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. 22942

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

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	22942
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	S/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	
(standard or non-standard)	
Well #1	Wombat 13 Federal Com 124H (API # pending)
	SHL: 2122' FSL & 345' FEL (Unit I), Section 13, T20S-R28E
	BHL: 660' FSL & 10' FWL (Unit M), Section 13, T20S-R28E
	Completion Target: 2nd Bone Spring (Approx. 7858' TVD)
	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 \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, C-2, C-3

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Proof of Published Notice of Hearing (10 days before bearing)	Exhibit C-4
Proof of Published Notice of Hearing (10 days before hearing) Ownership Determination	EXHIBIT C-4
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
·	
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibits A-3, A-5
Ownership Depth Severance	Exhibit A at Paragraph 7, Exhibit 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. 22942

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 to the base of the Second Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the S/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 124H** 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 SW/4 SW/4 (Unit M) of Section 13.
 - 6. The completed interval of the Well will be orthodox.

Colgate Operating, LLC Case No. 22942 Exhibit A

- 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.

- 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.

	9/7/2022
Travis Macha	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. 22942

<u>APPLICATION</u>

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 S2/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 124H** 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 SW/4 SW/4 (Unit M) 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. 22942 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

dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com jmartin@hinklelawfirm.com 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 S2/S2 of Section 13, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Wombat 13 Federal Com 124H** 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 SW/4 SW/4 (Unit M) 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. 22942

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

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

State of New Mexico Exhibit A-2 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

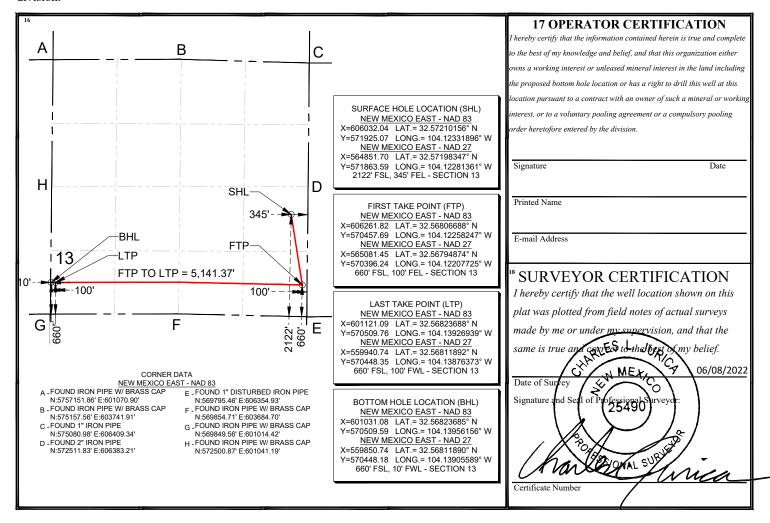
WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Numbe	er	2 Pool Code 3713 Avalon; Bone Spring, East		et Pool
4 Property Code		5 Property Name WOMBAT 13 FED COM		6 Well Number 124H
7 OGRID No. 371449		8 Operator Name COLGATE OPERATING, LLC		9 Elevation 3258'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
OL OF IOURO.	Section	Township	Kange	Lot Iuii	reet ii oiii tiie	North/South line	reet irom the	East/ West file	County
I	13	20-S	28-E		2122'	SOUTH	345'	EAST	EDDY
			¹¹ Во	ttom Ho	le Location I	f Different Fro	m Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	13	20-S	28-E		660'	SOUTH	10'	WEST	EDDY
12 Dedicated Acre	s 13 Joint o	r Infill 14	Consolidation	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: S2S2 - Wombat Fed Com 124H & 134H

Section 13: S2S2, T2OS-R28E, Eddy Co., NM

LC-0050797
RT: LLJ Ventures
WI: Colgate, et al. See Calc.

NM-006856
RT: Colgate
WI: Colgate, et al. See Calc.

