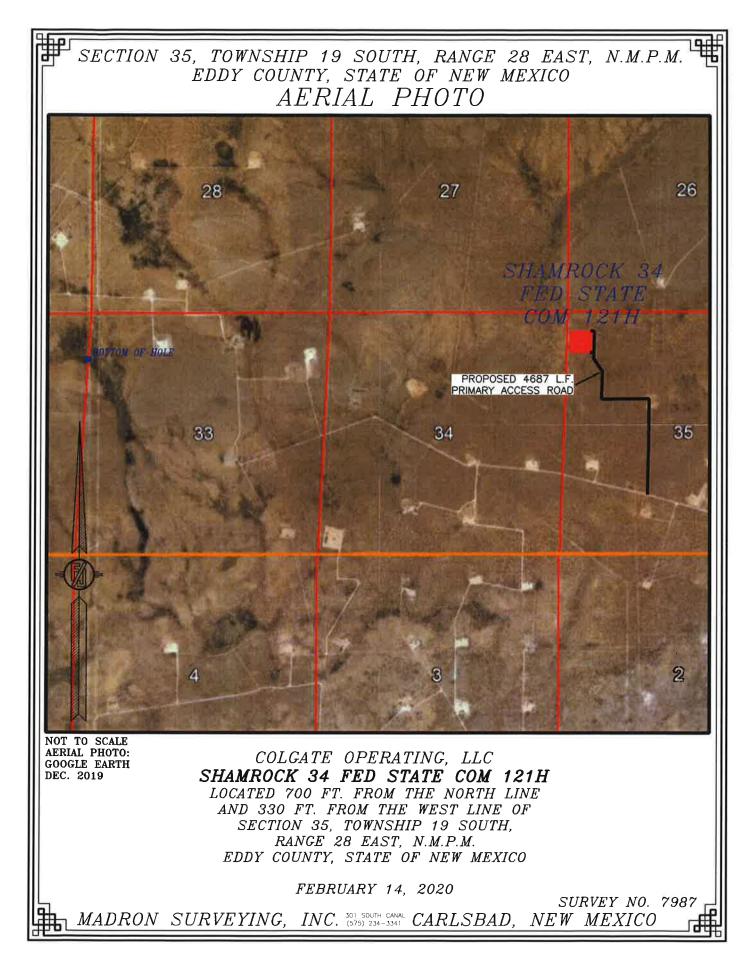
KZ 06/29/2018

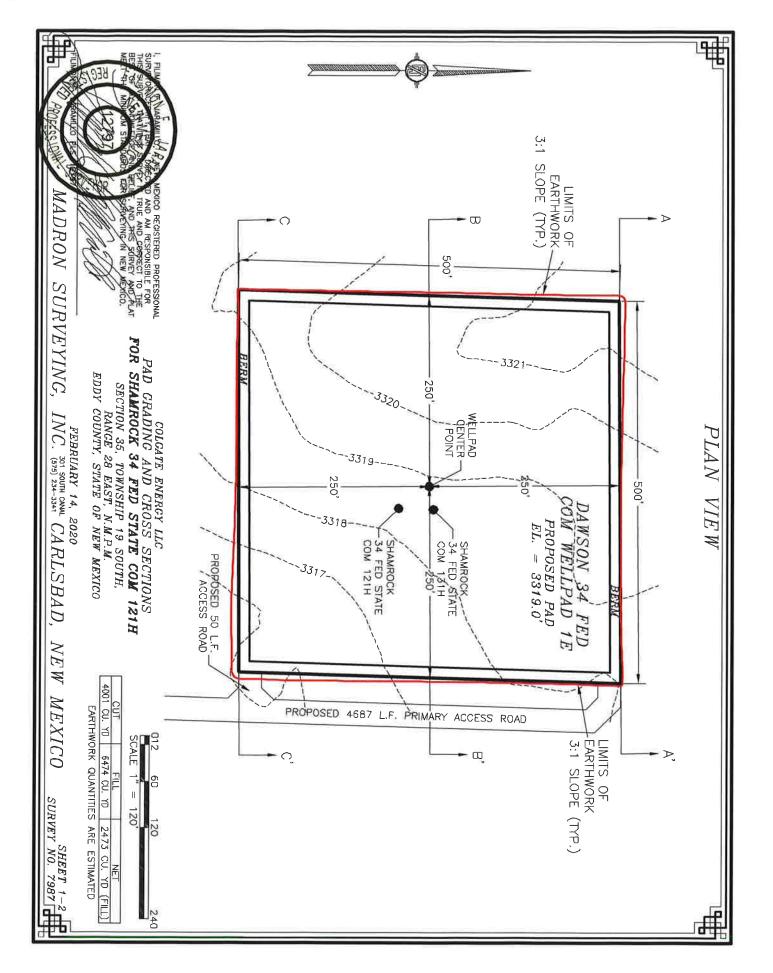


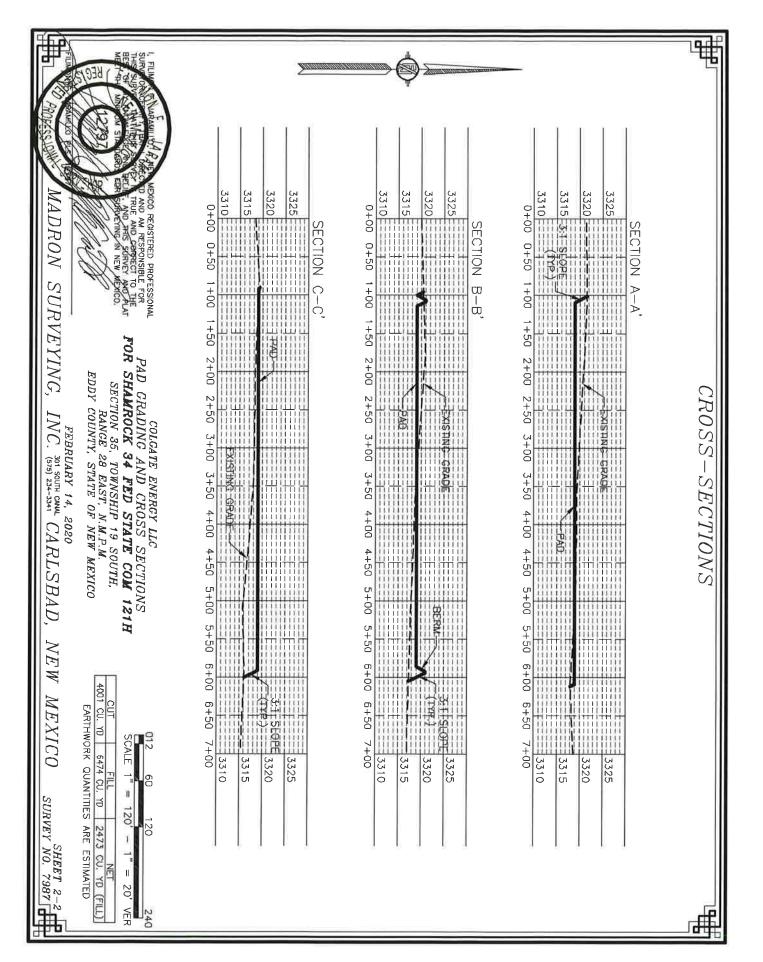




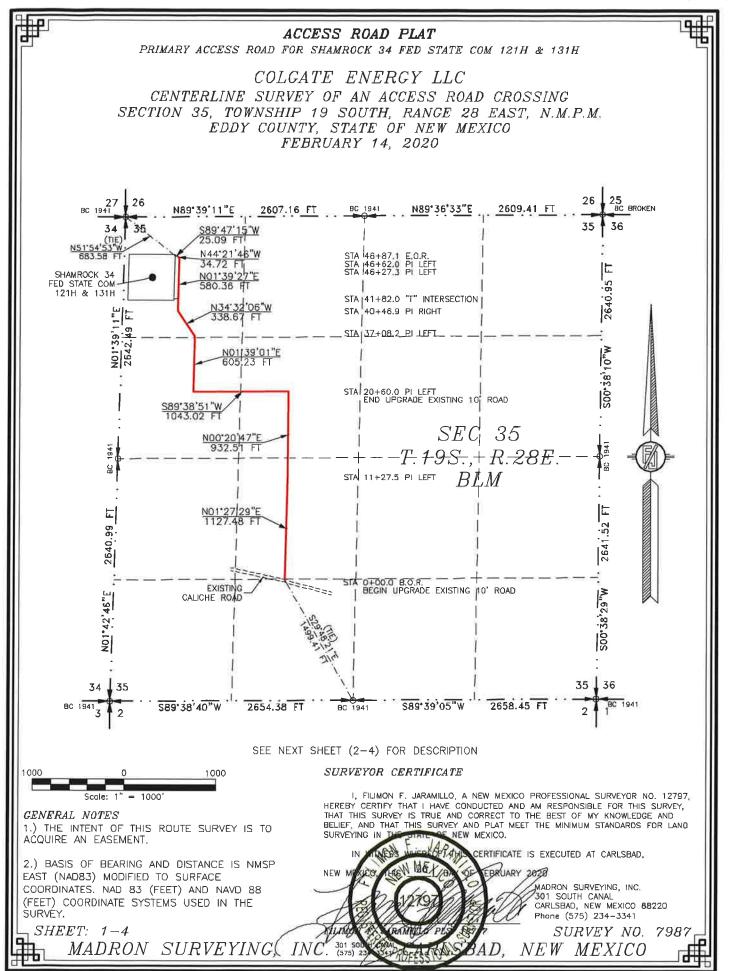




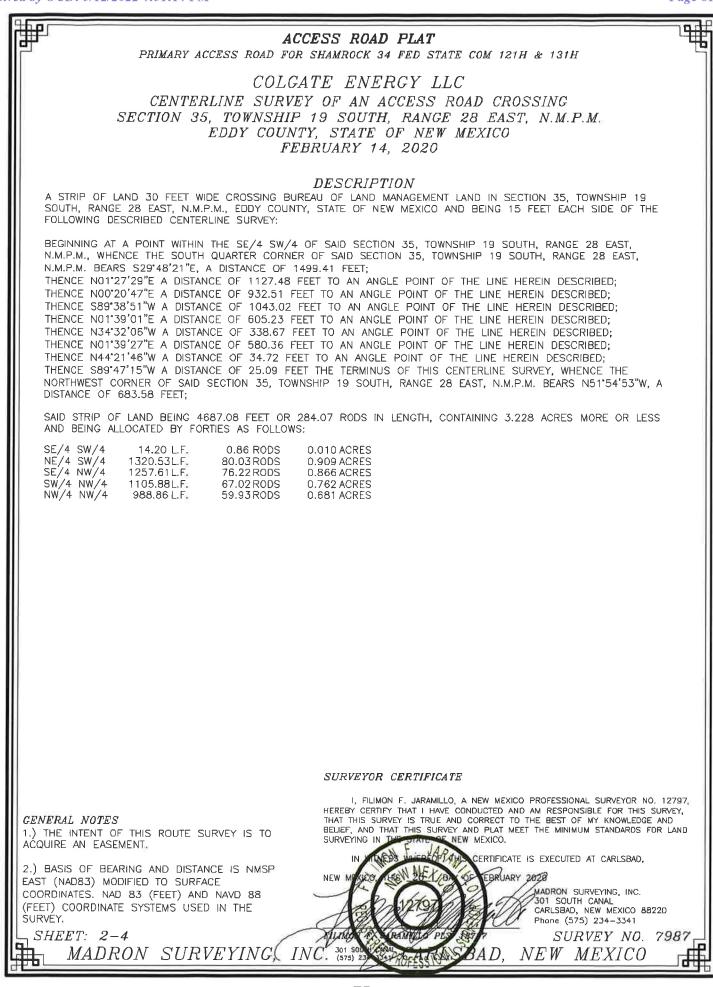




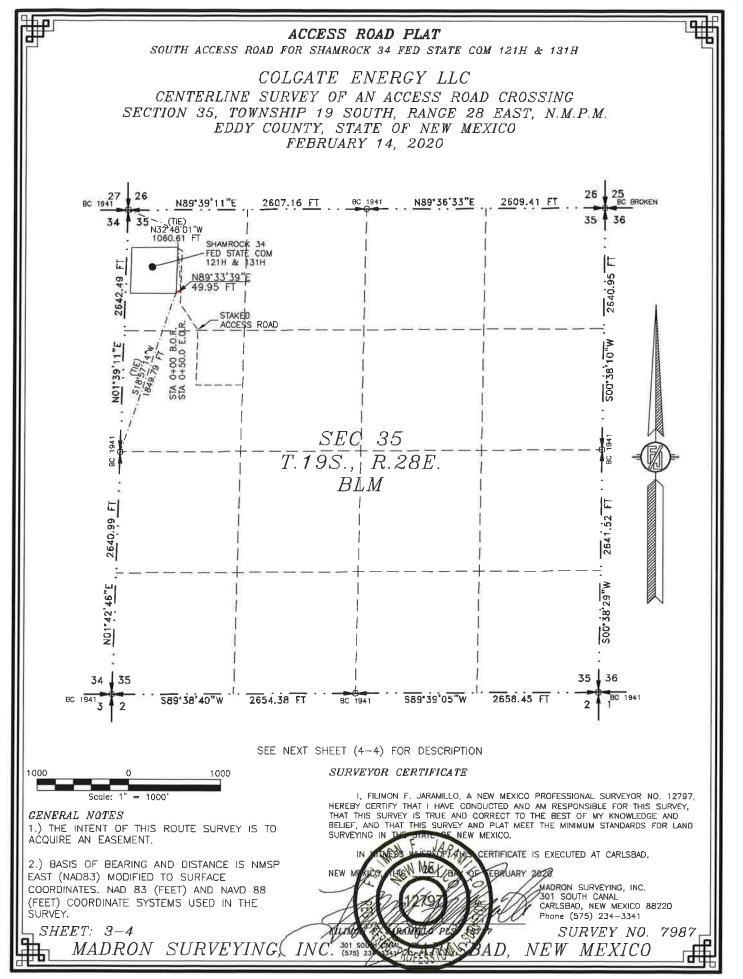
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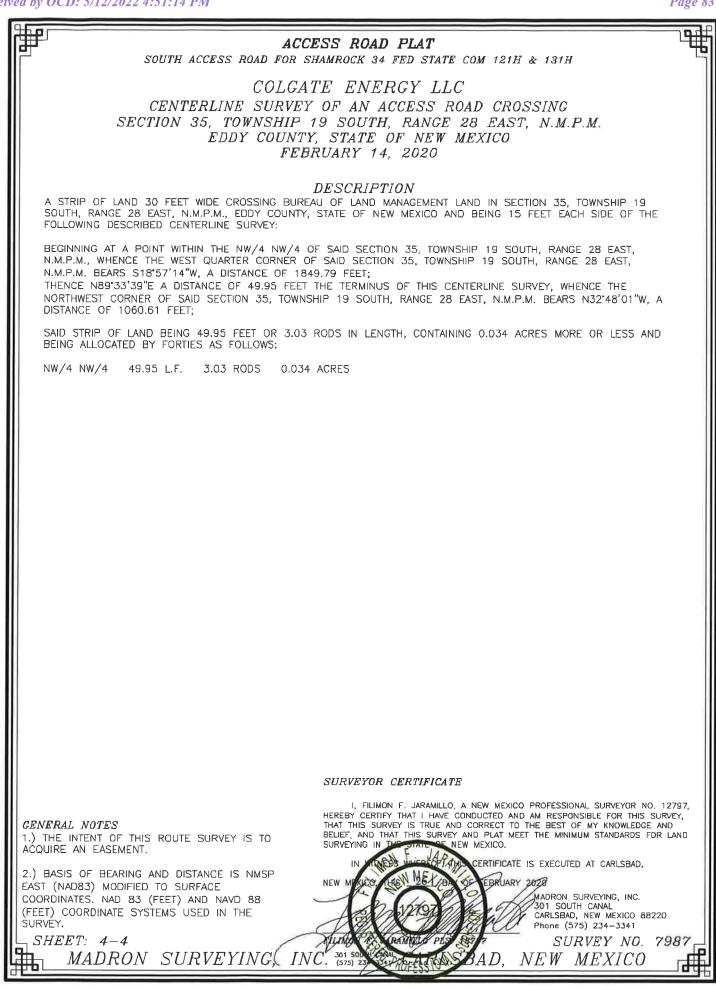
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District I

District II

District III

District IV

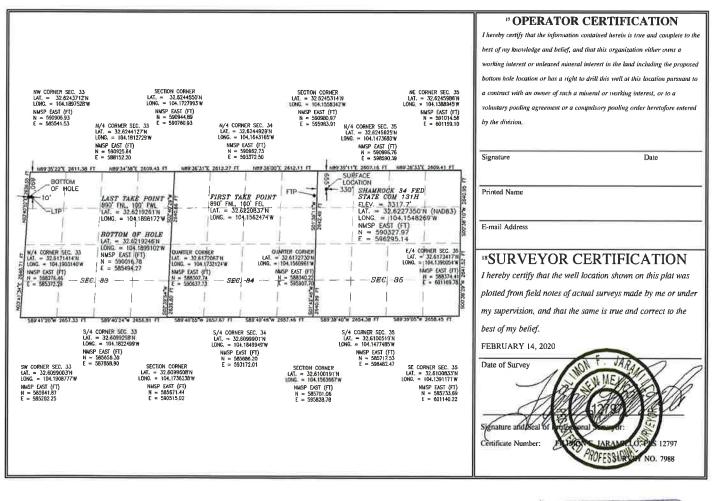
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	r	me										
* Property (	Code						6 -	Well Number					
			SHAMROCK 34 FED STATE COM										
'OGRID N	No.				<sup>8</sup> Operator	Name				<sup>°</sup> Elevation			
37144	9		COLGATE OPERATING, LLC 3317.7										
" Surface Location													
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County			
D	35	19 S	28 E		655	NORTH	330	WE	ST	EDDY			
			" B	ottom H	ole Location	If Different Fr	om Surface						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County			
D	33	19 S	28 E		890	NORTH	10	WE	ST	EDDY			
<sup>12</sup> Dedicated Acre	s <sup>13</sup> Joint	or Infill 14	Consolidation	Code	<sup>15</sup> Order No.								

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Intent As Drilled		
API #		
Operator Name:	Property Name:	Well Number
COLGATE OPERATING, LLC	SHAMROCK 34 FED STATE COM	131H

## Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitu	de				Longitude				NAD

### First Take Point (FTP)

UL A	Section 34	Township 19S	Range 28E	Lot	Feet <b>890</b>	From N/S NORTH	Feet 100	From E/W EAST	County EDDY
Latitu	Latitude			Longitude		NAD			
32.6	32.6220837			104.1562	2474	83			

### Last Take Point (LTP)

UL D	Section 33	Township 19S	Range 28E	Lot	Feet 890	From N/S NORTH	Feet 100	From E/W	County EDDY
Latitu	Latitude				Longitud	le		NAD	
32.6	32.6219261				104.1	896172		83	

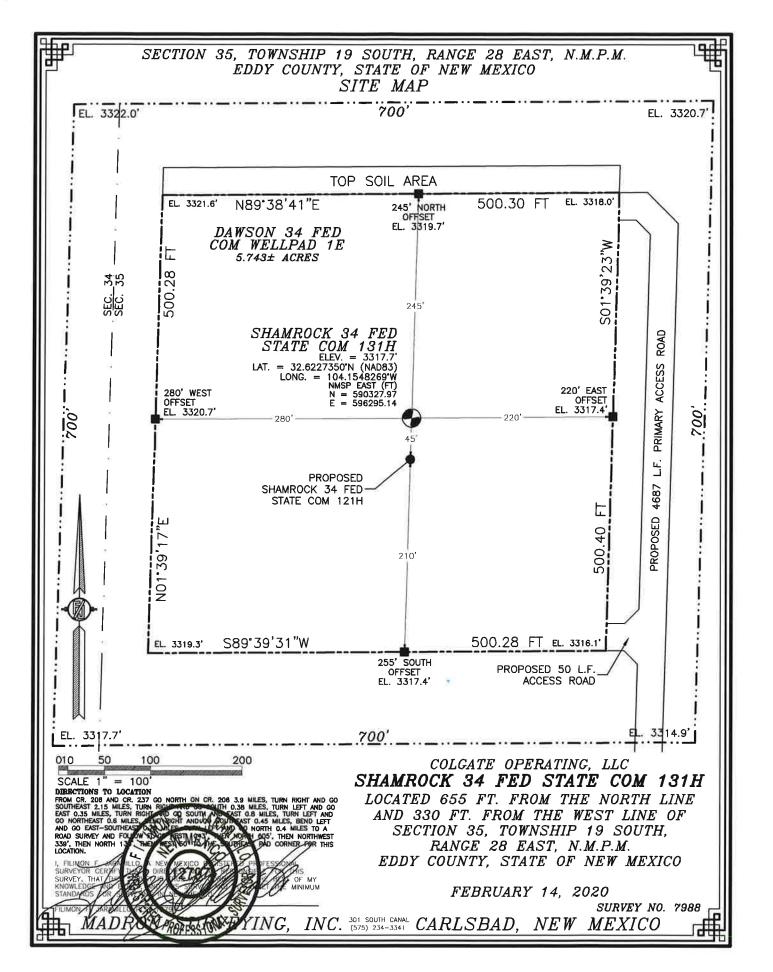
Is this well the defining well for the Horizontal Spacing Unit?

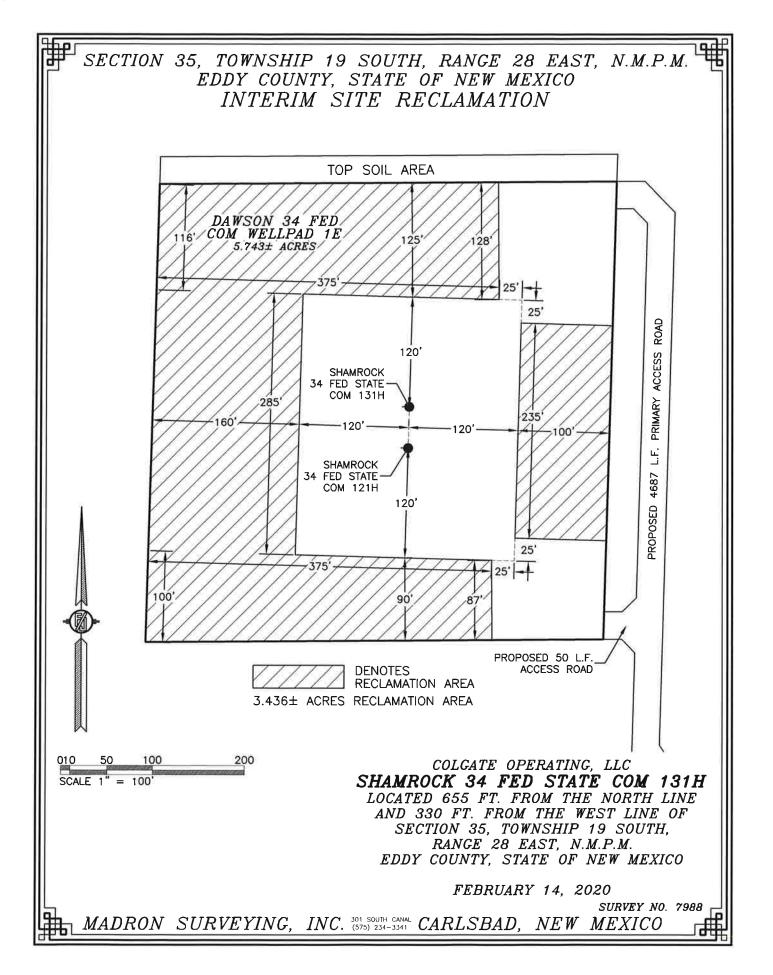
Is this well an infill well?

