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

APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 22941

HEARING EXHIBITS

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Travis Macha
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of David DaGian
B-1	Regional Locator Map
B-2	Cross-Section Map
B-3	Structure Map
B-4	Structural Cross-Section
B-5	Stratigraphic Cross-Section
B-6	Gunbarrel Schematic
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties

- C-2 Chart of Notice to All Interested Parties and Certified Mail Receipts
- C-3 Copies of Certified Mail Receipts and Returns
- C-4 Affidavit of Publication for July 14, 2022

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	22941
Hearing Date:	9/15/2022
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	OGRID # 371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Eddy
	County, New Mexico
Entries of Appearance/Intervenors	None
Well Family	Wombat
Formation/Pool	
Formation Name(s) or Vertical Extent	First Bone Spring; Second Bone Spring
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	First Bone Spring; Second Bone Spring
Pool Name and Pool Code	Avalon; Bone Spring, East Pool (Code 3713)
Well Location Setback Rules	Statewide
Spacing Unit Size	160-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acre
Building Blocks	quarter-quarter
Orientation	East/West
Description: TRS/County	N/2 S/2 of Section 13, Township 20 South, Range 28 East, Eddy
	County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes, there is a depth severance at the base of the Second Bone
	Spring Formation within the Unit. See Exhibit A at Paragraph 7.
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed
footages, completion target, orientation, completion status	Add wells as needed
(standard or non-standard) Well #1	Wombat 13 Federal Com 123H (API # pending)
	SHL: 2122' FSL & 375' FEL (Unit I), Section 13, T20S-R28E
	BHL: 1980' FSL & 10' FWL (Unit L), Section 13, T20S-R28E
	Completion Target: 2nd Bone Spring (Approx. 7859' TVD)
Larizontal Mall First and Last Taka Daints	Well Orientation: East to West
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$8,000.00
	Exhibit A
Justification for Supervision Costs	
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3

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 Proof of Published Notice of Hearing (10 days before hearing) Ownership Determination Land Ownership Schematic of Spacing Unit Tract List (including lease numbers & owners) 	Exhibit C-4 Exhibit A-3
Land Ownership Schematic of Spacing Unit Tract List (including lease numbers & owners)	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibits A-3, A-5
Ownership Depth Severance	Exhibits A at Paragraph 7, A-3
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
CERTIFICATION: I hereby certify that the information	
provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	9/9/2022

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

APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 22941

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

1. I am a Senior Landman at Colgate Operating, LLC ("Colgate") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Colgate's application and proposed hearing notice are attached as **Exhibit A-1**.

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

4. Colgate seeks an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Section 13, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Wombat 13 Fed Com 123H** well, which will be completed in the Avalon; Bone Spring, East Pool (Code 3713). The well will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 13.

1

6. The completed interval of the Well will be orthodox.

Colgate Operating, LLC Case No. 22941 Exhibit A

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7. There is a depth severance in the Bone Spring Formation within the Unit. Accordingly, Colgate seeks to pool interests from the top of the Bone Spring formation to the base of the Second Bone Spring formation at a stratigraphic equivalent of approximately 5,234' TVD to 7,645' TVD as shown on the Charlie Chocolate 14 15 Fed Com #031H well log (API #30-015-43123).

8. **Exhibit A-2** contains the C-102 for the Well.

9. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Colgate seeks to pool highlighted in yellow. There are no unlocatable parties.

10. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Well. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

11. Colgate has conducted a diligent search of all county public records, including phone directories and computer databases.

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

13. Colgate requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Colgate and other operators in the vicinity.

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

2

15. In my opinion, the granting of Colgate's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

Travis Macha

9/7/2022

Date

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

APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 22941

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (OGRID No. 371449) ("Applicant") applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N2/S2 of Section 13, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.

2. The Unit will be dedicated to the **Wombat 13 Federal Com 123H** well, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 13.

3. The completed interval of the Well will be orthodox.

4. There is a depth severance in the Bone Spring Formation within the Unit. Accordingly, Applicant seeks to pool interests from the top of the Bone Spring Formation to the base of the Second Bone Spring formation at a stratigraphic equivalent of approximately 5,234' TVD to 7,645' TVD as shown on the Charlie Chocolate 14 15 Federal Com #031H well log (API #30-015-43123).

5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

Colgate Operating, LLC Case No. 22941 Exhibit A-1 6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on August 4, 2022, and that after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Jeremy Ian Martin P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554

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dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com Jeremy Ian Martin *Counsel for Colgate Operating, LLC* **Application of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N2/S2 of Section 13, Township 20 South, Range 28 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Wombat 13 Federal Com 123H** well, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 13. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 10.2 miles northeast of Carlsbad, New Mexico.

Colgate Operating, LLC Case No. 22941 Exhibit A-2

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

AMENDED REPORT

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505

1625 N. French Dr., Hobbs, NM 88240

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

District I

District II

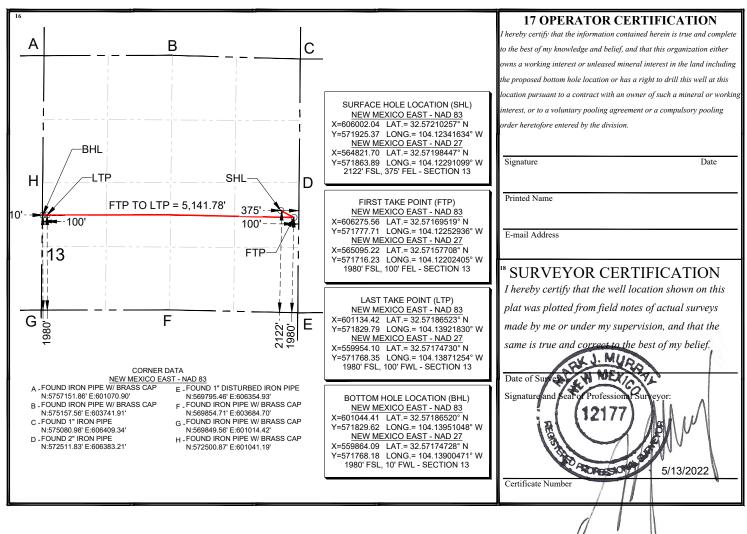
Phone: (505) 476-3460 Fax: (505) 476-3462

