APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22279 LEA COUNTY, NEW MEXICO.

CASE NO. 23151 ORDER NO. R-22279

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APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22277 LEA COUNTY, NEW MEXICO.

CASE NO. 23149 ORDER NO. R-22277

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22278 LEA COUNTY, NEW MEXICO.

CASE NO. 23150 ORDER NO. R-22278

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22279 LEA COUNTY, NEW MEXICO.

CASE NO. 23151 ORDER NO. R-22279

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22280 LEA COUNTY, NEW MEXICO.

CASE NO. 23152 ORDER NO. R-22280

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22281 LEA COUNTY, NEW MEXICO.

CASE NO. 23153 ORDER NO. R-22281

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22282 LEA COUNTY, NEW MEXICO.

CASE NO. 23154 ORDER NO. R-22282

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22283 LEA COUNTY, NEW MEXICO

CASE NO. 23155 ORDER NO. R-22283

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22284 LEA COUNTY, NEW MEXICO.

CASE NO. 23156 ORDER NO. R-22284

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

1. I am a Senior Landman with Colgate Operating, LLC ("Colgate"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A 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 this case. Copies of the applications and proposed hearing notices are attached as **Exhibit A-1**.
 - 3. On September 26, 2002, the Division entered the following orders:
 - Order No. R-22277 in Case No. 22788, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 17 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 201H well; and designated Colgate as operator of the Unit and well. A copy of the order is attached as **Exhibit A-2**.
 - Order No. R-22278 in Case No. 22789, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 202H well; and designated Colgate as operator of the Unit and well. A copy of the order is attached as **Exhibit A-3**.
 - Order No. R-22279 in Case No. 22790, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 203H well; and designated Colgate as operator of the Unit and well. A copy of the order is attached as **Exhibit A-4.**
 - Order No. R-22280 in Case No. 22791, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 204H well; and designated Applicant as operator of the Unit and the well. A copy of the order is attached as Exhibit A-5.
 - Order No. R-22281 in Case No. 22792, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 111H, Batman Fed Com 121H, Batman Fed Com 122H, Batman Fed

Com 171H, and Batman Fed Com 131H wells; and designated Colgate as operator of the Unit and the wells. A copy of the order is attached as **Exhibit A-6**.

- Order No. R-22282 in Case No. 22793, which pooled all uncommitted interests in
 the Bone Spring formation underlying a standard horizontal spacing unit comprised
 of the E/2 W/2 of Sections 18 and 19, Township South, Range 34 East, Lea County;
 dedicated the Unit to the Batman Fed Com 112H, Batman Fed Com 123H, Batman
 Fed Com 124H, Batman Fed Com 172H, and Batman Fed Com 132H wells; and
 designated Colgate as operator of the Unit and the wells. A copy of the order is
 attached as Exhibit A-7.
- Order No. R-22283 in Case No. 22794, which pooled all uncommitted interests in
 the Bone Spring formation underlying a standard horizontal spacing unit comprised
 of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea
 County; dedicated the Unit to the Batman Fed Com 113H, Batman Fed Com 125H,
 Batman Fed Com 126H, Batman Fed Com 173H, and Batman Fed Com 133H
 wells; and designated Colgate as operator of the Unit and the wells. A copy of the
 order is attached as Exhibit A-8.
- Order No. R-22284 in Case No. 22795, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County; dedicated the Unit to the Batman Fed Com 114H, Batman Fed Com 127H, Batman Fed Com 128H, Batman Fed Com 174H, and Batman Fed Com 134H wells; and designated Colgate as operator of the Unit and wells. A copy of the order is attached as **Exhibit A-9**.
- 4. Colgate proposes to fully develop the Bone Spring and Wolfcamp formations underlying Sections 18 and 19, Township 20 South, Range 34 East in Lea County by drilling and completing 24 wells.
- 5. In these cases, Doyle Hartman ("Hartman") is named as an owner of a 2% record title interest in the federal leases at issue and has refused to sign a communitization agreement. As a result, Colgate seeks to pool his record title interest solely for the purpose of complying with the BLM's communitization requirements.¹

¹ The BLM's policy on communitization states: "a communitization agreement signed by the operator and complete in all respects, except for signatures of all working interest and royalty owners, may be accepted and approved by the authorized officer when a State order force-

- 6. **Exhibit A-10** provides plats of the tracts included in the Units, identifies the interests in each tract, and identifies the record title interests being pooled, which are highlighted in yellow.
- 7. **Exhibit A-11** is a sample communitization agreement that I sent to the additional record title interests Colgate seeks to pool, including Hartman.
- 8. In my opinion, Colgate made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-12**.
- 9. Colgate is not seeking to pool any working interest or overriding royalty interest held by Hartman, as Colgate's title research has shown that Hartman does not own a working or royalty interest in the Wells.
- 10. In an attempt to work with Hartman in good faith, I have provided Hartman with Colgate's June 14, 2022 Drilling and Division Order Title Opinion confirming the nature of Hartman's interest, even though Colgate was under no obligation to do so. I also informed Hartman that if he provides information to substantiate his claimed working interest, Colgate will consider it. He has declined to provide any such information. *See* 6/23/22 Letter to D. Hartman, attached as **Exhibit A-13.**
- 11. Hartman appears to hold a 2% record title interest in the lease. *See* Department of the Interior Bureau of Land Management Case Recordation Serial Register Page NMNM105505832, attached as **Exhibit A-14**, at 5. Hartman's record title interest is not subject to the cost or risk penalty provisions of the pooling orders and, conversely, he is not entitled to proceeds from the Wells' production. As a result, the pooling of Hartman's record title interest has

pooling such interests in the lands in question is also submitted." *See* https://www.blm.gov/sites/blm.gov/files/uploads/mediacenter_blmpolicymanual3160-9.pdf

no material impact on Hartman, and it certainly does not impair his correlative rights or result in the waste of oil and gas.

- 12. Hartman has not proposed any plan to develop the subject lands.
- 13. Hartman is attempting to block's Colgate's ability to produce 24 wells, which impairs Colgate's correlative rights, results in a tremendous waste of oil and gas, and causes financial harm to Colgate, working interest owners in the wells, overriding royalty interests, the BLM, and the State of New Mexico.
- 14. If Hartman is determined to own a working interest in the spacing units for the Wells, Colgate would be required to reach an agreement with Hartman or pool that interest at a later date.
- 15. Colgate submitted APDs to the BLM for the Batman wells on May 11, 2022, and has two rigs scheduled to spud the wells beginning on January 17, 2023. API numbers for the wells will be issued by the Division after the permits are approved.
- 16. The BLM's process for APD, Drilling Island, and Development Area Review in the Designated Potash Area is attached as **Exhibit A-15**. Colgate has followed this process and has complied with all BLM requirements, including obtaining approval for its well design specifications. Because Hartman is a record title owner of the leases, Colgate notified him of its proposed development area that falls within the Potash Area. The BLM not Colgate nominated the Fallen Wallen Drill Islands pursuant to the BLM's Process for APD, Drilling Island, and Development Area Review in the Designated Potash Area on February 2, 2022. *See* Exhibit A to Hartman's Response to Colgate's Motion to Quash; *see also* Exhibit A-15 at 4. Thus, contrary to Hartman's claims, Colgate was not required to send him notification regarding the drill islands.

- 17. The Joint Operating Agreements ("JOAs") discussed by Hartman are totally irrelevant to the pooling of his record title interest, as the BLM requires a pooling order - not a JOA – to issue a communitization agreement.
- Colgate requests the additional uncommitted interests be pooled under the terms of 18. the Order.
- 19. In my opinion, the granting of Colgate's application would serve the interests of conservation and prevention of waste.
- 20. The attached exhibits were either prepared by me of under my supervision or were compiled from company business records.
- I understand this Self-Affirmed Statement will be used as written testimony in the 21. subject cases. 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 below.

12-8-22

APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22277, LEA COUNTY, NEW MEXICO.

CASE NO. 23149 ORDER NO. R-22277

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22277. Applicant states the following in support of its application.

- 1. On September 26, 2022, the Division entered Order No. R-22277 ("Order") in Case No. 22788, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 201H well ("Well") and designated Applicant as operator of the Unit and Well.
- 2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.
- 4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-1 WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22277.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22277, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22277. Order No R-22277 ("Order") pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 201H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22278, LEA COUNTY, NEW MEXICO.

CASE NO. 23150 ORDER NO. R-22278

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22278. Applicant states the following in support of its application.

- 1. On September 26, 2022, the Division entered Order No. R-22278 ("Order") in Case No. 22789, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 202H well ("Well") and designated Applicant as operator of the Unit and Well.
- 2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22278.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22278, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22278. Order No R-22278 ("Order") pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 202H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22279, LEA COUNTY, NEW MEXICO.

CASE NO. 23151 ORDER NO. R-22279

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22279. Applicant states the following in support of its application.

- 1. On September 26, 2022, the Division entered Order No. R-22279 ("Order") in Case No. 22790, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 203H well ("Well") and designated Applicant as operator of the Unit and Well.
- 2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22279.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22279, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22279. Order No R-22279 ("Order") pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 203H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22280, LEA COUNTY, NEW MEXICO.

CASE NO. 23152 ORDER NO. R-22280

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22280. Applicant states the following in support of its application.

- 1. On September 26, 2022, the Division entered Order No. R-22280 ("Order") in Case No. 22791, which pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 204H well ("Well") and designated Applicant as operator of the Unit and Well.
- 2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22280.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22280, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22280. Order No R-22280 ("Order") pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 204H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22281, LEA COUNTY, NEW MEXICO.

CASE NO. 23153 ORDER NO. R-22281

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22281. Applicant states the following in support of its application.

- 1. On September 26, 2022, the Division entered Order No. R-22281 ("Order") in Case No. 22792, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 111H; Batman Fed Com 121H; Batman Fed Com 122H; Batman Fed Com 171H; and Batman Fed Com 131H. The Order designated Applicant as operator of the Unit and the Wells.
- 2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22281.

Respectfully submitted,

HINKLE SHANOR LLP

<u>/s/ Dana S. Hard</u>y

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Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22281, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22281. Order No R-22281 ("Order") pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 111H; Batman Fed Com 121H; Batman Fed Com 122H; Batman Fed Com 171H; and Batman Fed Com 131H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22282, LEA COUNTY, NEW MEXICO.

CASE NO. 23154 ORDER NO. R-22282

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22282. Applicant states the following in support of its application.

- 1. On September 26, 2022, the Division entered Order No. R-22282 ("Order") in Case No. 22793, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 112H; Batman Fed Com 123H; Batman Fed Com 172H; and Batman Fed Com 132H. The Order designated Applicant as operator of the Unit and the Wells.
- 2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22282.

Respectfully submitted,

HINKLE SHANOR LLP

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Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22282, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22282. Order No R-22282 ("Order") pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 112H; Batman Fed Com 123H; Batman Fed Com 124H; Batman Fed Com 172H; and Batman Fed Com 132H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22283, LEA COUNTY, NEW MEXICO.

CASE NO. 23155 ORDER NO. R-22283

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22283. Applicant states the following in support of its application.

- 1. On September 26, 2022, the Division entered Order No. R-22283 ("Order") in Case No. 22794, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 113H; Batman Fed Com 125H; Batman Fed Com 126H; Batman Fed Com 173H; and Batman Fed Com 133H. The Order designated Applicant as operator of the Unit and the Wells.
- 2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22283.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy
Jaclyn M. McLean
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P.O. Box 2068
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Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22283, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22283. Order No R-22283 ("Order") pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 113H; Batman Fed Com 125H; Batman Fed Com 126H; Batman Fed Com 173H; and Batman Fed Com 133H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22284, LEA COUNTY, NEW MEXICO.

CASE NO. 23156 ORDER NO. R-22284

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22284. Applicant states the following in support of its application.

- 1. On September 26, 2022, the Division entered Order No. R-22284 ("Order") in Case No. 22795, which pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 114H; Batman Fed Com 127H; Batman Fed Com 128H; Batman Fed Com 174H; and Batman Fed Com 134H. The Order designated Applicant as operator of the Unit and the Wells.
- 2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 3, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22284.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Yarithza Peña P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 982-8623

Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com ypena@hinklelawfirm.com

Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC To Pool Additional Interests Under Order No. R-22284, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22284. Order No R-22284 ("Order") pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 114H; Batman Fed Com 127H; Batman Fed Com 128H; Batman Fed Com 174H; and Batman Fed Com 134H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COLGATE OPERATING, LLC

CASE NO. 22788 **ORDER NO.** R-22277

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22788 ORDER NO. R-22277

Page **2** of **6**

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22788 ORDER NO. R-22277

Page **3** of **6**

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADMENNE SANDOVAL DIRECTOR AES/jag

Date: 9/26/2022

CASE NO. 22788 ORDER NO. R-22277

Exhibit A

| ALL INFORMATION IN THE APPLICATION MUST | BE SUPPORTED BY SIGNED AFFIDAVITS |
|---|--|
| Case No.: | 22788 |
| Hearing Date: | 6/2/2022 |
| Applicant | Colgate Operating, LLC |
| Designated Operator & OGRID | 371449 |
| Applicant's Counsel | Hinkle Shanor LLP |
| Case Title | Application of Colgate Operating, LLC for Compulsory Pooling, Lea |
| | County, New Mexico |
| Entries of Appearance/Intervenors | XTO Energy, Inc., Fasken Oil & Ranch Ltd. |
| Well Family | Batman Fed Com |
| Formation/Pool | Satisfaction of the satisf |
| Formation Name(s) or Vertical Extent | Wolfcamp Formation |
| Primary Product (Oil or Gas) | Oil |
| Pooling this vertical extent | Wolfcamp Formation |
| Pool Name and Pool Code | WC-025 G-08 S203429P; Wolfamp Pool (98247) |
| Well Location Setback Rules | Standard |
| Spacing Unit Size | 320.32 |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320.32 |
| Building Blocks | quarter-quarter |
| Orientation | North/South |
| Description: TRS/County | Lots 1, 2, 3 and 4 (W/2 W/2 equivalent) of irregular Sections 18 and |
| bescription: may county | 19, Township 20 South, Range 34 East, Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| 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 | Batman Fed Com 201H (API # pending) |
| | SHL: 232' FNL & 1645' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FSL & 998' FWL, Lot 4, Section 19, T20S-R34E |
| | Completion Target: Wolfcamp (Approx. 11,054' TVD) |
| | Well Orientation: North to South |
| | |
| Horizontal Well First and Last Take Points | Exhibit A-2 |
| Completion Target (Formation, TVD and MD) | Exhibit A-4 |
| AFE Capex and Operating Costs | |
| Orilling 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-2 |
| | State Assistance of Dipolates Collections |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit C-3 |

CASE NO. 22788 ORDER NO. R-22277

| Received by OCD: 5/31/2022 11:50:03 AM | Page 4 of 1. |
|---|--|
| 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 | Exhibit A |
| Ownership Depth Severance (including percentage above & | |
| below) | N/A |
| 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-3 |
| Gross Isopach | N/A |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibits B-5, B-6 |
| Depth Severance Discussion | N/A |
| 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-2 |
| Well Bore Location Map | Exhibit B-3 |
| Structure Contour Map - Subsea Depth | Exhibit B-4 |
| Cross Section Location Map (including wells) | Exhibit B-3 |
| Cross Section (including Landing Zone) | Exhibits B-5, B-6 |
| Additional Information | Special Provisions - See Exhibit A, Paragraph 14 |
| 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: | 5/31/2022 |
| | |

Released to Imaging: 5/31/2022 12:24:52 PM

CASE NO. 22788 ORDER NO. R-22277

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COLGATE OPERATING, LLC

CASE NO. 22789 **ORDER NO.** R-22278

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22789 ORDER NO. R-22278

Page **2** of **6**

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22789 ORDER NO. R-22278

Page **3** of **6**

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OU CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22789 ORDER NO. R-22278