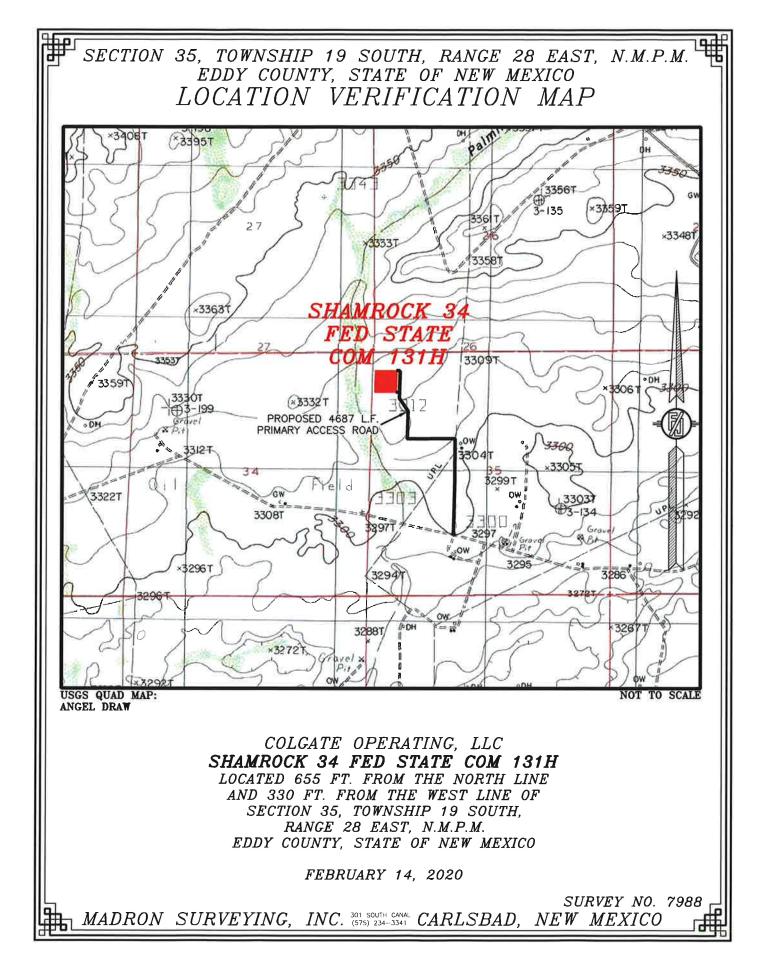
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

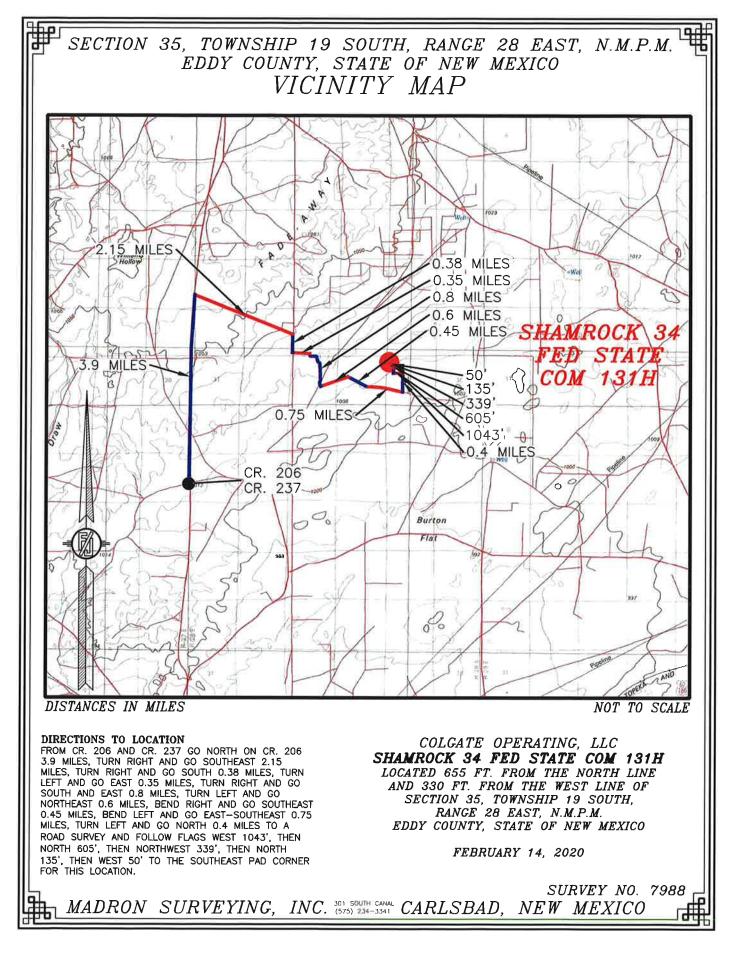
API #		
Operator Name:	Property Name:	Well Number

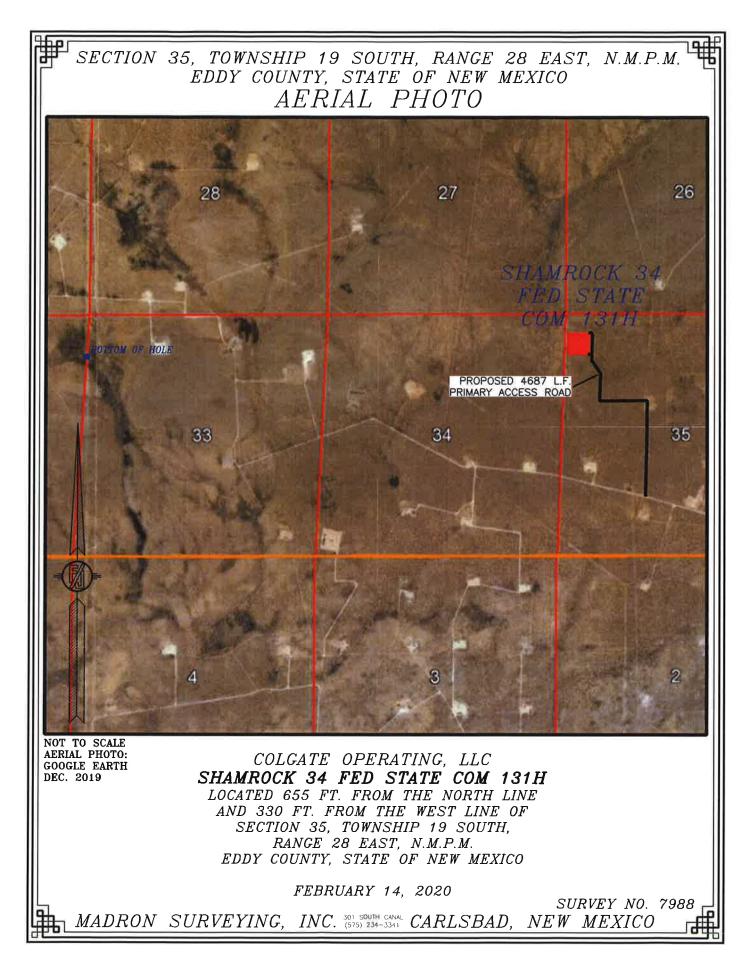
KZ 06/29/2018

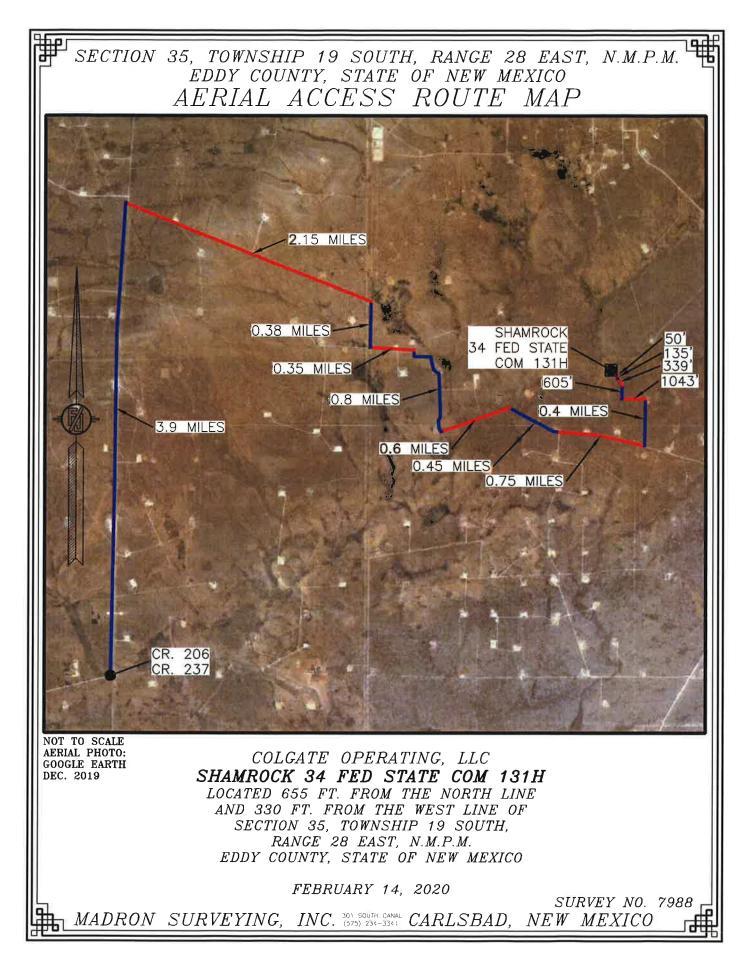


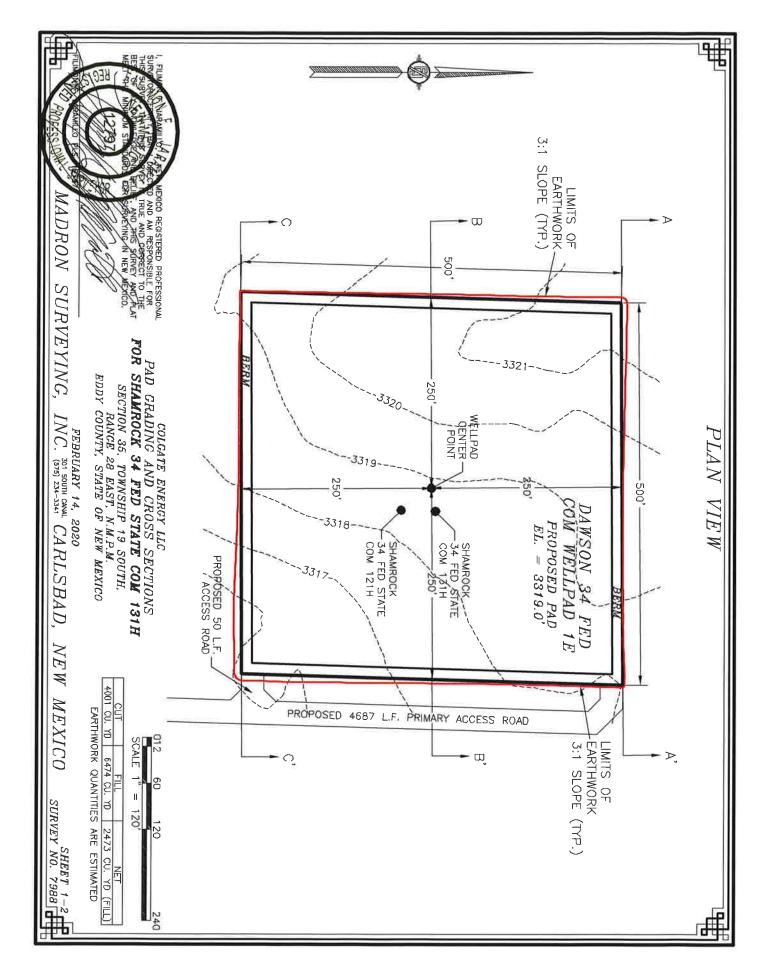


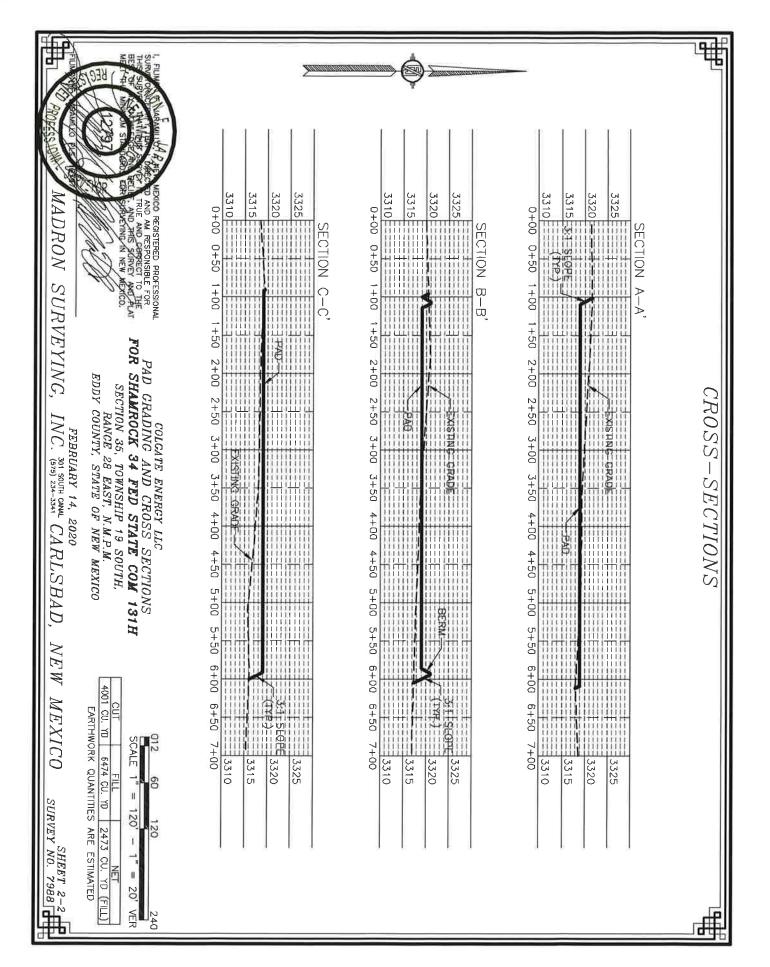




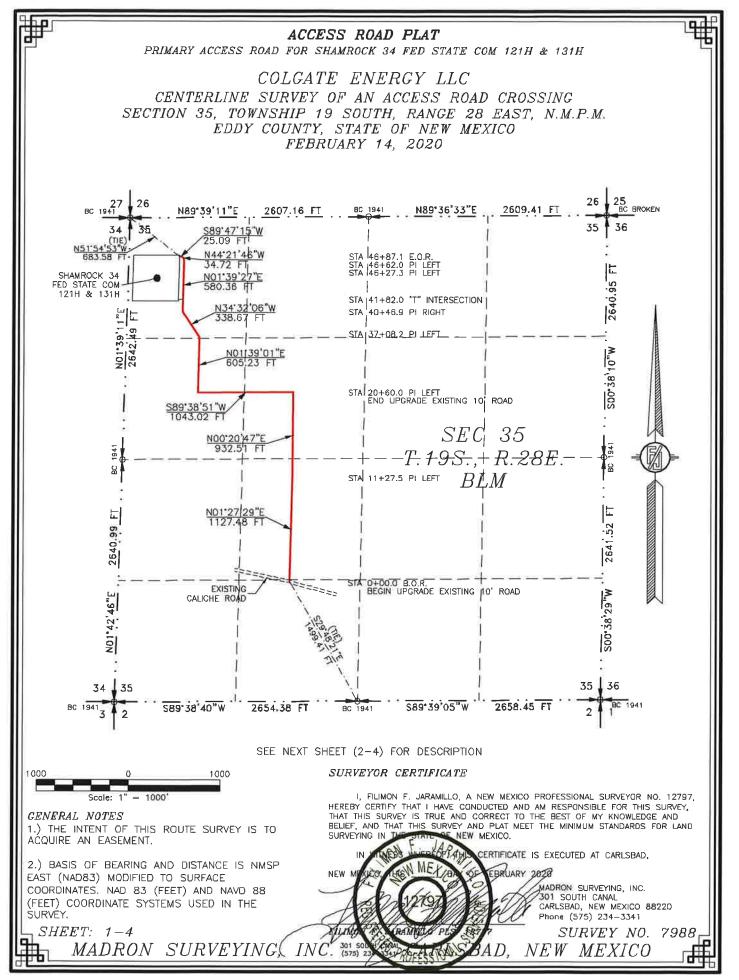




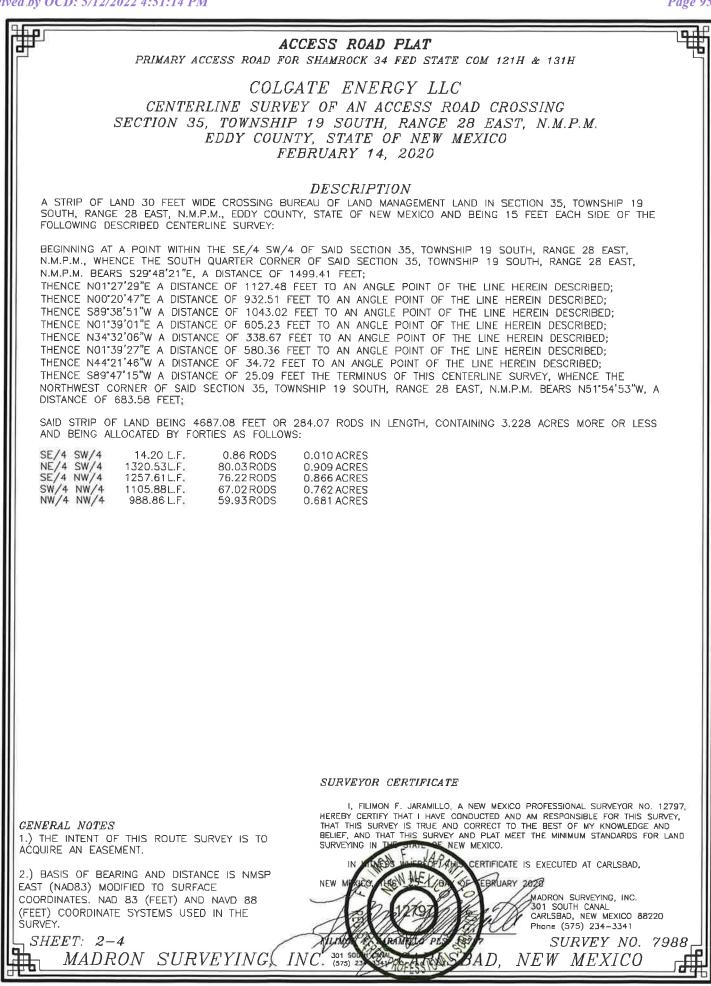




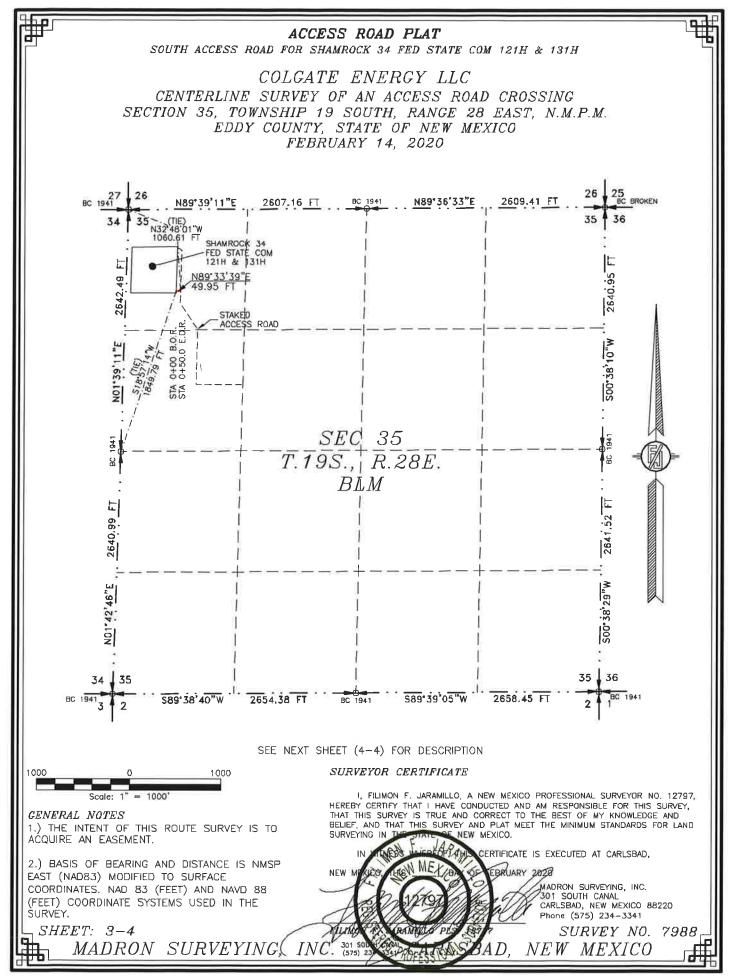
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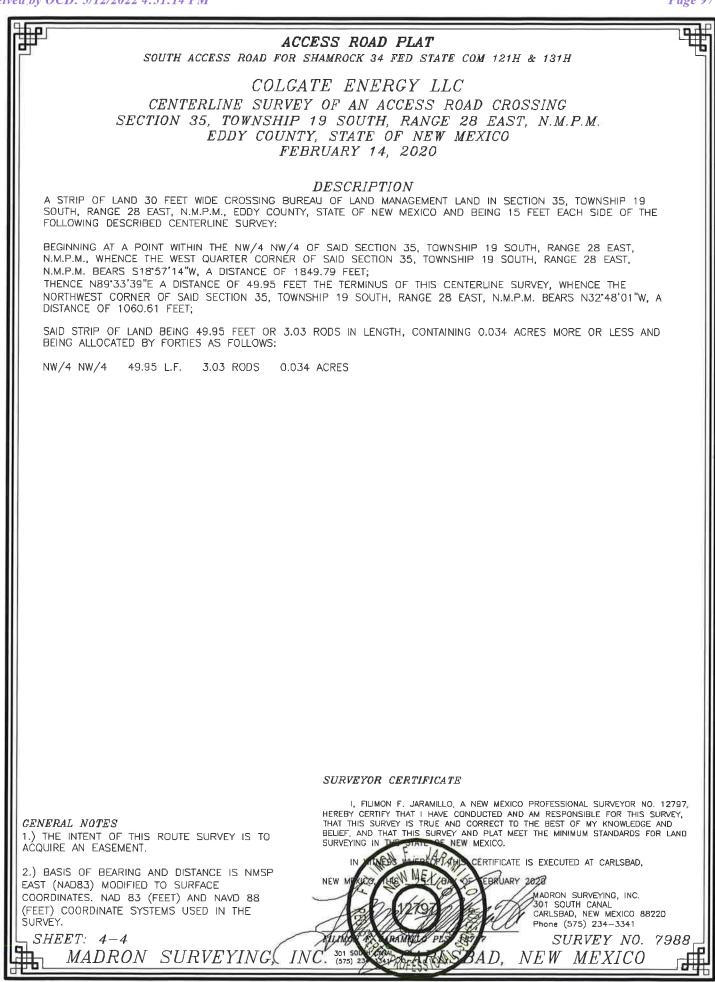
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1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