N2N2 - Not Pooling (Colgate 100%)

S2N2 - Not Pooling (Colgate 100%)

Wombat Federal 123H & 133H Spacing

Wombat Federal Com 124H & 134H Spacing

Section 13

		D	ocuments Se	ent	
Owner	Pooling?	Proposal	JOA	Com Agmt	Notes
Colgate Production, LLC	N/A	N/A	N/A	N/A	
Javelina Partners	N	Υ	Υ	Υ	Executed All Docs
Lindy's Living Trust	Υ	Υ	Υ	Υ	
Delmar Hudson Lewis LT	Υ	Υ	Υ	Υ	
Zorro Partners, Ltd.	N	Υ	Υ	Υ	Executed All Docs
Ard Oil, Ltd	Υ	Υ	Υ	Υ	Signed JO A but not Com Agreements
Josephine Hudson Trust	Υ	Υ	Υ	Υ	
LLJ Ventures	Υ	N/A	N/A	Υ	Record Title Only
SBI West Texas I LLC	N	N/A	N/A	N/A	No Interest

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

	Lease	ehold 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%	100.000000%
Javelina Partners	3.949666%	3.949666%	3.949666%	0.000000%
Lindy's Living Trust	3.190100%	3.190100%	3.190100%	0.000000%
Delmar Hudson Lewis LT	3.190100%	3.190100%	3.190100%	0.000000%
Zorro Partners, Ltd.	2.126733%	2.126733%	2.126733%	0.000000%
Ard Oil, Ltd	1.595050%	1.595050%	1.595050%	0.000000%
Josephine Hudson Trust	0.531684%	0.531684%	0.531684%	0.000000%
SBI West Texas I LLC	0.000000%	54.687500%	0.00000%	0.000000%

Unit Capitulation (Bone Spring)	
Owner	Working Interest
Colgate Production, LLC	89.062500%
Javelina Partners	2.962250%
Lindy's Living Trust	2.392575%
Delmar Hudson Lewis LT	2.392575%
Zorro Partners, Ltd.	1.595050%
Ard Oil, Ltd	1.196288%
Josephine Hudson Trust	0.398763%
SBI West Texas I LLC	0.00000%
Total	100.0000000%

Colgate Operating, LLC Case No. 22942 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. 22942 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

(Please indicate	Well Elections: your responses in the space	rs below)
Well(s)	Elect to Participate	Elect to NOT 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	e (If Applicable):	
D		
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:
-	any Name (If Applicable):
Printed	1 Name:
Date: _	

