

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

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

CASE NOS. 23107-23114

NOTICE OF SUPPLEMENTAL EXHIBITS

In accordance with the Division's request at the November 3, 2022 hearing in these matters, Colgate Operating, LLC is providing the following supplemental exhibits: (1) Supplemental Self-Affirmed Statement of Travis Macha (Exhibit A-6); and (2) Updated Unit Recapitulation, Case Nos. 23107-23114 (Exhibit A-7).

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

Counsel for Colgate Operating, LLC

Page 2 of 4

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. 23107-23114

SUPPLEMENTAL 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 previously submitted a self-affirmed statement in these matters, which was marked as Colgate Exhibit A.

2. At the November 3, 2022 hearing, the Division requested that Colgate provide additional information regarding: (1) confirmation in Case No. 23109 that the working interest owners in the overlapping existing well were notified of Colgate’s application; and (2) clarification regarding the interest percentages shown in the unit recapitulation for each case (Exhibit A-3).

3. In Case No. 23109, the working interest owners in the existing Colgate-operated State CV Com 2H well are the same owners who hold interests in the proposed Dingo Fed Com 132H well. As a result, as shown on Colgate Exhibits C-2 and C-3, these parties were notified of the proposed overlapping unit.

4. With respect to the unit capitulation submitted in each case, the percentages listed on Exhibit A-3 are correct due to contractual interests under an existing Joint Operating Agreement. An exhibit explaining the basis for the unit recapitulation is attached as Exhibit A-7.

5. I understand this Supplemental Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and it 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.

Exhibit A-6


Travis Macha

11-7-2022
Date

POST-HEARING SUPPLEMENT: Dingo Fed Com

Case Numbers: 23107-23114

All of of Sections 16 & 17, T20S-R28E, Eddy Co., NM

NMOCD Inquiry: Lease capitulation versus Unit Capitulation. It was previously flagged by the NMOCD and inquired as to why the lease capitulation does not match up visually with the unit capitulation summaries as to **EACH** Dingo Case.

Colgate Answer: Unit capitulation is common throughout ALL Dingo wells due to the following:

- 1) Colgate owns Section 17 100% (so no variation in ownership will be evident there);
- 2) Section 16, while **LEASEHOLD** ownership may vary tract by tract as represented in the original exhibits as well as below, Section 16 is subject to a 1976 JOA spreading all interests around soas each WI owner has an undivided **CONTRACTUAL** working interest across all of Section 16. *This is the reason why you may notice COG Operaing LLC owning 100% of the N2N2 of Section 16 but owning a 12.5% WI in each Dingo unit.* Furthermore, the Section 16 1976 JOA accounts for the 2nd Bone Spring severance referenced in the Leasehold Ownership capitulation below.

Please note: A 2022 superceding JOA has been proposed for the Dingo development, Colgate has distributed the unit capitulation to each WI owner with the initial well proposals from August of this year

Leasehold Ownership						
Owner	Sec 16: S2NW, SWSW - 2nd Bone Spring	Sec 16: S2NW, SWSW - All Depths, SAE 2nd Bone Spring	Sec 16: N2N2	Sec 16: S2NE, N2SW, SESW, SE	Sec 17: N2N2, SWNW, W2SW	Sec 17: E2SW, SW, SENW, S2NE
Colgate Production, LLC	53.202240%	5.000000%	0.000000%	100.000000%	100.000000%	100.000000%
Devon Energy Production, LP	0.000000%	48.202240%	0.000000%	0.000000%	0.000000%	0.000000%
Diamondhead Properties, LP	23.398880%	23.398880%	0.000000%	0.000000%	0.000000%	0.000000%
Dugan Production Corp.	23.398880%	23.398880%	0.000000%	0.000000%	0.000000%	0.000000%
COG Operating, LLC	0.000000%	0.000000%	100.000000%	0.000000%	0.000000%	0.000000%

*Contractual interest already spread in Section 16 via 1976 JOA, new 2022 uperceding JOA has been proposed

Unit Capitulation - All Dingo Cases	
Owner	Working Interest
Colgate Production, LLC	78.5937500%
Devon Energy Production, LP	4.518960%
Diamondhead Properties, LP	2.193645%
Dugan Production Corp.	2.193645%
COG Operating, LLC	12.500000%
Total	100.000000%