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

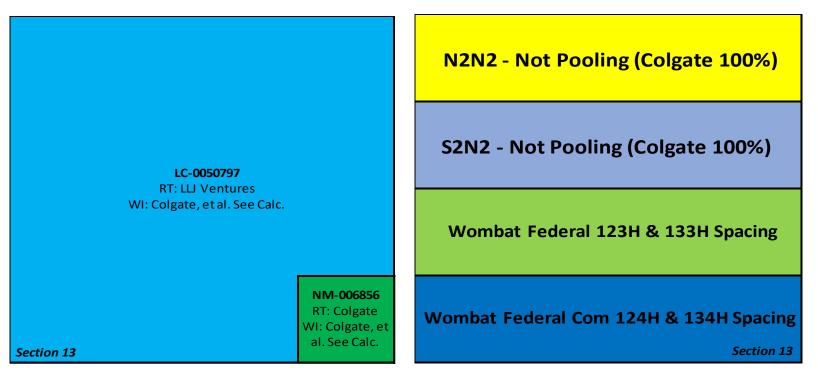
WELL LOCATION AND ACREAGE DEDICATION PLAT										
1.	API Number				e	3 Pool Name Avalon; Bone Spring, East Pool				
				3713		Avai	on; Bone Spi	ing, East	. P001	
4 Property	Code				5 Property	Name			6 \	Well Number
					WOMBAT 1	3 FED				123H
7 OGRID	No.				8 Operator	Name			9	9 Elevation
371449					COLGATE OPER.	ATING, LLC				3259'
	¹⁰ Surface Location									
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	line	County
Ι	13	20-S	28-E		2122'	SOUTH	375'	EAST		EDDY
"Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	line	County
L	13	20-S	28-E		1980'	SOUTH	10'	WEST		EDDY
12 Dedicated Acre	s 13 Joint o	or Infill	14 Consolidatio	1 Code 15 O	rder No.					
160										

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.



Land Exhibit: N2S2 - Wombat Fed Com 123H & 133H

Section 13: N2S2, T2OS-R28E, Eddy Co., NM



		D	ocuments S	ent	
Owner	Pooling?	Proposal	JOA	Com Agmt	Notes
Colgate Production, LLC	N/A	N/A	N/A	N/A	
Javelina Partners	Ν	Y	Y	Y	Executed All Docs
Lindy's Living Trust	Y	Y	Y	Y	
Delmar Hudson Lewis LT	Y	Y	Y	Y	
Zorro Partners, Ltd.	Ν	Y	Y	Y	Executed All Docs
Ard Oil, Ltd	Y	Y	Y	Y	Signed JO A but not Com Agreements
Josephine Hudson Trust	Y	Y	Y	Y	
LLJ Ventures	Y	N/A	N/A	Y	Record Title Only
SBI West Texas I LLC	Y	Y	Y	Y	

*Please Note Oxy USA, Inc. has assigned all rights and interest unto Colgate Production, LLC. Record title transfers are processing with the BLM

Leasehold Ownership				
Owner	Sec 13: NESW, N2SE, SWSE, S2SW	Sec 13: NWSW (1,200'-7,900')	Sec 13: NWSW (Below 7,900')	Sec 13 SESE
Colgate Production, LLC	85.416667%	30.729167%	85.416667%	100.00000%
Javelina Partners	3.949666%	3.949666%	3.949666%	0.00000%
Lindy's Living Trust	3.190100%	3.190100%	3.190100%	0.00000%
Delmar Hudson Lewis LT	3.190100%	3.190100%	3.190100%	0.00000%
Zorro Partners, Ltd.	2.126733%	2.126733%	2.126733%	0.00000%
Ard Oil, Ltd	1.595050%	1.595050%	1.595050%	0.00000%
Josephine Hudson Trust	0.531684%	0.531684%	0.531684%	0.00000%
SBI West Texas I LLC	0.00000%	54.687500%	0.00000%	0.00000%

Unit Capitulation (1	,200'-7,900') (2nd Bone)	Unit Capitulation (Below 7,900') (3rd Bone)		
Owner	Working Interest	Owner	Working Interest	
Colgate Production, LLC	71.7447920%	Colgate Production, LLC	85.416667%	
Javelina Partners	3.949666%	Javelina Partners	3.949666%	
Lindy's Living Trust	3.190100%	Lindy's Living Trust	3.190100%	
Delmar Hudson Lewis LT	3.190100%	Delmar Hudson Lewis LT	3.190100%	
Zorro Partners, Ltd.	2.126733%	Zorro Partners, Ltd.	2.126733%	
Ard Oil, Ltd	1.595050%	Ard Oil, Ltd	1.595050%	
Josephine Hudson Trust	0.531684%	Josephine Hudson Trust	0.531684%	
SBI West Texas I LLC	13.6718750%	SBI West Texas I LLC	0.00000%	
Total	100.000000%	Total	100.000000%	

Colgate Operating, LLC Case No. 22941 Exhibit A-3



May 27, 2022

Via Certified Mail

Jennings Production Co. Ltd. P.O. Box 670326 Dallas, TX 75367

RE: Wombat 13 Federal & Federal Com – Well Proposals Section 13: S/2, T20S-28E, Bone Spring & Wolfcamp Formations Eddy County, New Mexico

To Whom It May Concern:

Colgate Operating, LLC, as operator for Colgate Production, LLC ("Colgate"), hereby proposes the drilling and completion of the following eight (6) wells, the Wombat 13 Federal Com 123H, 124H, 133H, 134H, 203H, & 204H from two well pads at the following approximate locations within Township 20 South, Range 28 East:

1. Wombat 13 Federal Com 123H – South Pad

SHL: 370' FEL & 2,152' FSL or at a legal location within Unit I of Section 24
BHL: 10' FWL & 1,980' FSL of Section 13
FTP: 100' FEL & 1,980' FSL of Section 13
LTP: 100' FWL & 1,980' FSL of Section 13
TVD: 7,859'
TMD: Approximately 13,144'
Proration Unit: N2S2 of Section 13
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

2. Wombat 13 Federal Com 124H – South Pad

SHL: 340' FEL & 2,152' FSL or at a legal location within Unit I of Section 24
BHL: 10' FWL & 660' FSL of Section 13
FTP: 100' FEL & 660' FSL of Section 13
LTP: 100' FWL & 660' FSL of Section 13
TVD: 7,858'
TMD: Approximately 13,143'
Proration Unit: S2S2 of Section 13
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

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

Colgate Operating, LLC Case No. 22941 Exhibit A-4

3. Wombat 13 Federal Com 133H – South Pad SHL: 310' FEL & 2,152' FSL or at a legal location within Unit I of Section 24 BHL: 10' FWL & 2,310' FSL of Section 13 FTP: 100' FEL & 2,310' FSL of Section 13 LTP: 100' FWL & 2,310' FSL of Section 13 TVD: 8,987' TMD: Approximately 14,272' Proration Unit: N2S2 of Section 13 Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

4. Wombat 13 Federal Com 134H – South Pad

SHL: 280' FEL & 2,152' FSL or at a legal location within Unit I of Section 24
BHL: 10' FWL & 990' FSL of Section 13
FTP: 100' FEL & 990' FSL of Section 13
LTP: 100' FWL & 990' FSL of Section 13
TVD: 8,988'
TMD: Approximately 14,273'
Proration Unit: S2S2 of Section 13
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