Released to Imaging: 9/13/2022 2:22:35 PM

Colgate Energy

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE.			ORIZATION FOR EXPEN		0
DATE:	4/26/2022	10411		AFE NO.:	0
WELL NAME:	Wombat 13 Federal Com			_	ld Millman Ranch; BONE SPRING
LOCATION:	Section 13, Block T20S-R2			· —	3,143' MD / 7,858' TVD
COUNTY/STATE:	Eddy County, New Mexic	0		LATERAL LENGTH:	5,150
Colgate WI:				DRILLING DAYS:	16.7
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	13
REMARKS:	Drill a horizontal Bone Sp Initial AL install cost	ring well and comple	ete with 44 stages. AFE i	ncludes drilling, complet	ions, flowback and
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE O		COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory 2 Location, Surveys & Damag	\$ <u> </u>	42,500 206,329	13,000	10,000	\$ 42,500 229,329
4 Freight / Transportation	_	32,330	30,250	10,000	62,580
5 Rental - Surface Equipment	-	74,051	121,000	6,120	201,171
6 Rental - Downhole Equipm	ent	125,398	35,613		161,011
7 Rental - Living Quarters	_	30,054	37,450		67,504
10 Directional Drilling, Surve 11 Drilling	eys _	236,138 476,597			236,138 476,597
12 Drill Bits	-	72,928			72,928
13 Fuel & Power	=	115,553	272,124		387,677
14 Cementing & Float Equip	-	188,192			188,192
15 Completion Unit, Swab, C 16 Perforating, Wireline, Slick			152,275	12,000 18,000	12,000 170,275
17 High Pressure Pump Truck		 _	53,900	10,000	53,900
18 Completion Unit, Swab, C			92,225		92,225
20 Mud Circulation System	-	66,959			66,959
21 Mud Logging	ation -	10,302			10,302
22 Logging / Formation Evalu 23 Mud & Chemicals	audii -	3,446 79,926	6,000 162,127		9,446 242,053
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		74.050	38,000	A 10701	185,022
30 Rig Supervision / Engineer 32 Drlg & Completion Overho	•	74,050 6,375	75,075	4,800	153,925 6,375
35 Labor	-	117,766	35,000	20,000	1/2,766
54 Proppant	-	·	437,361		437,361
95 Insurance	<u>-</u>	6,660			6,660
97 Contingency 99 Plugging & Abandonment	. -	<u>-</u> _	8,851	7,092	15,943
99 I lugging & Abandonment	TOTAL INTANGIBLES >	2,153,386	2,208,416	78,012	4,439,815
	TOTAL INTANGIBLES >			•	
TANGIBLE CO	OSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$	60,309	\$	\$	\$ 60,309
61 Intermediate Casing	-	73,075			73,075
62 Drilling Liner	<u>-</u>	131,358			131,358
63 Production Casing 64 Production Liner	_	332,464			332,464
65 Tubing	-	-		55,000	55,000
66 Wellhead	-	68,900		51,200	120,100
67 Packers, Liner Hangers	<u>-</u>	10,600	-	7,500	18,100
68 Tanks 69 Production Vessels	-	=		16,500	16,500
70 Flow Lines	=			12,500	12,500
71 Rod string	=				
72 Artificial Lift Equipment	-	-		40,000	40,000
73 Compressor	<u>-</u>	-		42,500	42,500
74 Installation Costs 75 Surface Pumps	=			5,000	5,000
76 Downhole Pumps	-	 _		3,000	
77 Measurement & Meter Inst	tallation			21,000	21,000
78 Gas Conditioning / Dehyd					
79 Interconnecting Facility Pi	ping				-
80 Gathering / Bulk Lines 81 Valves, Dumps, Controller	-s				
82 Tank / Facility Containmen					
83 Flare Stack	-				-
84 Electrical / Grounding	_			55,000	55,000
85 Communications / SCADA 86 Instrumentation / Safety	_				
oo monumentation/ Safety	TOTAL TANGIBLES >	676,706		306,200	982,906
	TOTAL COSTS >	2,830,092	2,208,416	384,212	5,422,721
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EPARED BY Colgate Energ	y:				
Drilling Engineer:	SS/RM/PS				
Completions Engineer:					
Production Engineer:					
gate Energy APPROVAL:					
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ON OPERATING PARTNE	R APPROVAL:				
Company Name:			Working Interest (%):		ax ID:
Signed by:			Date:		
Title:			Approval:	Yes	No (mark one)
11110.				<u> </u>	(Onc.)

proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.



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. 22942 Exhibit A-5

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

Received by OCD: 9/13/2022 2:20:48 P Page 21 of 58 GERTIEIED WATE RECEIET Domestic Mail Only For delivery information, visit our website at www.usps.com®. Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (electronic) Certified Mail Restricted Delivery Adult Signature Required \$ Adult Signature Restricted Delivery \$ SBI West Texas I LLC 6702 Broadway Galveston, TX 77554

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

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See Reverse for Instructions

Certified Mail service provides the following benefits:

- ArReceived by OOD: 19/13/2022/2020c48 P. Page, 22 of 58
- 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.