Exhibit A

| COMPULSORY POOLING APPLICATION CHECKLIST | |
|--|---|
| ALL INFORMATION IN THE APPLICATION MUST E Case No.: | BE SUPPORTED BY SIGNED AFFIDAVITS 22789 |
| | |
| Hearing Date: | 6/2/2022 |
| Applicant | Colgate Operating, LLC |
| Designated Operator & OGRID | 371449 |
| Applicant's Counsel | Hinkle Shanor LLP |
| Case Title | Application of Colgate Operating, LLC for Compulsory Pooling, Lea |
| | County, New Mexico |
| Entries of Appearance/Intervenors | XTO Energy, Inc., Fasken Oil & Ranch Ltd. |
| Well Family | Batman Fed Com |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent | Wolfcamp Formation |
| Primary Product (Oil or Gas) | Oil |
| Pooling this vertical extent | Wolfcamp Formation |
| Pool Name and Pool Code | WC-025 G-08 S203429P; Wolfamp Pool (98247) |
| Well Location Setback Rules | Standard |
| Spacing Unit Size | 320 |
| Spacing Unit | 320 |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320 |
| | |
| Building Blocks | quarter-quarter |
| Orientation To 10 | North/South |
| Description: TRS/County | E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Le |
| | County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| 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 | Batman Fed Com 202H (API # pending) |
| | SHL: 232' FNL & 1705' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FSL & 2327' FWL, Unit N, Section 19, T20S-R34E |
| | Completion Target: Wolfcamp (Approx. 11,054' TVD) |
| | Well Orientation: North to South |
| | |
| | |
| Horizontal Well First and Last Take Points | Exhibit A-2 |
| Completion Target (Formation, TVD and MD) | Exhibit A-4 |
| AFE Capex and Operating Costs | assessment of B |
| Orilling Supervision/Month \$ | \$8,000.00 |
| Production Supervision/Month \$ | \$800.00 |
| Justification for Supervision Costs | Exhibit A |
| Requested Risk Charge | 200% |
| Notice of Hearing | 200/0 |
| | Exhibit A-1 |
| | |
| Proposed Notice of Hearing | Catalogue Annia de Section 1 al 1 con 1 |
| Proposed Notice of Hearing Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C-2 |
| | Catalogue Annia de Section 1 al 1 con 1 |

CASE NO. 22789 ORDER NO. R-22278

| Received by OCD: 5/31/2022 11:51:33 AM | Page 4 of 1 |
|---|--|
| Tract List (including lease numbers & owners) | Exhibit A-3 Exhibit A-3 |
| Pooled Parties (including ownership type) | |
| Unlocatable Parties to be Pooled | Exhibit A |
| Ownership Depth Severance (including percentage above & | |
| below) | N/A |
| 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-3 |
| Gross Isopach | N/A |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibit B-5, B-6 |
| Depth Severance Discussion | N/A |
| 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-2 |
| Well Bore Location Map | Exhibit B-3 |
| Structure Contour Map - Subsea Depth | Exhibit B-4 |
| Cross Section Location Map (including wells) | Exhibit B-3 |
| Cross Section (including Landing Zone) | Exhibit B-5, B-6 |
| Additional Information | Special Provisions - See Exhibit A, Paragraph 14 |
| 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: | 5/31/2022 |

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CASE NO. 22789 ORDER NO. R-22278

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COLGATE OPERATING, LLC

CASE NO. 22790 ORDER NO. R-22279

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22790 ORDER NO. R-22279

Page **2** of **6**

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22790 ORDER NO. R-22279

Page 3 of 6

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OUT CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22790 ORDER NO. R-22279

Exhibit A

| ALL INICODMATION IN THE ADDITION SELECT | DE CURRONTER DY CICNER AFFIR AVETE |
|--|--|
| ALL INFORMATION IN THE APPLICATION MUST E Case No.: | 22790 |
| | 6/2/2022 |
| Hearing Date: | |
| Applicant | Colgate Operating, LLC 371449 |
| Designated Operator & OGRID Applicant's Counsel | Hinkle Shanor LLP |
| THE TRANSPORTED CONTRACTOR CONTRA | PARTY TO THE PARTY |
| Case Title | Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico |
| Entries of Appearance/Intervenors | XTO Energy, Inc., Fasken Oil & Ranch Ltd. |
| Well Family | Batman Fed Com |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent | Wolfcamp Formation |
| Primary Product (Oil or Gas) | Oil |
| Pooling this vertical extent | Wolfcamp Formation |
| Pool Name and Pool Code | WC-025 G-08 S203429P; Wolfamp Pool (98247) |
| Well Location Setback Rules | Standard |
| Spacing Unit Size | 320 |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320 |
| Building Blocks | quarter-quarter |
| Orientation | North/South |
| Description: TRS/County | W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, L |
| Description: TRS/County | |
| or to be a substitute of the way was the first | County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| 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 | Batman Fed Com 203H (API # pending) |
| | SHL: 206' FNL & 1345' FEL, Unit B, Section 18, T20S-R34E |
| | BHL: 10' FSL & 1650' FEL, Unit O, Section 19, T20S-R34E |
| | Completion Target: Wolfcamp (Approx. 11,054' TVD) |
| | Well Orientation: North to South |
| | |
| | |
| Horizontal Well First and Last Take Points | Exhibit A-2 |
| Completion Target (Formation, TVD and MD) | Exhibit A-4 |
| AFE Capex and Operating Costs | |
| Orilling Supervision/Month \$ | \$8,000.00 |
| Production Supervision/Month \$ | \$800.00 |
| lustification 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-2 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit C-3 |
| Ownership Determination | |
| Ownership Determination | |

CASE NO. 22790 ORDER NO. R-22279

| Received by OCD: 5/31/2022 11:52:59 AM | Exhibit A-3 |
|---|--|
| Tract List (including lease numbers & owners) | Exhibit A-3 |
| Pooled Parties (including ownership type) | |
| Unlocatable Parties to be Pooled | Exhibit A |
| Ownership Depth Severance (including percentage above & | |
| below) | N/A |
| 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-3 |
| Gross Isopach | N/A |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibit B-5, B-6 |
| Depth Severance Discussion | N/A |
| 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-2 |
| Well Bore Location Map | Exhibit B-3 |
| Structure Contour Map - Subsea Depth | Exhibit B-4 |
| Cross Section Location Map (including wells) | Exhibit B-3 |
| Cross Section (including Landing Zone) | Exhibit B-5, B-6 |
| Additional Information | Special Provisions - See Exhibit A, Paragraph 14 |
| 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: | 5/31/2022 |

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CASE NO. 22790 ORDER NO. R-22279

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COLGATE OPERATING, LLC

CASE NO. 22791 ORDER NO. R-22280

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

<u>ORDER</u>

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22791 ORDER NO. R-22280

Page **2** of **6**

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22791 ORDER NO. R-22280

Page **3** of **6**

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OU CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22791 ORDER NO. R-22280

Exhibit A

| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | |
|---|---|
| Case No.: | 22791 |
| Hearing Date: | 6/2/2022 |
| Applicant | Colgate Operating, LLC |
| Designated Operator & OGRID | 371449 |
| Applicant's Counsel | Hinkle Shanor LLP |
| Case Title | Application of Colgate Operating, LLC for Compulsory Pooling, Lea |
| Case little | County, New Mexico |
| Entries of Appearance/Intervenors | XTO Energy, Inc., Fasken Oil & Ranch Ltd. |
| Well Family | Batman Fed Com |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent | Wolfcamp Formation |
| Primary Product (Oil or Gas) | Oil |
| Pooling this vertical extent | Wolfcamp Formation |
| Pool Name and Pool Code | WC-025 G-08 S203429P; Wolfamp Pool (98247) |
| Well Location Setback Rules | Standard |
| Spacing Unit Size | 320 |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320 |
| Building Blocks | quarter-quarter |
| Orientation | North/South |
| Description: TRS/County | E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Le |
| | County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| 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 | Batman Fed Com 204H (API # pending) |
| | SHL: 206' FNL & 1255' FEL, Unit A, Section 18, T20S-R34E |
| | BHL: 10' FSL & 330' FEL, Unit P, Section 19, T20S-R34E |
| | Completion Target: Wolfcamp (Approx. 11,054' TVD) |
| | Well Orientation: North to South |
| | |
| | |
| 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-2 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit C-3 |
| Ownership Determination | |
| | Exhibit A-3 |

CASE NO. 22791 ORDER NO. R-22280

| Received by OCD: 5/31/2022 11:54:26 AM | Page 4 of |
|---|--|
| Tract List (including lease numbers & owners) | Exhibit A-3 |
| Pooled Parties (including ownership type) | Exhibit A-3 |
| Unlocatable Parties to be Pooled | Exhibit A-3 |
| Ownership Depth Severance (including percentage above & | |
| below) | N/A |
| 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-3 |
| Gross Isopach | N/A |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibit B-5, B-6 |
| Depth Severance Discussion | N/A |
| 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-2 |
| Well Bore Location Map | Exhibit B-3 |
| Structure Contour Map - Subsea Depth | Exhibit B-4 |
| Cross Section Location Map (including wells) | Exhibit B-3 |
| Cross Section (including Landing Zone) | Exhibit B-5, B-6 |
| Additional Information | Special Provisions - See Exhibit A, Paragraph 14 |
| 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: | 5/31/2022 |
| D4 (0) | 3/34/2022 |

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CASE NO. 22791 ORDER NO. R-22280

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COLGATE OPERATING, LLC

CASE NO. 22792 ORDER NO. R-22281

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22792 ORDER NO. R-22281

Page **2** of **6**

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22792 ORDER NO. R-22281

Page **3** of **6**

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22792 ORDER NO. R-22281

Exhibit A

| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | |
|--|---|
| Case No.: | 22792 |
| Hearing Date: | 6/2/2022 |
| Applicant | Colgate Operating, LLC |
| Designated Operator & OGRID | 371449 |
| Applicant's Counsel | Hinkle Shanor LLP |
| Case Title | Application of Colgate Operating, LLC for Compulsory Pooling, Lea |
| | County, New Mexico |
| Entries of Appearance/Intervenors | XTO Energy, Inc., Fasken Oil & Ranch Ltd. |
| Well Family | Batman Fed Com |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent | Bone Spring Formation |
| Primary Product (Oil or Gas) | Oil |
| Pooling this vertical extent | Bone Spring Formation |
| Pool Name and Pool Code | Lea; Bone Spring, South Pool (Code 37580) |
| Well Location Setback Rules | Standard |
| Spacing Unit Size | 320.32 |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320.32 |
| Building Blocks | quarter-quarter |
| Orientation | North/South |
| Description: TRS/County | Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and |
| | 19, Township 20 South, Range 34 East, Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| 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, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed |
| Well #1 | Batman Fed Com 111H (API # pending) |
| | SHL: 682' FNL & 1585' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FSL & 330' FWL, Lot 4, Section 19, T20S-R34E |
| | Completion Target: 1st Bone Spring (Approx. 9,454' TVD) |
| | Well Orientation: North to South |
| Well #2 | Batman Fed Com 121H (API # pending) |
| | SHL: 682' FNL & 1,6155' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FNL & 330' FWL, Lot 4, Section 19, T20S-R34E |
| | Completion Target: 2nd Bone Spring (Approx. 10,349' TVD) |
| | Well Orientation: North to South |
| Well #3 | Batman Fed Com 122H (API # pending) |
| | SHL: 682' FNL & 1645' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FSL & 998' FWL, Lot 4, Section 19, T20S-R34E |
| | Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) We |
| | Orientation: North to South |
| Well #4 | Batman Fed Com 171H (API # pending) |
| | SHL: 232' FNL & 1585' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FSL & 998' FWL, Lot 4, Setion 19, T20S-R34E |
| | Completion Target: Harkey (Approx. 10,614' TVD) |
| | completion ranget: harkey (Approx. 10,014 140) |

CASE NO. 22792 ORDER NO. R-22281

| Received by OCD: 5/31/2022 12:05:01 PM | Page 4 of 1 |
|---|--|
| Well #5 | Batman Fed Com 131H (API # pending) |
| | SHL: 232' FNL & 1615' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FSL & 330' FWL, Lot 4, Section 19, T20S-R34E |
| | Completion Target: 3rd Bone Spring (Approx. 10,944' TVD) |
| | Well Orientation: North to South |
| 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-2 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit C-3 |
| Ownership Determination | |
| 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 | Exhibit A-3 |
| Ownership Depth Severance (including percentage above & | |
| below) | N/A |
| 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 | EATHORN |
| Summary (including special considerations) | Exhibit B |
| Spacing Unit Schematic | Exhibit B-2 |
| Gross Isopach | N/A |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibits B-8, B-9 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | I WA |
| C-102 | Exhibit A-2 |
| C-102 Tracts | Exhibit A-3 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit A-3 |
| General Location Map (including basin) | Exhibit B-2 |
| Well Bore Location Map | Exhibit B-3 |
| Structure Contour Map - Subsea Depth | Exhibits B-4, B-5, B-6, B-7 |
| Cross Section Location Map (including wells) | Exhibit B-3 |
| Cross Section Location Map (including wells) Cross Section (including Landing Zone) | Exhibits B-8, B-9 |
| | Special Provisions - See Exhibit A, Paragraph 14 |
| Additional Information | Special Flovisions - See Exhibit A, Paragraph 14 |
| CERTIFICATION: I hereby certify that the information | |
| provided in this checklist is complete and accurate. | 9 6 11 1 |
| Printed Name (Attorney or Party Representative): | Dana S. Hardy |
| Signed Name (Attorney or Party Representative): | /s/ Dana S. Hardy |
| Date: | 5/31/2022 |

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CASE NO. 22792 ORDER NO. R-22281

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COLGATE OPERATING, LLC

CASE NO. 22793 ORDER NO. R-22282

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22793 ORDER NO. R-22282

Page **2** of **6**

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22793 ORDER NO. R-22282

Page **3** of **6**

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

Date: 9/26/2022

CASE NO. 22793 ORDER NO. R-22282

Exhibit A

| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | |
|---|--|
| Case No.: | 22793 |
| Hearing Date: | 6/2/2022 |
| Applicant | Colgate Operating, LLC |
| Designated Operator & OGRID | 371449 |
| Applicant's Counsel | Hinkle Shanor LLP |
| Case Title | Application of Colgate Operating, LLC for Compulsory Pooling, Lea |
| ouse Title | County, New Mexico |
| Entries of Appearance/Intervenors | XTO Energy, Inc., Fasken Oil & Ranch Ltd. |
| Well Family | Batman Fed Com |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent | Bone Spring Formation |
| Primary Product (Oil or Gas) | Oil |
| Pooling this vertical extent | Bone Spring Formation |
| Pool Name and Pool Code | Lea; Bone Spring, South Pool (Code 37580) |
| Well Location Setback Rules | Standard |
| Spacing Unit Size | 320 |
| Spacing Unit | 320 |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320 |
| Building Blocks | PRODUCTION AND ADDRESS OF THE PRODUC |
| | quarter-quarter |
| Orientation TRG/G | North/South |
| Description: TRS/County | E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Le County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | 163 |
| Depth Severance: Y/N. If yes, description | No |
| Proximity Tracts: If yes, description | No |
| Proximity Practs: 11 yes, description Proximity Defining Well: if yes, description | N/A |
| Well(s) | IN/A |
| 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 | Batman Fed Com 112H (API # pending) |
| | SHL: 682' FNL & 1705' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FSL & 1658' FWL, Unit N, Section 19, T20S-R34E |
| | Completion Target: 1st Bone Spring (Approx. 9,454' TVD) |
| | Well Orientation: North to South |
| Well #2 | Batman Fed Com 123H (API # pending) |
| | SHL: 682' FNL & 1,675' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FNL & 1658' FWL, Unit N, Section 19, T20S-R34E |
| | Completion Target: 2nd Bone Spring (Approx. 10,349' TVD) |
| | Well Orientation: North to South |
| Well #3 | Batman Fed Com 124H (API # pending) |
| Well #3 | SHL: 682' FNL & 1735' FWL, Unit C, Section 18, T20S-R34E |
| Weii #3 | SHL: 682 FNL & 1735 FWL, Offit C, Section 16, 1203-R34E |
| Well #3 | BHL: 10' FSL & 2327' FWL, Lot 4, Section 19, T20S-R34E |
| Well #3 | |
| Well #3 | BHL: 10' FSL & 2327' FWL, Lot 4, Section 19, T20S-R34E |
| | BHL: 10' FSL & 2327' FWL, Lot 4, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) Well Orientation: North to South |
| | BHL: 10' FSL & 2327' FWL, Lot 4, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) Well Orientation: North to South Batman Fed Com 172H (API # pending) |
| Well #4 | BHL: 10' FSL & 2327' FWL, Lot 4, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) Well Orientation: North to South Batman Fed Com 172H (API # pending) SHL: 232' FNL & 1735' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FSL & 2327' FWL, Lot 4, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) Well Orientation: North to South Batman Fed Com 172H (API # pending) |