5. Wombat 13 Federal Com 203H – South Pad

SHL: 250' FEL & 2,152' FSL or at a legal location within Unit I of Section 24
BHL: 10' FWL & 1,650' FSL of Section 13
FTP: 100' FEL & 1,650' FSL of Section 13
LTP: 100' FWL & 1,650' FSL of Section 13
TVD: 9,259'
TMD: Approximately 14,544'
Proration Unit: N2S2 of Section 13
Targeted Interval: Wolfcamp XY
Total Cost: See attached AFE

6. Wombat 13 Federal Com 204H – South Pad

SHL: 220' FEL & 2,152' FSL or at a legal location within Unit I of Section 24
BHL: 10' FWL & 330' FSL of Section 13
FTP: 100' FEL & 330' FSL of Section 13
LTP: 100' FWL & 330' FSL of Section 13
TVD: 9,260'
TMD: Approximately 14,545'
Proration Unit: S2S2 of Section 13
Targeted Interval: Wolfcamp XY
Total Cost: See attached AFE

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

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

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

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

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at tmacha@colgateenergy.com.

Respectfully,

Travis Macha Senior Landman

Enclosures

Elections on next page

Well Elections: (Please indicate your responses in the spaces below)		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Wombat 13 Federal Com 123H		
Wombat 13 Federal Com 124H		
Wombat 13 Federal Com 133H		
Wombat 13 Federal Com 134H		
Wombat 13 Federal Com 203H		
Wombat 13 Federal Com 204H		

Company Name (If Applicable):

By:	
Printed Name:	
Date:	

Participate / Rejection Declaration

Please return this page to Colgate by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Colgate, then, to the extent that Colgate has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Colgate will be relieved of such obligation, and Colgate will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- □ I hereby elect to participate in the insurance coverage arranged by Colgate Operating, LLC, and understand that I will be charged for such participation.
- □ I hereby elect to reject the insurance coverage arranged by Colgate Operating, LLC.

Agreed this _____ day of _____, 2022 by:

Company Name (If Applicable):

By:

Printed Name:	

Date: _____



July 18, 2022

Via Certified Mail

SBI West Texas I LLC 6702 Broadway Galveston, TX 77554

RE: Wombat 13 Federal & Federal Com – Well Proposals Section 13: All, T20S-28E, Bone Spring Formation Eddy County, New Mexico

To Whom It May Concern:

Colgate Operating, LLC, as operator for Colgate Production, LLC ("Colgate"), hereby proposes the drilling and completion of the following well, the Wombat 13 Federal Com 123H from at the following approximate location within Township 20 South, Range 28 East:

 Wombat 13 Federal Com 123H – South Pad SHL: 370' FEL & 2,152' FSL or at a legal location within Unit I of Section 24 BHL: 10' FWL & 1,980' FSL of Section 13 FTP: 100' FEL & 1,980' FSL of Section 13 LTP: 100' FWL & 1,980' FSL of Section 13 TVD: 7,859' TMD: Approximately 13,144' Proration Unit: N2S2 of Section 13 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

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

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

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

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

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

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at tmacha@colgateenergy.com.

Respectfully,

Travis Macha Senior Landman

Enclosures

Well Elections:				
(Please indicate your responses in the spaces below)				
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate		
Wombat 13 Federal Com 123H				

Company Name (If Applicable):

By:	
Printed Name:	
Date:	

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Participate / Rejection Declaration

Please return this page to Colgate by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Colgate, then, to the extent that Colgate has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Colgate will be relieved of such obligation, and Colgate will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- □ I hereby elect to participate in the insurance coverage arranged by Colgate Operating, LLC, and understand that I will be charged for such participation.
- □ I hereby elect to reject the insurance coverage arranged by Colgate Operating, LLC.

Agreed this _____ day of _____, 2022 by:

Company Name (If Applicable):

By: _____

Printed Name:

Date:

No (mark one)

Colgate Energy

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

DATE		F COSTS AND AUTHO			0
DATE:	4/26/2022	10011		AFE NO.:	0
WELL NAME:	Wombat 13 Federal Com 1				Iman Ranch; BONE SPRINC
LOCATION:	Section 13, Block T20S-R28				4' MD / 7,859' TVD
COUNTY/STATE:	Eddy County, New Mexic	0		LATERAL LENGTH:	5,150
Colgate WI:	0000			DRILLING DAYS:	16.7
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	13
	-	ring well and complet	te with 44 stages. AFE inc	ludes drilling, completions	, flowback and
REMARKS:	Initial AL install cost				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE (OSTS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory	\$	42,500	\$	\$	\$ 42,500
2 Location, Surveys & Damag	es –	206,329	13,000	10,000	229,329
Freight / Transportation		32,330	30,250		62,580
5 Rental - Surface Equipment		74,051	121,000	6,120	201,171
6 Rental - Downhole Equipm 7 Rental - Living Quarters	ent –	125,398 30,054	35,613 37,450		161,011 67,504
7 Rental - Living Quarters 10 Directional Drilling, Surve		236,138	37,430		236,138
11 Drilling		476,597			476,597
12 Drill Bits	-	72,928			72,928
13 Fuel & Power	-	115,553	272,124		387,677
4 Cementing & Float Equip	-	188,192			188,192
15 Completion Unit, Swab, C				12,000	12,000
16 Perforating, Wireline, Slich 17 High Processor Pump Truck		-	152,275	18,000	170,275
17 High Pressure Pump Truck 18 Completion Unit, Swab, C		-	53,900 92,225		53,900
20 Mud Circulation System	-	66,959	72,225		66,959
21 Mud Logging	-	10,302			10,302
22 Logging / Formation Evalu	ation	3,446	6,000		9,446
23 Mud & Chemicals	-	79,926	162,127		242,053
24 Water	_	40,810	244,012		284,822
25 Stimulation		-	295,029		295,029
26 Stimulation Flowback & D		-	99,125		99,125
28 Mud / Wastewater Disposa 30 Rig Supervision / Engineer		147,022 74,050	38,000	4,800	185,022 153,925
32 Drlg & Completion Overh	•	6,375	-	4,000	6,375
35 Labor	-	117,766	35,000	20,000	172,766
54 Proppant	-		437,361		437,361
95 Insurance	_	6,660			6,660
97 Contingency	_	-	8,851	7,092	15,943
99 Plugging & Abandonment		-			
	TOTAL INTANGIBLES >	2,153,386	2,208,416	78,012	4,439,815
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE CO	OSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing	\$	60,309	\$	\$	\$ 60,309
61 Intermediate Casing	_	73,075			73,075
62 Drilling Liner 63 Production Casing	-	131,358 332,464			131,358
64 Production Liner	-				332,464
65 Tubing	-	-		55,000	55,000
66 Wellhead	-	68,900		51,200	120,100
67 Packers, Liner Hangers	-	10,600	-	7,500	18,100
68 Tanks	_	-		16,500	16,500
69 Production Vessels	_	-			-
70 Flow Lines	_	-		12,500	12,500
71 Rod string 72 Artificial Lift Equipment	-	-		40,000	40,000
73 Compressor	-			42,500	42,500
74 Installation Costs	-	-			-
75 Surface Pumps	-			5,000	5,000
76 Downhole Pumps	-	-			
7 Measurement & Meter Ins		-		21,000	21,000
8 Gas Conditioning / Dehyd					
79 Interconnecting Facility Pi 80 Gathering / Bulk Lines	-				-
80 Gathering/ Bulk Lines 81 Valves, Dumps, Controller	s –				-
32 Tank / Facility Containmer					
33 Flare Stack	-				-
84 Electrical / Grounding	-			55,000	55,000
85 Communications / SCADA					-
86 Instrumentation / Safety	-				-
	TOTAL TANGIBLES >	676,706	0	306,200	982,906
	TOTAL COSTS >	2,830,092	2,208,416	384,212	5,422,721