Phone: (575) 748-1283 Fax: (575) 748-9720

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

811 S. First St., Artesia, NM 88210

District I

District II

District III

District IV

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

ر، ر	API Number	Γ		<sup>2</sup> Pool Cod	e		' Pool Na	те				
* Property (	Code				<sup>4</sup> Property	Name			° Well Number			
				SHAN	IROCK 34 F	ED STATE COM	[		122H			
<sup>7</sup> OGRID I	No.		* Operator Name * E									
37144	9		COLGATE OPERATING, LLC 3309.3									
<sup>10</sup> Surface Location												
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County		
I	34	19 S	28 E		2610	SOUTH	295	EA	ST	EDDY		
			" B	ottom H	ole Locatior	If Different Fi	rom Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County		
E	33	19 S	28 E		2295 NORTH 10 WEST EDD							
<sup>12</sup> Dedicated Acre	s <sup>13</sup> Joint	or Infill <sup>14</sup> (	Consolidation	n Code			<sup>15</sup> Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	" OPERATOR CERTIFICATION
	I hereby certify that the information contained herein is true and complete to the
	best of my knowledge and belief, and that this organization either owns a
	working interest or unleased mineral interest in the land including the proposed
NW CORNER SEC. 33 N/4 CORNER SEC. 33 SECTION CORNER N/4 CORNER SEC. 34 NE CORNER SEC. 34	bottom hole location or has a right to drill this well at this location pursuant to
LAT. = 32.6243712'N LAT. = 32.6243712'N LONG. = 104.1897528'W LONG. = 104.1897528'W LONG. = 104.1897528'W LONG. = 104.1812729'W LONG. = 104.181279'W LONG. = 104.181279'W LONG.	a contract with an owner of such a mineral or working interest, or to a
NMSP EAST (FT) NMSP EAST (FT) NMSP EAST (FT) NMSP EAST (FT)	voluntary pooling agreement or a compulsory pooling order heretofore entered
N = 590966.93 N = 590925.64 N = 590944.89 N = 590942.73 N = 590980.97 E = 585541.53 E = 588152.20 E = 590760.93 E = 593372.50 E = 595983.91	by the division
N89'35'22"E 2611.38 FT N89'34'38"E 2609.43 FT N89'36'31"E 2612.27 FT N89'36'00"E 2612.11 FT	
	Signature Date
BOTTOM OF HOLE         L           LAT. = 32.6180621'N         P           LONG. = 104.1902100'W         E/4 CORNER SEC. 34 (3)           NNCD. Exerc. JED         L/1, = 32.6172730'N	Signature Date
Construction         E <t< td=""><td></td></t<>	
	Printed Name
2295' FNL, 100' FWL	E-mail Address
W/4 CORNER SEC. 33 OUARTER CORNER SHAMROCK 34 FED 295'	<b>"SURVEYOR CERTIFICATION</b>
10117 10117701210	I hereby certify that the well location shown on this plat was
LONG         = 104.1732124 m         ELEV.         = 3309.3'         []           MMSP EAST (FT)         NMSP EAST (FT)         LAT.         = 32.6171893'N (NAD83)         []	
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	plotted from field notes of actual surveys made by me or under
a E = 595611.66	my supervision, and that the same is true and correct to the
42	best of my belief.
N037 26599 2011	MARCH 18, 2020
S89'41'20"W 2657.33 FT S89'40'24"W 2656.81 FT S89'40'55"W 2657.67 FT S89'40'46"W 2657.46 FT	
SW CORNER SEC. 33 S/4 CORNER SEC. 33 SECTION CORNER S/4 CORNER SEC. 34 SE CORNER SEC. 34	Date of Survey
LAT. = 32.6099003'N LAT. = 32.6099298'N LAT. = 32.6099608'N LAT. = 32.6099901'N LAT. = 32.6010191'N LONG. = 104.1908777'W LONG. = 104.1822499'W LONG. = 104.1736238'W LONG. = 104.1649949'W LONG. = 104.1563667'W	
NMSP_EAST (FT) N = 585681.00 N = 585501.06	ANN AND MA
E = 585202.25 $E = 587658.90$ $E = 590515.02$ $E = 593172.01$ $E = 595828.78$	
	Signature and Seal of professional
	Certificate Number: MARANCO PS 12797
	PROFESSION NO. 7985A



Intent As Drilled		
API #		
Operator Name:	Property Name:	Well Number
COLGATE OPERATING, LLC	SHAMROCK 34 FED STATE COM	122H

### Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitu	de				Longitude				NAD

### First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
H	34	19S	28E		2310	NORTH	100	EAST	EDDY
Latitu 32.6	<sup>de</sup> 18180	8			Longitude	3882			NAD 83

### Last Take Point (LTP)

UL E	Section 33	Township 19S	Range 28E	Lot	Feet 2295	From N/S NORTH	Feet 100	From E/W WEST	County EDDY
Latitu	Latitude				Longitud	le		NAD	
32.6	32.6180635				104.1	899170		83	

Is this well the defining well for the Horizontal Spacing Unit?

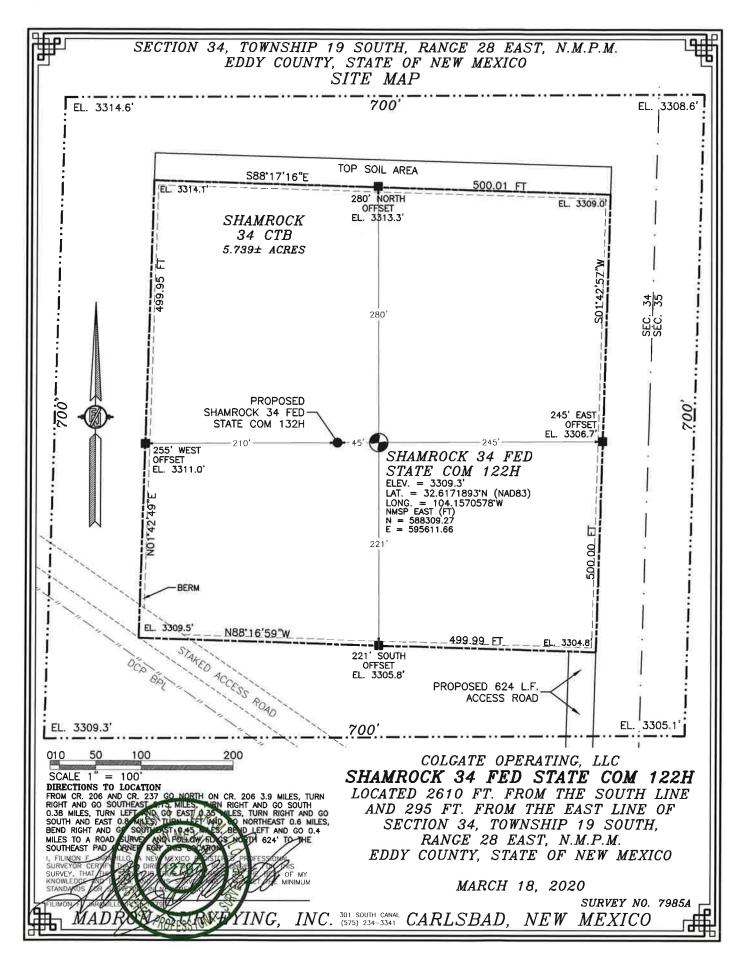
Is this well an infill well?

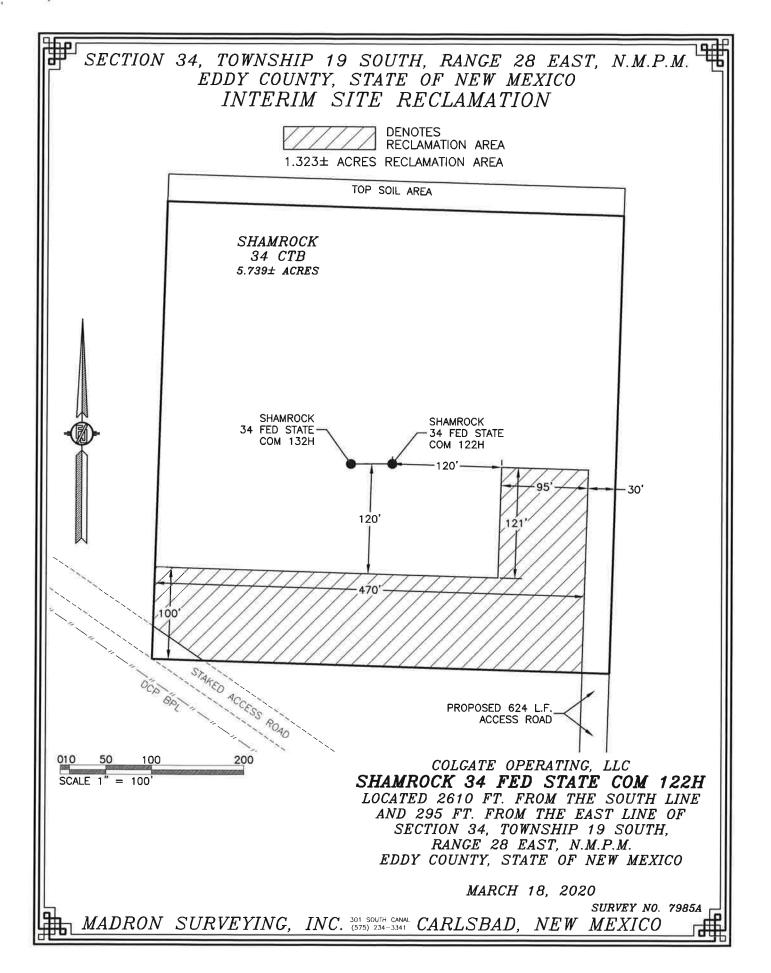
?

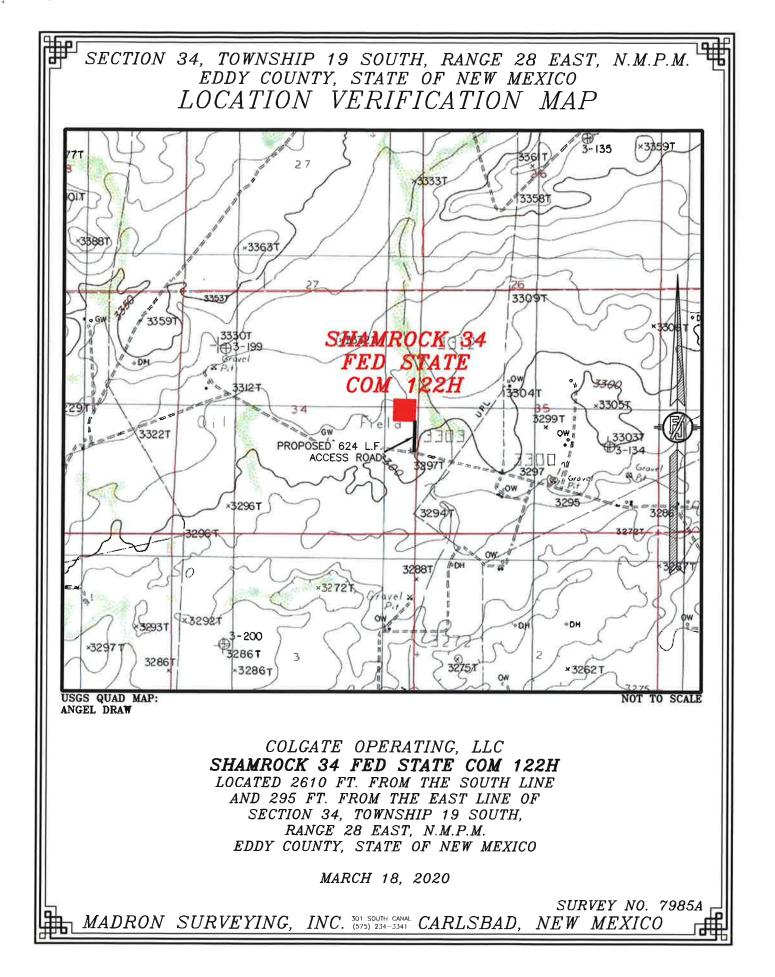
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

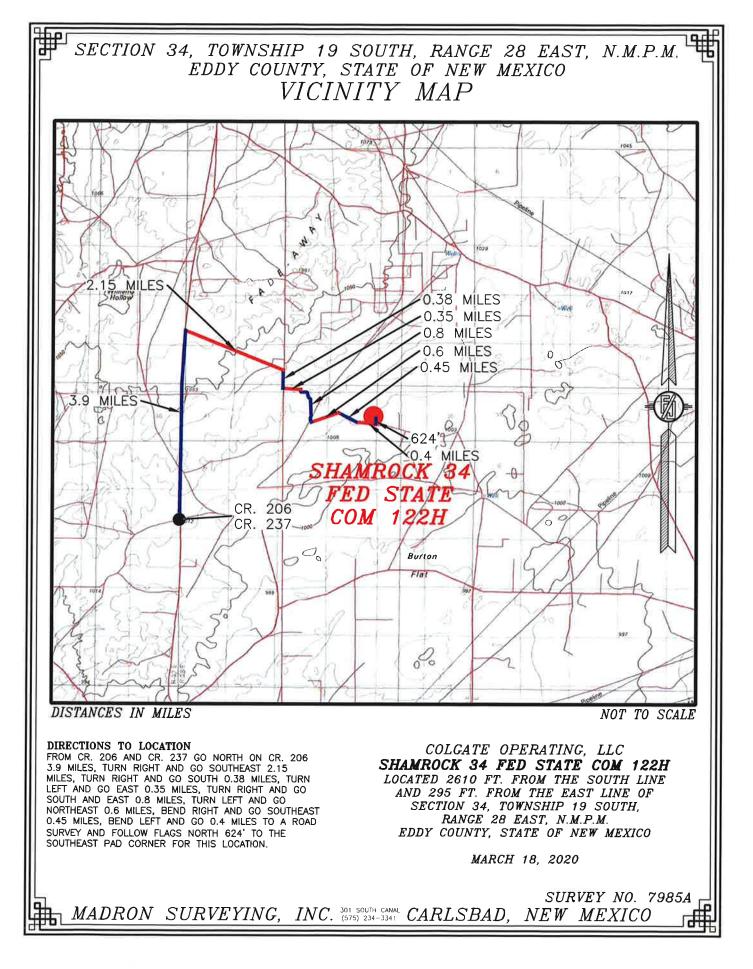
API #		
Operator Name:	Property Name:	Well Number