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CASE NO. 22793 ORDER NO. R-22282

| Received by OCD: 5/31/2022 12:06:18 PM | Page 4 of 13 |
|--|--|
| Well #5 | Batman Fed Com 132H (API # pending) |
| | SHL: 232' FNL & 1675' FWL, Unit C, Section 18, T20S-R34E |
| | BHL: 10' FSL & 1658' FWL, Unit N, Section 19, T20S-R34E |
| | Completion Target: 3rd Bone Spring (Approx. 10,944' TVD) |
| | Well Orientation: North to South |
| Horizontal Well First and Last Take Points | Exhibit A-2 |
| Completion Target (Formation, TVD and MD) | Exhibit A-4 |
| AFE Capex and Operating Costs | LAHBICH |
| Drilling Supervision/Month \$ | \$8,000.00 |
| Production Supervision/Month \$ | \$800.00 |
| Justification for Supervision Costs | Exhibit A |
| Requested Risk Charge | 200% |
| Notice of Hearing | 25570 |
| Proposed Notice of Hearing | Exhibit A-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C-2 |
| Proof of Published Notice of Hearing (20 days before hearing) | Exhibit C-3 |
| Ownership Determination | EXHIBICOS |
| 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 | Exhibit A-3 |
| Ownership Depth Severance (including percentage above & | EXHIBITA-5 |
| below) | N/A |
| Joinder | IVA |
| 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 Drill and Complete Cost Estimate to Equip Well | Exhibit A-4 |
| Cost Estimate to Equip Well Cost Estimate for Production Facilities | Exhibit A-4 |
| | EXHIBIT A-4 |
| Geology Summary (including special considerations) | Establish D |
| | Exhibit B |
| Spacing Unit Schematic | Exhibit B-3 |
| Gross Isopach | N/A |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibits B-8, B-9 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | F 1 11 11 12 12 12 12 12 12 12 12 12 12 1 |
| 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-3 |
| Well Bore Location Map | Exhibit B-3 |
| Structure Contour Map - Subsea Depth | Exhibit B-4, B-5, B-6, B-7 |
| Cross Section Location Map (including wells) | Exhibit B-3 |
| Cross Section (including Landing Zone) | Exhibits B-8, B-9 |
| Additional Information | Special Provisions - See Exhibit A, Paragraph 14 |
| 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 |
| See Street year or | |
| Date: | 5/31/2022 |

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CASE NO. 22793 ORDER NO. R-22282

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COLGATE OPERATING, LLC

CASE NO. 22794 ORDER NO. R-22283

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22794 ORDER NO. R-22283

Page **2** of **6**

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22794 ORDER NO. R-22283

Page **3** of **6**

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/jag

Date: 9/26/2022

CASE NO. 22794 ORDER NO. R-22283 Received by OCD: 5/31/2022 12:08:41 PM

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Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS 22794 Case No.: 6/2/2022 Hearing Date: Applicant Colgate Operating, LLC Designated Operator & OGRID 371449 Hinkle Shanor LLP Applicant's Counsel Case Title Application of Colgate Operating, LLC for Compulsory Pooling, Lea County, New Mexico Entries of Appearance/Intervenors XTO Energy, Inc., Fasken Oil & Ranch Ltd. Well Family Batman Fed Com Formation/Pool Formation Name(s) or Vertical Extent Bone Spring Formation Primary Product (Oil or Gas) Oil Pooling this vertical extent Bone Spring Formation Pool Name and Pool Code Lea; Bone Spring, South Pool (Code 37580) Well Location Setback Rules Standard 320 Spacing Unit Size Spacing Unit Type (Horizontal/Vertical) Horizontal 320 Size (Acres) **Building Blocks** quarter-quarter Orientation North/South Description: TRS/County W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico Standard Horizontal Well Spacing Unit (Y/N), If No, describe Yes Other Situations Depth Severance: Y/N. If yes, description No 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

Batman Fed Com 113H (API # pending)

Batman Fed Com 125H (API # pending)

Batman Fed Com 126H (API # pending)

Batman Fed Com 173H (API # pending)

Well Orientation: North to South

SHL: 656' FNL & 1,405' FEL, Unit B, Section 18, T20S-R34E BHL: 10' FSL & 2,310' FEL, Unit O, Section 19, T20S-R34E Completion Target: 1st Bone Spring (Approx. 9,454' TVD)

SHL: 656' FNL & 1,375' FEL, Unit B, Section 18, T20S-R34E BHL: 10' FNL & 2,310' FWL, Unit O, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 10,349' TVD)

SHL: 656' FNL & 1,345' FWL, Unit B, Section 18, T20S-R34E BHL: 10' FSL & 1650' FWL, Unit O, Section 19, T20S-R34E Completion Target: 2nd Bone Spring (Approx. 9,964' TVD)

SHL: 206' FNL & 1,405' FEL, Unit B, Section 18, T20S-R34E BHL: 10' FSL & 1650' FEL, Unit O, Setion 19, T20S-R34E Completion Target: Harkey (Approx. 10,644' TVD)

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(standard or non-standard)

Well #1

Well#2

Well #3

Well #4

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|--|---|
| Well #5 | Batman Fed Com 133H (API # pending) |
| | SHL: 206' FNL & 1,375' FEL, Unit B, Section 18, T20S-R34E |
| | BHL: 10' FSL & 2,310' FEL, Unit O, Section 19, T20S-R34E |
| | Completion Target: 3rd Bone Spring (Approx. 10,944' TVD) |
| | Well Orientation: North to South |
| 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-2 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit C-3 |
| Ownership Determination | |
| 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 | Exhibit A-3 |
| Ownership Depth Severance (including percentage above & | |
| below) | N/A |
| 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-3 |
| Gross Isopach | N/A |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibits B-8, B-9 |
| Depth Severance Discussion | N/A |
| 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-3 |
| Well Bore Location Map | Exhibit B-3 |
| Structure Contour Map - Subsea Depth | Exhibit B-4, B-5, B-6, B-7 |
| Cross Section Location Map (including wells) | Exhibit B-3 |
| Cross Section (including Landing Zone) | Exhibits B-8, B-9 |
| Additional Information | Special Provisions - See Exhibit A, Paragraph 14 |
| 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 |
| BUT THE TOTAL CONDITIONS OF CONTROL OF CONTR | 5/31/2022 |
| Date: | 3/31/2022 |

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CASE NO. 22794 ORDER NO. R-22283

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COLGATE OPERATING, LLC

CASE NO. 22795 ORDER NO. R-22284

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22795 ORDER NO. R-22284

Page **2** of **6**

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22795 ORDER NO. R-22284

Page 3 of 6

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

RIENNE SANDOVAL

DIRECTOR AES/jag

Date: 9/26/2022

CASE NO. 22795 ORDER NO. R-22284

Exhibit A

Received by OCD: 5/31/2022 12:10:07 PM COMPULSORY POOLING APPLICATION CHECKLIST

| ALL INFORMATION IN THE APPLICATION MUST I | \$ |
|--|--|
| Case No.: | 22795 |
| Hearing Date: | 6/2/2022 |
| Applicant | Colgate Operating, LLC |
| Designated Operator & OGRID | 371449 |
| Applicant's Counsel | Hinkle Shanor LLP |
| Case Title | Application of Colgate Operating, LLC for Compulsory Pooling, Lea |
| | County, New Mexico |
| Entries of Appearance/Intervenors | XTO Energy, Inc., Fasken Oil & Ranch Ltd. |
| Well Family | Batman Fed Com |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent | Bone Spring Formation |
| Primary Product (Oil or Gas) | Oil |
| Pooling this vertical extent | Bone Spring Formation |
| Pool Name and Pool Code | Lea; Bone Spring, South Pool (Code 37580) |
| Well Location Setback Rules | Standard |
| Spacing Unit Size | 320 |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320 |
| Building Blocks | quarter-quarter |
| Orientation | North/South |
| Description: TRS/County | E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea |
| | County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| 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 | Batman Fed Com 114H (API # pending) |
| | SHL: 656' FNL & 1,285' FEL, Unit A, Section 18, T20S-R34E |
| | BHL: 10' FSL & 990' FEL, Unit P, Section 19, T20S-R34E |
| | Completion Target: 1st Bone Spring (Approx. 9,454' TVD) |
| | Well Orientation: North to South |
| Well #2 | Batman Fed Com 127H (API # pending) |
| | SHL: 656' FNL & 1,315' FEL, Unit A, Section 18, T20S-R34E |
| | BHL: 10' FNL & 990' FEL, Unit P, Section 19, T20S-R34E |
| | Completion Target: 2nd Bone Spring (Approx. 10,349' TVD) |
| | Well Orientation: North to South |
| Well #3 | Batman Fed Com 128H (API # pending) |
| | SHL: 656' FNL & 1,255' FEL, Unit A, Section 18, T20S-R34E |
| | BHL: 10' FSL & 330' FEL, Unit P, Section 19, T20S-R34E |
| | Completion Target: 2nd Bone Spring (Approx. 9,964' TVD) |
| | Well Orientation: North to South |
| Well #4 | Batman Fed Com 174H (API # pending) |
| | SHL: 206' FNL & 1,285' FEL, Unit A, Section 18, T20S-R34E |
| | BHL: 10' FSL & 330' FEL, Unit P, Setion 19, T20S-R34E |
| | Completion Target: Harkey (Approx. 10,644' TVD) |
| | Well Orientation: North to South |

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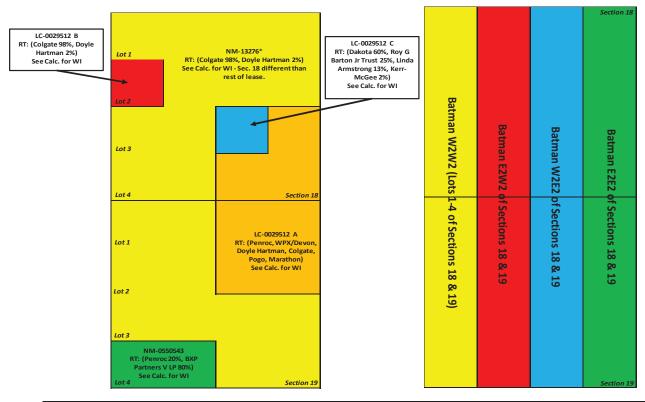
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|--|---|
| Well #5 | Batman Fed Com 134H (API # pending) |
| | SHL: 206' FNL & 1,315' FEL, Unit A, Section 18, T20S-R34E |
| | BHL: 10' FSL & 990' FEL, Unit P, Section 19, T20S-R34E |
| | Completion Target: 3rd Bone Spring (Approx. 10,944' TVD) |
| | Well Orientation: North to South |
| Horizontal Well First and Last Take Points | Exhibit A-2 |
| Completion Target (Formation, TVD and MD) | Exhibit A-4 |
| AFE Capex and Operating Costs | CATION CAT |
| Drilling Supervision/Month \$ | \$8,000.00 |
| Production Supervision/Month \$ | \$800.00 |
| Justification for Supervision Costs | Exhibit A |
| Requested Risk Charge | 200% |
| Notice of Hearing | 20070 |
| Proposed Notice of Hearing | Exhibit A-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C-2 |
| Proof of Published Notice of Hearing (20 days before hearing) | Exhibit C-3 |
| Ownership Determination | EXHIBITES |
| 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 | Exhibit A-3 |
| Ownership Depth Severance (including percentage above & | EXHIBITA-3 |
| below) | N/A |
| Joinder | IN/A |
| 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 Drill and Complete Cost Estimate to Equip Well | Exhibit A-4 |
| Cost Estimate to Equip Well Cost Estimate for Production Facilities | Exhibit A-4 |
| | EXTIDIT A-4 |
| Geology Summary (including special considerations) | Exhibit B |
| Spacing Unit Schematic | Exhibit B-3 |
| | N/A |
| Gross Isopach Well Orientation (with rationale) | Exhibit B |
| | |
| Target Formation HSU Cross Section | Exhibit B |
| | Exhibits B-8, B-9 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | 514545 |
| 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-3 |
| Well Bore Location Map | Exhibit B-3 |
| Structure Contour Map - Subsea Depth | Exhibit B-4, B-5, B-6, B-7 |
| Cross Section Location Map (including wells) | Exhibit B-3 |
| Cross Section (including Landing Zone) | Exhibits B-8, B-9 |
| Additional Information | Special Provisions - See Exhibit A, Paragraph 14. |
| 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: | 5/31/2022 |

Released to Imaging: 5/31/2022 12:38:34 PM

CASE NO. 22795 ORDER NO. R-22284

Land Exhibit: W2W2 - Batman Federal Com (WOLFCAMP)

Section 18 & 19: W2W2, T20S-R34E, Lea Co., NM - Containing 320.32 Acres



Owners pooled via 11/3/2022 Hearing

| | | Docume | ents Sent | |
|---------------|----------|----------|-----------|---|
| Owner | Pooling? | Proposal | Com Agmt | Notes |
| Doyle Hartman | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |

| | | | 0 | wners Covered via 6/2/2022 Hearing | |
|--------------------------|----------|----------|----------|------------------------------------|---|
| | | Docume | nts Sent | | |
| Owner | Pooling? | Proposal | JOA | Certified Mail Number | Notes |
| Colgate Production, LLC | N/A | Υ | Υ | N/A | |
| XTO Holdings, LLC | Υ | Υ | Υ | 7021 2720 0001 4876 7554 | |
| Marathon Oil Permian | Υ | Υ | Υ | 7021 2720 0001 4876 7653 | |
| Devon Energy Prod. Co. | Υ | Υ | Υ | 7021 2720 0001 4876 7691 | |
| Fasken Land & Minerals | N | Υ | Υ | 7021 2720 0001 4876 7639 | All documents executed |
| Mizel Resources, A Trust | Υ | Υ | Υ | 7021 2720 0001 4876 7561 | Indicated participation - may remove from application |
| Yosemite Creek O&G | Υ | Υ | Υ | 7021 2720 0001 4876 7608 | Indicated participation - may remove from application |
| Tierra Media Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7776 | In process of signing JOA - may remove from application |
| Pogo Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7684 | Title Issue |
| Southwest Royalties | Υ | Υ | Υ | 7021 2720 0001 4876 7806 | Signed AFEs, Not JOA or Coms |
| Larry Nermyr | Υ | Υ | Υ | 7021 2720 0001 4876 7646 | |
| Ruth Sutton | Υ | Υ | Υ | 7021 2720 0001 4876 7578 | UNLOCATABLE |
| Grey Wolf Land | N | Υ | Υ | 7021 2720 0001 4876 7677 | All documents executed |
| Penroc Oil Corp | Υ | N | N | 7021 2720 0000 2076 9928 | Record Title Only - Yet to Sign Com Agreement |
| BXP Partners V LP | Υ | N | N | 7021 2720 0000 2076 9942 | Record Title Only - Yet to Sign Com Agreement |
| WPX Energy Permian LLC | Υ | N | N | 7021 2720 0000 2076 9935 | Record Title Only - Yet to Sign Com Agreement |
| Dakota Resources | Υ | N | N | 7021 2720 0000 2076 9881 | Record Title Only - Yet to Sign Com Agreement |
| Roy G Barton Jr Trust | Υ | N | N | 7021 2720 0000 2076 9898 | Record Title Only - Yet to Sign Com Agreement |
| Linda Armstrong | Υ | N | N | 7021 2720 0000 2076 9904 | Record Title Only - Yet to Sign Com Agreement |
| Kerr-Mcgee Oil & Gas | Υ | N | N | 7021 2720 0000 2076 9911 | Record Title Only - Yet to Sign Com Agreement |