PREPARED BY Colgate Energy	:			
Drilling Engineer: Completions Engineer: Production Engineer:	SS/RM/PS Miles Landry Levi Harris			
Colgate Energy APPROVAL:				
Co-CEO		Co-CEO	VI	? - Operations
-	WH	JW		CRM
VP - Land & Legal		VP - Geosciences		
	BG	SO		
NON OPERATING PARTNER	APPROVAL:			
Company Name:		Working Interest	(%):	Tax ID:
Signed by:		I	Date:	

The costs on this AFE are estimates only and may not be construct as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of a trual costs incurred, including, legal, curative, regulatory, brokenege and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant accentificate extension is environed.

Approval: Yes

Title:



Wombat - Chronology of Communication

May 27, 2022 - Proposal to all known parties sent

June 10, 2022-August 5, 2022 – Correspondence and offer from Colgate to Delmar Hudson Lewis Living Trust (last correspondence from Colgate, no acceptance from Delmar)

July 18, 2022 – Proposal sent to SBI West Texas I LLC

July 2022 - Phone call with SBI conferring on their interest as depth limited

July 15 – August 17, 2022 – Correspondence, offer, acceptance, and assignment of interest from Jennings Production Company to Colgate Production, LLC

Colgate Operating, LLC Case No. 22941 Exhibit A-5

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

	Received 95 6 CD 9/19/2022 2:19:44 P. Page 24 of 62 CERTIFIED MAIL® RECEIPT				
t L	Domestic Mail Only				
56	For delivery information, visit our website at www.usps.com®.				
	OFFICIAL USE				
312	Certified Mail Fee				
m	Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate)				
пц					
-7	Return Receipt (hardcopy) S Retu				
TOOD	Adult Signature Required \$				
	Adult Signature Restricted Delivery \$				
	Po				
nu N	\$ To				
2720	SBI West Texas I LLC				
	se 6702 Broadway				
7021	Sh Galveston, TX 77554				
5					
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	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions				

Certified Mail service provides the following benefits:

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- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service[™] for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mall service is not available for international mail.
- Insurance coverage is not available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mallpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, Domestic Return

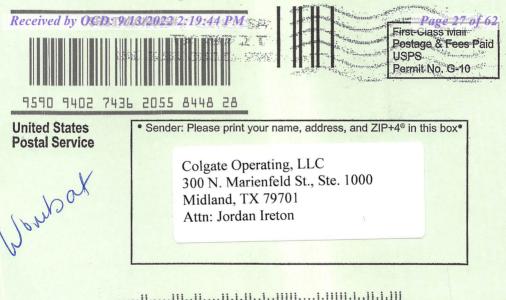
associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.

- Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
- Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
- Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office" for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

Released for Imaging 19/13/2022 2. 11 PM for your records.

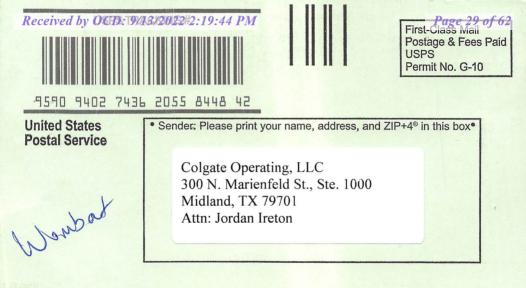
PS Form 3800, April 2015 (Reverse) PSN 7530-02-000-9047

P	t	_
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON L	DELIVERY 26 of 62
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. 	A. Signature X. A. See B. Received by (Printed Name) Heather Le e	C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from If YES, enter delivery address b	
Thunderbolt Petroleum	~	
PO Box 10523		
Midland, TX 79711		
9590 9402 7436 2055 8448 28	Adult Signature Adult Signature Restricted Delivery Gentified Mail® Certified Mail Restricted Delivery Collect on Delivery	Priority Mail Express® Registered Mail™ Registered Mail Restricted Delivery Delivery Dignature Confirmation™ Signature Confirmation
2. Article Number (Transfer from service label)	Collect on Delivery Restricted Delivery	Restricted Delivery
	/all Restricted Delivery	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Ď	omestic Return Receipt



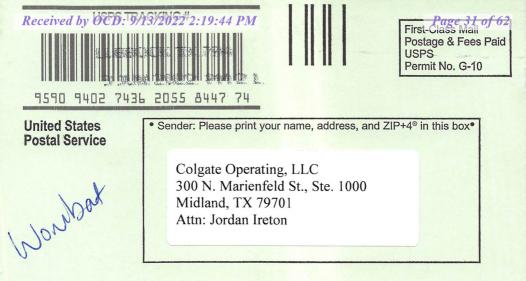
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY 28 of 62
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. 	A. Signature X / Reave & Jemp Bigent B. Received by (Printed Name) C. Date of Delivery C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1?
Jennings Production Co. Ltd. P.O. Box 670326 Dailas, TX 75367	
9590 9402 7436 2055 8448 42	3. Service Type □ Priority Mail Express® □ Adult Signature □ Registered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail™ □ Certified Mail® □ Signature Confirmation™ □ Collect on Delivery □ Signature Confirmation □ Collect on Delivery □ Signature Confirmation
2. Article Number (Transfer from service label)	Line Contector Fail Restricted Delivery
Released to Imaging: 9/13/2022 2:22:11 P PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