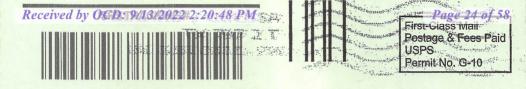
 For an additional fee, and with a proper endorsement on the maliplece, you may request the following services:
 - the following services:

 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 Mall 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 to Imaging 9/13/2022 22:35 PM for your records

COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature Complete items 1, 2, and 3. ☐ Agent Print your name and address on the reverse ☐ Addressee so that we can return the card to you. B. Received by (Printed Name) C. Date of Delivery Attach this card to the back of the mailpiece. eather Lee or on the front if space permits. ☐ Yes Article Addressed to: D. Is delivery address different from item 1? If YES, enter delivery address below: ☐ No Thunderbolt Petroleum PO Box 10523 Midland, TX 79711 3. Service Type □ Priority Mail Express® ☐ Adult Signature ☐ Registered Mail™ ☐ Adult Signature Restricted Delivery ☐ Registered Mail Restricted Certified Mail® Delivery □ Certified Mail Restricted Delivery D\Signature Confirmation™ 9590 9402 7436 2055 8448 28 □ Collect on Delivery ☐ Signature Confirmation Restricted Delivery ☐ Collect on Delivery Restricted Delivery 2. Article Number (Transfer from service label) Itali Restricted Delivery PS Form 3811. July 2020 PSN 7530-02-000-9053 **Domestic Return Receipt**



United States Postal Service

Howard

Sender: Please print your name, address, and ZIP+4® in this box

Colgate Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Attn: Jordan Ireton

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9402 7436 2055 8448 28

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

Jennings Production Co. Ltd.

P.O. Box 670326 Dailas, TX 75367



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2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVI

A. Signature

B. Regeived by (Printed Name)

☐ Certified Mail Restricted Delivery

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lail Restricted Delivery

3. Service Type

☐ Adult Signature

Certified Mail®

☐ Collect on Delivery

C. Date of Delivery ☐ Yes

II No

Addressee

D. Is delivery address different from item 1? If YES, enter delivery address below:

☐ Priority Mail Express®

☐ Registered Mail™ ☐ Adult Signature Restricted Delivery ☐ Registered Mail Restricted

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☑ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

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First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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United States Postal Service • Sender: Please print your name, address, and ZIP+4® in this box•

Colgate Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Attn: Jordan Ireton

Workol

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece. or on the front if space permits. 1. Article Addressed to:

LLJ Ventures, LLC PO Box 3188 Roswell, NM 88202-3188



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

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If YES, enter delivery address below:

Agent

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TI No

☐ Addressee

3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery

Certified Mail® ☐ Certified Mail Restricted Delivery

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lail Restricted Delivery

☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted

Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation

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Permit No. G-10

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• Sender: Please print your name, address, and ZIP+4® in this box•

Colgate Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Attn: Jordan Ireton

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

Javelina Partners 616 Texas Street Fort Worth, TX 76102



2. Article Number (Transfer from service label)

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X wanne 80	☐ Agent☐ Addresse
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☐ Priority Mail Express®

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- ☐ Registered Mail™ ☐ Registered Mail Restricted
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□ Adult Signature Restricted Delivery

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☐ Certified Mail Restricted Delivery

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☐ Collect on Delivery

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

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Colgate Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Attn: Jordan Ireton

SENDER: COMPLETE THIS SECTION

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- 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.
- 1. Article Addressed to:

Zorro Partners, Ltd. 616 Texas Street Fort Worth, TX 76102



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2. Article Number (Transfer from service label)

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C. Date of Delivery ☐ Yes

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☐ Certified Mail Restricted Delivery ☐ Collect on Delivery

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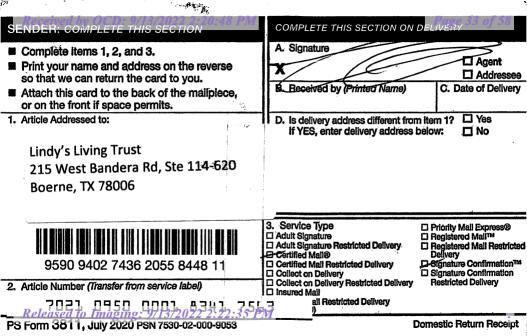
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Colgate Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Attn: Jordan Ireton

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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. 22942

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 124H 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 124H proposed Well with an orange

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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 124H 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.