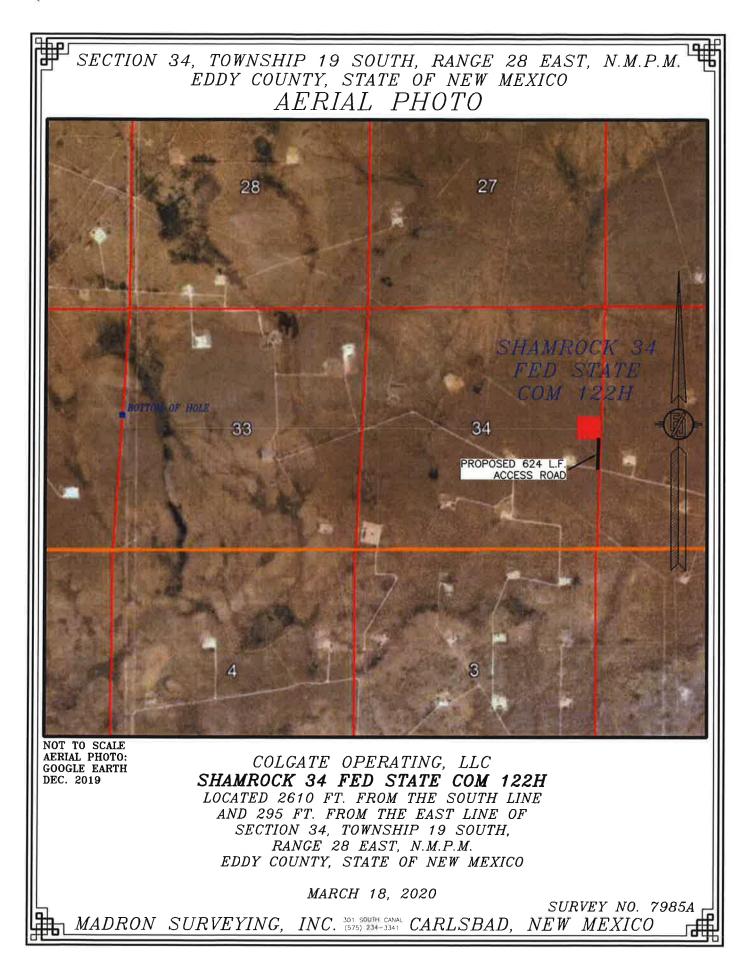
KZ 06/29/2018

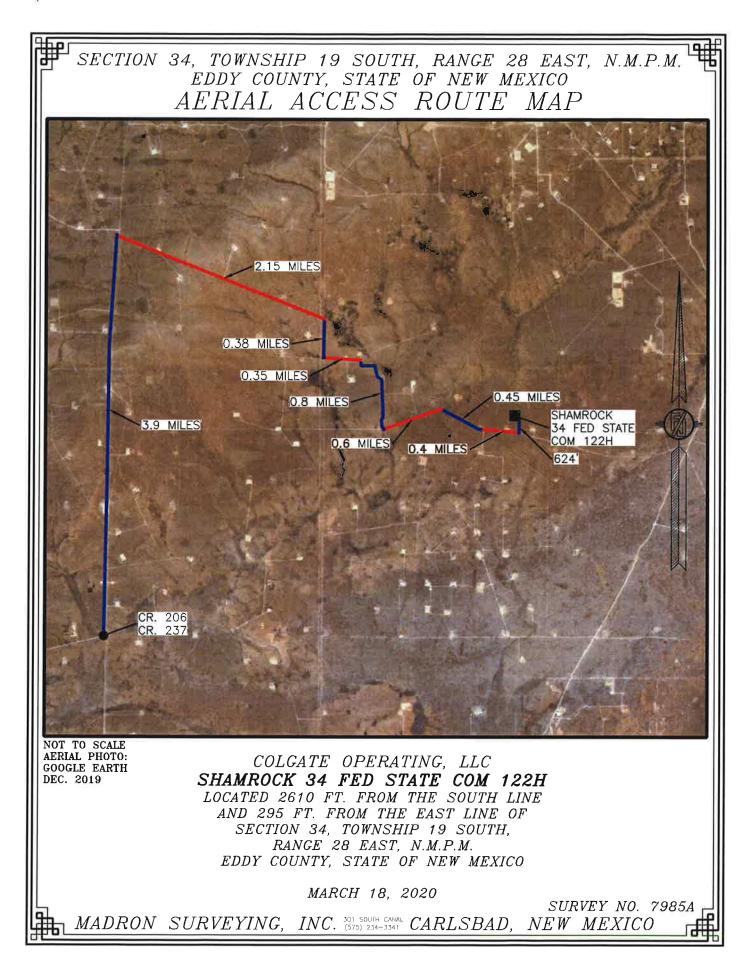


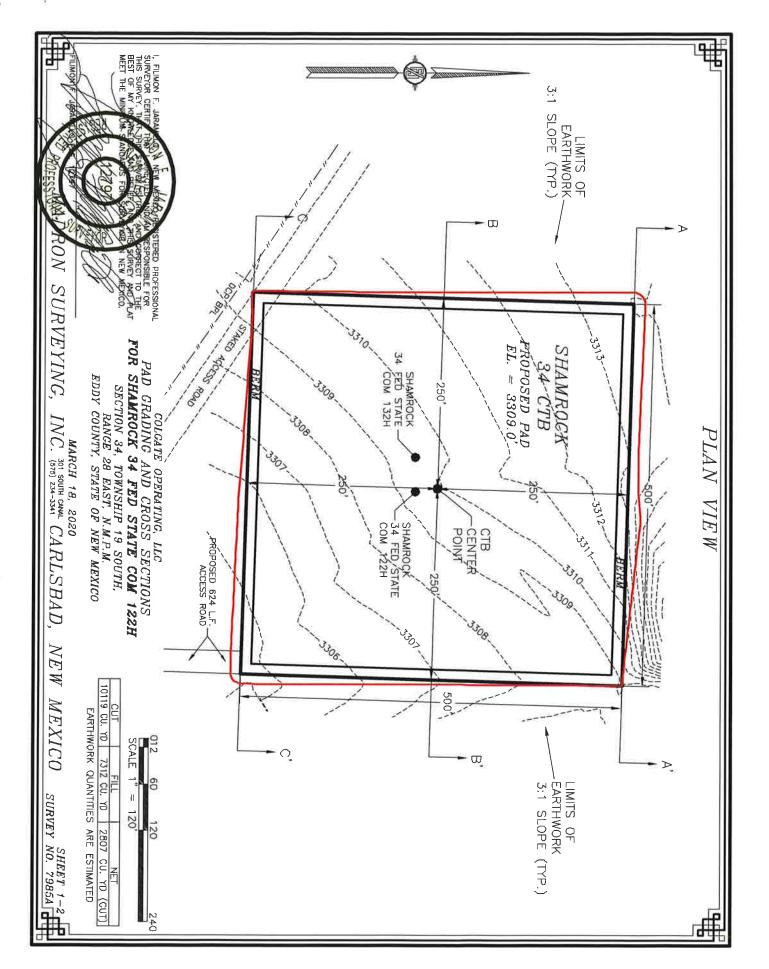


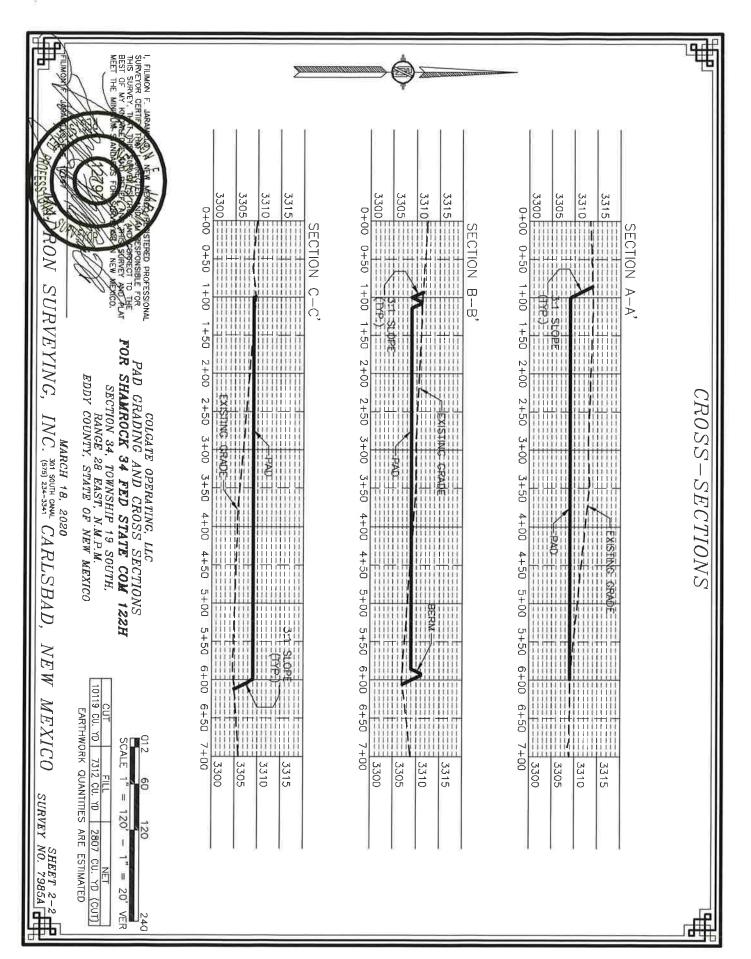




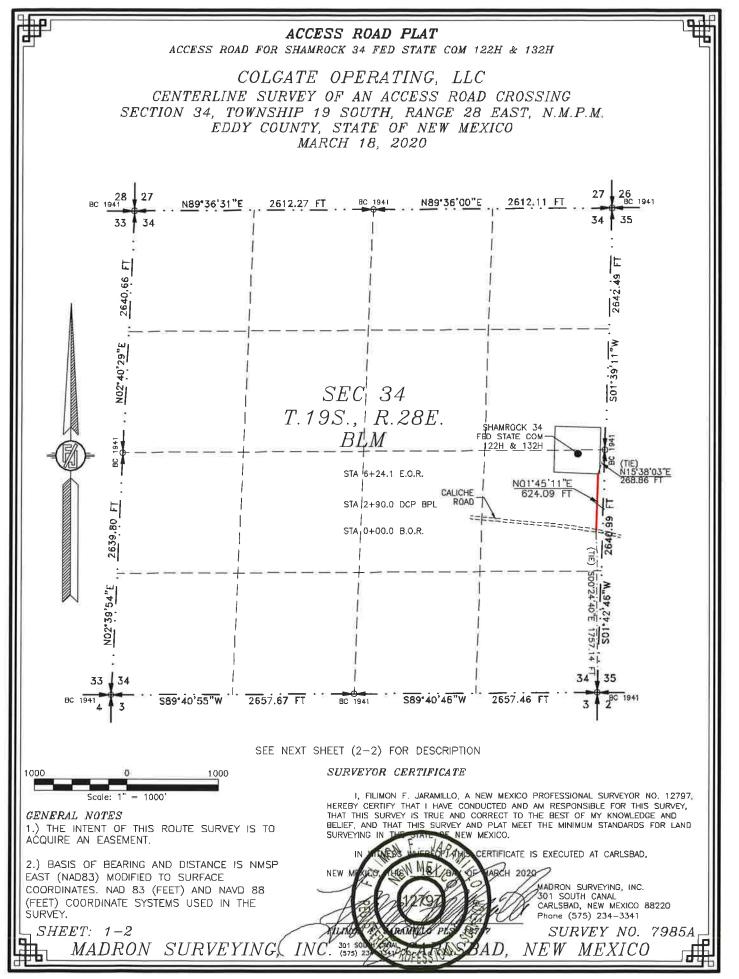






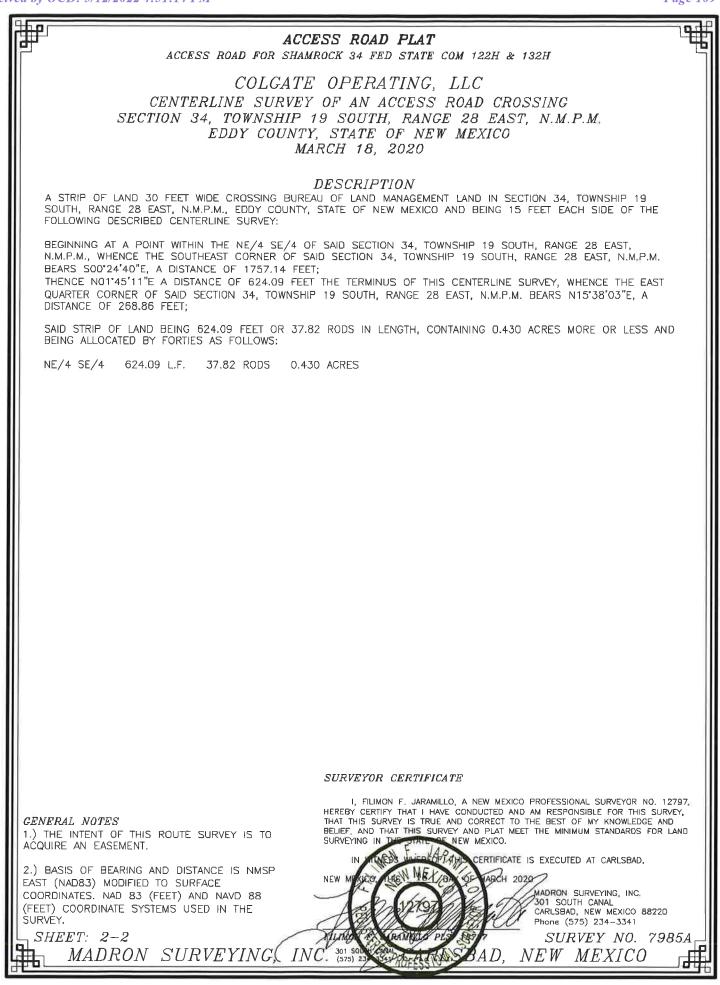


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District I 1625 N. French Dr., Hobbs, NM 88240

811 S. First St., Artesia, NM 88210

District II

District III

District IV

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### State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

î <sub>1</sub>	API Number	ſ		<sup>2</sup> Pool Code			<sup>3</sup> Pool Na	me			
<sup>4</sup> Property (	Code			SHAN	<sup>5</sup> Property )	Name D STATE COM			6 .	Well Number	
<sup>7</sup> OGRID 1 3714					8 Operator					132H <sup>°</sup> Elevation 3309.5	
					Surface	e Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County	
I	34	19 S	28 E		2610	SOUTH	340	EAS	ST	EDDY	
		·	۳ B	ottom H	Hole Location If Different From Surface						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County	
Е	33	19 S	28 E		2210	NORTH	10	WES	ST	EDDY	
<sup>12</sup> Dedicated Acre	s <sup>13</sup> Joint	or Infill	Consolidation	1 Code			<sup>15</sup> Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	"OPERATOR CERTIFICATION
	I hereby certify that the information contained herein is true and complete to the
	best of my knowledge and belief, and that this organization either owns a
	working interest or unleased núneral interest in the land including the proposed
	bottom hole location or has a right to drill this well at this location pursuant to
NW CORNER SEC. 33 N/4 CORNER SEC. 33 SECTION CORNER N/4 CORNER SEC. 34 NE CORNER SEC. 34 LAT. = 32.6243712'N LAT. = 32.6244127'N LAT. = 32.6244550'N LAT. = 32.6244929'N LAT. = 32.6245314'N	a contract with an owner of such a mineral or working interest, or to a
LONG = 104.1897528'W LONG = 104.1812729'W LONG = 104.1727993'W LONG = 104.1643165'W LONG = 104.1558342'W	voluntary pooling agreement or a compulsory pooling order heretofore entered
N = 590906.93 N = 590925.54 N = 590944.89 N = 590962.73 N = 590980.97	by the division.
E = 585541.53 E = 588152.20 E = 590760.93 E = 593372.50 E = 595983.91 N89'35'22"E 2611.38 FT N89'34'38"E 2609.43 FT N89'36'31"E 2612.27 FT N89'36'00"E 2612.11 FT	by the utwatch
BOTTOM OF HOLE	Signature Date
BOTTOM ÓF HOLE LAT. = 32.6182957 N LONG. = 104.1901918 W ≥ E LAT. = 72.612272 NULL E/4 CORNER SEC. 34 C	
	Printed Name
BOTTOM E = 585409.33	
OF HOLE LAST TAKE POINT	
-10' LAT. = 32.6182972'N SURFACE	E-mail Address
LAT. = 32.617.6144N LAT. = 32.6172067N STATE COM 132H	<b>*SURVEYOR CERTIFICATION</b>
LONG. = 104.1903140'W LONG. = 104.1732124'W ELEV. = 3309.5'	I hereby certify that the well location shown on this plat was
LONG         = 104.1932140'W         EURO         = 3309.5'           NMSP EAST (FT)         NMSP EAST (FT)         LAT.         = 32.6171889'N (NAO83)         0°           N = 588276.46         N = 588307.74         LONG, = 104.1572040'W         0°         0°         0°           V = 585372.29         E = 590637.73         NMSP EAST (FT)         0°         N         0°         0°	plotted from field notes of actual surveys made by me or under
N = 568309.04 ⇒ t	my supervision, and that the same is true and correct to the
19	
N03.41	best of my belief.
100	FEBRUARY 17, 2020
SB9'41'20"W 2657.33 FT SB9'40'24"W 2655.81 FT SB9'40'55"W 2657.67 FT SB9'40'46"W 2657.46 FT SW CORNER SEC 33 S/4 CORNER SEC 33 SECTION CORNER S/4 CORNER SEC 34 SE CORNER SEC 34	Date of Survey
LAT. = 32.6099003N LAT. = 32.6099298N LAT. = 32.6099608N LAT. = 32.6099601N LAT. = 32.6100191N	MEX X
NMSP EAST (FT) NMSP EAST (FT) NMSP EAST (FT) NMSP EAST (FT)	A Shi Charles A The
N = 585641.87 N = 585656.30 N = 585671.44 N = 585686.20 N = 585701.06 E = 585202.25 E = 587858.90 E = 590515.02 E = 593172.01 E = 595828.78	A A BARANA
	Signature and Seal of Poter onal
	Certificate Number: DUBON JARAAGUO P 12797
	PROFESSION NO. 7986
	10/ 2000 11/00 / 1988
	A



Intent As Drilled		
API #		
Operator Name:	Property Name:	Well Number
COLGATE OPERATING, LLC	SHAMROCK 34 FED STATE COM	132H

### Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitu	ıde				Longitude				NAD

#### First Take Point (FTP)

UL H	Section 34	Township 19S	Range 28E	Lot	Feet 2210	From N/S NORTH	Feet 100	From E/W EAST	County EDDY
Latitu	de				Longitude				NAD
32.6	618455	6			104.1563	3783			83

### Last Take Point (LTP)

UL E	Section 33	Township 19S	Range 28E	Lot	Feet 2210	From N/S NORTH	Feet 100	From E/W	County EDDY
Latitu	de				Longitud	le			NAD
32.6	618297	2			104.1	898989			83

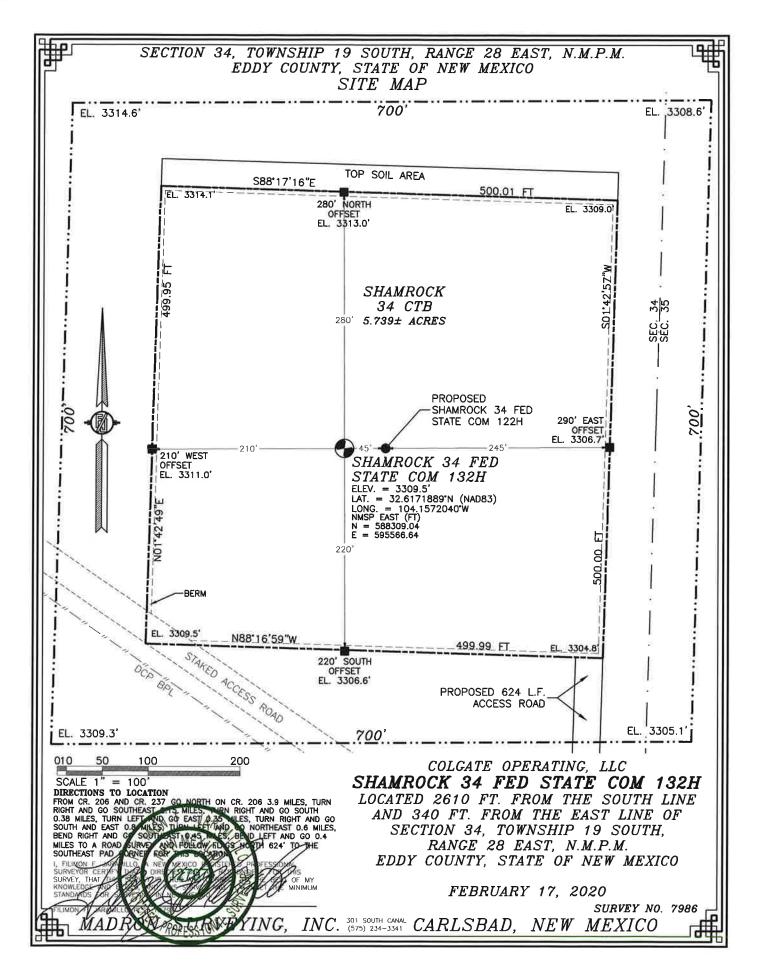
Is this well the defining well for the Horizontal Spacing Unit?

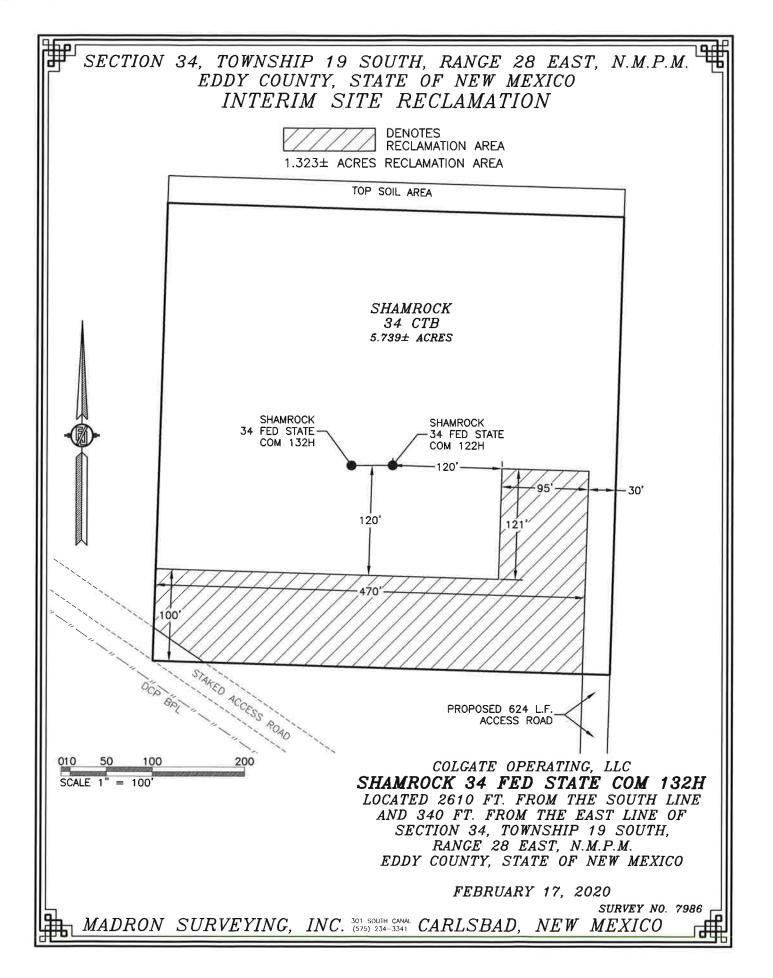
Is this well an infill well?

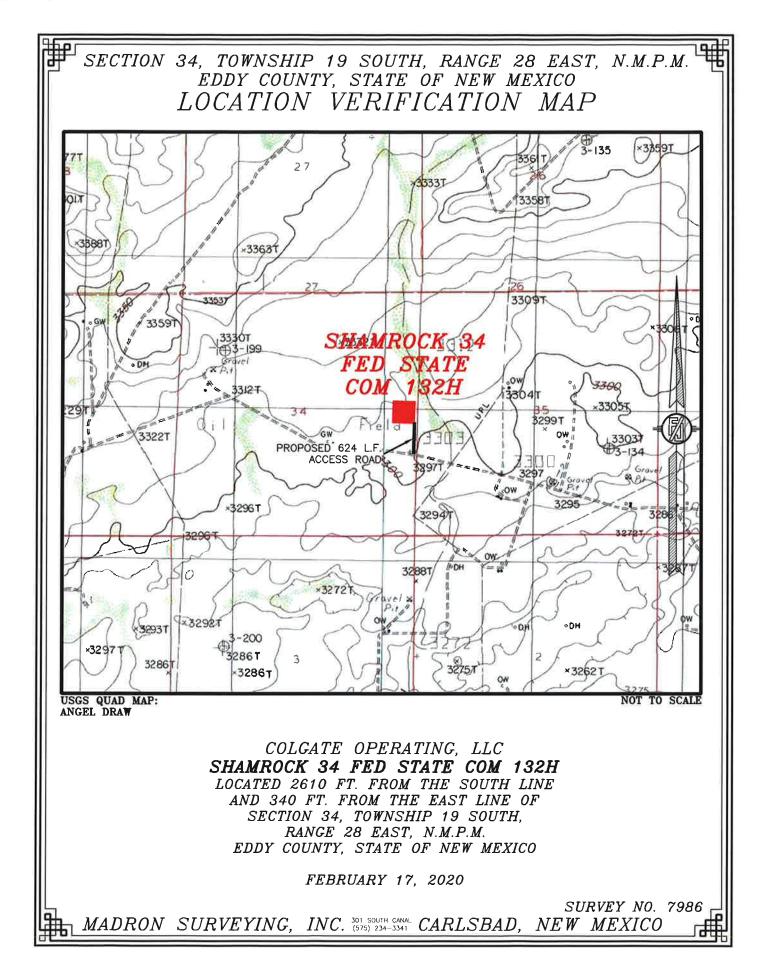
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

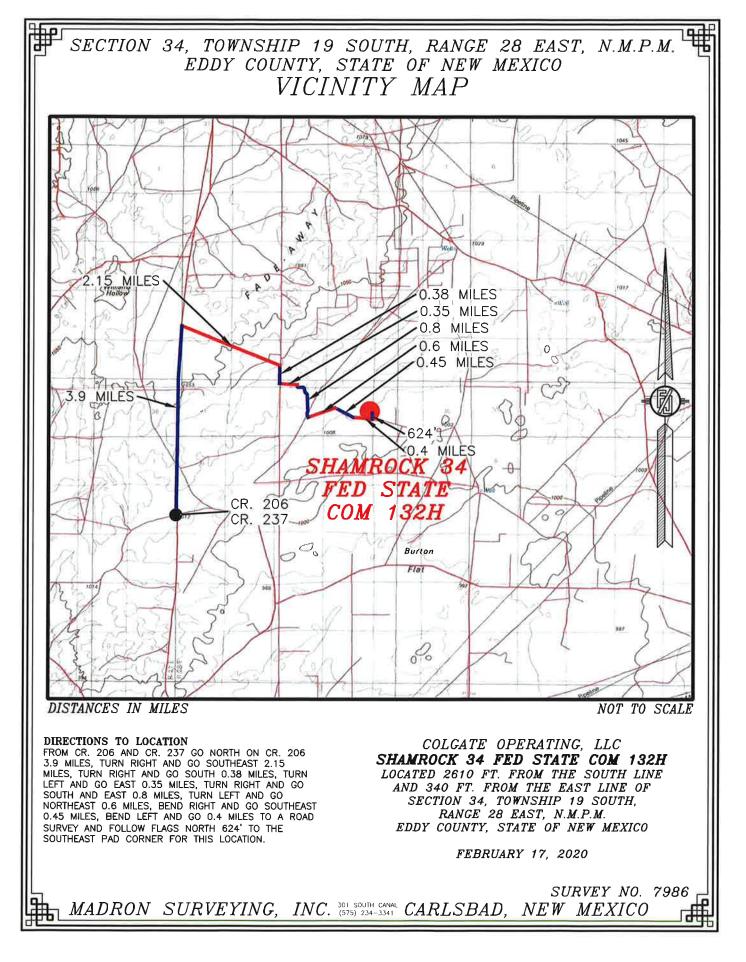
API #		
Operator Name:	Property Name:	Well Number
		1/7.06/