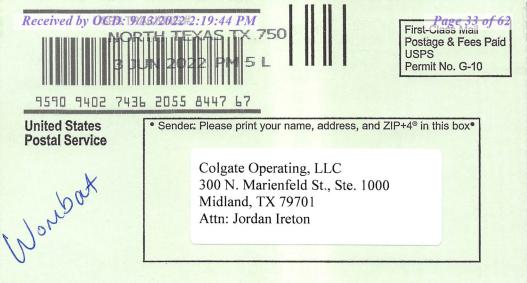


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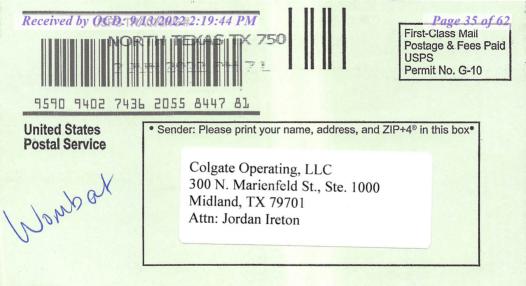




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Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	Addressee
so that we can return the card to you. Attach this card to the back of the mailpiece, 	B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	Arzanne Pot 6/2/22
1. Article Addressed to:	D. Is delivery address different from item 1? Yes
	If YES, enter delivery address below: 🔲 No
Javelina Partners	
616 Texas Street	
Fort Worth, TX 76102	
	3. Service Type
	□ Adult Signature □ Adult Signature Restricted Delivery □ Registered Mail [™] □ Registered Mail [™]
9590 9402 7436 2055 8447 67	Certified Mail® Delivery
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2. Article Number (Transfer from service label)	Collect on Delivery Restricted Delivery Restricted Delivery Insured Mail
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PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

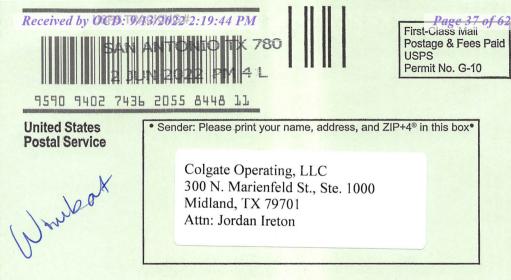






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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DE	Page 36 of 62 IVERY
 Complète items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X B. Received by (Printed Name)	Agent Addressee C. Date of Delivery
 Article Addressed to: Lindy's Living Trust 215 West Bandera Rd, Ste 114-620 Boerne, TX 78006 	D. Is delivery address different from ite If YES, enter delivery address belo	
9590 9402 7436 2055 8448 11 2. Article Number (Transfer from service label) Released to Imaging: 9713/2022 212:755	Adult Signature Adult Signature Adult Signature Restricted Delivery Gertified Mail® Certified Mail Restricted Delivery Certified Mail Restricted Delivery Certified Mail Restricted Delivery Dilect on Delivery Restricted Delivery Insured Mail	Priority Mall Express® Registered Mall™ Registered Mail Restricted Delivery Signature Confirmation™ Signature Confirmation Restricted Delivery
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STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 22941

SELF-AFFIRMED STATEMENT OF DAVID DAGIAN

1. I am a geologist at Colgate Operating, LLC ("Colgate") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a regional locator map that identifies the Wombat project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of these applications.

4. **Exhibit B-2** is a cross section location map for the proposed horizontal spacing unit ("Unit") within the Bone Spring formation. The approximate wellbore path for the proposed Wombat 13 Fed Com 123H well ("Well") is represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed well.

5. **Exhibit B-3** is Second Bone Spring (SBSG) Structure map on the base of the Second Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore path for the Wombat 13 Fed Com 123H proposed Well with an orange

Colgate Operating, LLC Case No. 22941 Exhibit B Released to Imaging: 9/13/2022 2:22:11 PM

Page 39 of 62

dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinchouts, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-4** identifies three wells penetrating the targeted interval I used to construct a structural cross-section from A to A'. The structural cross section from west to east shows the regional dip to the East-Southeast for the Second Bone Spring Well. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. The target zones for the proposed Well is the Second Bone Spring formation, which is consistent across the units. The approximate well-path for the proposed Well is indicated by dashed lines to be drilled from east to west across the units.

7. **Exhibit B-5** is a stratigraphic cross-section from A to A' using the representative wells identified on **Exhibit B-4**. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from west to east and is hung on the top of the Wolfcamp formation. The proposed landing zone for the Well is labeled on the exhibit. The approximate well-path for the proposed well is indicated by dashed lines to be drilled from east to west across the units. This cross-section demonstrates the target interval is continuous across the Unit.

8. **Exhibit B-6** is a gun barrel diagram that shows the Wombat 13 Fed Com 123H well in the Second Bone Spring formation.

9. In my opinion, a laydown orientation for the Well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend. Released to Imaging: 9/13/2022 2:22:11 PM

10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.