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- 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

Date

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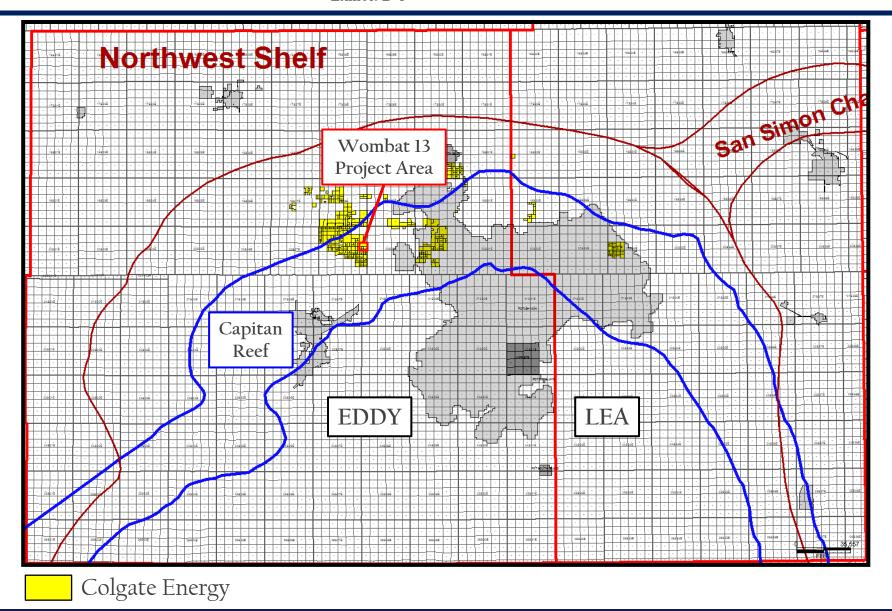


Exhibit B-2



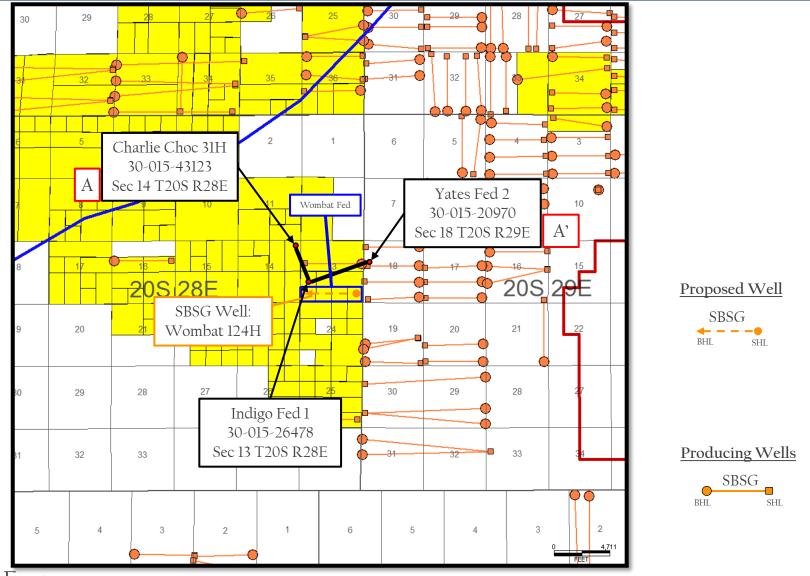
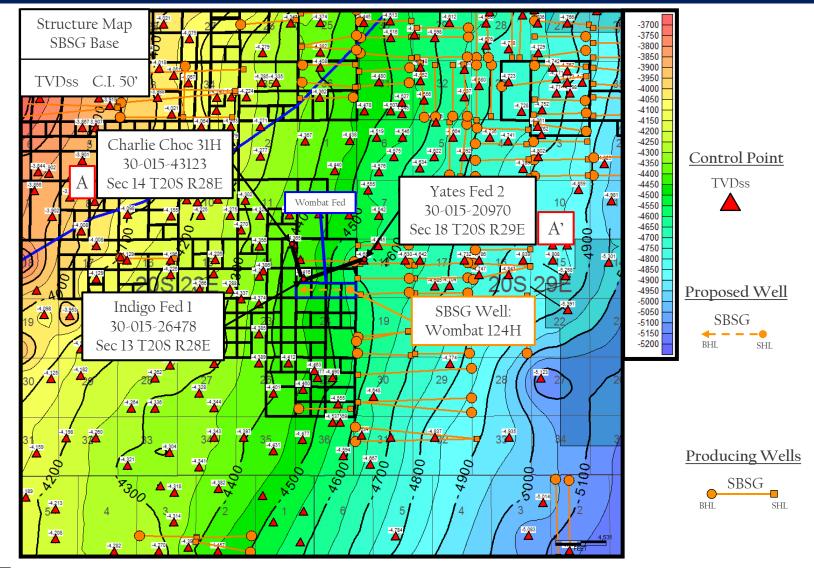