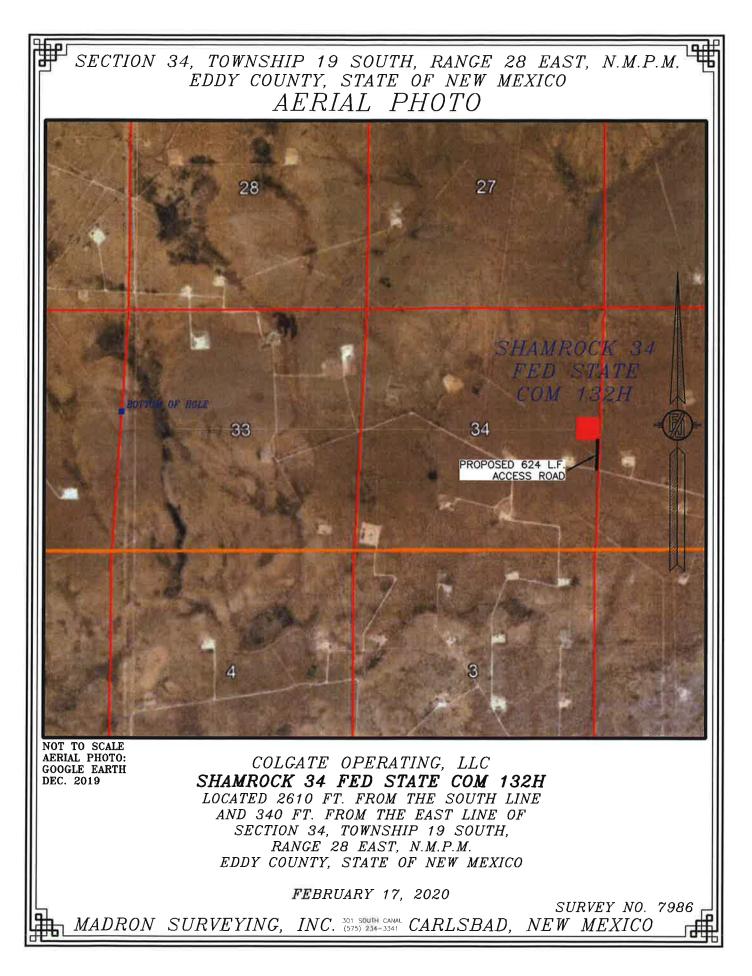
KZ 06/29/2018

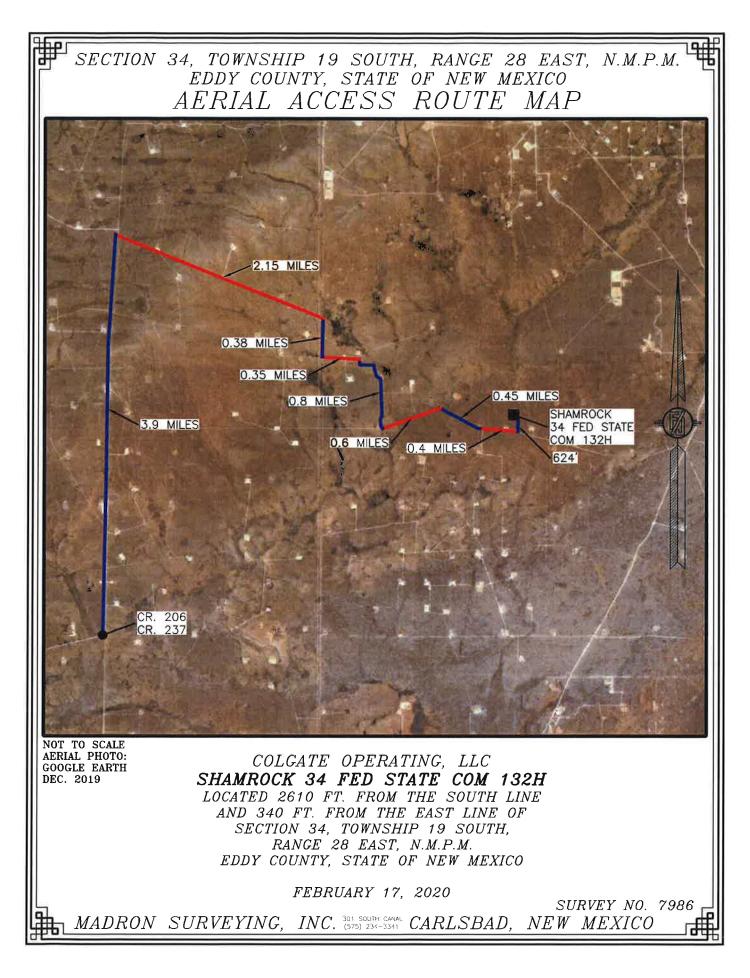


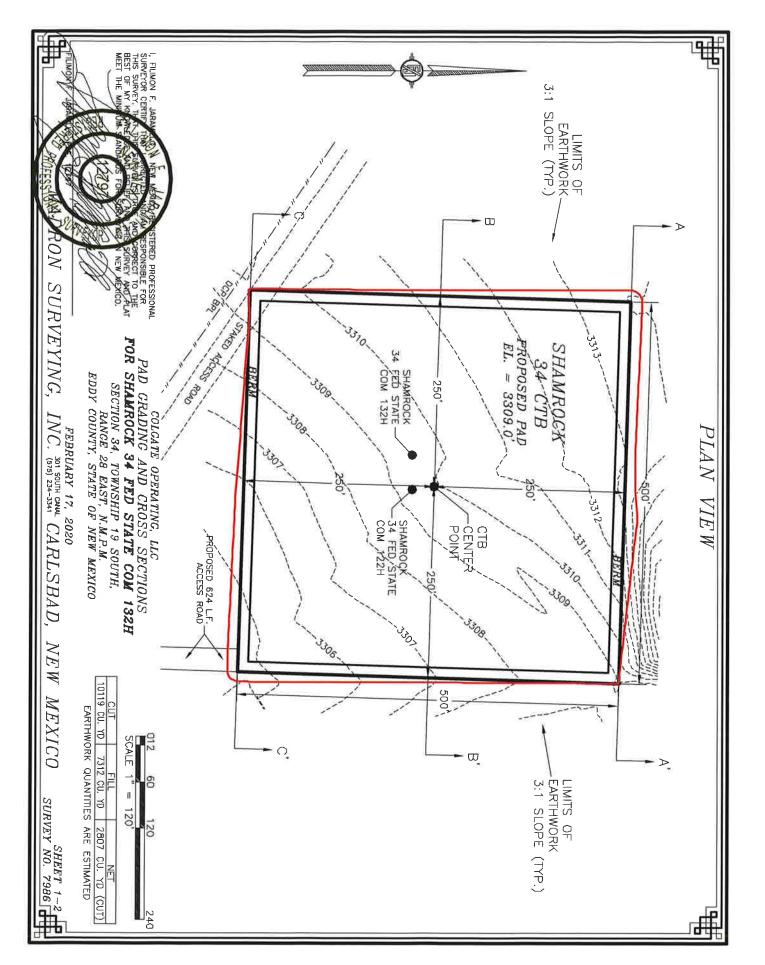


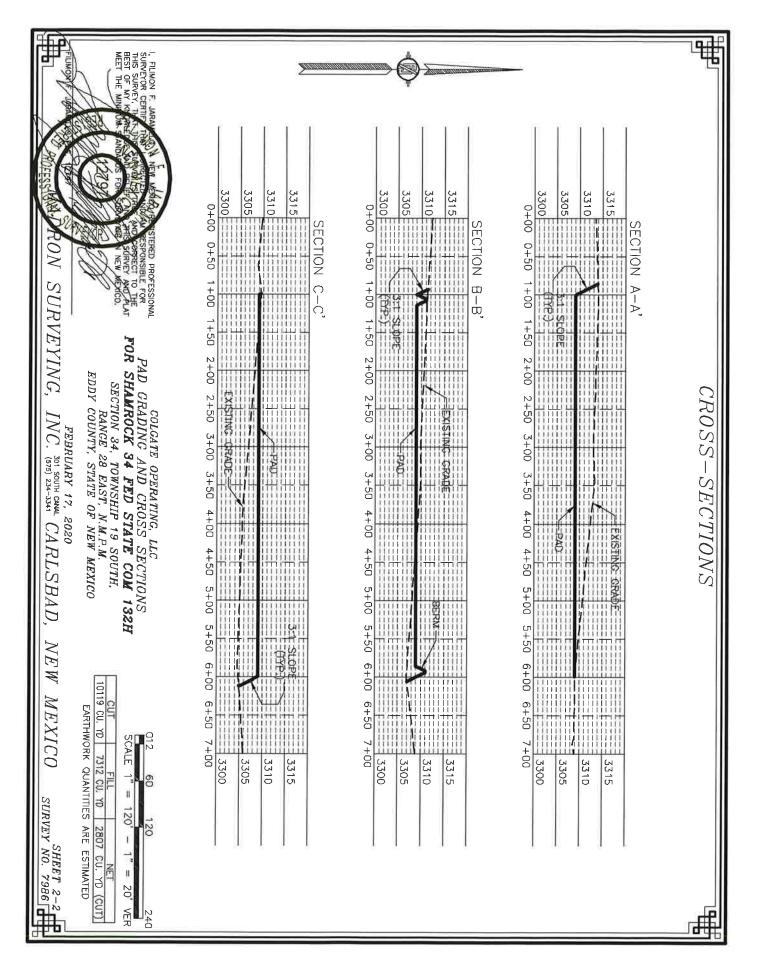






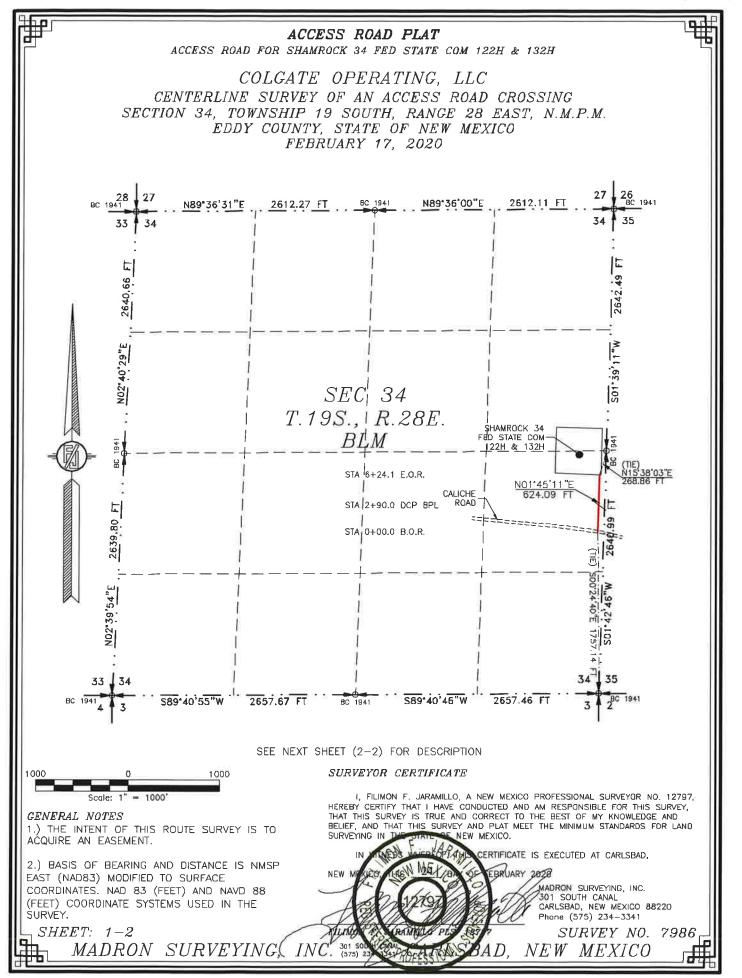






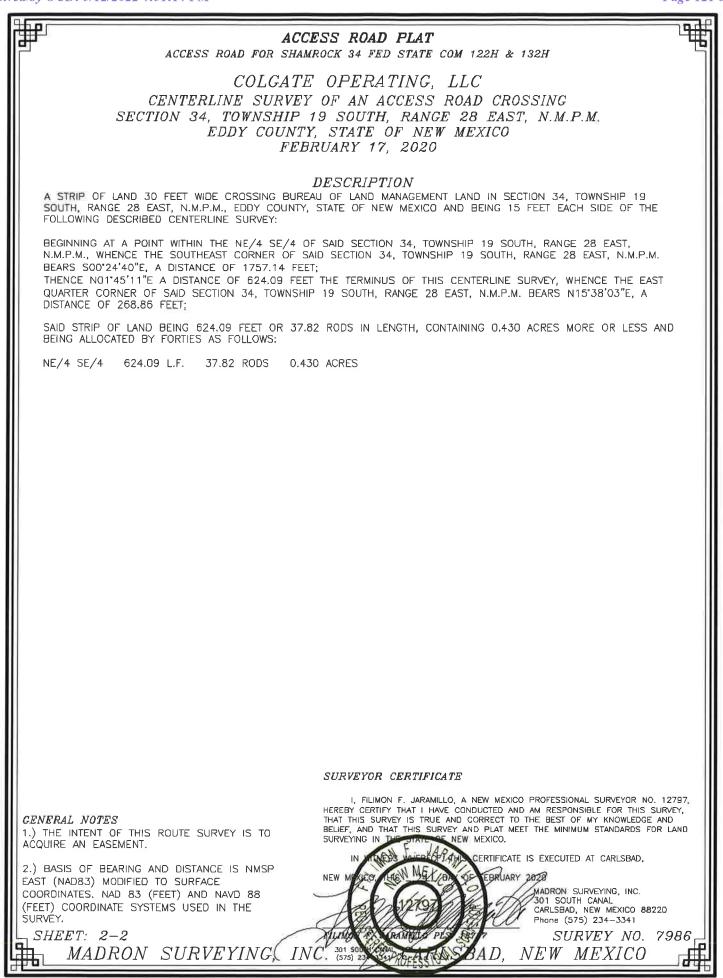
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Yes	0.021%	0.13163	2	Olin Garrett, et ux
Its	0.11/70	0./4300	-	Uaikay
W	0 1170/	071500	c	Collean
Yes	0.336%	2.14988	2	Current Trustee Under Declaration of Trust dated August 28, 1982, executed by Alice G. Davis
1 03	0.000/0	2.17707	1	J. W. DUVIJ
Vec	0 336%	7 14987	2	I W Davis
Yes	0.178%	1.14075	2	Paul Umbarger, et ux
Yes	0.035%	0.225	2	John C. Rocovich, Jr, et ux
F (C	0/0001	0,0012	t	ATT STATES TANKED TO AND A TANK
Ves	1.063%	6.8042	2	Magnum Hunter Production. Inc.
1 60	0.02770	0.1000	1	
Veq	0 020%	0 1853	c	Geoffrey Lanceley
Yes	1.30/%	8./488	2, 3	
<b>X7</b>	1 7/70/	0 7 4 0 0		
Yes	21.111%	135.11	2, 3	OXY USA WTP Limited Partnership
				(* * * * * * * * * * * * * * * * * * *
Yes	0.781%	5	2	Crump Energy Partners III, LLC
Yes	0.781%	S	2	Crown Oil Partners VI, LLC
Yes	49.844%	319	1	EOG Resources
No	2.205%	14.1131	2, 3	CM Resources, LLC
Operator	19.153%	122.578	1, 2, & 3	Colgate Production, LLC
FORCE POOL INTEREST	IM	NET	TRACT	WI OWNER DAWSON



124

4

Russel Cranmer	Duer Wagner, III	C5 Capital Management	HCH Investments, LLC	Douglas C. Cranmer and Russell B. Cranmer, Trustees of Russell E. Cranmer, Irrevocable Trust dated December 28, 1992	Intrepid Energy, Ltd.	Ted J. Werts	Gerald L. Michaud	John R. Kline	William L. Hillard	Robert G. Ettleson	Mary L. Kline	Hodge Natural Gas Gathering, Inc.	Wildcat Energy, LLC	Nelson & Co., for the Benefit of John D. Wile Marital Trust
ω	S	ω	ω	2, 3	2	2	2	2	2	2, 3	2, 3	2	2	2
0.08525	0.6036	0.08133	0.08133	0.27706	3.08486	0.06394	0.12786	0.22378	0.12786	0.14918	0.14918	0.06394	0.44702	0.0959
0.013%	0.094%	0.013%	0.013%	0.043%	0.482%	0.010%	0.020%	0.035%	0.020%	0.023%	0.023%	0.010%	0.070%	0.015%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

.

SM	Tract 1	Katherin Ferguson	Sombrero Associates	Robert H. Krieble et ux	Bill Ferguson	Catherine E. Huffman	Elizabeth Tullis Dillard
ĥ		ω	2	2	2	2	ω
		0.12789	0.22378	0.22376	0.51149	0.08333	10
		 0.020%	0.035%	0.035%	0.080%	0.013%	1.563%
SM	Tract 2	Yes	Yes	Yes	Yes	Yes	Yes
ř	Tract 3						

ŝ

34

Douglas Cranmer

ω

0.08525 0.013%

Yes

### **Communication Timeline**

November 4, 2019 – Initial proposals sent for the Dawson 34 Fed Com 133H, 134H, 123, and 142H

**October/November, 2019** – Numerous emails and phone calls with Crown/Crump about acquiring their acreage, including cash offers. Formal offers never received a final response from Crown/Crump. They have also not submitted and election or signed an OA.

**November 2019 to February 2020** – Extensive email discussion with Abbejane White Bates, Krista Stephenson, and JM Bryan regarding development plans and timing. No election or decision to sell provided by them.

**January 2020** – Following a request for offer to purchase, made offers to purchase to HCH, C5, and Huffman. Indicated they will likely participate. Attempted to purchase Waddill's and B&H Royalty; however, title issues have delayed/prevented closing to date.

**January/February, 2020** – Michaud communicated intent to participate in the wells but has not sent back elections or signed a JOA.

**February-May, 2020** – Continued discussions with Crown/Crump regarding respective plans, no final election received.

**November 2019-Present** – Received and returned a number of phone calls from WI owners. Provided requested data and informed them of their options. At present a number of these parties have not responded with their preferred course of action.

May 2020 – Continuing to work trade options with Magnum Hunter. Not finalized at this time nor have they returned their elections.

**November 2019 to May 2020** – Numerous conversations with OXY regarding participation, sale, or trade. Oxy is currently still reviewing a number of options. In the meantime, OXY has agreed to withdraw any protest and allow Colgate to proceed forward as operator of the wells.

**May 20, 2020** – As of this date a number of the parties have not been locatable following exhaustive attempts to locate good addresses, have not responded to the notices or have not provided follow up decisions regarding their intent to sell or participate. Outside of Oxy the other larger WI owners have not responded to discussions on these wells. Trade attempts were made with COG; however, good faith negotiations have stalled and no viable trade is currently available.

Yes	0.015%	0.0959	2	Nelson & Co., for the Benefit of John D. Wile Marital Trust
Yes	0.021%	0.13163	2	Olin Garrett, et ux
Yes	0.117%	0.74588	2	Galkay
Yes	0.336%	2.14988	2	Current Trustee Under Declaration of Trust dated August 28, 1982, executed by Alice G. Davis
Yes	0.336%	2.14987	2	J.W. Davis
Yes	0.178%	1.14075	2	Paul Umbarger, et ux
Yes	0.035%	0.225	2	John C. Rocovich, Jr, et ux
Yes	1.063%	6.8042	2	Magnum Hunter Production, Inc.
Yes	0.022%	0.14219	2	Geoffrey Lanceley
Yes	1.172%	7.4988	2, 3	Myrlene Mannschreck Dillon
Yes	28.102%	179.85	1, 2, 3	OXY USA WTP Limited Partnership
	CHOLIG		I	<u>10</u>
Yes	0.781%	5	2	Crump Energy Partners III. LLC
Yes	0.781%	5	2	Crown Oil Partners VI, LLC
No	2.045%	13.0849	2, 3	CM Resources, LLC
Operator	20.872%	133.578	1, 2, & 3	Colgate Production, LLC
FORCE POOL INTEREST	IM	NET	TRACT	WI OWNER SHAMPOOK



IS	0.07770	0.0050	ļ	Cost 11 aProv. 11
Vac	0.004%	0 6036	در	Duer Wagner III
Yes	0.010%	0.061	ω	C5 Capital Management
Yes	0.010%	0.061	ω	HCH Investments, LLC
Yes	0.013%	0.08525	ယ	Douglas C. Cranmer and Russell B. Cranmer, Trustees of Russell E. Cranmer, Irrevocable Trust dated December 28, 1992
Yes	0.030%	0.19181	2	Douglas C. Cranmer and Russell B. Cranmer, Trustees of Russell E. Cranmer, Irrevocable Trust dated December 28, 1992
Yes	0.482%	3.08486	2	Intrepid Energy, Ltd.
Yes	0.010%	0.06394	2	Ted J. Werts
Yes	0.020%	0.12786	2	Gerald L. Michaud
Yes	0.035%	0.22378	2	John R. Kline
Yes	0.020%	0.12786	2	William L. Hillard
Yes	0.020%	0.12787	2, 3	Robert G. Ettleson
Yes	0.020%	0.12787	2, 3	Mary L. Kline
Yes	0.010%	0.06394	2	Hodge Natural Gas Gathering, Inc.
Yes	0.070%	0.44702	2	Wildcat Energy, LLC

Russel Cranmer         3         0.08525         0.013%         Yes           Douglas Cranmer         3         0.08525         0.013%         Yes           Elizabeth Tullis Dillard         3         10         1.563%         Yes           Catherine E. Huffman         3         10         1.563%         Yes           Bill Ferguson         2         0.51149         0.080%         Yes           Robert H. Krieble et ux         2         0.1918         0.030%         Yes           Sombrero Associates         2         0.1918         0.030%         Yes           Robert K. Hillin         3         5.0711         0.039%         Yes           COG Operating         1         102         1.875%         Yes           Abbejane Masterson Bates <th>Yes</th> <th>0.391%</th> <th>2.5</th> <th>1</th> <th>Barbara Doak</th>	Yes	0.391%	2.5	1	Barbara Doak
$ \begin{array}{ c c c c c } \hline 3 & 0.08525 & 0.013\% \\ \hline 3 & 0.08525 & 0.013\% \\ \hline 3 & 10 & 1.563\% \\ \hline 3 & 0.0625 & 0.010\% \\ \hline 3 & 0.0625 & 0.010\% \\ \hline 2 & 0.51149 & 0.080\% \\ \hline 2 & 0.51149 & 0.080\% \\ \hline 2 & 0.22376 & 0.035\% \\ \hline 2 & 0.19181 & 0.030\% \\ \hline 2 & 0.19181 & 0.030\% \\ \hline 2 & 0.19181 & 0.030\% \\ \hline 3 & 3.53781 & 0.553\% \\ \hline 3 & 3.53781 & 0.553\% \\ \hline 3 & 3.53781 & 0.553\% \\ \hline 3 & 3.53781 & 0.030\% \\ \hline 1 & 102 & 15.938\% \\ \hline 1 & 102 & 15.938\% \\ \hline 1 & 1.25 & 0.195\% \\ \hline 1 & 1.25002 & 0.195\% \\ \hline 1 & 1.25002 & 0.195\% \\ \hline 1 & 0.03931 & 0.006\% \\ \end{array} $	Yes	0.195%	1.25002	1	B&H Royalty
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	Yes	0.006%	0.03931	1	Oxford Consulting
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	Yes	0.195%	1.25002	_	Abbejane Masterson Bates
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Yes	0.195%	1.25	1	Adene Sealy
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	Yes	11.875%	76		COG Operating
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Yes	15.938%	102	1	ZPZ Delaware I LLC
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Yes	0.003%	0.02131	ω	Raquel Womack
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Yes	0.781%	s	ω	
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Yes	0.553%	3.53781	ω	Katherine Ferguson
30.085250.013%30.085250.013%30.085250.013%3101.563%30.06250.010%20.511490.080%20.223760.035%	Yes	0.030%	0.19181	2	Sombrero Associates
3       0.08525       0.013%         3       0.08525       0.013%         3       0.08525       0.013%         3       10       1.563%         3       0.0625       0.010%         3       0.0625       0.010%         2       0.51149       0.080%	Yes	0.035%	0.22376	2	Robert H. Krieble et ux
3       0.08525       0.013%         3       0.08525       0.013%         3       0.08525       0.013%         3       10       1.563%         3       0.0625       0.010%	Yes	0.080%	0.51149	2	Bill Ferguson
3       0.08525       0.013%         3       0.08525       0.013%         3       0.08525       0.013%         3       10       1.563%	Yes	0.010%	0.0625	ω	ц
3     0.08525     0.013%       3     0.08525     0.013%       3     0.08525     0.013%	Yes	1.563%	10	ω	Elizabeth Tullis Dillard
3 0.08525 0.013%	Yes	0.013%	0.08525	ω	Douglas Cranmer
	Yes	0.013%	0.08525	ω	Russel Cranmer