11. In my opinion, the granting of Colgate's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

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

David DaGian

9/8/22

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Date

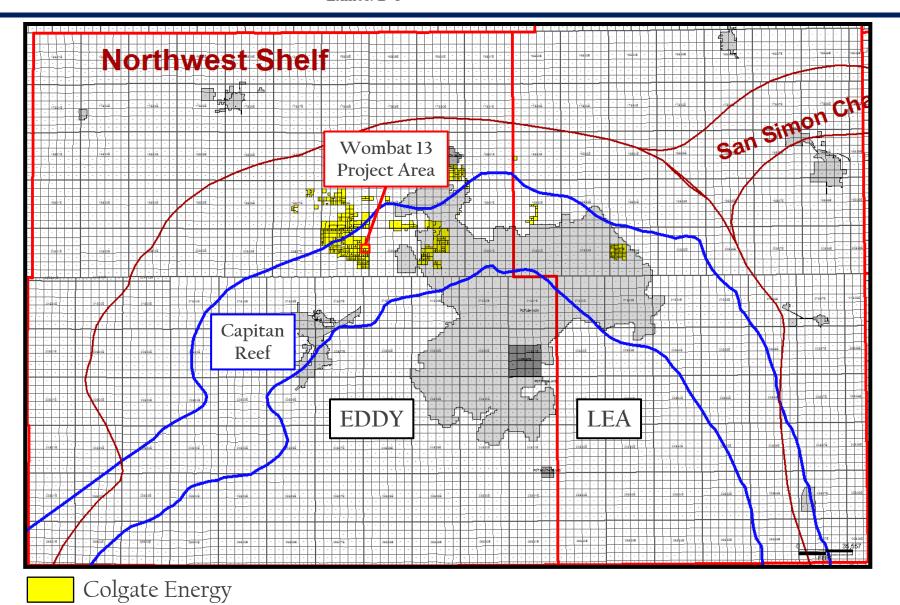
Page 40 of 62

Regiotha PE6848682Map4 PM Wombat 13 Fed

Colgate Operating, LLC Case No. 22941 Exhibit B-1





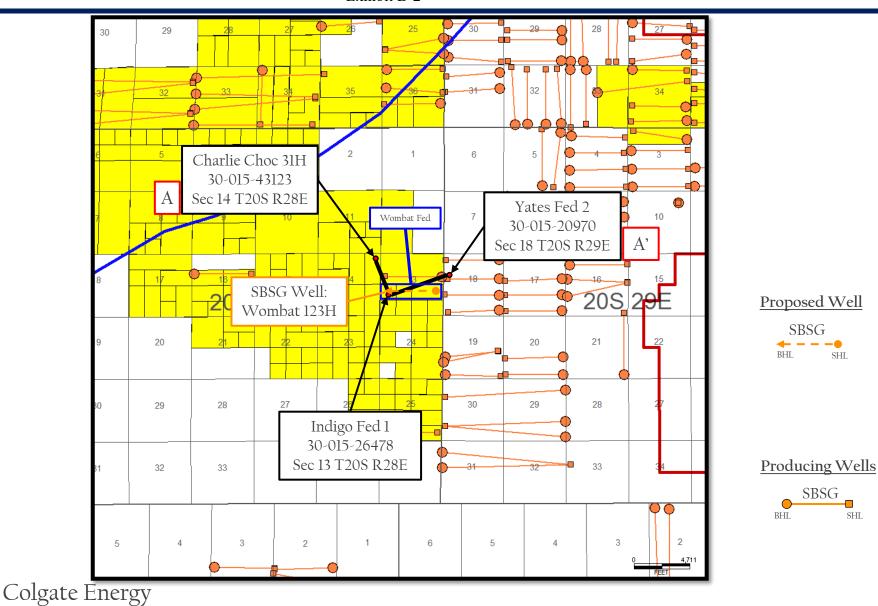


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Croise Beet 1017 20 cator Map Wombat 13 Fed 123H Colgate Operating, LLC Case No. 22941 Exhibit B-2







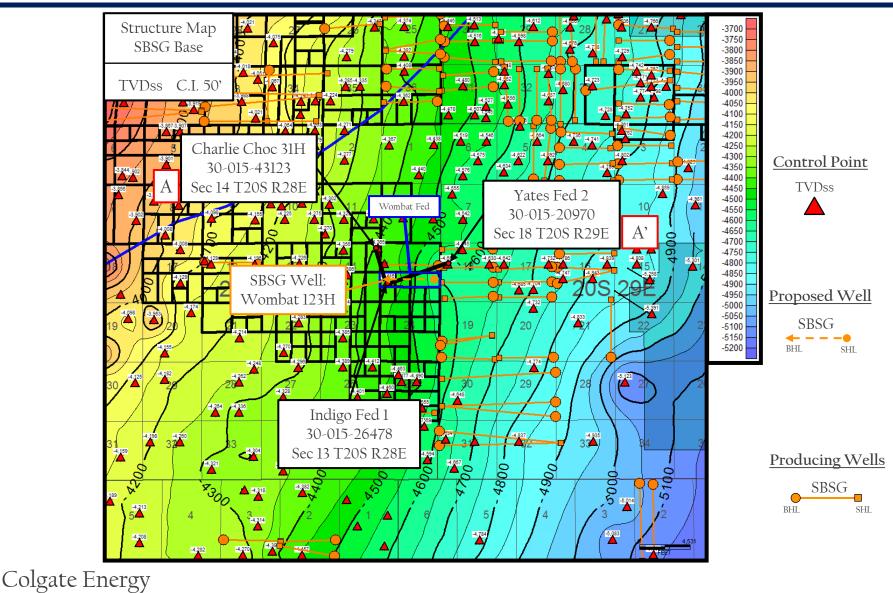
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Second Bone Spring PStructure Map Wombat 13 Fed 123H