Exhibit B-3





Colgate Energy

Exhibit B-4



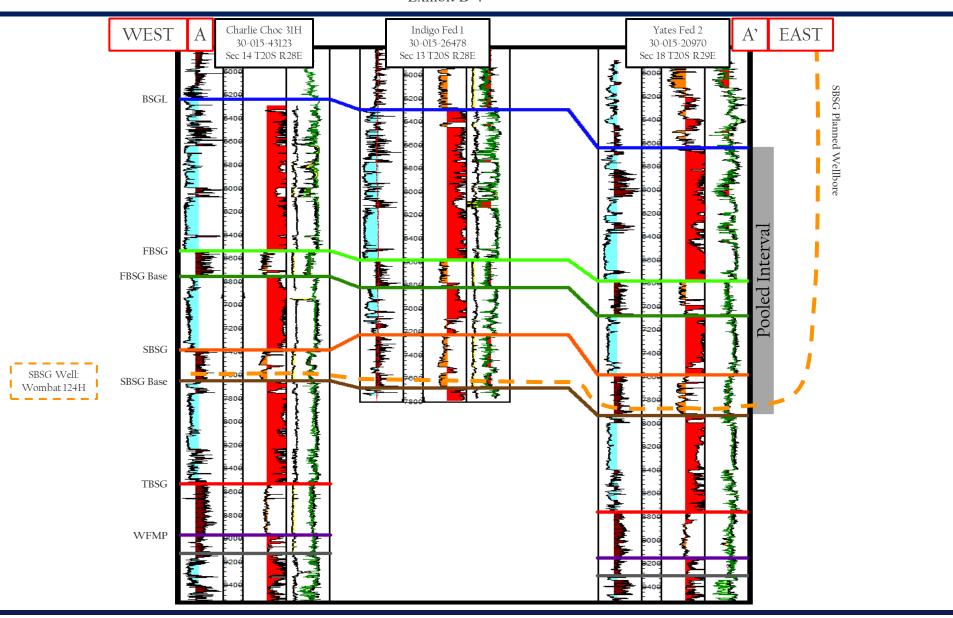
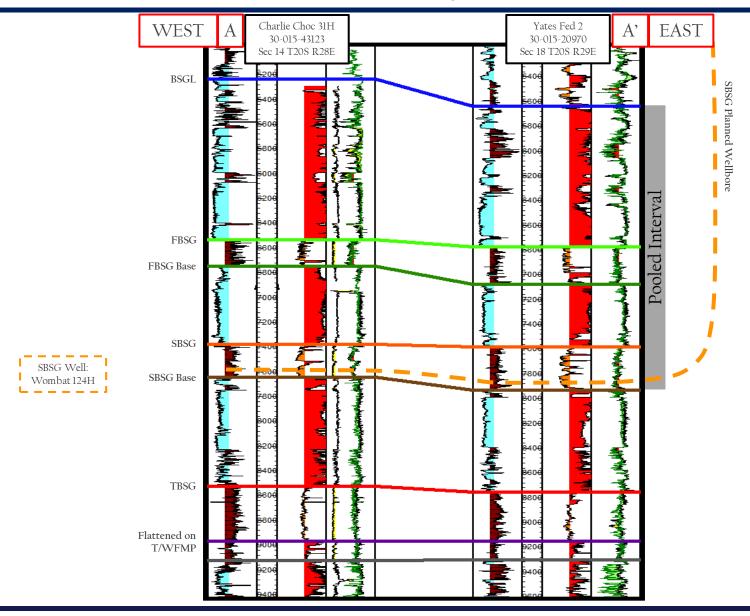