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

| Offered JOA Basis - (1280.32 Gross Acres) - | Leasehold int | erest pursua | ant to Cour | ity Chain o | f Title | | | | | | | | | |
|---|--------------------|--------------|-------------|-------------|----------|--------|----------|------------------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | хто | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: SWNW, S2NE | 120 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 1, N2NE, NENW | 160 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESW, NESE | 80 | 0.711% | 0.000% | 88.000% | 10.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lots 3-4, E2SW | 160.03 | 0.961% | 0.000% | 98.000% | 0.510% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: NWSE | 40 | 0.711% | 0.000% | 98.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 2 | 40.01 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESE | 40 | 3.200% | 0.000% | 76.670% | 18.368% | 0.000% | 0.000% | 0.052% | 1.632% | 0.000% | 0.000% | 0.052% | 0.026% | 0.000% |
| Sec 19: Lot 3, NWSW, SENW | 120.08 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: Lots 1, 2, NENW, N2SE, SESE, SWSE | 280.09 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

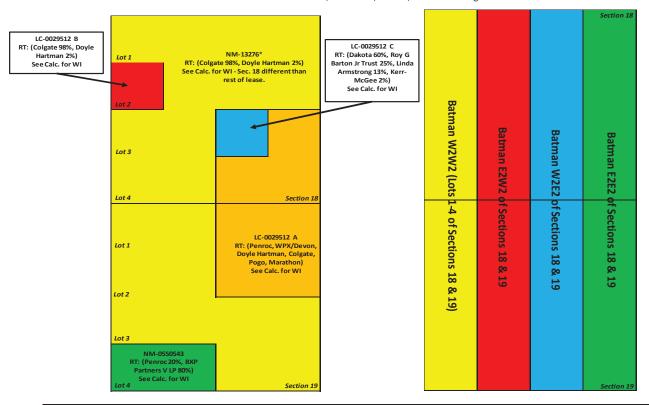
| Tract Contractual Interest Pursuant to prev | ious Farmout | and Joint Op | erating Ag | reements | | | | | | | | | | |
|--|--------------|--------------|------------|----------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: All | 640.04 | 19.086% | 24.500% | 46.083% | 3.677% | 3.063% | 3.063% | 0.016% | 0.016% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 19: Lot 3, NWSW, SENW | 120.08 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: Lots 1, 2, NENW, N2SE, SESE, SWSE | 280.09 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Batman W2W2 Unit Capitulation Summary | | | | | | | | | | | | | | |
|---------------------------------------|-------------|---------|---------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|--------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Batman 1280.32 Acre JOA Offering | 1280.32 | 30.202% | 12.248% | 37.150% | 8.333% | 1.531% | 1.531% | 0.013% | 0.161% | 0.122% | 0.122% | 0.010% | 0.006% | 8.576% |
| Batman W2W2 AS-POOLED Unit | 320 | 22.087% | 12.250% | 37.764% | 14.659% | 1.531% | 1.531% | 0.012% | 0.130% | 0.123% | 0.123% | 0.010% | 0.006% | 9.811% |

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-10

Land Exhibit: E2W2 - Batman Federal Com (WOLFCAMP)

Section 18 & 19: E2W2, T2OS-R34E, Lea Co., NM - Containing 320.00 Acres



Owners pooled via 11/3/2022 Hearing

| | | Docume | ents Sent | |
|---------------|----------|----------|-----------|---|
| Owner | Pooling? | Proposal | Com Agmt | Notes |
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Owners Covered via 6/2/2022 Hearing

| | | Docume | nts Sent | | |
|--------------------------|----------|----------|----------|--------------------------|---|
| Owner | Pooling? | Proposal | JOA | Certified Mail Number | Notes |
| Colgate Production, LLC | N/A | Υ | Υ | N/A | |
| XTO Holdings, LLC | Y | Υ | Υ | 7021 2720 0001 4876 7554 | |
| Marathon Oil Permian | Υ | Υ | Υ | 7021 2720 0001 4876 7653 | |
| Devon Energy Prod. Co. | Υ | Υ | Υ | 7021 2720 0001 4876 7691 | |
| Fasken Land & Minerals | N | Υ | Υ | 7021 2720 0001 4876 7639 | All documents executed |
| Mizel Resources, A Trust | Υ | Υ | Υ | 7021 2720 0001 4876 7561 | Indicated participation - may remove from application |
| Yosemite Creek O&G | Υ | Υ | Υ | 7021 2720 0001 4876 7608 | Indicated participation - may remove from application |
| Tierra Media Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7776 | In process of signing JOA - may remove from application |
| Pogo Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7684 | Title Issue |
| Southwest Royalties | Υ | Υ | Υ | 7021 2720 0001 4876 7806 | Signed AFEs, Not JOA or Coms |
| Larry Nermyr | Υ | Υ | Υ | 7021 2720 0001 4876 7646 | |
| Ruth Sutton | Υ | Υ | Υ | 7021 2720 0001 4876 7578 | UNLOCATABLE |
| Grey Wolf Land | N | Υ | Υ | 7021 2720 0001 4876 7677 | All documents executed |
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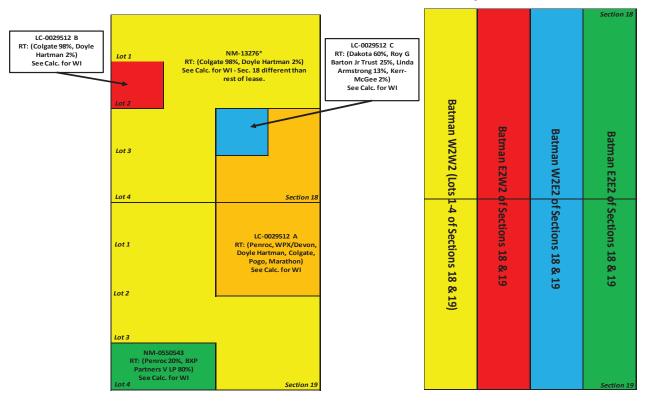
| Offered JOA Basis - (1280.32 Gross Acres) - | fered JOA Basis - (1280.32 Gross Acres) - Leasehold interest pursuant to County Chain of Title | | | | | | | | | | | | | |
|---|--|---------|---------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | хто | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
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| Sec 18: Lots 3-4, E2SW | 160.03 | 0.961% | 0.000% | 98.000% | 0.510% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: NWSE | 40 | 0.711% | 0.000% | 98.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
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| Sec 18: SESE | 40 | 3.200% | 0.000% | 76.670% | 18.368% | 0.000% | 0.000% | 0.052% | 1.632% | 0.000% | 0.000% | 0.052% | 0.026% | 0.000% |
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| Sec 19: Lots 1, 2, NENW, N2SE, SESE, SWSE | 280.09 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Tract Contractual Interest Pursuant to previ | ous Farmout | and Joint Op | erating Ag | reements | | | | | | | | | | |
|--|-------------|--------------|------------|----------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: All | 640.04 | 19.086% | 24.500% | 46.083% | 3.677% | 3.063% | 3.063% | 0.016% | 0.016% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
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| Sec 19: Lots 1, 2, NENW, N2SE, SESE, SWSE | 280.09 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
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| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Batman E2W2 Unit Capitulation Summary (| Taking into ac | count all pri | ior Agreem | ents) | | | | | | | | | | |
|---|----------------|---------------|------------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|--------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Batman 1280.32 Acre JOA Offering | 1280.32 | 30.202% | 12.248% | 37.150% | 8.333% | 1.531% | 1.531% | 0.013% | 0.161% | 0.122% | 0.122% | 0.010% | 0.006% | 8.576% |
| Batman E2W2 AS-POOLED Unit | 320 | 34.310% | 12.250% | 30.392% | 14.624% | 1.531% | 1.531% | 0.014% | 0.192% | 0.123% | 0.123% | 0.011% | 0.007% | 4.900% |

Land Exhibit: W2E2 - Batman Federal Com (WOLFCAMP)

Section 18 & 19: W2E2, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



Owners pooled via 11/3/2022 Hearing

| | | Docume | ents Sent | |
|---------------------------|----------|----------|-----------|---|
| Owner | Pooling? | Proposal | Com Agmt | Notes |
| Doyle Hartman | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |
| Lerwick Ltp | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |
| Khody Land & Minerals Co. | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |

Owners Covered via 6/2/2022 Hearing

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|--------------------------|----------|----------|----------|--------------------------|---|
| Owner | Pooling? | Proposal | JOA | Certified Mail Number | Notes |
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| Marathon Oil Permian | Υ | Υ | Υ | 7021 2720 0001 4876 7653 | |
| Devon Energy Prod. Co. | Υ | Υ | Υ | 7021 2720 0001 4876 7691 | |
| Fasken Land & Minerals | N | Υ | Υ | 7021 2720 0001 4876 7639 | All documents executed |
| Mizel Resources, A Trust | Υ | Υ | Υ | 7021 2720 0001 4876 7561 | Indicated participation - may remove from application |
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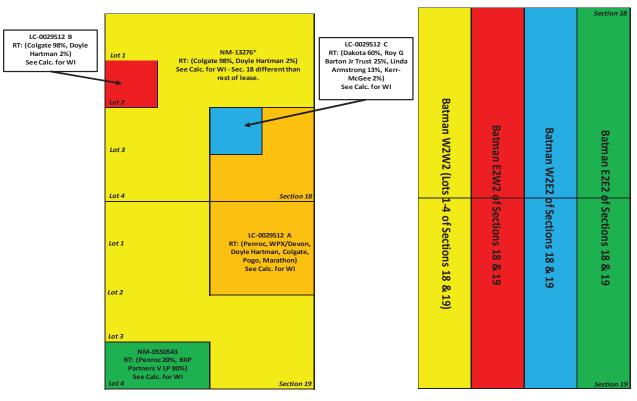
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|---|--------------------|--------------|-------------|-------------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
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| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1200.22 | | | | | | | | | | | | | |

| Tract Contractual Interest Pursuant to previ | ous Farmout | and Joint Op | perating Ag | reements | | | | | | | | | | |
|--|-------------|--------------|-------------|----------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: All | 640.04 | 19.086% | 24.500% | 46.083% | 3.677% | 3.063% | 3.063% | 0.016% | 0.016% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 19: Lot 3, NWSW, SENW | 120.08 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: Lots 1, 2, NENW, N2SE, SESE, SWSE | 280.09 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Batman W2E2 Unit Capitulation Summary (| man W2E2 Unit Capitulation Summary (Taking into account all prior Agreements) | | | | | | | | | | | | | |
|---|---|---------|---------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|--------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Batman 1280.32 Acre JOA Offering | 1280.32 | 30.202% | 12.248% | 37.150% | 8.333% | 1.531% | 1.531% | 0.013% | 0.161% | 0.122% | 0.122% | 0.010% | 0.006% | 8.576% |
| Batman W2E2 AS-POOLED Unit | 320 | 32.221% | 12.250% | 40.242% | 2.029% | 1.531% | 1.531% | 0.012% | 0.130% | 0.123% | 0.123% | 0.010% | 0.006% | 9.800% |
| | | | | | | | | | | | | | | |

Land Exhibit: E2E2 - Batman Federal Com (WOLFCAMP)

Section 18 & 19: E2E2, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



Owners pooled via 11/3/2022 Hearing

| | | Docume | ents Sent | |
|---------------------------|----------|----------|-----------------|---|
| Owner | Pooling? | Proposal | Com Agmt | Notes |
| Doyle Hartman | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |
| Lerwick Ltp | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |
| Khody Land & Minerals Co. | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |

Owners Covered via 6/2/2022 Hearing

| | | Docume | nts Sent | | |
|--------------------------|----------|----------|----------|--------------------------|---|
| Owner | Pooling? | Proposal | JOA | Certified Mail Number | Notes |
| Colgate Production, LLC | N/A | Υ | Υ | N/A | |
| XTO Holdings, LLC | Υ | Υ | Υ | 7021 2720 0001 4876 7554 | |
| Marathon Oil Permian | Υ | Υ | Υ | 7021 2720 0001 4876 7653 | |
| Devon Energy Prod. Co. | Υ | Υ | Υ | 7021 2720 0001 4876 7691 | |
| Fasken Land & Minerals | N | Υ | Υ | 7021 2720 0001 4876 7639 | All documents executed |
| Mizel Resources, A Trust | Υ | Υ | Υ | 7021 2720 0001 4876 7561 | Indicated participation - may remove from application |
| Yosemite Creek O&G | Υ | Υ | Υ | 7021 2720 0001 4876 7608 | Indicated participation - may remove from application |
| Tierra Media Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7776 | In process of signing JOA - may remove from application |
| Pogo Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7684 | Title Issue |
| Southwest Royalties | Υ | Υ | Υ | 7021 2720 0001 4876 7806 | Signed AFEs, Not JOA or Coms |
| Larry Nermyr | Υ | Υ | Υ | 7021 2720 0001 4876 7646 | |
| Ruth Sutton | Υ | Υ | Υ | 7021 2720 0001 4876 7578 | UNLOCATABLE |
| Grey Wolf Land | N | Υ | Υ | 7021 2720 0001 4876 7677 | All documents executed |
| Penroc Oil Corp | Υ | N | N | 7021 2720 0000 2076 9928 | Record Title Only - Yet to Sign Com Agreement |
| BXP Partners V LP | Υ | N | N | 7021 2720 0000 2076 9942 | Record Title Only - Yet to Sign Com Agreement |
| WPX Energy Permian LLC | Υ | N | N | 7021 2720 0000 2076 9935 | Record Title Only - Yet to Sign Com Agreement |
| Dakota Resources | Υ | N | N | 7021 2720 0000 2076 9881 | Record Title Only - Yet to Sign Com Agreement |
| Roy G Barton Jr Trust | Υ | N | N | 7021 2720 0000 2076 9898 | Record Title Only - Yet to Sign Com Agreement |
| Linda Armstrong | Υ | N | N | 7021 2720 0000 2076 9904 | Record Title Only - Yet to Sign Com Agreement |
| Kerr-Mcgee Oil & Gas | Υ | N | N | 7021 2720 0000 2076 9911 | Record Title Only - Yet to Sign Com Agreement |