Colgate Operating, LLC Case No. 22941 Exhibit B-3





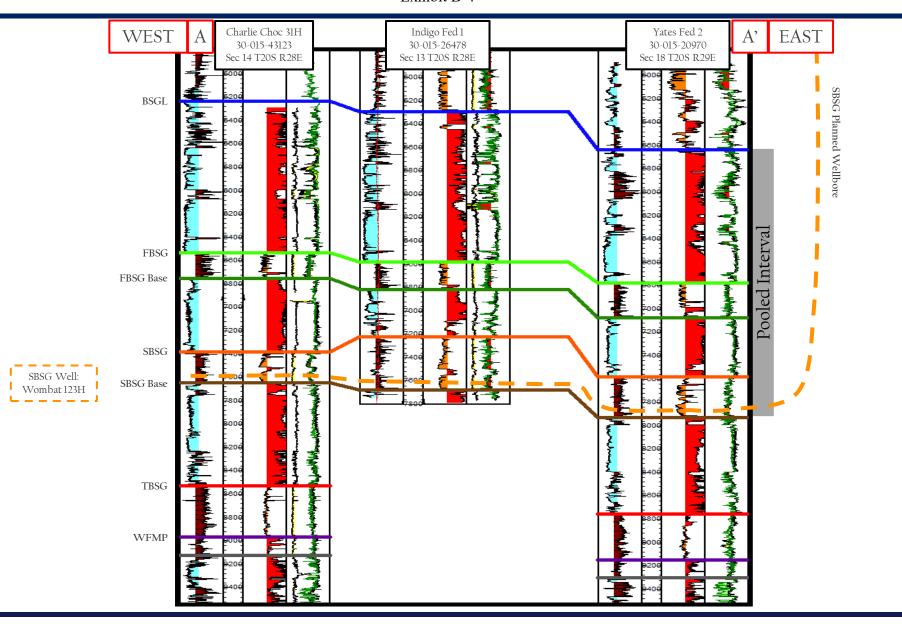


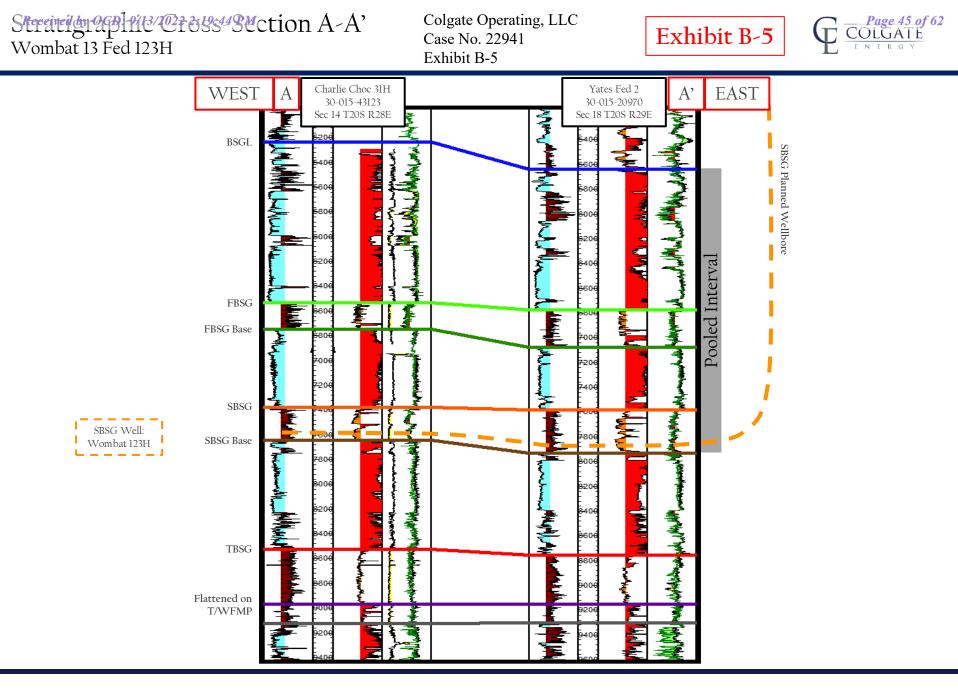
Structural: Oress: Section A-A' Wombat 13 Fed 123H

Colgate Operating, LLC Case No. 22941 Exhibit B-4

Exhibit B-4



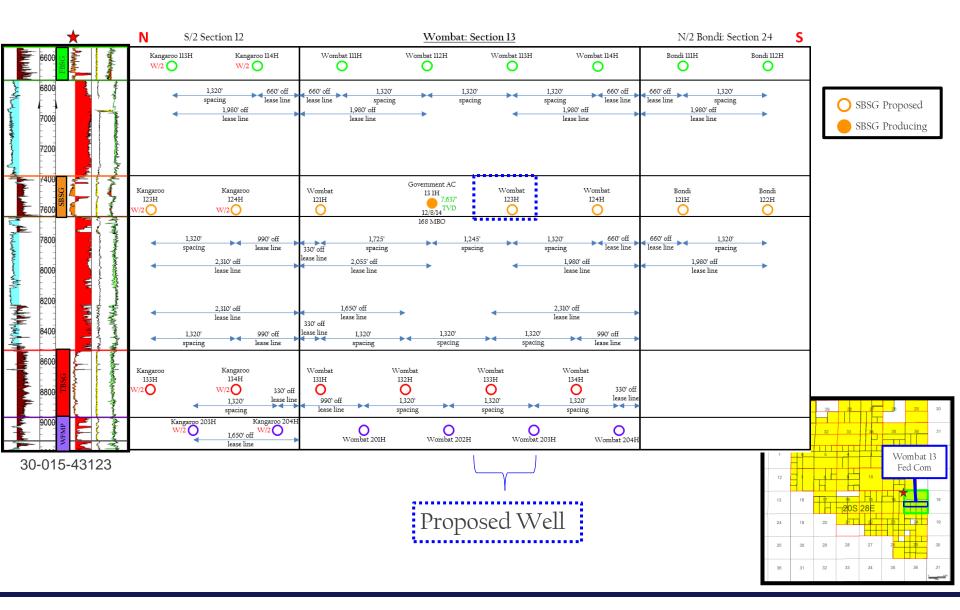




GerrivBar PEP Deveropinient Plan Wombat 13 Fed 123H Colgate Operating, LLC Case No. 22941 Exhibit B-6







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

APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 22941

<u>SELF-AFFIRMED STATEMENT OF</u> <u>DANA S. HARDY</u>

1. I am attorney in fact and authorized representative of Colgate Operating, LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit C-2. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

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

5. On July 14, 2022, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. 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 5 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.

<u>/s/ Dana S. Hardy</u> Dana S. Hardy September 9, 2022_ Date

> Colgate Operating, LLC Case No. 22941 Exhibit C



HINKLE SHANOR LLP

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

July 11, 2022

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 22937, 22938, 22939, 22940, 22941, and 22942 - Applications of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **August 4, 2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/) or via e-mail to ocd.hearings@state.nm.us and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Colgate Operating, LLC Case No. 22941 Exhibit C-1 Released to Imaging: 9/13/2022 2:22:11 PM

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332 PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623 7601 JEFFERSON ST NE • SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321



HINKLE SHANOR LLP

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

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

hinklelawfirm.com

August 16, 2022

VIA CERTIFIED MAIL **RETURN RECEIPT REQUESTED**

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 22941 - Application of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on September 15, 2022 beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/) or via e-mail to ocd.hearings@state.nm.us and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332 **Released to Imaging: 9/13/2022 2:22:11 PM**

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

7601 JEFEEBSON STINE • SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321

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

APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOs 22937-22942

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Ard Energy Partners, Ltd.	07/11/22	08/15/22
PO Box 101027		
Fort Worth, TX 76185		
Delmar Hudson Lewis Living	07/11/22	Latest USPS Update:
Trust		07/18/22 - Item in transit to
P.O. Box 830308		next facility.
Dallas, TX 75283		
		(Status was checked morning
		of 09/13/22)
Javelina Partners	07/11/22	07/18/22
616 Texas Street		
Fort Worth, TX 76102		
Jennings Production Co. Ltd.	07/11/22	07/22/22
P.O. Box 670326		
Dallas, TX 75367		
Jennings Production Co. Ltd.	07/11/22	07/22/22
6114 Tulip Ln., Suite 250		
Dallas, TX 75230		Return to sender.
Josephine T. Hudson	07/11/22	07/18/22
Testamentary Trust		
FBO J. Terrell Ard		
PO Box 1600		
San Antonio, TX 78296		
LLJ Ventures	07/11/22	07/21/22
P.O. Box 3188		
Roswell, NM 88202		
Lindy's Living Trust	07/11/22	Latest USPS Update:
215 West Bandera Rd, Ste		07/18/22 - Item in transit to
114-620		next facility.
Boerne, TX 78006		
		(Status was checked morning of 09/13/22)
SBI West Texas I LLC	08/16/22	08/25/22
6702 Broadway		
Galveston, TX 77554		(Only rec'd application
		22941)

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

APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOs 22937-22942

NOTICE LETTER CHART

Thunderbolt Petroleum PO Box 10523 Midland, TX 79711	07/11/22	07/22/22
Zorro Partners, Ltd. 616 Texas Street	07/11/22	07/18/22
Fort Worth, TX 76102		