Page 128 of 155

Yes	0.040%	0.25571	2	William Hilliard
Yes	0.018%	0.11792	-	Dorsar Investment Company
Yes	0.012%	0.07862	-	Heirs of Martin T. Hart et ux
Yes	0.005%	0.03125	-	Dale Wade Emmert
Yes	0.398%	2.55		COG Oil & Gas LP
Yes	0.008%	0.05241	-	Clinton H. Dean Jr.
Yes	0.317%	2.03125	-	Cheron Oil & Gas Co.
Yes	0.400%	2.55896		Charles Eugene Cooper & DeAnn Hutson
Yes	0.400%	2.55896		Heirs of Byrl W. Harris
Yes	0.016%	0.10417	-	Heirs of James Welch
Yes	0.016%	0.10417		Heirs of Thomas F. Welch
Yes	0.016%	0.10417	-	Heirs of T. Welch (Bryan Welch)
Yes	0.195%	1.25002	-	Billy O Waddill
Yes	0.160%	1.02298	2,3	Bill Ferguson
Yes	0.016%	0.10417		Becky Ruth Welch Kitto
Yes	0.398%	2.55	-	Barbara Brown Egbert

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Yes	0.018%	0.11793	-	Heirs of Margaret A. Avery
Yes	0.195%	1.25	1	Krista Alicen Stephenson
Yes	0.195%	1.25002		John Duane Waddill
103	0.01270	0.07002	-	
Voc	20C10 0	0 07820 0	_	I Inknown heirs of Mallory Miller
Yes	0.012%	0.07862	1	Unknown heirs of John T. Olive
Yes	0.227%	1.45507	1	JCJ Investments, LLC
Yes	0.006%	0.03931	1	Janet E. Cowan
Yes	0.070%	0.44755	1	J. Darlene Kline
Yes	0.195%	1.25	-	International Petroleum Corporation
Yes	0.006%	0.03931	1	Heirs of Homer L. Wedig
				4
Yes	0.195%	1.25002	-	Gemmill Family Trust
Yes	0.400%	2.55896	-	Heirs of Fred Hansen
Yes	0.400%	2.55896	1	Egbert Living Trust
Yes	0.391%	2.503	1	Heirs of Edward J. Brown
Yes	0.140%	0.89404	2,3	Wildcat Energy, LLC
Yes	0.012%	0.07862	1	Edna Louise Miller
Yes	0.781%	s		Unknown Heirs of M. G. MacNeill

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Yes	0.098%	0.625	-	Tularosa Oil Company
Yes	0.781%	ν	-	Thomas F. Meaders
Yes	0.391%	2.5	-	Unknown heirs of Carroll T. Hutchens
Yes	0.012%	0.07862	-	Teryl D. Meyers
Yes	0.198%	1.26965	1	Heirs of Galen Egbert
Yes	0.098%	0.625	<b></b>	Togiak Resources, LLC
Yes	0.391%	2.5	<u> </u>	Unknown heirs of Richard Pruett
Yes	0.020%	0.12787	2	Robert Ettelson
Yes	0.024%	0.15625	1	Heirs of Ruby Castle
Yes	0.073%	0.46875	1	Pregler Oil Company LLC
				07
Yes	0.020%	0.125	<u></u>	Platform Energy III
1 63	0.171/0	٤.ر	-	
Vog	0 2010/	د ۸	-	Hairs of Dichard Dmatt
Yes	0.005%	0.03125	1	EnPlat III, LLC
	0.012%	0.07862		Unknown Heirs of John Ponsford
1 63	V./01/0	Ĺ	-	T CEEY INILYAII
Var	0 7010/	'n	-	Decres Dursion
Yes	0.672%	4.29952	2	Pamela A. Davis

JM Bryan Oil, LLC	Gene Wood Joint Venture Acct		L & J Cohen. Inc	Heirs of RF Haynesworth
1	1	,		1
 1.45507	0.30267		2.55896	0.768
0.227%	0.047%		0.400%	0.120%
Yes	Yes	L er	Yes	Yes
	1 1.45507 0.227%	1     0.30267     0.047%       1     1.45507     0.227%	1       0.30267       0.047%         1       1.45507       0.227%	1       2.55896       0.400%         1       0.30267       0.047%         1       1.45507       0.227%

Virginia D. Kriz-Neeson, Successor to MC Neesen

Five J's Plus L, Inc

Virginia B. Dean, et al

2.30048

0.359%

Yes

0.07862

0.012%

Yes

0.07862

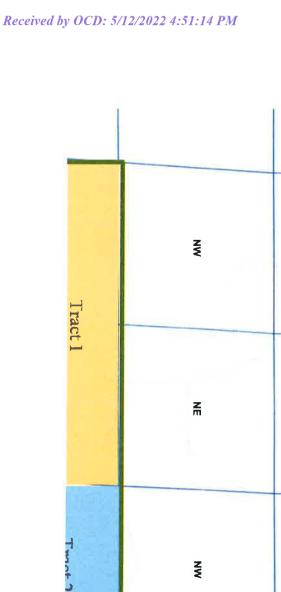
0.012%

Yes

2.5

0.391%

Yes



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Heirs of V. Burfiend p/k/a Vernon Burfiend

1.25

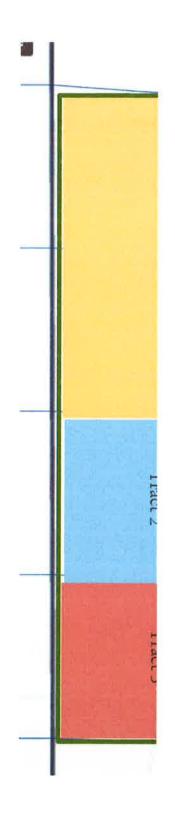
0.195%

Yes

Heirs of Richard and Lorraine Vance

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### Communication Timeline

**November 1, 2019** – Initial proposals sent for the Shamrock 34 Fed Com 131H, 132H, 121, and 122H

**December 11, 2019** – Updated proposals sent for the Shamrock 34 Fed Com 131H, 132H, 121, and 122H

**November/December, 2019** – A number of proposals were returned undeliverable. Researched and updated address delivery list. Additionally, technical team made adjustments to the well plans which necessitate an updated proposal to be sent out in December.

**October/November, 2019** – Numerous emails and phone calls with Crown/Crump about acquiring their acreage, including cash offers. Formal offers never received a final response from Crown/Crump. They have also not submitted and election or signed an OA.

**January 2020** – Following a request for offer to purchase, made offers to purchase to HCH, C5, and Huffman. No further response once offers sent.

**January/February, 2020** – Michaud communicated intent to participate in the wells but has not sent back elections or signed a JOA.

**February-May, 2020** – Continued discussions with Crown/Crump regarding respective plans, no final election received.

**January-May 2020** – Various trade and cash acquisition discussions with Oxy. Oxy plans to participate under the order in the event no cash or trade deal materializes.

**November 2019-Present** – Received and returned a number of phone calls from WI owners. Provided requested data and informed them of their options. At present a number of these parties have not responded with their preferred course of action.

May 2020 – Continuing to work trade options with Magnum Hunter. Not finalized at this time nor have they returned their elections.

**December 2019 to May 2020** – EOG and Colgate are finalizing a deal for Colgate to acquire EOG's interest in these lands.

May 20, 2020 – As of this date a number of the parties have not been locatable following exhaustive attempts to locate good addresses, have not responded to the notices or have not provided follow up decisions regarding their intent to sell or participate.



Via Certified Mail

November 4, 2019

Robert F. Haynsworth 6318 Turney Way Dallas, TX 75230

RE: Dawson 34 Fed Com Well Proposals S/2 of Section 33 and the S/2 of Section 34 T19S-28E, Bone Spring Formation Eddy County, New Mexico

Colgate Production, LLC ("Colgate"), hereby proposes the drilling of eight (8) wells, the Dawson 34 Fed Com 123H, 124H, 133H and 134H at the following locations:

Dawson 34 Fed Com 123H SHL: 1270' FSL and 300' FEL of Section 34-19S-28E BHL: 1910' FSL and 100' FWL of Section 33-19S-38E TVD: 7,455' TMD: 17,209' Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See AFE

Dawson 34 Fed Com 124H SHL: 1270' FSL and 300' FEL of Section 34-19S-28E BHL: 550' FSL and 100' FWL of Section 33-19S-38E TVD: 7,455' TMD: 17,209' Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See AFE

Dawson 34 Fed Com 133H SHL: 1270' FSL and 300' FEL of Section 34-19S-28E BHL: 1790' FSL and 100' FWL of Section 33-19S-38E TVD: 8,630' TMD: 18,384' Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See AFE

Dawson 34 Fed Com 134H SHL: 1270' FSL and 300' FEL of Section 34-19S-28E BHL: 430' FSL and 100' FWL of Section 33-19S-38E TVD: 8,660' TMD: 18,414' Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See AFE



The locations and targets are approximate and subject to change depending 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 will be forwarded to you following your receipt of this proposal. The Operating Agreement will have the following general provisions:

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

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 enclosed AFE, and your geologic well requirements.

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

If you have any questions regarding this matter, please give me a call at 432-257-3886 or via email at mhajdik@colgateenergy.com.

Sincerely,

Make G. lik

Mark Hajdik Senior Landman

MH Enclosures

Well Elections

 _I/We hereby elect to participate in the Dawson 34 Fed Com 123H. _I/We hereby elect NOT to participate in the Dawson 34 Fed Com 123H.
 _I/We hereby elect to participate in the Dawson 34 Fed Com 124H. _I/We hereby elect NOT to participate in the Dawson 34 Fed Com 124H.
 _I/We hereby elect to participate in the Dawson 34 Fed Com 133H. _I/We hereby elect NOT to participate in the Dawson 34 Fed Com 133H.
 _I/We hereby elect to participate in the Dawson 34 Fed Com 134H. _I/We hereby elect NOT to participate in the Dawson 34 Fed Com 134H.



Via Certified Mail

December 11, 2019

Kenneth R. Dean and Peggy J. Dean 80 Shiloh Road Odessa, Texas 79762-8415

RE: Shamrock 34 Fed Com Well Proposals The N/2 of Sections 33 & 34 T19S-28E, Bone Spring Formation Eddy County, New Mexico

Colgate Production, LLC ("Colgate"), hereby proposes the drilling of four (4) wells, the Shamrock 34 Fed Com 121H, 122H, 131H, and 132H at the following locations:

Shamrock 34 Fed Com 121H SHL: 660' FNL and 300' FWL of Section 34-19S-28E BHL: 990' FNL and 100' FWL of Section 33-19S-28E TVD: 7,455' TMD: 17,209' Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See AFE

Shamrock 34 Fed Com 122H SHL: 1680' FNL and 400' FWL of Section 34-19S-28E BHL: 2310' FNL and 100' FWL of Section 33-19S-28E TVD: 7,445' TMD: 17,209' Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See AFE

Shamrock 34 Fed Com 131H SHL: 660' FNL and 300' FWL of Section 34-19S-28E BHL: 890' FNL and 100' FWL of Section 33-19S-28E TVD: 8,620' TMD: 18,374' Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See AFE

Shamrock 34 Fed Com 132H SHL: 1680' FNL and 400' FWL of Section 34-19S-28E BHL: 2210' FNL and 100' FWL of Section 33-19S-28E TVD: 8,620' TMD: 18,374' Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See AFE



The locations and targets are approximate and subject to change depending 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 will be forwarded to you following your receipt of this proposal. The Operating Agreement will have the following general provisions:

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

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 enclosed AFE, and your geologic well requirements.

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

If you have any questions regarding this matter, please give me a call at 432-257-3886 or via email at mhajdik@colgateenergy.com.

Sincerely,

Mak/63.lik

Mark Hajdik Senior Landman

MH Enclosures

### Well Elections

I/We hereby elect to participate in the Shamrock 34 Fed Com 121H. I/We hereby elect NOT to participate in the Shamrock 34 Fed Com 121H.
I/We hereby elect to participate in the Shamrock 34 Fed Com 122H. I/We hereby elect NOT to participate in the Shamrock 34 Fed Com 122H.
I/We hereby elect to participate in the Shamrock 34 Fed Com 131H. I/We hereby elect NOT to participate in the Shamrock 34 Fed Com 131H.
I/We hereby elect to participate in the Shamrock 34 Fed Com 132H. I/We hereby elect NOT to participate in the Shamrock 34 Fed Com 132H.

Kenneth R. Dean and Peggy J. Dean 80 Shiloh Road Odessa, Texas 79762-8415

# Colgate Energy 303 W. Wall St. , Midland TX 79701 Phone (432) 695-4257 • Fax (432) 695-4063

DATE:	11/1/2019	AFE NO.:	0
WELL NAME:	Dawson 34 Fed Corn 123H	FIELD:	0
LOCATION:	NM	MD/TVD:	17209 / 7455
COUNTY/STATE:	Eddy	LATERAL LENGTH:	9,427
Cotgate WI:		DRILLING DAYS:	29
GEOLOGIC TARGET:	2nd Bone Spring	COMPLETION DAYS:	17

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
Land/Legal/Regulatory \$	35,000	5	5	5 35,000
Location, Surveys & Damages	220,000	13.000	4,000	237,000
Freight / Transportation	25,000	53,250	3 <del></del>	78,250
Rental - Surface Equipment	103,721	207,600	12,000	323,321
Rental - Downhole Equipment	129,831	50,000	-	179,831
Rental - Living Quarters	57,238	44,900	10.000	112,138
10 Directional Drilling, Surveys	285,100		-	286,100
11 Drilling	812,587			812,587
2 Drill Bits	105,000			105,000
3 Fuel & Power	167,475	472,500		639,975
14 Cementing & Float Equip	180,000			180,000
16 Perforating, Wireline, Slickline		459,100	20.000	479,100
17 High Pressure Pump Truck		10,000		10,000
18 Completion Unit, Swab, CIU		70,000	16,500	86,500
20 Mud Circulation System	86,730			86,730
1 Mud Logging	23,100			23,100
22 Logging / Formation Evaluation	14,450	8,000	-	22,450
23 Mud & Chemicals	272,097	444,100		716,197
24 Water	25,500	804,744		830,244
25 Stimulation	25,500	2,0/9,000		2,079,000
26 Stimulation Flowback & Disp	<u> </u>	143,000	2	143,000
28 Mud / Wastewater Disposal	104,375	221,000		325,375
30 Rig Supervision / Engineering	128,470	84,800	8,000	221,270
32 Drig & Completion Overhead	10,875	84,800	8,000	10,875
35 Labor -	,		10,000	
	141,000	12,500	10,000	163,500
95 Insurance	30,975			30,976
97 Contingency	296,052	413,799	8,050	717,902
99 Plugging & Abandonment	582			
TOTAL INTANGIBLES >	3,256,577	5,591,293	88,550	8,936,421
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
0 Surface Casing 5	15,034	5	5	5 15,034
1 Intermediate Casing	89,448			89,448
2 Drilling Liner		-		
i3 Production Casing	280,335		61	280,335
4 Production Liner	(*)			
5 Tubing	(A)	· · · · · · · · · · · · · · · · · · ·	60,648	60,648
6 Wellhead	72,000	-	75,000	152,000
7 Packers, Liner Hangers	26,000	· · ·		26,000
8 l'anks			80,000	80,000
9 Production Vessels	14.7		125,000	125,000
'0 Flow Lines	14.1			
1 Rod string				
2 Artificial Lift Equipment			95,000	95,000
3 Compressor	141		3	*
4 Installation Costs			67,000	67,000
5 Surface Pumps		-		-
6 Downhole Pumps	24	2	-	-
7 Measurement & Meter Installation		(;		
				-
		12		
8 Gas Conditioning/ Dehydration				-
8 Gas Conditioning/Dehydration 9 Interconnecting Facility Piping		2		
8 Gas Conditioning/ Dehydration 9 Interconnecting Facility Piping 0 Gathering/ Bulk Lines				
8 Gas Conditioning/ Dehydration 9 Interconnecting Facility Piping 0 Gathering/ Bulk Lines 1 Valves, Dumps, Controllers				
8 Gas Conditioning / Dehydration 9 Interconnecting Kacility Piping 0 Gathering / Bulk Lines 1 Valves, Dumps, Controllers 2 Tank / Facility Containment				-
8 Gas Conditioning / Dchydration 9 Interconnecting Facility Piping 0 Gathering / Bulk Lines 1 Valves, Dumps, Controllers 2 Tank / Facility Containment 3 Plarc Stack				
8 Gas Conditioning / Dchydration 9 Interconneting Facility Piping 0 Gathering / Bulk Lines 1 Valves, Dumps, Controllers 2 Tank / Facility Containment 3 Flare Stack 4 Electrical / Grounding				
8 Gas Conditioning / Dehydration 9 Interconnecting Facility Piping 0 Gathering / Bulk Lines 1 Valves, Dumps, Controllers 2 Vank / Facility Containment 3 Flare Stack 4 Electrical / Grounding 5 Communications / SCADA				
8 Gas Conditioning A Clehydration 9 Interconnecting Facility Piping 0 Gathering / Bulk Lines 1 Valves, Dumps, Controllers 2 Tank / Facility Containment 3 Piare Stack 4 Electrical / Grounding 5 Communications / SZADA 6 Instrumentation / Safety	407.017			
8 Gas Conditioning / Dehydration 9 Interconnecting Facility Piping 0 Gathering / Bulk Lines 1 Valves, Dumps, Controllers 2 Vank / Facility Containment 3 Flare Stack 4 Electrical / Grounding 5 Communications / SCADA	487,816	0	502,648	990,46

#### PREPARED BY Colgate Energy:

Drilling Engineer: Rafael Madrid			
Completions Engineer: Brady Adams	CRM		
Production Engineer: Brady Adams			
nergy APPROVAL:			
Co-CEO	Co-CEO	VP - Operations	
WH VP - Land & Legal	JW VP - Geosciences	CRM	
BG	SO SO		
Company Name:	Working Interest (%):	Tax ID:	e. Î
	Working Interest (%): Date:	Tax ID:	
Company Name: Signed by: Title:	Date:Yes	No (mark one)	
Company Name: Signed by: Title:	Date:	<u>Νο</u> Νο (mark one)	EXHIBIT

REMARKS:

#### Colgate Energy 303 W. Wall St., Midland TX 79701 Phone (432) 695-4257 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	11/1/2019	AFE NO.:	0
WELL NAME:	Dawson 34 Fed Com 124H	FIELD:	0
LOCATION:	NM	MD/TVD:	17209 / 7455
COUNTY/STATE:	Eddy	LATERAL LENGTH:	9,427
Colgate WI:		DRILLING DAYS:	29
GEOLOGIC TARGET:	2nd Bone Spring	COMPLETION DAYS:	17

Drill and Complete 63 stages in the 2nd Bone Spring formation, AFE includes D&C, flowback & initial ESP install,

DRILLING COMPLETION PRODUCTION TOTAL INTANGIBLE COSTS COSTS COSTS COSTS COSTS 1 Land/Legal/Regulatory 2 Location, Surveys & Damages 4 Freight / Transportation 55.000 35000 220,000 13,000 4,000 237,000 78,250 25,000 53,250 5 Rental - Surface Equipment 6 Rental - Downhole Equipment 103,721 207,600 12,000 323,321 129,831 50,000 179.831 7 Rental - Living Quarters 10 Directional Drilling, Surveys 57 738 44.900 10,000 112,138 285,100 286,100 11 Drilling 12 Drill Bits 13 Fuel & Power 812.587 812,587 105,000 106,000 172,500 167,475 639,975 14 Cementing & Float Equip 16 Perforating, Wireline, Slickline 180,000 180.000 20,000 159,100 479,100 17 High Pressure Pump Truck TUBU 10100 18 Completion Unit, Swab, CIU 20 Mud Circulation System 16,500 70,000 86,730 86,730 21 Mud Logging 22 Logging / Formation 23 Mud & Chemicals 23,100 14,450 23,100 tion Evaluation 8,000 22,450 272.097 444.100 716.197 24 Water 25 Stimulation 25,500 804,744 830,244 2.079.000 2.079.000 26 Stimulation Flowback & Disp 28 Mud / Wastewater Disposal 30 Rig Supervision / Engineering 143,000 143,000 104,375 221,000 325,375 126,470 84,800 8,000 221,270 32 Drlg & Completion Overhead 10.87: 10,875 12.500 10.000 35 Labor 141.000 163,500 95 Insurance 97 Conlingency 30,976 296,052 30,976 717,902 413,799 8,050 99 Plugging & Abandonment TOTAL INTANGIBLES > 3.256.577 5,591,293 88,550 8,936,421 DRILLING COMPLETION PRODUCTION TOTAL TANGIBLE COSTS COSTS COSTS COSTS COSTS 61 Intermediate Casing 15043 15,034 89,448 89,448 62 Drilling Liner 63 Production Casing 280,335 280,335 64 Production Liner 65 Tubing 66 Wellhead 60,648 60,618 75,000 77,000 152,000 67 Packers, Liner Hangers 68 Tanks 26,000 26,000 80,000 80,000 69 Production Vessels 125,000 125,000 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 95,000 95,000 73 Compressor 74 Installation Costs 67.000 67.000 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety

#### PREPARED BY Colgate Energy:

TOTAL TANGIBLES >

TOTAL COSTS >

Drilling Engineer: Completions Engineer: Production Engineer:	Rafael Madrid Brady Adams Brady Adams	CRM	
Colgate Energy APPROVAL:			
Co-CEO	1007	Co-CEO	VP - Operations
VP - Land & Legal	WH BG	JW VP - Grosciences SO	CRM
NON OPER A TINC BARTNER	A DDD COV A L		
NON OPERATING PARTNER	APPROVAL:	Working Interest (%):	Tax ID:
	APPROVAL:	Working Interest (%): Date:	Tax ID:

457,816

3,744,394

502,648

591.198

990,464

9,926,885

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5.591.293

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REMARKS:

#### Colgate Energy 303 W, Wall St. , Midland TX 79701 Phone (432) 695-4257 • Fax (432) 695-4063

Phone (432) 695-4257 • Fax (432) 695-4063 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