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

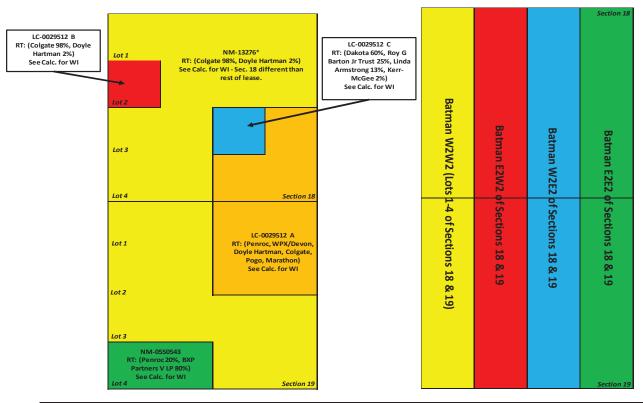
| Offered JOA Basis - (1280.32 Gross Acres) - | Leasehold int | erest pursu | ant to Coun | ty Chain o | f Title | | | | | | | | | |
|---|---------------|-------------|-------------|------------|----------|--------|----------|------------------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | хто | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: SWNW, S2NE | 120 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 1, N2NE, NENW | 160 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESW, NESE | 80 | 0.711% | 0.000% | 88.000% | 10.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lots 3-4, E2SW | 160.03 | 0.961% | 0.000% | 98.000% | 0.510% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: NWSE | 40 | 0.711% | 0.000% | 98.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 2 | 40.01 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESE | 40 | 3.200% | 0.000% | 76.670% | 18.368% | 0.000% | 0.000% | 0.052% | 1.632% | 0.000% | 0.000% | 0.052% | 0.026% | 0.000% |
| Sec 19: Lot 3, NWSW, SENW | 120.08 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: Lots 1, 2, NENW, N2SE, SESE, SWSE | 280.09 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Tract Contractual Interest Pursuant to previ | ous Farmout | and Joint Op | perating Ag | reements | | | | | | | | | | |
|--|-------------|--------------|-------------|----------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: All | 640.04 | 19.086% | 24.500% | 46.083% | 3.677% | 3.063% | 3.063% | 0.016% | 0.016% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 19: Lot 3, NWSW, SENW | 120.08 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: Lots 1, 2, NENW, N2SE, SESE, SWSE | 280.09 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Batman E2E2 Unit Capitulation Summary (T | aking into acc | ount all prio | r Agreeme | nts) | | | | | | | | | | |
|---|----------------|---------------|-----------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|--------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Batman 1280.32 Acre JOA Offering | 1280.32 | 30.202% | 12.248% | 37.150% | 8.333% | 1.531% | 1.531% | 0.013% | 0.161% | 0.122% | 0.122% | 0.010% | 0.006% | 8.576% |
| Batman E2E2 AS-POOLED Unit | 320 | 32.221% | 12.250% | 40.242% | 2.029% | 1.531% | 1.531% | 0.012% | 0.130% | 0.123% | 0.123% | 0.010% | 0.006% | 9.800% |

Land Exhibit: W2W2 - Batman Federal Com (BONE SPRING)

Section 18 & 19: Lots 1-4, T20S-R34E, Lea Co., NM - Containing 320.32 Acres



Owners pooled via 11/3/2022 Hearing

| | | Docume | ents Sent | |
|---------------|----------|----------|-----------|---|
| Owner | Pooling? | Proposal | Com Agmt | Notes |
| Doyle Hartman | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |

| | | | 0 | wners Covered via 6/2/2022 Hearing | |
|--------------------------|----------|----------|----------|------------------------------------|---|
| | | Docume | nts Sent | | |
| Owner | Pooling? | Proposal | JOA | Certified Mail Number | Notes |
| Colgate Production, LLC | N/A | Υ | Υ | N/A | |
| XTO Holdings, LLC | Υ | Υ | Υ | 7021 2720 0001 4876 7554 | |
| Marathon Oil Permian | Υ | Υ | Υ | 7021 2720 0001 4876 7653 | |
| Devon Energy Prod. Co. | N | Υ | Υ | 7021 2720 0001 4876 7691 | |
| Fasken Land & Minerals | N | Υ | Υ | 7021 2720 0001 4876 7639 | All documents executed |
| Mizel Resources, A Trust | Y | Υ | Υ | 7021 2720 0001 4876 7561 | Indicated participation - may remove from application |
| Yosemite Creek O&G | Υ | Υ | Υ | 7021 2720 0001 4876 7608 | Indicated participation - may remove from application |
| Tierra Media Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7776 | In process of signing JOA - may remove from application |
| Pogo Resources | Y | Υ | Υ | 7021 2720 0001 4876 7684 | Title Issue |
| Southwest Royalties | Υ | Υ | Υ | 7021 2720 0001 4876 7806 | Signed AFEs, Not JOA or Coms |
| Larry Nermyr | Υ | Υ | Υ | 7021 2720 0001 4876 7646 | |
| Ruth Sutton | Y | Υ | Υ | 7021 2720 0001 4876 7578 | UNLOCATABLE |
| Grey Wolf Land | N | Υ | Υ | 7021 2720 0001 4876 7677 | All documents executed |
| Penroc Oil Corp | Υ | N | N | 7021 2720 0000 2076 9928 | Record Title Only - Yet to Sign Com Agreement |
| BXP Partners V LP | Υ | N | N | 7021 2720 0000 2076 9942 | Record Title Only - Yet to Sign Com Agreement |
| WPX Energy Permian LLC | Υ | N | N | 7021 2720 0000 2076 9935 | Record Title Only - Yet to Sign Com Agreement |
| Dakota Resources | Υ | N | N | 7021 2720 0000 2076 9881 | Record Title Only - Yet to Sign Com Agreement |
| Roy G Barton Jr Trust | Υ | N | N | 7021 2720 0000 2076 9898 | Record Title Only - Yet to Sign Com Agreement |
| Linda Armstrong | Υ | N | N | 7021 2720 0000 2076 9904 | Record Title Only - Yet to Sign Com Agreement |
| Kerr-Mcgee Oil & Gas | Υ | N | N | 7021 2720 0000 2076 9911 | Record Title Only - Yet to Sign Com Agreement |

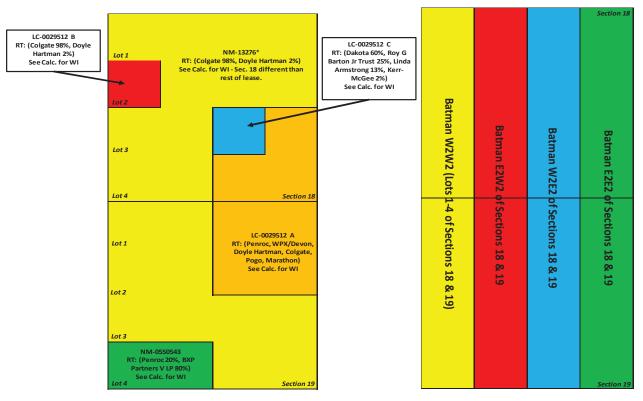
| | | | 1 | • | | | | • | - | | | | | |
|---|--------------------|--------------|------------|------------|----------|--------|----------|------------------|--------------|--------|-----------|---------|--------|---------|
| Offered JOA Basis - (1280.32 Gross Acres) | - Leasehold i | nterest purs | uant to Co | unty Chain | of Title | | | | | | | | | |
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: SWNW, S2NE | 120 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 1, N2NE, NENW | 160 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESW, NESE | 80 | 0.711% | 0.000% | 88.000% | 10.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lots 3-4, E2SW | 160.03 | 0.961% | 0.000% | 98.000% | 0.510% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: NWSE | 40 | 0.711% | 0.000% | 98.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 2 | 40.01 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESE | 40 | 3.200% | 0.000% | 76.670% | 18.368% | 0.000% | 0.000% | 0.052% | 1.632% | 0.000% | 0.000% | 0.052% | 0.026% | 0.000% |
| Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW | 360.17 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: SESW | 40 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Tract Contractual Interest Pursuant to pre | s | | | | | | | | | | | | | |
|--|-------------|---------|---------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: All | 640.04 | 19.086% | 24.500% | 46.083% | 3.677% | 3.063% | 3.063% | 0.016% | 0.016% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW | 360.17 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: SWSE | 40 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Battilait 112112 Othe Capitalation Samma | y (raiking inte | | prior rigic | ciriciito, | | | | | | | | | | |
|--|------------------|---------|-------------|------------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|--------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Batman 1280.32 Acre JOA Offering | 1280.32 | 48.579% | 12.248% | 26.124% | 8.333% | 1.531% | 1.531% | 0.013% | 0.161% | 0.122% | 0.122% | 0.010% | 0.006% | 1.225% |
| Batman W2W2 AS-POOLED Unit | 320.32 | 46.614% | 12.530% | 23.047% | 14.659% | 1.532% | 1.532% | 0.014% | 0.192% | 0.123% | 0.123% | 0.011% | 0.007% | 0.000% |
| | | | | | | | | | | | | | | - |

Land Exhibit: E2W2 - Batman Federal Com (BONE SPRING)

Section 18 & 19: E2W2, T2OS-R34E, Lea Co., NM - Containing 320.00 Acres



Owners pooled via 11/3/2022 Hearin

| | | Docume | ents Sent | |
|---------------|----------|----------|-----------|---|
| Owner | Pooling? | Proposal | Com Agmt | Notes |
| Doyle Hartman | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |

Owners Covered via 6/2/2022 Hearing

| | | Docume | ents Sent | | |
|--------------------------|----------|----------|-----------|--------------------------|---|
| Owner | Pooling? | Proposal | JOA | Certified Mail Number | Notes |
| Colgate Production, LLC | N/A | Υ | Υ | N/A | |
| XTO Holdings, LLC | Υ | Υ | Υ | 7021 2720 0001 4876 7554 | |
| Marathon Oil Permian | Υ | Υ | Υ | 7021 2720 0001 4876 7653 | |
| Devon Energy Prod. Co. | N | Υ | Υ | 7021 2720 0001 4876 7691 | |
| Fasken Land & Minerals | N | Υ | Υ | 7021 2720 0001 4876 7639 | All documents executed |
| Mizel Resources, A Trust | Υ | Υ | Υ | 7021 2720 0001 4876 7561 | Indicated participation - may remove from application |
| Yosemite Creek O&G | Υ | Υ | Υ | 7021 2720 0001 4876 7608 | Indicated participation - may remove from application |
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| Southwest Royalties | Υ | Υ | Υ | 7021 2720 0001 4876 7806 | Signed AFEs, Not JOA or Coms |
| Larry Nermyr | Υ | Υ | Υ | 7021 2720 0001 4876 7646 | |
| Ruth Sutton | Υ | Υ | Υ | 7021 2720 0001 4876 7578 | UNLOCATABLE |
| Grey Wolf Land | N | Υ | Υ | 7021 2720 0001 4876 7677 | All documents executed |
| Penroc Oil Corp | Υ | N | N | 7021 2720 0000 2076 9928 | Record Title Only - Yet to Sign Com Agreement |
| BXP Partners V LP | Υ | N | Ν | 7021 2720 0000 2076 9942 | Record Title Only - Yet to Sign Com Agreement |
| WPX Energy Permian LLC | Υ | N | Ν | 7021 2720 0000 2076 9935 | Record Title Only - Yet to Sign Com Agreement |
| Dakota Resources | Υ | N | N | 7021 2720 0000 2076 9881 | Record Title Only - Yet to Sign Com Agreement |
| Roy G Barton Jr Trust | Υ | N | N | 7021 2720 0000 2076 9898 | Record Title Only - Yet to Sign Com Agreement |
| Linda Armstrong | Υ | N | N | 7021 2720 0000 2076 9904 | Record Title Only - Yet to Sign Com Agreement |
| Kerr-Mcgee Oil & Gas | Υ | N | N | 7021 2720 0000 2076 9911 | Record Title Only - Yet to Sign Com Agreement |

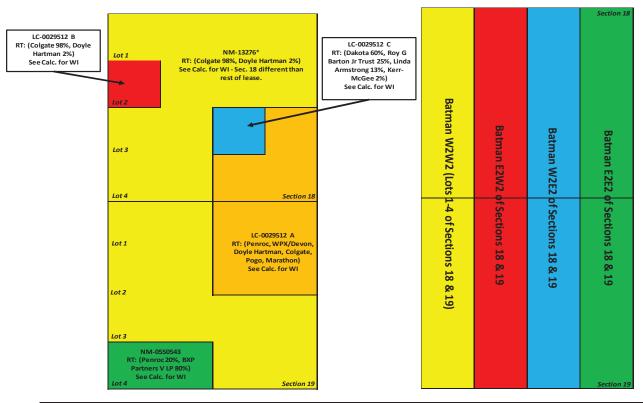
| Offered JOA Basis - (1280.32 Gross Acres) | - Leasehold i | nterest purs | uant to Co | unty Chain | of Title | | | | | | | | | |
|---|--------------------|--------------|------------|------------|----------|--------|----------|------------------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | хто | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: SWNW, S2NE | 120 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 1, N2NE, NENW | 160 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESW, NESE | 80 | 0.711% | 0.000% | 88.000% | 10.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lots 3-4, E2SW | 160.03 | 0.961% | 0.000% | 98.000% | 0.510% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: NWSE | 40 | 0.711% | 0.000% | 98.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 2 | 40.01 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESE | 40 | 3.200% | 0.000% | 76.670% | 18.368% | 0.000% | 0.000% | 0.052% | 1.632% | 0.000% | 0.000% | 0.052% | 0.026% | 0.000% |
| Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW | 360.17 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: SESW | 40 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Tract Contractual Interest Pursuant to pre | is | | | | | | | | | | | | | |
|--|-------------|---------|---------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: All | 640.04 | 19.086% | 24.500% | 46.083% | 3.677% | 3.063% | 3.063% | 0.016% | 0.016% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW | 360.17 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: SWSE | 40 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Batman E2W2 Unit Capitulation Summary | | | | | | | | | | | | | | |
|--|-------------|---------|---------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|--------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Batman 1280.32 Acre JOA Offering | 1280.32 | 48.579% | 12.248% | 26.124% | 8.333% | 1.531% | 1.531% | 0.013% | 0.161% | 0.122% | 0.122% | 0.010% | 0.006% | 1.225% |
| Batman E2W2 AS-POOLED Unit | 320 | 46.513% | 12.250% | 23.042% | 14.624% | 1.531% | 1.531% | 0.014% | 0.192% | 0.123% | 0.123% | 0.011% | 0.007% | 0.000% |

Land Exhibit: W2E2 - Batman Federal Com (BONE SPRING)

Section 18 & 19: W2E2, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



Owners pooled via 11/3/2022 Hearing

| | | Docume | ents Sent | |
|---------------------------|----------|----------|-----------|---|
| Owner | Pooling? | Proposal | Com Agmt | Notes |
| Doyle Hartman | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |
| Lerwick Ltp | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |
| Khody Land & Minerals Co. | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |

Owners Covered via 6/2/2022 Hearing

| | | Docume | nts Sent | | |
|--------------------------|----------|----------|----------|--------------------------|---|
| Owner | Pooling? | Proposal | JOA | Certified Mail Number | Notes |
| Colgate Production, LLC | N/A | Υ | Υ | N/A | |
| XTO Holdings, LLC | Υ | Υ | Υ | 7021 2720 0001 4876 7554 | |
| Marathon Oil Permian | Υ | Υ | Υ | 7021 2720 0001 4876 7653 | |
| Devon Energy Prod. Co. | Υ | Υ | Υ | 7021 2720 0001 4876 7691 | |
| Fasken Land & Minerals | N | Υ | Υ | 7021 2720 0001 4876 7639 | All documents executed |
| Mizel Resources, A Trust | Υ | Υ | Υ | 7021 2720 0001 4876 7561 | Indicated participation - may remove from application |
| Yosemite Creek O&G | Υ | Υ | Υ | 7021 2720 0001 4876 7608 | Indicated participation - may remove from application |
| Tierra Media Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7776 | In process of signing JOA - may remove from application |
| Pogo Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7684 | Title Issue |
| Southwest Royalties | Υ | Υ | Υ | 7021 2720 0001 4876 7806 | Signed AFEs, Not JOA or Coms |
| Larry Nermyr | Υ | Υ | Υ | 7021 2720 0001 4876 7646 | |
| Ruth Sutton | Υ | Υ | Υ | 7021 2720 0001 4876 7578 | UNLOCATABLE |
| Grey Wolf Land | N | Υ | Υ | 7021 2720 0001 4876 7677 | All documents executed |
| Penroc Oil Corp | Υ | N | N | 7021 2720 0000 2076 9928 | Record Title Only - Yet to Sign Com Agreement |
| BXP Partners V LP | Υ | N | N | 7021 2720 0000 2076 9942 | Record Title Only - Yet to Sign Com Agreement |
| WPX Energy Permian LLC | Υ | N | N | 7021 2720 0000 2076 9935 | Record Title Only - Yet to Sign Com Agreement |
| Dakota Resources | Υ | N | N | 7021 2720 0000 2076 9881 | Record Title Only - Yet to Sign Com Agreement |
| Roy G Barton Jr Trust | Υ | N | N | 7021 2720 0000 2076 9898 | Record Title Only - Yet to Sign Com Agreement |
| Linda Armstrong | Υ | N | N | 7021 2720 0000 2076 9904 | Record Title Only - Yet to Sign Com Agreement |
| Kerr-Mcgee Oil & Gas | Y | N | N | 7021 2720 0000 2076 9911 | Record Title Only - Yet to Sign Com Agreement |