Exhibit B-5



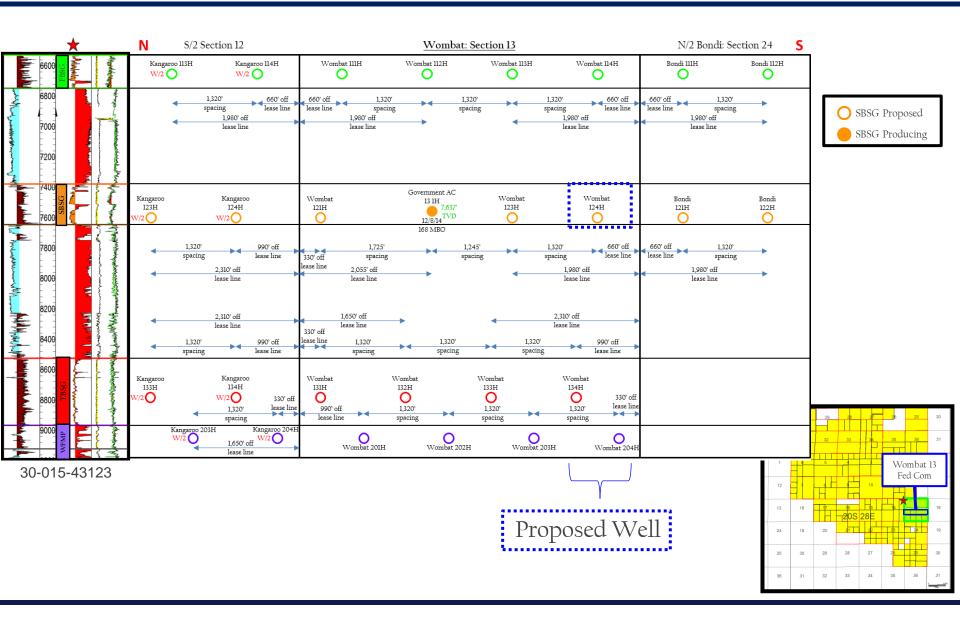


Cresiv Bar PEP 1964 et opinient Plan Wombat 13 Fed 124H

Colgate Operating, LLC Case No. 22942 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. 22942

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- 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. 22942 Exhibit C



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

July 11, 2022

<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: 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://www.apps.emnrd.state.nm.us/ocd/ocdpermitting/) or via e-mail to ocd.hearings@state.nm.us/ocd/ocdpermitting/) or via e-mail to <a href="http

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

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

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Colgate Operating, LLC Case No. 22942 Exhibit C-1

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

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
Y 11 D	05/11/00	of 09/13/22)
Javelina Partners	07/11/22	07/18/22
616 Texas Street		
Fort Worth, TX 76102	07/11/22	07/22/22
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
3	07/11/22	01122122
6114 Tulip Ln., Suite 250 Dallas, TX 75230		Return to sender.
Josephine T. Hudson	07/11/22	07/18/22
Testamentary Trust	07/11/22	07/18/22
FBO J. Terrell Ard		
PO Box 1600		
San Antonio, TX 78296		
LLJ Ventures	07/11/22	07/21/22
P.O. Box 3188	07/17/22	07721722
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