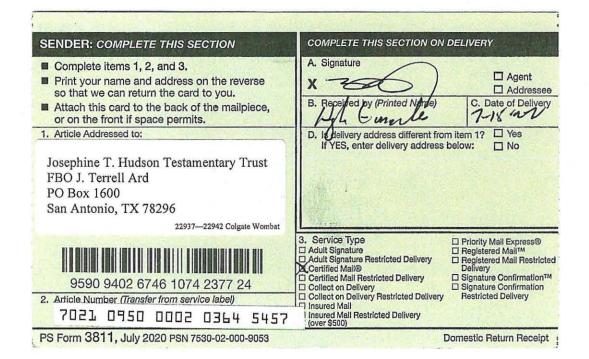




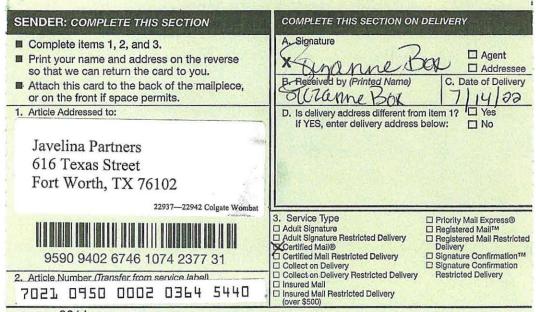
Colgate Operating, LLC Case No. 22941 Exhibit C-3

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Received by OCD: 9/13/2022 2:19	CERTIFIED MAIL [®] RECEIPT
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	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions





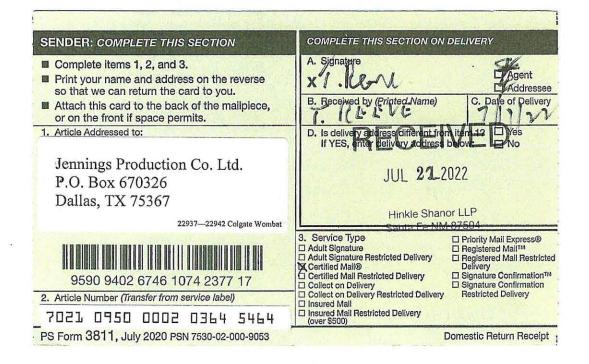


PS Form 3811, July 2020 PSN 7530-02-000-9053

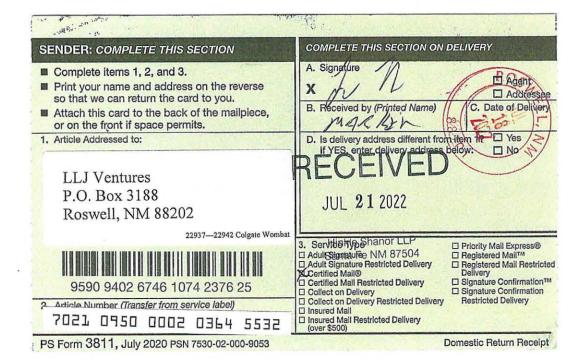
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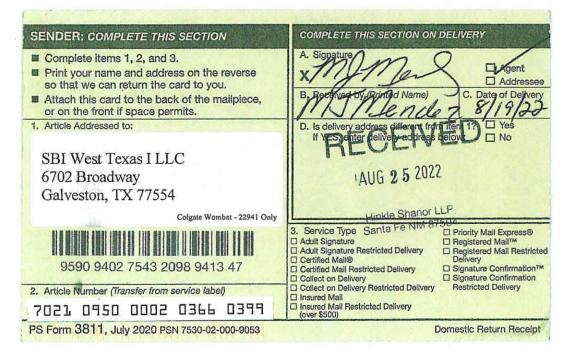


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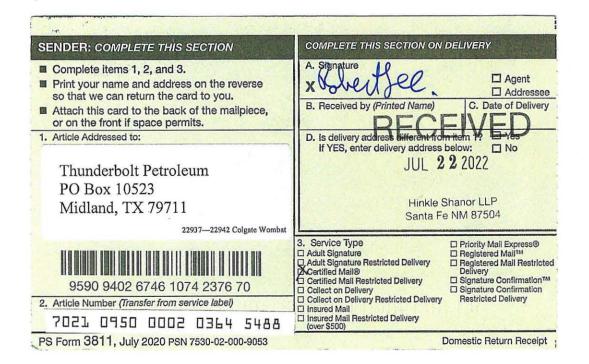
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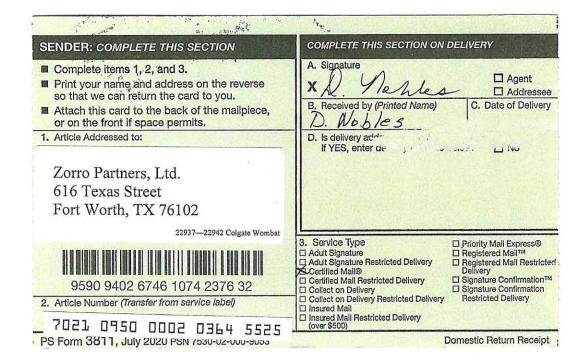
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r	Fort Worth TX 76102
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	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions







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Carlsbad Current Argus.

Affidavit of Publication Ad # 0005335807 This is not an invoice

HINKLE SHANOR LLP 218 MONTEZUMA

SANTA FE, NM 87501

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

07/14/2022

Legal Clerk

Subscribed and sworn before me this July 14, 2022:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

including ed parties, including Javelina Partners; Josephine Hudson Testamentary T. Hudson Testamentary Trust; Jennings Production Co. Ltd.; Lindy's Living Trust; Delmar Hudson Lewis Living Trust; Ard Energy Partners, Ltd.; Zorro Partners, Ltd.; LJ Ventures; Thunderbolt Pe-troleum; and their succes-sors and assigns, that the New Mexico Oil Conserva-tion Division will conduct a tion Division will conduct a hearing on an application submitted by Colgate Oper-ating, LLC (Case No. 22941). The hearing will be conduct-ed remotely on August 4, 2022, beginning at 8:15 a.m. To participate in the elec-tropic hearing see the intronic hearing, see the in-structions posted on the OCD Hearings website for that date: https://www.emnr d.nm.gov/ocd/hearing-info/. Applicant applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N2/52 of Section 13, Township 20 South, Range 28 East, Lea County, New Mexico ("Uni-t"). The Unit will be dedicatt"). The Unit will be dedicat-ed to the Wombat 13 Federal Com 123H well, which will be horizontally drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 13. Also to be consid-ered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of plicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 10.2 miles northeast of Carlsbad, New Mexico.

This is to notify all interest-

#5335807, Current Argus, July 14, 2022

Ad # 0005335807 PO #: 22941 # of Affidavits1

This is not an invoice

KATHLEEN ALLEN Notary Public State of Wisconsin Colgate Operating, LLC Case No. 22941 Exhibit C-4