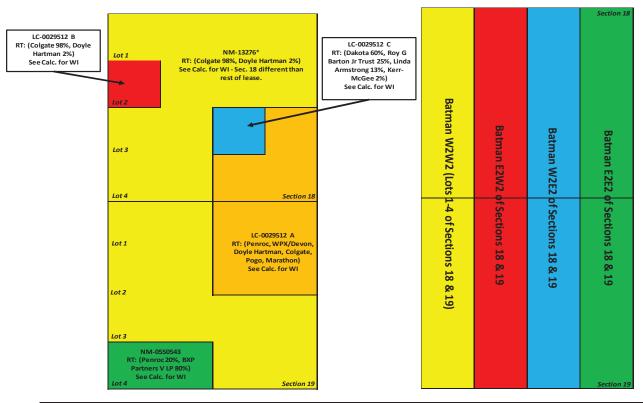
| Offered JOA Basis - (1280.32 Gross Acres) | of Title | | | | | | | | | | | | | |
|---|--------------------|---------|---------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | хто | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: SWNW, S2NE | 120 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 1, N2NE, NENW | 160 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESW, NESE | 80 | 0.711% | 0.000% | 88.000% | 10.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lots 3-4, E2SW | 160.03 | 0.961% | 0.000% | 98.000% | 0.510% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: NWSE | 40 | 0.711% | 0.000% | 98.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 2 | 40.01 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESE | 40 | 3.200% | 0.000% | 76.670% | 18.368% | 0.000% | 0.000% | 0.052% | 1.632% | 0.000% | 0.000% | 0.052% | 0.026% | 0.000% |
| Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW | 360.17 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: SESW | 40 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Tract Contractual Interest Pursuant to pre | vious Farmou | t and Joint (| Operating A | Agreement | :s | | | | | | | | | |
|---|--------------|---------------|-------------|-----------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: All | 640.04 | 19.086% | 24.500% | 46.083% | 3.677% | 3.063% | 3.063% | 0.016% | 0.016% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW | 360.17 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: SWSE | 40 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Batman W2E2 Unit Capitulation Summary (Taking into account all prior Agreements) | | | | | | | | | | | | | | |
|--|-------------|---------|---------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|--------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Batman 1280.32 Acre JOA Offering | 1280.32 | 48.579% | 12.248% | 26.124% | 8.333% | 1.531% | 1.531% | 0.013% | 0.161% | 0.122% | 0.122% | 0.010% | 0.006% | 1.225% |
| Batman W2E2 AS-POOLED Unit | 320 | 44.471% | 12.250% | 32.892% | 2.029% | 1.531% | 1.531% | 0.012% | 0.130% | 0.123% | 0.123% | 0.010% | 0.006% | 4.900% |

Land Exhibit: E2E2 - Batman Federal Com (BONE SPRING)

Section 18 & 19: E2E2, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



Owners pooled via 11/3/2022 Hearing

| | | Docume | ents Sent | |
|---------------------------|----------|----------|-----------|---|
| Owner | Pooling? | Proposal | Com Agmt | Notes |
| Doyle Hartman | Υ | Ν | Υ | Record Title Only - Yet to Sign Com Agreement |
| Lerwick Ltp | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |
| Khody Land & Minerals Co. | Υ | N | Υ | Record Title Only - Yet to Sign Com Agreement |

Owners Covered via 6/2/2022 Hearin

| | | Docume | nts Sent | | |
|--------------------------|----------|----------|----------|--------------------------|---|
| Owner | Pooling? | Proposal | JOA | Certified Mail Number | Notes |
| Colgate Production, LLC | N/A | Υ | Υ | N/A | |
| XTO Holdings, LLC | Υ | Υ | Υ | 7021 2720 0001 4876 7554 | |
| Marathon Oil Permian | Υ | Υ | Υ | 7021 2720 0001 4876 7653 | |
| Devon Energy Prod. Co. | N | Υ | Υ | 7021 2720 0001 4876 7691 | |
| Fasken Land & Minerals | N | Υ | Υ | 7021 2720 0001 4876 7639 | All documents executed |
| Mizel Resources, A Trust | Υ | Υ | Υ | 7021 2720 0001 4876 7561 | Indicated participation - may remove from application |
| Yosemite Creek O&G | Υ | Υ | Υ | 7021 2720 0001 4876 7608 | Indicated participation - may remove from application |
| Tierra Media Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7776 | In process of signing JOA - may remove from application |
| Pogo Resources | Υ | Υ | Υ | 7021 2720 0001 4876 7684 | Title Issue |
| Southwest Royalties | Υ | Υ | Υ | 7021 2720 0001 4876 7806 | Signed AFEs, Not JOA or Coms |
| Larry Nermyr | Υ | Υ | Υ | 7021 2720 0001 4876 7646 | |
| Ruth Sutton | Υ | Υ | Υ | 7021 2720 0001 4876 7578 | UNLOCATABLE |
| Grey Wolf Land | N | Υ | Υ | 7021 2720 0001 4876 7677 | All documents executed |
| Penroc Oil Corp | Υ | N | N | 7021 2720 0000 2076 9928 | Record Title Only - Yet to Sign Com Agreement |
| BXP Partners V LP | Υ | N | N | 7021 2720 0000 2076 9942 | Record Title Only - Yet to Sign Com Agreement |
| WPX Energy Permian LLC | Υ | N | N | 7021 2720 0000 2076 9935 | Record Title Only - Yet to Sign Com Agreement |
| Dakota Resources | Υ | N | N | 7021 2720 0000 2076 9881 | Record Title Only - Yet to Sign Com Agreement |
| Roy G Barton Jr Trust | Υ | N | N | 7021 2720 0000 2076 9898 | Record Title Only - Yet to Sign Com Agreement |
| Linda Armstrong | Υ | N | N | 7021 2720 0000 2076 9904 | Record Title Only - Yet to Sign Com Agreement |
| Kerr-Mcgee Oil & Gas | Υ | N | N | 7021 2720 0000 2076 9911 | Record Title Only - Yet to Sign Com Agreement |

| Offered JOA Basis - (1280.32 Gross Acres) | - Leasehold i | nterest purs | uant to Co | unty Chain | of Title | | | | | | | | | |
|---|--------------------|--------------|------------|------------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | хто | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: SWNW, S2NE | 120 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 1, N2NE, NENW | 160 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESW, NESE | 80 | 0.711% | 0.000% | 88.000% | 10.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lots 3-4, E2SW | 160.03 | 0.961% | 0.000% | 98.000% | 0.510% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.016% | 0.008% | 0.000% |
| Sec 18: NWSE | 40 | 0.711% | 0.000% | 98.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: Lot 2 | 40.01 | 19.086% | 24.500% | 49.000% | 0.760% | 3.063% | 3.063% | 0.016% | 0.000% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
| Sec 18: SESE | 40 | 3.200% | 0.000% | 76.670% | 18.368% | 0.000% | 0.000% | 0.052% | 1.632% | 0.000% | 0.000% | 0.052% | 0.026% | 0.000% |
| Sec 19: Lots 1-3, E2NW, N2SE, SESE, NESW | 360.17 | 98.711% | 0.000% | 0.000% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 0.000% |
| Sec 19: SESW | 40 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Tract Contractual Interest Pursuant to pre | vious Farmou | t and Joint | Operating A | Agreement | :s | | | | | | | | | |
|---|--------------|-------------|-------------|-----------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|---------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Sec 18: All | 640.04 | 19.086% | 24.500% | 46.083% | 3.677% | 3.063% | 3.063% | 0.016% | 0.016% | 0.245% | 0.245% | 0.016% | 0.008% | 0.000% |
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| Sec 19: SWSE | 40 | 0.711% | 0.000% | 58.800% | 0.760% | 0.000% | 0.000% | 0.016% | 0.490% | 0.000% | 0.000% | 0.008% | 0.008% | 39.200% |
| Sec 19: NE | 160 | 90.000% | 0.000% | 10.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| Sec 19: Lot 4, SESW | 80.11 | 0.000% | 0.000% | 0.000% | 100.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| TOTAL | 1280.32 | | | | | | | | | | | | | |

| Batman E2E2 Unit Capitulation Summary | Batman E2E2 Unit Capitulation Summary (Taking into account all prior Agreements) | | | | | | | | | | | | | |
|---------------------------------------|--|---------|---------|---------|----------|--------|----------|-----------|--------------|--------|-----------|---------|--------|--------|
| Tract | Gross Acres | Colgate | Fasken | XTO | Marathon | Mizel | Yosemite | Grey Wolf | Tierra Media | Pogo | Southwest | Nermyer | Sutton | Devon |
| Batman 1280.32 Acre JOA Offering | 1280.32 | 48.579% | 12.248% | 26.124% | 8.333% | 1.531% | 1.531% | 0.013% | 0.161% | 0.122% | 0.122% | 0.010% | 0.006% | 1.225% |
| Batman E2E2 AS-POOLED Unit | 320 | 56.721% | 12.250% | 25.542% | 2.029% | 1.531% | 1.531% | 0.012% | 0.130% | 0.123% | 0.123% | 0.010% | 0.006% | 0.000% |

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-11

Federal Communitization Agreement

THIS AGREEMENT entered into as of the 1st day of April, 2022, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 20 South, Range 34 East:

Section 18: E/2W/2

Lea County, New Mexico

Township 20 South, Range 34 East:

Section 19: E/2W/2

Lea County, New Mexico

Containing **320.00** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the associated gaseous hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

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ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. The Operator of the communitized area shall be Colgate Operating, LLC, whose address is 300 N. Marienfeld Street, Suite 1000, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized

- area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is April 1, 2022, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination.</u> In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

COLGATE OPERATING, LLC

Date: _____ By: _____ Brandon Gaynor, Senior Vice President

ACKNOWLEDGEMENT

)

| COUNTY OF MIDLAND |) ss.) |
|----------------------------------|--|
| Senior Vice President of Colgate | 20, before me, a Notary Public appeared Brandon Gaynor, known to me to be the Operating, LLC, the corporation that executed the reledged to me such corporation executed the same. |
| (SEAL) | |
| Notary Public | My commission expires |

STATE OF TEXAS

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in the E/2W/2 of Section 18, T20S-R34E and the E/2W/2 of Section 19, T20S-R34E, Lea County, New Mexico, as written in Section 1 above.

Well Name/No.

Batman Federal Com #132H

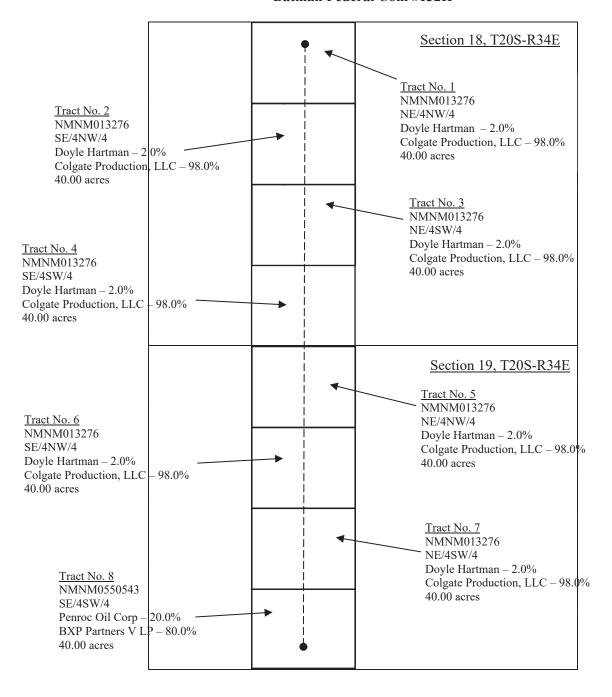


EXHIBIT "B"

To Communitization Agreement Dated April 1, 2022 embracing the following described land in the E/2W/2 of Section 18, T20S-R34E and the E/2W/2 of Section 19, T20S-R34E, Lea County, New Mexico, as written in Section 1 above.

Operator of Communitized Area:

COLGATE OPERATING, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial Number: NMNM013276
Lease Date: November 1, 1959

Lease Term: 5 years

Lessor: United States of America

Original Lessee: Cities Service Oil Company and Olsen Oils,

Inc.

Current Lessee of Record: Doyle Hartman – 2.0% & Colgate Production,

LLC-98.0%

Description of Land Committed: NE/4NW/4 Section 18, T20S-R34E

Number of Acres: 40.00 acres
Royalty Rate: 12.50%

Name and Percent ORRI Owners: N/A

Name of Working Interest Owners: XTO Holdings, LLC -0.49000000, Colgate Production, LLC -0.19085940, Estate of James Davidson -0.00250000, Southwest Royalties, Inc. -0.00490000, Marathon Oil Permian -0.00510000, Larry Nermyr -0.00015630, Jack Fletcher -0.00007810, Mizel Resources, A Trust -0.03062500, Fasken Land & Minerals, Ltd. -0.24500000, Ruth Sutton -0.00007810, Grey

Wolf Land Services, LLC – 0.00007810,

Yosemite Creek Oil & Gas, LLC – 0.03062500

Lease Serial Number: NMNM013276
Lease Date: November 1, 1959

Lease Term: 5 years

Lessor: United States of America

Original Lessee: Cities Service Oil Company and Olsen Oils,

Inc.

Current Lessee of Record: Doyle Hartman – 2.0% & Colgate Production,

LLC-98.0%

Description of Land Committed: SE/4NW/4 Section 18, T20S-R34E

Number of Acres: 40.00 acres
Royalty Rate: 12.50%
Name and Percent ORRI Owners: N/A

Name of Working Interest Owners: XTO Holdings, LLC – 0.49000000, Colgate

Production, LLC – 0.19085940, Estate of James Davidson – 0.00250000, Southwest Royalties, LP

- 0.00490000, Marathon Oil Permian -

0.00510000, Larry Nermyr – 0.00015630, Jack Fletcher – 0.00007810, Mizel Resources, A Trust – 0.03062500, Fasken Land & Minerals, Ltd. – 0.24500000, Ruth Sutton – 0.00007810, Grey Wolf Land Services, LLC – 0.00007810,

Yosemite Creek Oil & Gas, LLC – 0.03062500

TRACT NO. 3

Lease Serial Number: NMNM013276
Lease Date: November 1, 1959

Lease Term: 5 years

Lessor: United States of America

Original Lessee: Cities Service Oil Company and Olsen Oils,

Inc.

Current Lessee of Record: Doyle Hartman – 2.0% & Colgate Production,

LLC-98.0%

Description of Land Committed: NE/4SW/4 Section 18, T20S-R34E

Number of Acres: 40.00 acres
Royalty Rate: 12.50%

Name and Percent ORRI Owners: N/A

Name of Working Interest Owners: XTO Holdings, LLC – 0.98000000, Colgate

Production, LLC – 0.00710940, Estate of James Davidson – 0.00250000, Southwest Royalties, Inc. – 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr – 0.00015630, Jack

Fletcher – 0.00007810, Ruth Sutton –

0.00007810, Grey Wolf Land Services, LLC –

0.00007810

Lease Serial Number: NMNM013276
Lease Date: November 1, 1959

Lease Term: 5 years

Lessor: United States of America

Original Lessee: Cities Service Oil Company and Olsen Oils,

Inc.

Current Lessee of Record: Doyle Hartman – 2.0% & Colgate Production,

LLC-98.0%

Description of Land Committed: SE/4SW/4 Section 18, T20S-R34E

Number of Acres: 40.00 acres
Royalty Rate: 12.50%
Name and Percent ORRI Owners: N/A

Name of Working Interest Owners: XTO Holdings, LLC – 0.98000000, Colgate

Production, LLC -0.00960930, Marathon Oil Permian -0.00510000, Southwest Royalties, Inc. -0.00490000, Larry Nermyr -0.00015630, Grey Wolf Land Services, LLC -0.00015630, Ruth

Sutton - 0.00007810

TRACT NO. 5

Lease Serial Number: NMNM013276
Lease Date: November 1, 1959

Lease Term: 5 years

Lessor: United States of America

Original Lessee: Cities Service Oil Company and Olsen Oils,

Inc.