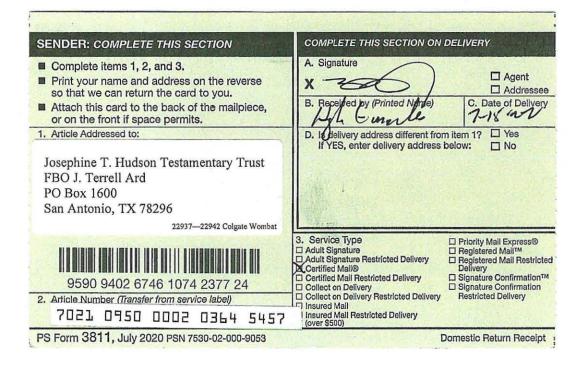
NOTICE LETTER CHART

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









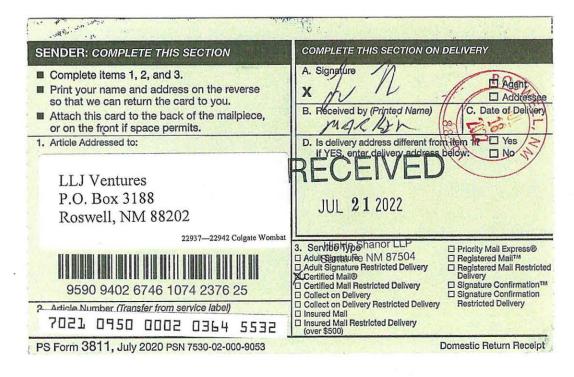


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Collect on Delivery Collect on Delivery Collect on Delivery Restricted Delivery Insured Mail Insured Mail Restricted Delivery (over \$500)	☐ Signature Confirmation Restricted Delivery
	B-Received by (Printed Name) D. Is delivery address different from If YES, enter delivery address 3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail® Certified Mail® Collect on Delivery Collect on Delivery Insured Mail Restricted Delivery Insured Mail Restricted Delivery

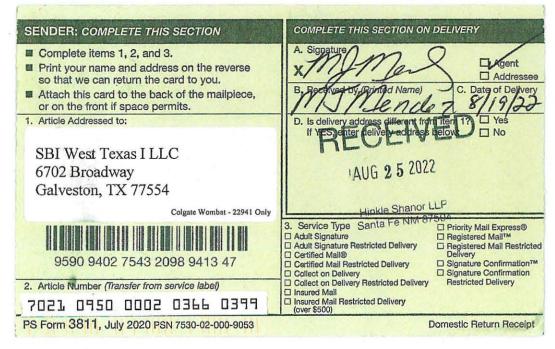








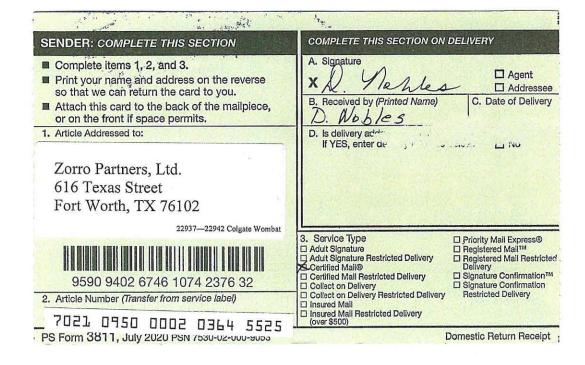


















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Jennings Production Co. Ltd. 6114 Tulip Ln., Suite 250 Dallas, TX 75230

22937-22942 Colgate Wombat

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JUL 2 9 2022

Hinkle Shanor LLP Santa Fe NM 87504

Carlsbad Current Argus.

Affidavit of Publication Ad # 0005335833 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

Ad # 0005335833 PO #: 22942 # of Affidavits1

This is not an invoice

KATHLEEN ALLEN Notary Public State of Wisconsin

This is to notify all interested parties, including Javelina Partners; Josephine Hudson Testamentary Trust; Jennings Production Co. Ltd.; Lindy's Living Trust; Delmar Hudson Lewis Living Trust; Ard Energy Partners, Ltd.; Zorro Partners, Ltd.; LLJ Ventures; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Oper-ating, LLC (Case No. 22942). The hearing will be conducted remotely on August 4, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: https://www.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, a 160-acre, more or less, standard horizontal spacing unit comprised of the 52/52 of Section 13, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Wombat 13 Federal Com 124H 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 SW/4 SW/4 (Unit M) 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 #5335833, Current Argus, July 14, 2022

> Colgate Operating, LLC Case No. 22942 Exhibit C-4