	ESTIMATE OF COSTS AND AUTHOR	IZATION FOR EXPENDITURE	
DATE:	11/1/2019	AFE NO.:	0
WELL NAME:	Dawson 34 Fed Com 133H	FIELD:	0
LOCATION:	NM	MD/TVD:	18384 / 8630
COUNTY/STATE:	Eddy	LATERAL LENGTH:	9,427
Colgate WI:		DRILLING DAYS:	30
GEOLOGIC TARGET:	3rd Bone Spring	COMPLETION DAYS:	17

Drill and Complete 63 stages in the 3rd Bone Spring formation, AFE includes D&C, flowback & initial ESP install,

	DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
I Land/Legal/Regulatory S	35,000	5	\$	\$ 35,00
2 Location, Surveys & Damages	229,000	13,000	4,000	237,00
A Freight / Transportation	25,000	53,750	1	78,75
5 Rental - Surface Equipment	106,863	209,400	12,000	328,26
6 Rental - Downhole Equipment	144,171	60,000		204,17
7 Rental - Living Quarters	>8,788	45,700	10,000	114,48
10 Directional Drilling, Surveys	294,300			294,30
11 Drilling	835,330			835,33
12 Drill Bits	105,000		1	105,00
13 Fuel & Power	175,250	472,500		645,75
14 Cementing & Float Equip	180,000			180,00
16 Perforating, Wireline, Slickline	141	459,100	20,000	479,10
17 High Pressure Pump Truck -		10,000		10,00
18 Completion Unit, Swab, CIU	181	140,000	16,500	156,50
20 Mud Circulation System	88,605	()		88,60
21 Mud Logging	21,810	· · · · · · · · · · · · · · · · · · ·		21,81
22 Logging / Formation Evaluation	11,900"	8,000	3 <b></b> /#	19,90
23 Mud & Chemicals	2/2,1/2	461,100		736,57
24 Water -	75,500	804,744		830,24
25 Stimulation		2,0/9,000		2,079,00
26 Stimulation Flowback & Disp		152,000		152,00
28 Mud / Wastewater Disposal	104,375	221,000		325,37
30 Rig Supervision / Engineering	132,900	88,000	8,000	228,90
32 Drlg & Completion Overhead	11,250	1426480022		11,25
35 Labor	141,000	12,300	10.000	163.50
95 Insurance	35,091			33,09
97 Contingency	302,160	425,329	8,050	735,54
99 Plugging & Abandonment	0000		0,000	
TOTAL INTANGIBLES >	3,323,765	5,718,123	88,550	9,130,43
TOTAL INTRAGIBLED >				
	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
50 Surface Casing 5	15,034	5	5	10,05
bl Intermediate Casing	225,348			225,34
62 Drilling Liner	-			-
63 Production Casing	299,475			299,47
64 Production Liner	1			5
65 l'ubing				
			60,648	60,64
66 Wellhead	77,000		60,648 75,000	
	27,000			152,00
66 Wellhead				152,00
67 Packers, Liner Hangers — 68 Fanks —			/5,000	152,00 26,00 80,00
67 Packers, Liner Hangers			75,000	152,00 26,00 80,00
57 Packers, Liner Hangers 58 Fanks 59 Froduction Vessels 07 Flow Lines			75,000	152,00 26,00 80,00
57 Packers, Liner Hangers 58 Tanks 59 Production Vessels 70 Flow Lines 71 Rod string			80,000 125,000	152,00 26,00 80,00 125,00
37 Packers, Liner Hangers 18 Tanks 19 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment			75,000	152,00 26,00 80,00 125,00
57 Packers, Liner Hangers 18 Tanks 29 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 33 Compressor			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
57 Packers, Liner Hangers 58 Tanks 59 Production Vessels 59 Forduction Vessels 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs			80,000 125,000	152,00 26,00 80,00 125,00
57 Packers, Liner Hangers 18 Tanks 19 Troduction Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
77 Packers, Liner Hangers 18 Tanks 19 Troduction Vessels 10 Flow Lines 17 Rod string 27 Artificial Lift Equipment 13 Compressor 4 Installation Costs 15 Surface Pumps 6 Downhole Pumps			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
17 Packers, Liner Hangers 18 Tanks 18 Tanks 19 Froduction Vessels 19 Forduction Vessels 17 Rod string 12 Artificial Lift Equipment 3 Compressor 4 Installation Coats 5 Surface Pumps 5 Downhole Pumps 5 Downhole Pumps 7 Measurement & Neter Installation			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
77 Packers, Liner Hangers 78 Parduction Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 76 Measurement & Meter Installation 8 Gas Conditioning / Dehydration			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
77 Packers, Liner Hangers 78 Tanks 79 Troduction Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 91 Interconnecting Facility Piping			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
77 Packers, Liner Hangers 18 Tanks 19 Troduction Vessels 10 Flow Lines 17 Rod string 2 Artificial Lift Equipment 3 Compressor 4 Installation Coats 5 Surface Pumps 6 Downhole Pumps 7 Measurement & Meter Installation 18 Gas Conditioning / Dehydration 19 Interconnecting Facility Piping 10 Gathering / Bulk Lines			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
77 Packers, Liner Hangers 78 Packers, Liner Hangers 79 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 75 Ownhole Pumps 76 Downhole Pumps 76 Ownhole Pumps 76 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 10 Gathering / Bulk Lines 71 Valves, Dumps, Controllers			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
37 Packers, Liner Hangers 18 Tanks 18 Tanks 19 Fraduction Vessels 20 Flow Lines 21 Rod string 22 Artificial Lift Equipment 33 Compressor 44 Installation Coats 25 Surface Pumps 26 Downhole Pumps 27 Measurement & Meter Installation 28 Gas Conditioning / Dehydration 29 Interconnecting Facility Piping 20 Interconnecting Facility Piping 10 Gathering / Bulk Lines 11 Valves, Dumps, Controllers 12 Tank / Facility Containment			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
77 Packers, Liner Hangers 78 Parduction Vessels 79 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 76 Downhole Pumps 76 Measurement & Meter Installation 78 Gass Conditioning / Dehydration 79 Interconnecting Facility Piping 70 Gathering / Bulk Lines 71 Valves, Dumps, Controllers 72 Tank / Facility Containment 73 Plare Stack			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
57 Packers, Liner Hangers 58 Tanks 59 Troduction Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Coals 75 Surface Pumps 75 Oursace Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 79 Interconnecting Facility Piping 10 Gathering / Buik Lines 10 Valves, Dumps, Controllers 12 Tank, / Facility Containment 13 Flare Stack 4 Electrical / Grounding			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00
57 Packers, Liner Hangers 58 Tanke 59 Troduction Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Coats 75 Surface Pumps 76 Downhole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconneerting Facility Priping 50 Gathering / Bulk Lines 51 Valves, Dumps, Controllers 51 Tank / Facility Containment 33 Flare Stack 44 Electrical / Grounding 55 Communications / SCADA			95,000 80,000 1,25,000 95,000	60,04 (152,00) 26,00) 80,000 (125,000) 95,000 67,000
77 Packers, Liner Hangers 78 Parduction Vessels 79 Production Vessels 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 76 Downhole Pumps 76 Downhole Pumps 76 Comment & Meter Installation 78 Gass Conditioning / Dehydration 79 Interconnecting Facility Piping 70 Gathering / Bulk Lines 71 Vaives, Dumps, Controllers 72 Tank / Facility Containment 74 Plare Stack 75 Plare Stack 75 Communications / SCADA 61 Instrumentation / Safety			/3,000 80,000 125,000 95,000 67,000 67,000	132,00 26,00 80,00 125,00 95,00 87,00
57 Packers, Liner Hangers 58 Tanks 59 Troduction Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Coals 75 Surface Pumps 75 Ouronhole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 10 Valves, Dumps, Controllers 81 Valves, Dumps, Controllers 83 Flare Stack 4 Electrical / Grounding			95,000 80,000 1,25,000 95,000	152,00 26,00 80,00 125,00

		777.7690162	1121 200667	
PREPARED BY Colgate Energy	/:			
Drilling Engineer: Completions Engineer:	Rafael Madrid Brady Adams		CRM	
Production Engineer:	Brady Adams		didit.	

Completions Engineer: Production Engineer:	Brady Adams Brady Adams	CRM	
e Energy APPROVAL:			
Co-CEO	s	Co-CEO	VP - Operations
VP - Land & Legal	WH	IW VP - Geosciences	CRM
	BG	SO	
PERATING PARTNER	APPROVAL:		
OPERATING PARTNER	APPROVAL:	Working Interest (%):	Tax ID;
	APPROVAL:	Working Interest (%): Date:	Tax ID:

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### **Colgate Energy** 303 W. Wall St. , Midland TX 79701 Phone (432) 695-4257 • Fax (432) 695-4063

	ESTIMATE OF COSTS AND AUTHOR	IZATION FOR EXPENDITURE	
DATE:	11/1/2019	AFE NO.;	0
WELL NAME:	Dawson 34 Fed Com 134H	FIELD:	0
LOCATION:	NM	MD/TVD:	18414 / 8660
COUNTY/STATE:	Eddy	LATERAL LENGTH:	9,427
Colgate WI:		DRILLING DAYS:	30
GEOLOGIC TARGET:	3rd Bone Spring	COMPLETION DAYS:	17

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land/Legal/Regulatory \$	35,000	5	5	35,000
2 Location, Surveys & Damages	220,000	13,000	4,000	237,000
4 Freight / Transportation	25,000	53,750	*	78,750
5 Rental - Surface Equipment	105,863	209,100	12,000	328,263
6 Rental - Downhole Equipment	144,171	60,000	*******	204,171
7 Rental - Living Quarters	58,788	45,700	10,000	114,488
10 Directional Drilling, Surveys	294,300		20	294,300
11 Drilling	835,330			835,330
12 Drill Bits	106,000			106,000
13 Fuel & Power	173,250	472,500	<u> </u>	645,750
14 Cementing & Float Equip	180,000			180,000
16 Perforating, Wireline, Slickline		459,100	20,000	479,100
17 High Pressure Pump Truck		10,000		10,000
18 Completion Unit, Swab, CIU	(#)	140,000	16,500	156,500
20 Mud Circulation System	88,605	2 2		88,605
21 Mud Logging	21,810			21,810
22 Logging / Formation Evaluation	11,900	8,000		19,900
23 Mud & Chemicals	2/2,772	461,100	2 D	736,872
	25,500	804,714		830,244
25 Stimulation	<u> </u>	2,079,000		2,079,000
26 Stimulation Flowback & Disp	104,375		<u>1</u>	152,000
28 Mud / Wastewater Disposal 30 Rig Supervision / Engineering -	132,900	88,000	8,000	325,375
32 Drlg & Completion Overhead –	11,250	88,000	3,000	11,250
35 Labor -	141,000	12,500	10,000	163,500
95 Insurance -	33,145	14,000	10,000	33,145
97 Contingency	302,195	425,329	8,050	/35,5/5
99 Plugging & Abandonment	502,170	120,027	3,050	133,513
TOTAL INTANGIBLES >	3,324,155	5,718,123	88,550	9,130,828
	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing 5	15,034	5	5 5	15,034
61 Intermediate Casing	225,348			225,348
62 Drilling Liner				
63 Production Casing	299,964			299,964
64 Production Liner	5			
65 l'ubing			60,613	60,648
66 Wellhead	77,000		75,000	152,000
67 Packers, Liner Hangers	26,000	-		26,000
68 Tanks			80,000	\$0,000
69 Production Vessels -			125,000	125,000
69 Production Vessels 70 Flow Lines			125,000	125,000
69 Production Vessels 70 Flow Lines 71 Rod string				
69 Production Vessels 70 Flow Lince 71 Rod string 72 Artificial Lift Equipment			95,000	125,000
69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compresor			95,000	95,000
69 Production Vessets 70 Flow Lines 71 Rod skring 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs				
59 Production Vessels 70 Flow Lince 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps			95,000	95,000
69 Production Vessels 71 Riod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps			95,000	95,000
59 Production Vessets 70 Flow Lince 72 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 76 Downhole Pumps			95,000	95,000
69 Production Vessels 70 Flow Lines 72 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 75 Downhole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration			95,000	95,000
69 Production Vessets 70 Flow Lince 72 Rod skring 73 Rod skring 73 Compressor 74 Installation Costs 75 Surface Fumps 75 Surface Fumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 9 Interconnecting Kacility Piping			95,000	95,000
69 Production Vessels 70 Flow Lines 72 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines			95,000	95,000
69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 75 Downhole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 11 Valves, Dumps, Controllers			95,000	95,000
69 Production Vessels 70 Flow Lines 72 Rod skring 72 Artificial Lift Equipment 73 Compressor 73 Installation Costs 75 Surface Pumps 75 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Controllers			95,000	95,000
Production Vessels         10 Flow Lince         11 Rod string         12 Acd string         12 Artificial Lift Equipment         13 Compressor         4 Installation Costs         55 Surface Pumps         6 Downhole Pumps         7 Measurement & Meter Installation         9 Gase Conditioning / Dehydration         9 Interconnecting Facility Piping         10 Gathering / Bulk Lince         11 Valves, Dumps, Controllers			95,000	95,000

84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety 643,346 502,648 1,145,994 TOTAL TANGIBLES > 0 TOTAL COSTS > 5,718,123 591,198 3,967,500 10,276,821 777 9411927 1121 200667 2015.063036 PREPARED BY Colgate Energy:

Drilling Engineer: Completions Engineer: Production Engineer:	Rafael Madrid Brody Adams Brody Adams	CRM	
ite Energy APPROVAL:			
Co-CEO		Co-CEO	VP - Operations
VP - Land & Legal	WH	JW VP - Geosciences	CRM
	BC	50	
OPERATING PARTNER	APPROVAL:		
Company Name:		Working Interest (%):	Tax ID:
Signed by:		Date:	
Titlet		Approval: 🗍 Yes	No (mark one)

and a second second second ative regulationy, brokenage and teell reads under the terms of the appli-marance in an annumi aceptable to the Operator by the date of spud d bet and falling proplegal .

#### Colgate Energy 303 W. Wall St., Midland TX 79701 Phone (432) 695-4257 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	11/1/2019	AFE NO.:	0
WELL NAME:	Shamrock 34 Fed Com 121H	FIELD:	0
LOCATION:	NM	MD/TVD:	17209 / 7455
COUNTY/STATE:	Eddy	LATERAL LENGTH:	9,427
Colgate WI:		DRILLING DAYS:	29
GEOLOGIC TARGET:	2nd Bone Spring	COMPLETION DAYS:	17

REMARKS: Drill and Complete 63 stages in the 2nd Bone Spring formation. AFE includes D&C, flowback & initial ESP install.

	DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
TLand/Legal/Regulatory 5	35,000	5	\$	\$ 35,000
2 Location, Surveys & Damages	- 220,000	13,000	4,000	237,000
4 Freight / Transportation	25,000	53,250		78,250
5 Rental - Surface Equipment	103,721	207,600	12,000	523,321
6 Rental - Downhole Equipment	129,831	50,000		179,831
7 Rental - Living Quarters	57,238	44,900	10,000	112,138
10 Directional Drilling, Surveys	286,100		S S.	286,100
11 Drilling	812,587			812,587
12 Drill Bits	106,000			106,000
13 Fuel & Power	167,475	472,500		639,975
14 Cementing & Float Equip	180,000			180,000
16 Perforating, Wireline, Slickline		459,100	20,000	479,100
17 High Pressure Pump Truck		10,000		10,000
18 Completion Unit, Swab, CTU	(*)	20,000	16,500	86,500
20 Mud Circulation System	86,730			86,730
21 Mud Logging	23,100		· · · · · · · · · · · · · · · · · · ·	23,100
22 Logging / Formation Evaluation	14,450	8,000		22,450
23 Mud & Chemicals	272,097	144,100		716,197
24 Water	25,500	804,744		830,244
25 Stimulation	25	2,079,000	5	2,079,000
26 Stimulation Flowback & Disp		143,000		143,000
28 Mud/Wastewater Disposal	104,375	221,000		325,375
30 Rig Supervision / Engineering	128,470	84,800	8,000	221,270
32 Drlg & Completion Overhead	10,875			10,875
35 Labor	141,000	12,500	10,000	163,500
95 Insurance	30,976			30,976
97 Contingency	295,052	413,799	8,050	717,902
99 Plugging & Abandonment	-			
TOTAL INTANGIBLES >	3,256,577	5,591,293	88,550	8,936,421
	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing 5	15,054	5	3	5 15,034
61 Intermediate Casing	89,118			89,418
62 Drilling Liner		-		
63 Production Casing	280,335		-	280,335
64 Production Liner		-	-	*
65 Tubing			60,648	60,618
66 Wellhead	77,000		75,000	152,000
67 Packers, Liner Hangers	26,000		-	26,000
68 l'anks		· · · · · · · · · · · · · · · · · · ·	80,000	80,000
69 Production Vessels		2 <u></u>	125,000	125,000
70 Flow Lines			*	
71 Rod string		0 <del></del>		
72 Artificial Lift Equipment			95,000	95,000
73 Compressor		-	-	-
74 Installation Costs		( <del> </del>	67,000	67,000
75 Surface Pumps				
76 Downhole Pumps				
77 Measurement & Meter Installation				-
		-		
78 Gas Conditioning / Dehydration				
79 Interconnecting Facility Piping			<u> </u>	
79 Interconnecting Facility Piping - 80 Gathering / Bulk Lines -				
79 Interconnecting Facility Piping - 80 Gathering / Bulk Lines - 81 Valves, Dumps, Controllers -				*
79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Pacility Containment				
78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack – 84 Electrical / Grounding				

#### PREPARED BY Colgate Energy:

86 Instrumentation / Safely

TOTAL TANGIBLES >

TOTAL COSTS >

Drilling Engineer: Completions Engineer:	Rafael Madrid Brady Adams	CRM		
Production Engineer:	Brady Adams			
te Energy APPROVAL:				
Co-CEO		Co-CEO	VP - Operations	
VP - Land & Legal	BG	JW VP - Geosciences SO		CRM
OPERATING PARTNER	APPROVAL:		 	
OPERATING PARTNER Company Name:	APPROVAL:	Working Interest (%):	Tax ID:	
	APPROVAL:	Working Interest (%): Date:	 Tax ID:	

487,816

3,744,394

502,648

591,198

0 5,591,293 990,464

9,926,885

#### Colgate Energy 303 W. Wall St., Midland TX 79701 Phone (432) 695-4257 • Fax (432) 695-4063 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

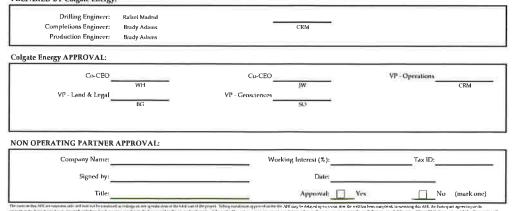
DATE:	11/1/2019	AFE NO.:	0
WELL NAME:	Shamrock 34 Fed Com 122H	FIELD:	0
LOCATION:	NM	MD/TVD:	17209 / 7455
COUNTY/STATE:	Eddy	LATERAL LENGTH:	9,427
Colgate WI:	0,00%	DRILLING DAYS:	29
GEOLOGIC TARGET:	2nd Bone Spring	COMPLETION DAYS:	17

REMARKS: Drill and Complete 63 stages in the 2nd Bone Spring formation. AFE includes D&C, flowback & initial ESP install.

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
TLand/Legal/Regulatory \$	35,000			\$ 35,000
2 Location, Surveys & Damages	220,000	13,000	4,000	237,000
4 Freight / Transportation	25,000	33,250	4,000	/8,25U
5 Rental - Surface Equipment	103,721	207,600	12,000	323,321
6 Renial - Downhole Equipment	129,831	50,000	12,000	179,831
7 Rental - Living Quarters	57,238	44,900	10,000	112,138
10 Directional Drilling, Surveys	286,100	11,700	10,000	286,100
11 Drilling	812,587			812,587
12 Drill Bits	105,000			106,000
13 Fuel & Power	167,475	472,500	-	639,975
14 Cementing & Float Equip	180,000	472,500		180,000
16 Perforating, Wireline, Slickline	100,000	459,100	20,000	479,100
17 High Pressure Pump Truck	<u>.</u>	10,000	20,000	10,000
18 Completion Unit, Swab, CIU		70,000	15,500	86,500
20 Mud Circulation System	86,730	70,000	10,500	
				86,730
21 Mud Logging	23,100	8,000		23,100
22 Logging / Formation Evaluation	14,450			22,450
23 Mud & Chemicals	272,097	444,100		716,197
24 Water	25,500	8114,744		830,244
25 Stimulation		2,079,000		2,079,000
26 Stimulation Flowback & Disp		143,000		143,000
28 Mud / Wastewater Disposal	104,375	221,000		325,375
30 Rig Supervision / Engineering	128,470	84,800	8,000	221,270
32 Drlg & Completion Overhead	10,875			10,875
35 Labor	141,000	T2,500	10,000	163,500
95 Insurance	30,976			30,976
97 Contingency	296,052	413,799	8,050	717,902
99 Plugging & Abandonment				
TOTAL INTANGIBLES >	3,256,577	5,591,293	88,550	8,936,421
	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing \$	15,051			\$ 15,034
		<u>.</u>		
61 Intermediate Casing	89,448	·	·	89,448
62 Drilling Liner	89,448			1.01
62 Drilling Liner 63 Production Casing				89,448 280,335
62 Drilling Liner 63 Production Casing 64 Production Liner	89,448			280,335
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing	89,448		60,618	280,335
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead	89,448 280,335 77,000		60,618 75,000	280,335 60,648 152,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers	89,448			280,335
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks	89,448 280,335 77,000			280,335 60,648 152,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Iranks 69 Iroduction Veissels	89,448 280,335 77,000		75,000	280,335 60,648 152,000 26,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubbing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 79 Flow Lines	89,448 280,335 77,000		75,000	280,335 60,648 152,000 26,000 80,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Iranks 69 Iroduction Veissels	89,448 280,335 77,000		75,000	280,335 60,648 152,000 26,000 80,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubbing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 79 Flow Lines	89,448 280,335 77,000		75,000	280,335 60,648 152,000 26,000 80,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 65 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Veissels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment	89,448 280,335 77,000		75,000 80,000 125,000	280,335 60,648 152,000 26,000 80,000 125,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Iroduction Vessels 70 Flow Lines 70 Flow Lines	89,448 280,335 77,000		75,000 80,000 125,000	280,335 60,648 152,000 26,000 80,000 125,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compresor	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 90,648 152,000 26,000 125,000 125,000 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Tranks 69 Production Veissels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Cools 75 Surface Fumps	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 90,648 152,000 26,000 125,000 125,000 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packees, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compresor 74 Installation Costs 75 Surface Pumps	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 50,743 152,000 26,000 80,000 125,900 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 65 Wellhead 67 Packera, Liner Hangers 68 Tanks 69 Production Veissels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costo 75 Surface Fumps 76 Downhole Fumps 76 Downhole Fumps	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 50,743 152,000 26,000 80,000 125,900 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Weithead 67 Packers, Liner Hangers 68 Tanks 69 Traduction Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Fumps 75 Downhole Pumps 77 Measurement & Meter Installation 77 Measurement & Meter Installation 76 Gase Conditioning / Dehydration	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 50,743 152,000 26,000 80,000 125,900 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compresor 74 Installation Costs 75 Surface Yumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 78 Interconnecting Facility Piping	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 90,648 152,000 26,000 125,000 125,000 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 65 Wellhead 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Veissels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Cools 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Hacility Piping 80 Gathering / Bulk Lines	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 90,648 152,000 26,000 125,000 125,000 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Welthead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Yumps 75 Downhole Pumps 77 Measurement & Meter Installation 79 Gase Conditioning / Dehydration 79 Interconnecting Hacility Piping 80 Gathering / Bulk Lines	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 90,648 152,000 26,000 125,000 125,000 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Physing 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 90,648 152,000 26,000 125,000 125,000 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Weilhead 67 Packers, Liner Hangers 68 Tanks 69 Production Veissels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Cosls 75 Surface Fumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Hacility Piping 80 Gathering, Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 81 Flare Stack	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 90,648 152,000 26,000 125,000 125,000 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Welthead 67 Packers, Liner Hangers 68 Tanks 69 Production Veissels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Yumpa 76 Downhole Pumps 77 Measurement & Meter Installation 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 90,648 152,000 26,000 125,000 125,000 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 65 Wellhead 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Veissels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costo 75 Surface Pumps 75 Ourshole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnenting Hacility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 50,743 152,000 26,000 80,000 125,900 95,000
62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs	89,448 280,335 77,000		75,000 80,000 125,000 95,000	280,335 50,743 152,000 26,000 80,000 125,900 95,000

#### PREPARED BY Colgate Energy:

TOTAL COSTS >



3,744,394

5,591,293

591,198

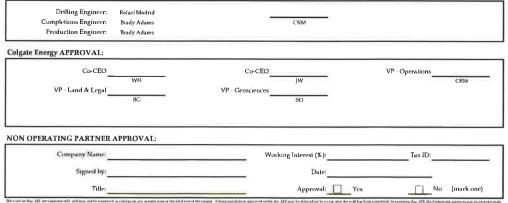
9,926,885

#### Colgate Energy 303 W. Wall St., Midland TX 79701 Phone (432) 695-4257 • Fax (432) 695-4063 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	11/1/2019	AFE NO.:	0
WELL NAME:	Shamrock 34 Fed Com 131H	FIELD:	0
LOCATION:	NM	MD/TVD:	18374 / 8620
COUNTY/STATE:	Eddy	LATERAL LENGTH:	9,427
Colgate WI:		DRILLING DAYS:	30
GEOLOGIC TARGET:	3rd Bone Spring	COMPLETION DAYS:	17

REMARKS: Drill and Complete 63 stages in the 3rd Bone Spring formation. AFE includes D&C, flowback & initial ESP install.