Current Lessee of Record: Doyle Hartman – 2.0% & Colgate Production,

LLC - 98.0%

Description of Land Committed: NE/4NW/4 Section 19, T20S-R34E

Number of Acres: 40.00 acres
Royalty Rate: 12.50%

Name and Percent ORRI Owners: N/A

Name of Working Interest Owners: Colgate Production, LLC – 0.98710940, Estate of

James Davidson – 0.00250000, Southwest Royalties, Inc. – 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr –

0.00015630, Jack Fletcher – 0.00007810, Ruth Sutton – 0.00007810, Grey Wolf Land Services,

LLC - 0.00007810

Lease Serial Number: NMNM013276
Lease Date: November 1, 1959

Lease Term: 5 years

Lessor: United States of America

Original Lessee: Cities Service Oil Company and Olsen Oils,

Inc.

Current Lessee of Record: Doyle Hartman – 2.0% & Colgate Production,

LLC-98.0%

Description of Land Committed: SE/4NW/4 Section 19, T20S-R34E

Number of Acres: 40.00 acres
Royalty Rate: 12.50%
Name and Percent ORRI Owners: N/A

Name of Working Interest Owners: Colgate Production, LLC – 0.98710940, Estate of

James Davidson – 0.00250000, Southwest Royalties, Inc.– 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr –

0.00015630, Jack Fletcher – 0.00007810, Ruth Sutton – 0.00007810, Grey Wolf Land Services,

LLC - 0.00007810

TRACT NO. 7

Lease Serial Number: NMNM013276
Lease Date: November 1, 1959

Lease Term: 5 years

Lessor: United States of America

Original Lessee: Cities Service Oil Company and Olsen Oils,

Inc.

Current Lessee of Record: Doyle Hartman – 2.0% & Colgate Production,

LLC - 98.0%

Description of Land Committed: NE/4SW/4 Section 19, T20S-R34E

Number of Acres: 40.00 acres
Royalty Rate: 12.50%
Name and Percent ORRI Owners: N/A

Name of Working Interest Owners: Colgate Production, LLC – 0.98710940, Estate of

James Davidson – 0.00250000, Southwest Royalties, Inc. – 0.00490000, Marathon Oil Permian – 0.00510000, Larry Nermyr –

0.00015630, Jack Fletcher – 0.00007810, Ruth Sutton – 0.00007810, Grey Wolf Land Services,

LLC - 0.00007810

Lease Serial Number:NMNM0550543Lease Date:May 1, 1964Lease Term:10 years

Lessor: United States of America
Original Lessee: Louis A. J. Gordon

Current Lessee of Record: BXP Partners V LP & Penroc Oil Corporation

Description of Land Committed: SE/4SW/4 Section 19, T20S-R34E

Number of Acres: 40.00 acres Royalty Rate: 12.50%

Name and Percent ORRI Owners: Boyle, R.E. – 0.05000000

Name of Working Interest Owners: Marathon Oil Permian, LLC – 1.0000000

RECAPITULATION

| | | Percentage of Interest |
|-----------|------------------------|------------------------|
| Tract No. | No. of Acres Committed | in Communitized Area |
| 1 | 40.00 | 12.50% |
| 2 | 40.00 | 12.50% |
| 3 | 40.00 | 12.50% |
| 4 | 40.00 | 12.50% |
| 5 | 40.00 | 12.50% |
| 6 | 40.00 | 12.50% |
| 7 | 40.00 | 12.50% |
| 8 | 40.00 | 12.50% |
| Total | 320.00 | 100% |



Batman – Chronology of Communication/Events

Note: Due to long communication timeline and process with potash development, this communication timeline includes events prior to initial well proposals. Please see April 4,2022 forward for proposal.

December 22, 2021 - February 15, 2022 - Colgate purchases and closes on three working interest owners (J Cleo Thompson, Davis Land & Minerals, and Desert Rainbow) in Sections 18 and 19. (Most interest owners contacted in this time frame in attempt to purchase interest)

December 22, 2021 – Colgate notifies BLM it is set to close acquisition of Oxy acreage within Sections 18 & 19 with the intent of immediately filing for a Potash Development Area. Discussions of proper notification, drill island on siting, etc. were had at this time as well.

January 7, 2022 – Contacted Surface owner (Kenneth Smith, Inc.) in the NW/4 of Section 18 to begin SUA negotiations

January 12, 2022 – Drilling and Division Order Title Opinion Ordered

January 14, 2022 – Second legal opinion of specific title issue ordered from separate law firm to ensure accuracy and implement into already ordered DDOTO.

January 18, 2022 – Batman Surface Pads/SHLs Staked

January 18, 2022 – Contacted Intrepid giving them a heads up and detailed plan of development for Batman as this DOES lie in Potash and Intrepid had the right to protest. (This is prior to sending official Development Area Notices).

January 18, 2022 – Initial reach out to XTO to attempt to begin trade/acquisition discussions to obtain XTO interest in Batman Unit.

January 19, 2022 – Colgate employees (Travis Macha, Landman & Patrick Godwin, VP of Land) fly to Houston from Midland with initial trade proposal to Marathon in attempt to obtain Marathon in interest in Batman.

January 21, 2022 – Colgate closes acquisition of Oxy interest in Sections 18 and 19.

January 22, 2022 – Further correspondence with Marathon on potential trade. (Additional correspondence on 1/24/22, 1/26/22, 1/27/22, 2/2/22, 2/9/22, 2/10/22, 2/14/22

January 24, 2022 – Colgate provides JC Data (mailing service) with Development Area Notifications for mailing to all affected owners (Surface owners, Working Interest Owners, Grazing Lease Owners, Record Title Owners) within Sections 18 and 19 as well as the offset notification area as required by the BLM detailing Batman plan of development.

January 24, 2022 – Conversation with Larry Nermyer – He is in retirement home, currently unable to mail but likely will not participate

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January 25, 2022 – Further correspondence with Intrepid

February 1, 2022 – BLM on site and surface clearance. (Cleared drill island and tank battery location as well as road/flowline paths)

February 3, 2022 – JC Data mails all Colgate Batman Development Area Notifications to all affected interest owners.

February 10, 2022 – Colgate in person meeting in Houston with Intrepid VP, Travis Mcbain obtaining final so-ahead sign off from Intrepid on Batman Development Area (notification of no-contest)

February 10, 2022 - Colgate dinner with Marathon, lightly discussing Batman potential deal

February 14, 2022 – Colgate updated trade proposal sent to Marathon. Addition correspondence on 2/22/22, 3/11/22, 3/16/22, 3/21/22, 3/24/22, 3/27/22, 3/28/22, 4/14/22, 5/5/22 – further detailed below

February 14, 2022 – Colgate discussion with XTO on Batman DA and plan to develop. Provided Colgate information for potential deal. Additional correspondence on: 2/15/22, 2/16/22, 2/17/22, 2/18/22, 2/22/22, 2/25/22, 3/3/22, 3/7/22, 3/8/22, 3/10/22, 3/22/22, 3/23/22, 3/29/22, 4/13/22 – further detailed below

February 14, 2022 – Colgate discussion with Jack Fletcher's nephew

February 14, 2022 – Colgate update to the BLM on discussions with owners within Batman DA. Additional correspondence with BLM on 2/28/22, 3/14/22

February 14, 2022 – Colgate discussion with BXP on potential title issues with BXP interest or lack thereof in Sections 18 & 19. Further correspondence with BXP on 2/16/22, 2/18/22, 2/22/22, 3/4/22

February 15, 2022 – Cash offer to purchase XTO interest sent

February 16, 2022 - Additional correspondence and increased cash offer to XTO on interest in Batman

February 23, 2022 – Initial cash offer sent to Fasken Land & Minerals. Additional correspondence with Fasken on 2/23/22, 3/16/22, 3/24/22, 3/30/22

March 11, 2022 - Cash offer to Marathon on interest in Batman as trade discussions had not been progressing.

March 21, 2022 – Menu of trade offers sent to Marathon

March 23, 2022 – Virtual meeting between XTO and Colgate technical teams to discuss Batman development and increased cash offer to XTO

March 24, 2022 – Call with Marathon – they cut off trade discussions in Batman as their exploration team already had acreage in a trade with a third-party.

March 27, 2022 – New trade offer sent to Marathon. Did not go anywhere

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March 30, 2022 – BLM notifies Colgate of Batman Approved Development Area

April 5, 2022 – Colgate Employees (Travis Macha, Landman / Patrick Godwin, VP of Land, and David DiGian, Geologist) fly to Houston to meet with Marathon & XTO to continue potential deal discussions around Batman.

April 4, 2022 – Colgate proposes all 24 Batman wells (proposal included the JOA form)

April 6, 2022 – Colgate sends out clarification of Bottom Hole Location

April 11, 2022 – Colgate communication with Merlyn Westbrook (beneficiary of the Estate of Ronnie Westbrook) explaining development and process. Westbrook needs to file probate in State of New Mexico. Further correspondence on 4/19/22 and 5/24/22

April 11, 2022 – Conversation with Mizel Resources & Yosemite Creek Oil & Gas (represented by Cventures, Inc.)

April 14, 2022 – Correspondence with Tierra Media Resources, LP on their interest in Batman

April 14, 2022 – Correspondence with Pogo Resources on their interest in Batman

April 18, 2022 – Correspondence with Southwest Royalties on their interest in Batman

April 18, 2022 – Correspondence with Cventures as representatives for Mizel Resources & Yosemite Creek Oil & Gas

April 19, 2022 – Correspondence with Grey Wolf on their interest in Batman

April 28, 2022 – Correspondence with Southwest Royalties on Batman Development

May 2, 2022 – Mailed all Overriding Royalty Interest Owners ratifications of the Batman units/communitization agreements

May 5, 2022 – Clarification from Marathon sent to Colgate on their intent to work a trade but won't involve their interest in Batman

May 6, 2022 – Further correspondence with Pogo Resources on their interest in Batman

May 6, 2022 – Colgate communication to XTO notifying them since trade discussions nor the cash offers have gained traction with XTO, our intent is to move forward without a deal, emphasizing their option to participate in the Batman development

May 9, 2022 - Further correspondence with Tierra Media on the process of Batman proposals

May 9, 2022 – Signatures received from Grey Wolf. More signatures received 5/16/22.

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May 10, 2022 – In person meeting with Cventures as representatives for Mizel Resources & Yosemite Creek Oil & Gas on Batman Development

May 10, 2022 – Mailed all Working Interest and Record Title owners the Communitization Agreement forms

May 12, 2022 – Final conversation between XTO and Colgate as it relates to a potential deal - discussion of participation in Batman option moving forward. More light discussions on this topic on 5/13/22

May 13, 2022 – Further correspondence with Tierra media on their interest in Batman

May 16, 2022 – Correspondence with Marathon on Batman

May 17, 2022 – Correspondence with Fasken on JOA provision requests. More correspondence on this on 5/19/22, 5/23/22 and 5/24/22.

May 19, 2022 – Correspondence with XTO with Colgate's acceptance to allow for special provisions for XTO within potential pooling orders. (More participation friendly provisions). Further correspondence on these requests on 5/20/22 and 5/23/22. (All indicating Colgate's acceptance to XTO requests)

May 20, 2022 - Correspondence with Penroc on their Communitization Agreement signatures

May 24, 2022 – Correspondence with Fasken indicating Fasken has routed JOA for signature.

May 26, 2022 - Received Fasken Signatures for Coms/JOA

July 2022 – September 2022 – Multiple attempts made for Doyle Hartman to execute Com Agreements, including conversation with their attorney whereas they indicated they would execute them (which has not happened)



June 23, 2022

Doyle Hartman P.O. Box 10426 Midland, Texas 79702

Cc: Gallegos Law Firm, P.C.

460 St. Michael's Drive, Building 300

Santa Fe, NM 87505

Attn: J.E. Gallegos, Attorney (Email: jeg@gallegoslawfirm.net)

Michael J. Condon, Attorney (Email: mjc@gallegoslawfirm.net)

RE: Response to Letters

Sections 17-20, T20S-R34E, Lea Co., NM.

To Whom It May Concern,

The Purpose of this letter is in response to the formal draft prepared by Doyle Hartman ("Hartman") unto Colgate Operating, LLC as operator for Colgate Production, LLC ("Colgate"). Colgate is in receipt of two documents dated June 21, 2022, and June 22, 2022 ("Letter #1" and Letter #2" respectively) from Hartman unto Colgate concerning the future proration units within Sections 17 & 20 of Township 20 South, Range 34 East, Lea County, New Mexico N.M.P.M. (the "Robin Unit").

WHEREAS Colgate respects and acknowledges the concern of Hartman as to any potential past or present interest owned within the Robin Unit. Letter #2 here forth recognizes Colgate's present possession of a formally updated Drilling and Division Order Title Opinion dated June 14, 2022 (the "DDOTO"), as it pertains to the Robin Unit. In response to assertions set forth in Letter #2:

- a) Hartman has requested a full copy of the DDOTO Colgate has in the attached Exhibit "A" provided a redacted form of the DDOTO as it pertains to Hartman interest. As Hartman has not paid a proportionate share of any interest, Colgate declines to offer a full unredacted document as extensive time and money have been expended to produce such document and furthermore contains proprietary information privy to wellbore participants.
- b) Letter #2 references original assignment unto Hartman dated January 2, 1986, recorded at Volume 394, Page 606; Colgate, supplements this assignment with Hartman's later assignment of interest unto Plantation Operation, LLC ("Plantation") dated, December 15, 2005, recorded at Volume 1416, Page 357, both of which are attached herein as Exhibit "B". Pursuant to requirement 27(c) in the DDOTO (detailed in Exhibit "A"), it is refered Hartman and Plantation failed to file any formal assignment with the Bureau of Land Management ("BLM") as follow up to the party's county assignment (Therefore, Hartman record title interest has been perpetuated and retained).
- c) Letter #2 references Colgate's previous mailings of "JOAs" "AFEs" and "Communitization Agreements" within the proposed Robin Unit to Hartman. It is noted and formally referenced herein that in the respective and previously issued JOA "Exhibit "A"" that any and all interests are explicitly subject to final rendering of the DDOTO, said JOA "Exhibit "A"" is contained here after as Exhibit

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- "C". Colgate further herein acknowledges that prior to any rendering of an attorney review title opinion, that human error may have existed as to potential ownership and proposals of the Robin Unit. With the regard of being a prudent operator in the pursuit of timely drilling operations, proposals may have been overly inclusive as to ensure no potential owner was left without notice as to the drilling and completion of any possible wellbore. All proposals and issuance of notice have been made in good faith in hope to extend all possible owners the opportunity to participate accordingly.
- d) Letter #2 further requests additional documentation of Oxy USA's ("Oxy") Assignment of interest unto Colgate as it pertains to the Robin Unit. Attached herein are the county assignments of Oxy unto Colgate. Additionally attached herein is an email from a representative of the BLM dated June 1, 2022, acknowledging that the BLM is several months behind in making proper record title assignment filings. These documents are herein attached as Exhibit "D". Colgate has filed all necessary documentation of the transfer accordingly as a prudent operator and interest owner should.

In summary, Colgate wishes to continue good faith communication with Hartman to address any concerns that are outstanding including 1) the assertion that Hartman still owns a working interest in the Robin Unit and any additional lands in Sections 18 of 19 of T20S-R34E, and 2) Hartman's present ownership of record title interest in leases: NM-13276, LC-0029512 A, and LC-0029512 B. Furthermore, to state clear regard for transparency and desire for open dialogue, formal letters such as this as well as Letter #1 and Letter #2, are not preferred as redundancy seems evident. If written communication is desired, in the interest of time and potential cost-savings, email is Colgate's preferred method. With that said, we also understand that letterhead is at times necessary.