TAUTAN/CIDI D COLTO	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
INTANGIBLE COSTS		0313	0010	
T Land/ Legal/Regulatory 5	35,000	5	3	35,000
2 Localion, Surveys & Damages	220,000	13,000	4,000	237,000
4 Freight / Transportation	25,000	53,750		/8,/50
5 Rental - Surface Equipment		209,400	12,000	328,263
6 Rental - Downhole Equipment	144,171	60,000		204,171
7 Rental - Living Quarters	58,768	45,700	10,000	114,488
10 Directional Drilling, Surveys 11 Drilling	294,300			294,300
12 Drill Bits -	835,330			835,330
13 Fuel & Power -	106,000			105,000
	173,250	472,500		645,750
14 Cementing & Float Equip	180,000			180,000
16 Perforating, Wireline, Slickline		459,100	20,000	479,100
17 High Pressure Pump Truck		10,000		10,000
18 Completion Unit, Swab, CTU	18	140,000	16,500	156,500
20 Mud Circulation System	88,605			88,605
21 Mud Logging	21,810		a	21,810
22 Logging / Formation Evaluation	11,900	8,000		19,900
23 Mud & Chemicals	272,372	464,100		736,472
24 Water	25,500	804,744		630,244
25 Stimulation	57	2,079,000		2,079,000
26 Stimulation Flowback & Disp		152,000		152,000
28 Mud / Wastewater Disposal	104,375	221,000	1000 M	325,375
30 Rig Supervision / Engineering	132,900	88,000	8,000	228,900
32 Drig & Completion Overhead	11,250			11,250
35 Labor	141,000	12,500	10,000	163,500
95 Insurance	33,073			33,073
97 Contingency	302,149	425,329	8,050	735,528
99 Plugging & Abandonment			S	· ·
TOTAL INTANGIBLES >	3,323,635	5,718,123	68,550	9,130,309
	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing \$	15,034	5	3	15,031
61 Intermediate Casing	225,348		-	225,348
62 Drilling Liner				
63 Production Casing	299,312	-		299,312
64 Production Liner		·		-
65 Tubing			60,648	50,648
66 Wellhead	27,000		75,000	152,000
67 Packers, Liner Hangers	26,000	· · · · ·		26,000
68 Tanks		-	80,000	80,000
69 Production Vessels			725,000	125,000
70 Flow Lines	-			
71 Rod string -			95 1880	95 000
71 Rod string 72 Artificíal Lift Equipment			95,000	95,000
71 Rod øtring 72 Artificíal Líft Equipment 73 Compressor –				(a.c
71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs			95,000 67,000	(a.c
71 Rod string 72 Artificial Lift Equipment 73 Compressor 44 Installation Costs 75 Surface Pumps				(a.c
71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps				(a.c
71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Coats 75 Surface Pumps 75 Downhole Pumps 77 Downhole Pumps 77 Measurement & Meter Installation				(a.c
71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Coats 75 Surface Pamps 76 Downhole Pamps 76 Downhole Pamps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration				(a.c
71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 75 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Kacility Piping				(
71 Rod string 72 Actificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Metter Installation 78 Gase Conditioning / Dehydration 79 Interconnecting Pacility Piping 80 Gathering/ Bulk Lines				(a.c
71 Rod string 72 Actificial Lift Equipment 73 Compressor 74 Installation Coats 75 Surface Pumps 77 Measurement & Meter Installation 77 Measurement & Meter Installation 78 Gas Conditioning / Debydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lince 81 Valves, Dumps, Controllers				(a.c
71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 75 Surface Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lincs 81 Valves, Dumps, Controllers 82 Tank / Facility Containment				(a.c
71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 75 Surface Pumps 77 Measurement & Metter Installation 78 Gase Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Linces 81 Valves, Dumps, Controllees 82 Tank / Facility Containment 83 Flare Stack				95,000 67,000
70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 75 Downhole Pumps 76 Downhole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering, Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA				



502,648

591,198

1,145,342

10,275,651

2014 833467

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#### **Colgate Energy** 303 W, Wall St. , Midland TX 79701 Phone (432) 695-4257 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

11/1/2019	AFE NO.:	0
Shamrock 34 Fed Corn 132H	FIELD:	0
NM	MD/TVD:	18374 / 8620
Eddy	LATERAL LENGTH:	9,427
	DRILLING DAYS:	30
3rd Bone Spring	COMPLETION DAYS:	17
	Shamrock 34 Fed Com 132H NM Eddy	Shamrock 34 Fed Com 132H FIELD: NM MD/TVD: Eddy LATERAL LENGTH: DRILLING DAYS:

REMARKS: Drill and Complete 63 stages in the 3rd Bone Spring formation, AFE includes D&C, flowback & initial ESP install,

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
TLand/Legal/Regulatory 5	35,000			35,000
2 Location, Surveys & Damages	220,000	13,000		237,000
4 Freight / Transportation	25,000	53,750	4,000	78,750
5 Rental - Surface Equipment	106,863	209,400	12,000	328,263
6 Rental - Downhole Equipment	144,171	60,000	12,000	204,171
7 Rental - Living Quarters	58,788	45,700	10,000	114,488
10 Directional Drilling, Surveys	294,300	43,700	10,000	294,300
11 Drilling	835,330	3		835,330
12 Drill Bite	105,000			106,000
13 Fuel & Power -	173,250	472,500		645,750
14 Cementing & Float Equip	180,000	472,500		180,000
16 Perforating, Wireline, Slickline	100,000	459,700	20.000	479,100
17 High Pressure Pump Truck		10,000	20,000	10,000
18 Completion Unit, Swab, CTU		140,000	16,500	156,500
20 Mud Circulation System	88,605		10,300	88,605
21 Mud Logging	21,810	·		21,810
22 Logging / Formation Evaluation	11,900	8,000		
23 Mud & Chemicals	2/2,3/2	464,100		19,900
24 Water	25,500	804,744		736,472
25 Stimulation	15,300			
26 Stimulation Flowback & Disp		2,079,000		2,079,000
		152,000	5 <u></u>	152,000
28 Mud / Wastewater Disposal	104,375	221,000		325,375
30 Rig Supervision / Engineering	132,900	88,000	8,000	228,900
32 Drlg & Completion Overhead	11,250			11,250
35 Labor	141,000	12,500	10,000	163,500
95 Insurance	33,073		2.2	33,073
97 Contingency	302,149	425,329	B,050	735,528
99 Plugging & Abandonment	A.,			
TOTAL INTANGIBLES >	3,323,635	5,718,123	68,550	9,130,309
	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
TANGIBLE COSTS 60 Surface Casing 5	15,034	0315	COSIS	
61 Intermediate Casing	225,348	*	· · · · ·	15,034
62 Drilling Liner	223,348			223,340
oz Drining Liner				
63 New Average Continent				
63 Production Casing	299,312			299,312
64 Production Liner -	299,312			299,312
64 Production Liner 65 Tubing			60,648	60,618
64 Production Liner	77,000		50,618 /5,000	60,618
64 Production Liner 65 Tubing 66 Wellhead – 67 Packers, Liner Hangers –			75,000	60,618 152,000 26,000
64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks –	77,000		75,000	50,618 152,000 26,000 80,000
64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 9 Production Vessela	77,000		75,000	50,618 152,000 26,000 80,000
64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines	77,000		75,000	50,618 152,000 26,000 80,000
64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessela 69 Production Vessela 70 Flow Lines 71 Rod string	77,000		75,000 80,000 125,000	60,648 152,000 26,000 80,000 125,000
64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessela 70 Flow Linnes 71 Rod string 72 Artificial Lift Equipment	77,000		75,000	50,618 152,000 26,000 80,000
64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Kod skring 72 Artificial Lift Equipment 73 Compressor	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Froduction Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessela 70 Flow Lines 71 Kod string 72 Artificial Lift Equipment 73 Compressor 74 Inskullation Costs	77,000		75,000 80,000 125,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Production Liner 65 Tubing 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessela 70 Flow Linnes 71 Kod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Froduction Liner 65 Tubing 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 90 Froduction Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Froduction Liner 65 Tabing 65 Tabing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 68 Tanks 69 Troduction Vessela 70 Flow Lines 71 Kod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 76 Downhole Pumps	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Froduction Liner 65 Tubing 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Troduction Vessela 70 Flow Lines 71 Kod string 72 Artificial Lift Equipment 73 Compressor 73 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 77 Gas Conditioning / Dehydration	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Production Liner 65 Tabing 65 Tabing 67 Packers, Liner Hangers 68 Troduction Vessels 69 Production Vessels 70 Flow Lines 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 75 Surface Pumps 75 Downhole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconneetling Facility Piping	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Production Liner 65 Tabing 65 Tabing 67 Packers, Liner Hangers 68 Troduction Vessels 69 Production Vessels 70 Flow Lines 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 75 Surface Pumps 75 Downhole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconneetling Facility Piping	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Production Liner 65 Tabing 65 Wellhead 67 Packers, Liner Hangers 68 Tanks 68 Tanks 69 Production Vensela 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Froduction Liner 65 Tubing 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Troduction Vensels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 73 Longreessor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 77 Measurement & Meter Installation 79 Interconnecting Pacility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Production Liner 65 Tabing 65 Tabing 67 Packers, Liner Hangers 68 Tanks 69 Production Vessela 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pomps 77 Measurement & Meter Installation 78 Gaa Conditioning / Dehydration 79 Interconneetling Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 81 Talves, Dumps, Controllers	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Production Liner 65 Tubing 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 68 Tanks 69 Production Venecia 70 Flow Linnes 71 Rod atring 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 77 Measurement & Meter Installation 79 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Julerconnecting Pacility Piping 80 Gathering, Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack	77,000		75,000 80,000 1.25,000 95,000	50,648 152,000 26,000 80,000 125,000 95,000
64 Froduction Liner 65 Tubing 66 Wellhead 67 Packtra, Liner Hangers 68 Tanks 69 Froduction Vessela 70 Flow Lines 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Fumps 75 Surface Fumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering, Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack	77,000		75,000 80,000 1.25,000 95,000	60,648 152,000 26,000 80,000 125,000
64 Froduction Liner 65 Tabing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Froduction Vessela 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment	77,000		75,000 80,000 1.25,000 95,000	60,648 152,000 26,000 80,000 125,000 95,000

PREPARED BY Colgate Energy:

TOTAL TANGIBLES >

TOTAL COSTS >

Drilling Engineer: Completions Engineer: Production Engineer:	Rafael Madrid Brady Adams Brady Adams	CRM		
gate Energy APPROVAL:				
Co-CEO		Co-CEO	VP - Operations	
VP - Land & Legal	WH	JW VP - Geosciences		CRM
	BC	50		
N OPERATING PARTNER	APPROVAL:			
Company Name:		Working Interest (%):	 Tax ID:	
Signed by:		Date:		
20040022702				

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10,275,651

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### **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.

SWORN TO AND SUBCRIBED to before me this 26<sup>th</sup> day of May, 2020, by

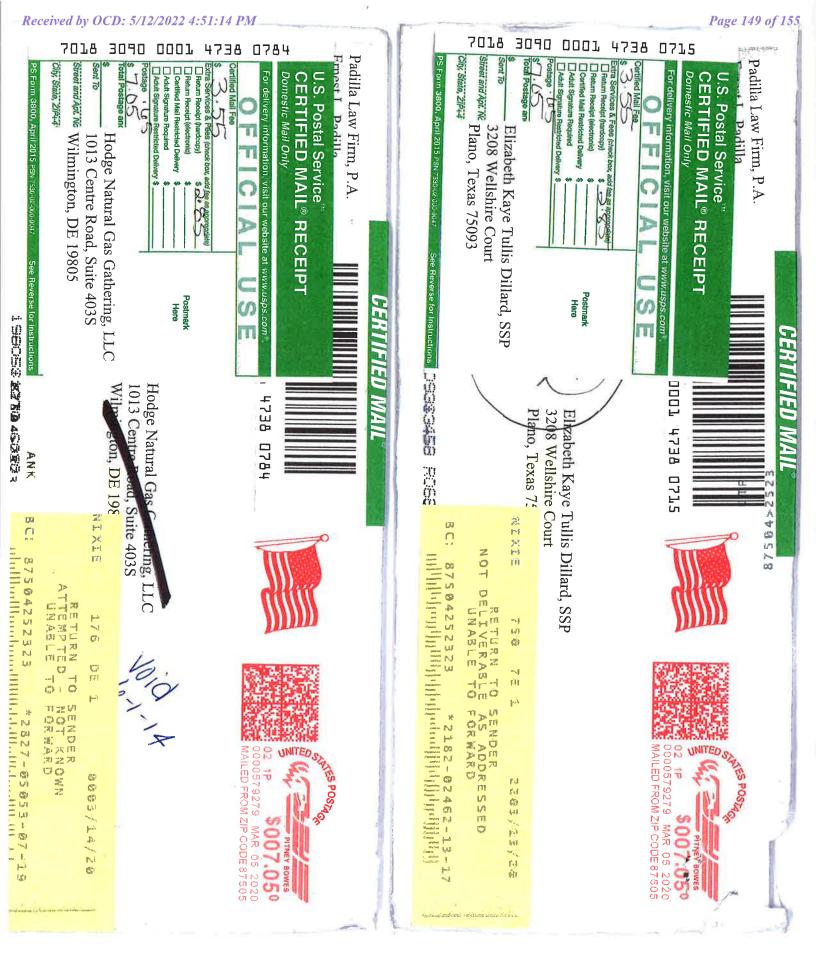
Ernest L. Padilla.



Case No. 22323 **Colgate Operating** Exh. A-3 142



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## **Carlsbad Current Argus.**

Affidavit of Publication Ad # 0004204327 This is not an invoice

PADILLA LAW FIRM POBOX 2523

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 on the date as follows, to wit:

05/22/2020

Wee Legal Clerk

Subscribed and sworn before me this May 26, 2020:

1010 of WI, County of Brown fat NOTARY PUBLIC

15-23 My commission expires

SHELLY HORA Notary Public State of Wisconsin

Ad # 0004204327 PO #: No. 21227 # of Affidavits: 1

This is not an invoice

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

The State of New Mexico through its Oil Conservation Divi-The State of New Mexico through its Oil Conservation Divi-sion hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on May 28, 2020, in the Oil Conser-vation Division Hearing Room at 1220 South Saint Francis Drive, Santa Fe, New Mexico, before an examiner duly ap-pointed for the hearing. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcement s.html. Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. further instructions.

> **STATE OF NEW MEXICO:** All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: Russell Cranmer, Robert K. Hillin, Jr., MSU, Robert H. Kreible c/o Larry Evans, Thomas F. Meaders, William Hilliard, Virginia D. Kriz-Neesen, Virginia B. Dean, V. Burfiend, p/k/a Vernon Burfiend, Ted Werts, Shirley Anne Egbert.

Case No. 21226: Application of Colgate Operating, LLC for an order pooling all mineral interests within the Winchester Bone Spring Pool (Pool Code 65010), underlying Sections 34 and 33, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. These wells are located approximate-ly 12 miles NE of Carlsbad, New Mexico. Applicant seeks to addicate the above of carlsbad, New Mexico. dedicate the above referenced horizontal spacing unit to the following four initial wells:

#### A. Dawson 34 Fed State Com 123H

SHL: 1505 feet from the South line and 715 feet from the East line, (Unit I) of Section 34, Township 19 South, Range 28 East, NMPM.

BHL: 1650 feet from the South line and 10 feet from the West line,

(Unit L) of Section 33, Township 19 South, Range 28 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD. Well Orientation: East to West

**Completion Location: standard** 

Spacing Unit: N/2 S/2 of Section 34 and N/2 S/2 of Section 33

#### B. Dawson 34 Fed State Com 133H

SHL: 1505 feet from the South line and 760 feet from the East line, (Unit I) of Section 34, Township 19 South, Range 28 East, NMPM. BHL: 1750 feet from the South line and 10 feet from the

West line, (Unit L) of Section 34, Township 19 South, Range 28 East, NMPM.

Completion Target: 3rd Bone Spring Sand at approx 8600 feet TVD.

Well Orientation: East to West Completion Location: standard

Spacing Unit: N/2 S/2 of Section 34 and N/2 S/2 of Section 33

#### C. Dawson 34 Fed State Com 124H

SHL: 295 feet from the South line and 560 feet from the East line, (Unit P) of Section 34, Township 19 South, Range 28

East, NMPM. BHL: 330 feet from the South line and 10 feet from the West line, (Unit M) of Section 33, Township 19 South, Range 28 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 7500 Feet TVD. Well Orientation: East to West Completion Location: standard Spacing Unit: S/2 S/2 of Section 34 and S/2 S/2 of Section 33

#### D. Dawson 34 Fed State Com 134H

SHL: 340 feet from the South line and 560 feet from the East line, (Unit P) of Section 34, Township 19 South, Range 28

line, (Unit P) of Section 34, Township 19 South, Range 28 East, NMPM. BHL: 430 feet from the South line and 10 feet from the West line, (Unit M) of Section 33, Township 19 South, Range 28 East, NMPM. Completion Target: 3rd Bone Spring Sand at approx 8600 feet TVD. Well Orientation: East to West Completion Location: standard Spacing Unit: S/2 S/2 of Section 34 and S/2 S/2 of Section 33 #4204195, Current Argus, May 22, 2020



December 10, 2020

Elizabeth Kaye Tullis Dillard 1307 Hodges Ave Ruston, LA 71270

Re: Proposal to Drill- Compulsory Pooling Order # R-21354-A Dawson 34 Fed Com 123H, 133H, 124H, and 134H (the Wells") S/2 of Section 34, S/2 of Section 33, 19S-28E Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your review please find copies of the State of New Mexico Oil Conservation Division Compulsory Pooling Order No. R-21354-A (Case No. 21226) ("Pooling Order") for the above referenced Wells, effective September 28, 2020. Pursuant to the Pooling Order Colgate Operating, LLC submits this letter to you seeking your election to participate in each Well.

Under Article 23 on page 2 of the Pooling Order, you have thirty (30) days following your receipt of this letter to elect to participate and subsequently pay your proportionate share of the well costs or elect to non-consent in these Wells and be considered a "Non-Consenting Pooled Working Interest". In the event you elect to participate in any of the wells, please forward a copy of this election lettered marked appropriately, completed AFEs for wells you elect to participate in along with your full payment for each Well within the thirty (30) days following your thirty (30) day election period.

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns. Also, the enclosed AFEs represent the Estimated Well Costs that will be incurred to drill and complete these Wells, but those electing to participate in the Wells are responsible for their share of the <u>Actual</u> Well Costs incurred.

If you have any questions or concerns regarding this proposal, please contact me at (432) 257-3886 or nmorelations@colgateenergy.com.

Sincerely,

Mattlejlich

Colgate Operating, LLC Mark Hajdik Senior Landman

Case No. 22323 Colgate Operating Exh. A-4

300 N. Marienfeld St., Suite 1000, Midland, Texas 79701 P: (432) 695-4222 | F: (432) 695-4063 www.ColgateEnergy.com 147 Non-Operator hereby elects to:

\_\_\_\_\_\_ participate in the drilling and completion of the Dawson 34 Fed Com 123H
\_\_\_\_\_\_ non-consent the drilling and completion of the Dawson 34 Fed Com 123H
\_\_\_\_\_\_ participate in the drilling and completion of the Dawson 34 Fed Com 133H
\_\_\_\_\_\_ non-consent the drilling and completion of the Dawson 34 Fed Com 133H
\_\_\_\_\_\_ participate in the drilling and completion of the Dawson 34 Fed Com 124H
\_\_\_\_\_\_ non-consent the drilling and completion of the Dawson 34 Fed Com 124H
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\_\_\_\_\_\_ participate in the drilling and completion of the Dawson 34 Fed Com 134H

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title:

Date:

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

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

District III

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

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

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

QUESTIONS

COLGATE OPERATING, LLC	OGRID: 371449
	Action Number:
Midland, TX 79701	106560
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)
QUESTIONS	
Testimony	

Please assist us by provide the following information about your testimony.				
Number of witnesses	1			
Testimony time (in minutes)	20			

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Action 106560