In reference to any possible concern towards the compulsory pooling application set to be heard on July 7, 2022, Colgate extends the offer to explicitly state in its exhibit at hearing, no potential working interest owned by Hartman is to be pooled herewith, rather just record title. As Colgate owns a working interest in every tract concerning the Robin Unit, no pooling of record title is observed or evidenced to possibly impact a working interest monetarily; save and except the grant of the operator the ability to continue to pursue development activities such as approval of communitization agreements and commingling applications for the benefit of all parties, in the interest of protecting correlative rights and preventing waste.

Respectfully,

Travis Macha Senior Landman

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page

Run Date/Time: 12/5/2022 16:22 PM **NMNM105505832** Page 1 of 6

 Authority
 Total Acres
 Serial Number

 02-25-1920; 041STAT0437; 30USC226; 08-21-1935;
 600.0000
 NMNM105505832

049STAT0674; 30USC226; MINERAL LEASING ACT OF 1920

Case File Jurisdiction Legacy Serial No NMLC 0029512A

Product Type 310771 EXCHANGE PUBLIC DOMAIN LEASE Commodity Oil & Gas Case Disposition AUTHORIZED

Lease Issued Date

| CASE DETAILS | | | | | NMNM105505832 |
|--------------------|---------------|--------------------|-----------|---------------------------|---------------------------|
| | | | | | |
| Case Name | C-8012527 | Split Estate | | Fed Min Interest | |
| Effective Date | 02/01/1951 | Split Estate Acres | | Future Min Interest | No |
| Expiration Date | | Royalty Rate | Other | Future Min Interest Date | |
| Land Type | Public Domain | Royalty Rate Other | 12.5%;/B/ | Acquired Royalty Interest | |
| Formation Name | | Approval Date | | Held In a Producing Unit | No |
| Parcel Number | | Sale Date | | Number of Active Wells | |
| Parcel Status | | Sales Status | | Production Status | Held by Actual Production |
| Participating Area | | Total Bonus Amount | 0.00 | | • |
| Related Agreement | | Tract Number | | Lease Suspended | No |
| Application Type | | Fund Code | 145003 | Total Rental Amount | |

CASE CUSTOMERS NMNM105505832

| Name & Mailing Address | | | Interest Relationship | Percent Interest |
|---|--|---|--|--|
| ANADARKO E&P ONSHORE LLC ANADARKO PETROLEUM CORP DAKOTA RESOURCES INC DAVIS LAND & MINERALS INC DESERT RAINBOW LLC DEVON ENERGY CO LP LORO CORP MARATHON OIL PERMIAN LLC | PO BOX 173779 PO BOX 1330 4519 SANTA ROSA DR PO BOX 79188 PO BOX 1837 333 W SHERIDAN AVE PO BOX 10886 990 TOWN AND COUNTRY BLVD | DENVER CO 80217-3779 HOUSTON TX 77251-1330 MIDLAND TX 79707-2260 HOUSTON TX 77279-9188 ROSWELL NM 88202-1837 OKLAHOMA CITY OK 73102-5010 MIDLAND TX 79702-2880 HOUSTON TX 77024 | OPERATING RIGHTS LESSEE | 0.000000 0.000000 0.000000 0.000000 0.000000 |
| MARATHON OIL PERMIAN LLC MOBIL EXPL & PROD US DEVELOPMENT CORPORATION | 990 TOWN AND COUNTRY BLVD 810 HOUSTON ST | HOUSTON TX 77024 FT WORTH TX 76102-6203 | OPERATING RIGHTS OPERATING RIGHTS | 0.000000 0.000000 |
| OXY USA WTP LP OXY USA WTP LP PENROC OIL CORP PENROC OIL CORP SWN PRODUCTION CO LLC WPX ENERGY PERMIAN LLC XTO HOLDINGS LLC XTO HOLDINGS LLC XXXXXXXXXXX XXXXXXXXXX | 6 DESTA DR #6000 6 DESTA DR #6000 1515 W CALLE SUR ST STE 174 1515 W CALLE SUR ST STE 174 PO BOX 12359 333 W SHERIDAN AVENUE 810 HOUSTON ST 22777 SPRINGWOODS VILLAGE PKWY XXXXXXXXXXX | MIDLAND TX 79705-5505 MIDLAND TX 79705-5505 MIDLAND TX 79705-5505 HOBBS NM 88240-0998 HOBBS NM 88240-0998 SPRING TX 77391-2359 OKLAHOMA CITY OK 73102 FORT WORTH TX 76102-6203 SPRING TX 77389-1425 XXXXXXXXXXX XX XXXXX-XXXX | OPERATING RIGHTS LESSEE OPERATING RIGHTS LESSEE OPERATING RIGHTS LESSEE OPERATING RIGHTS OPERATING RIGHTS LESSEE OPERATING RIGHTS OPERATING RIGHTS | 0.000000 0.000000 0.000000 0.000000 0.000000 |

RECORD TITLE

(No Records Found)

OPERATING RIGHTS

(No Records Found)

| LAND RECORDS NIMINIM 1055058 | | | | | | | | | INIVINIVI 105505832 |
|------------------------------|-------|-------|-----|----------------|------------------|-------------|--|--------|------------------------|
| Mer | Twp | Rng | Sec | Survey Type | Survey Number | Subdivision | District / Field Office | County | Mgmt Agency |
| 23 | 0200S | 0340E | 017 | Aliquot | | SW | PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0200S | 0340E | 018 | Aliquot | | E2SE,SWSE | PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0200S | 0340E | 019 | Aliquot | | NE | PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE | LEA | BUREAU OF LAND MGMT |
| 23 | 0200S | 0340E | 020 | Aliquot | | NW | PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE | LEA | BUREAU OF LAND MGMT |

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| CASE ACTIO | NS | CASE ACTIONS | | | | | | | |
|------------------------|------------|------------------------------|------------------------|--|--|--|--|--|--|
| Action Date | Date Filed | Action Name | Action Status | Action Information NMNM105505 | | | | | |
| 00/40/4004 | 00/40/4004 | CACE ECTABLICHED | 4 DDDOVED /4 COEDTED | | | | | | |
| 02/19/1931 | 02/19/1931 | CASE ESTABLISHED | APPROVED/ACCEPTED | | | | | | |
| 02/20/1931 | 02/20/1931 | EFFECTIVE DATE | APPROVED/ACCEPTED | A -ti D 05:445000 | | | | | |
| 02/20/1931 | 02/20/1931 | FUND CODE | APPROVED/ACCEPTED | Action Remarks: 05;145003 | | | | | |
| 11/02/1942 | 11/02/1942 | CASE CREATED BY ASGN | APPROVED/ACCEPTED | Action Remarks: OUT OF NMLC029512; | | | | | |
| 03/19/1946 | 03/19/1946 | GEOGRAPHIC NAME | APPROVED/ACCEPTED | Action Remarks: N LYNCH FLD; | | | | | |
| 3/19/1946 | 03/19/1946 | KMA CLASSIFIED | APPROVED/ACCEPTED | | | | | | |
| 2/01/1951 | 02/01/1951 | EFFECTIVE DATE | APPROVED/ACCEPTED | | | | | | |
| 2/01/1951 | 02/01/1951 | RLTY RATE 12.5-25% SCH C | APPROVED/ACCEPTED | | | | | | |
| 5/01/1954 | 05/01/1954 | CASE SEGREGATED BY ASGN | APPROVED/ACCEPTED | Action Remarks: INTO NMLC029512-C; | | | | | |
| 5/23/1956 | 05/23/1956 | HELD BY PROD - ACTUAL | APPROVED/ACCEPTED | Action Remarks: /1/ | | | | | |
| 5/23/1956 | 05/23/1956 | LEASE PAYING MINIMUM ROYALTY | APPROVED/ACCEPTED | Action Remarks: AUG 8 DETERMINATION; | | | | | |
| 5/23/1956 | 05/23/1956 | PRODUCTION DETERMINATION | APPROVED/ACCEPTED | Action Remarks: /1/ | | | | | |
| 5/23/1956 | 05/23/1956 | PRODUCTION DETERMINATION | APPROVED/ACCEPTED | Action Remarks: /1/ | | | | | |
| 0/28/1971 | 10/28/1971 | KMA EXPANDED | APPROVED/ACCEPTED | | | | | | |
| 4/17/1975 | 04/17/1975 | BOND ACCEPTED | APPROVED/ACCEPTED | Action Remarks: EFF 07/07/75;NM0893 | | | | | |
| 4/17/1975 | 04/17/1975 | BOND ACCEPTED | APPROVED/ACCEPTED | Action Remarks: EFF 07/07/75;NM0890 | | | | | |
| 9/29/1980 | 09/29/1980 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: TX PACIFIC/SUN OIL | | | | | |
| 8/26/1982 | 08/26/1982 | ASGN DENIED | APPROVED/ACCEPTED | Action Remarks: TX PACIFIC/SUN OIL | | | | | |
| 5/27/1983 | 05/27/1983 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: CITIES SVC/CITIES OG | | | | | |
| 5/27/1983 | 05/27/1983 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | , total i tolliand. Of the OVO/Office OG | | | | | |
| 9/29/1983 | 09/29/1983 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 06/01/83: | | | | | |
| 9/29/1983 | 09/29/1983 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 06/01/83; Action Remarks: EFF 06/01/83; | | | | | |
| | | | | | | | | | |
| 4/18/1984 | 04/18/1984 | COMMITTED TO AGREEMENT | APPROVED/ACCEPTED | Action Remarks: NMNM70987X;W LYNCH | | | | | |
| 4/18/1984 | 04/18/1984 | KMA EXPANDED | APPROVED/ACCEPTED | Astica Demander OUN EVEL (OUN OPEN | | | | | |
| 6/30/1986 | 06/30/1986 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: SUN EXPL/SUN OPER | | | | | |
| 6/30/1986 | 06/30/1986 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | | | | | | |
| 0/22/1986 | 10/22/1986 | ASGN DENIED | APPROVED/ACCEPTED | Action Remarks: SUN EXPL/SUN OPER | | | | | |
| 0/30/1986 | 10/30/1986 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 07/01/86; | | | | | |
| 3/04/1987 | 03/04/1987 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: TX PACIFIC/SUN EXPL | | | | | |
| 3/04/1987 | 03/04/1987 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: SUN EXPL/SUN OPER | | | | | |
| 6/09/1987 | 06/09/1987 | ADDTL INFO RQSTD | APPROVED/ACCEPTED | Action Remarks: TX PACIFIC/SUN EXPL | | | | | |
| 6/09/1987 | 06/09/1987 | ADDTL INFO RQSTD | APPROVED/ACCEPTED | Action Remarks: SUN EXPL/SUN OPER | | | | | |
| 2/23/1988 | 02/23/1988 | ASGN DENIED | APPROVED/ACCEPTED | Action Remarks: SUN EXPL/SUN OPER | | | | | |
| 2/23/1988 | 02/23/1988 | ASGN DENIED | APPROVED/ACCEPTED | Action Remarks: TX PACIFIC/SUN EXPL | | | | | |
| 2/23/1988 | 02/23/1988 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: HKG/MT | | | | | |
| 3/28/1988 | 03/28/1988 | CASE MICROFILMED/SCANNED | APPROVED/ACCEPTED | Action Remarks: CNUM 100,818 | | | | | |
| 5/26/1988 | 05/26/1988 | MERGER NAME CHANGE | APPROVED/ACCEPTED | Action Remarks: CITIES SVC/OXY USA | | | | | |
| 6/08/1988 | 06/08/1988 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: SUN OPER/D HARTMAN | | | | | |
| 6/22/1988 | 06/22/1988 | ASGN DENIED | APPROVED/ACCEPTED | Action Remarks: SUN OPER/HARTMAN | | | | | |
| 6/22/1988 | 06/22/1988 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: GLC/GLC | | | | | |
| 1/30/1989 | 01/30/1989 | ASSIGNMENT OF RECORD TITLE | | Action Remarks: GLO/GLC Action Remarks: TEXAS/SUN OPER LTD | | | | | |
| | | | APPROVED/ACCEPTED | | | | | | |
| 2/10/1989 | 02/10/1989 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 02/01/89; | | | | | |
| 2/10/1989 | 02/10/1989 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: GLC/MT | | | | | |
| 3/17/1989 | 03/17/1989 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: SUN OPER/HARTMAN | | | | | |
| 4/06/1989 | 04/06/1989 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 04/01/89; | | | | | |
| 4/06/1989 | 04/06/1989 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: TF/BTM | | | | | |
| 6/19/1989 | 06/19/1989 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: MCS/MS | | | | | |
| 1/10/1991 | 01/10/1991 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: CULBERTSON/ANADARKO | | | | | |
| 1/10/1991 | 01/10/1991 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Action Remarks: S WALLACE/ANADARKO | | | | | |
| 3/01/1991 | 03/01/1991 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: GLC/GC | | | | | |
| 3/01/1991 | 03/01/1991 | TRANSFER OF INTEREST | APPROVED/ACCEPTED | Action Remarks: CLBRTSN/CLBRTSN TRUST | | | | | |
| 3/22/1991 | 03/22/1991 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: GLC/GC | | | | | |
| 3/22/1991 | 03/22/1991 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 02/01/91; | | | | | |
| 4/15/1991 | 04/15/1991 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 02/01/91; | | | | | |
| 4/15/1991 | 04/15/1991 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: GLC/GC | | | | | |
| 4/22/1991 | 04/22/1991 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Action Remarks: CULBERTSON/ANADARKO | | | | | |
| 6/25/1991 | 06/25/1991 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: TF/CG | | | | | |
| 6/25/1991 | 06/25/1991 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 05/01/91; | | | | | |
| 1/29/1993 | 01/29/1993 | RLTY REDUCTION APPV | APPROVED/ACCEPTED | Action Remarks: /A/ | | | | | |
| 7/09/1993 | 07/09/1993 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: 7A/ Action Remarks: GAG | | | | | |
| 7/09/1993 2/18/1994 | 02/18/1994 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | | | | | | |
| | | | | Action Remarks: LR | | | | | |
| 2/01/1994 | 12/01/1994 | LEASE COMMITTED TO | APPROVED/ACCEPTED | Action Remarks: NMNM91059; | | | | | |
| 0/04/4004 | 40/04/4004 | COMMUNITIZATION AGREEMENT | A DDD OVED / A COESTEE | A-4: D /0/A/A/A/A (0.50) | | | | | |
| 2/01/1994 | 12/01/1994 | MEMO OF 1ST PROD-ALLOC | APPROVED/ACCEPTED | Action Remarks: /2/NMNM91059; | | | | | |
| 2/24/1995 | 02/24/1995 | APD FILED | APPROVED/ACCEPTED | | | | | | |
| 2/24/1995 | 02/24/1995 | APD FILED | APPROVED/ACCEPTED | Action Remarks: SANTA FE ENERGY RES | | | | | |
| 2/27/1995 | 02/27/1995 | APD FILED | APPROVED/ACCEPTED | Action Remarks: SANTA FE ENERGY RES | | | | | |
| 3/06/1995 | 03/06/1995 | APD FILED | APPROVED/ACCEPTED | | | | | | |
| 4/10/1995 | 04/10/1995 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Action Remarks: (2)WALLEN/DAKOTA | | | | | |
| 4/10/1995 | 04/10/1995 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Action Remarks: (3)WALLEN/DAKOTA | | | | | |
| 4/10/1995 | 04/10/1995 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Action Remarks: (4)WALLEN/DAKOTA | | | | | |
| 4/10/1995 4/10/1995 | 04/10/1995 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Action Remarks: (1)WALLEN/DAKOTA | | | | | |
| | | | | Action Remarks: (1)WALLEN/DAKOTA Action Remarks: #1 SINAGUA 19 FED COM | | | | | |
| 5/05/1995 | 05/05/1995 | APD APPROVED | APPROVED/ACCEPTED | | | | | | |
| 6/29/1995 | 06/29/1995 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: MV/MV | | | | | |
| 6/29/1995 | 06/29/1995 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 05/01/95;1 | | | | | |
| 6/29/1995 | 06/29/1995 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 05/01/95;2 | | | | | |

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| Run Date/Tin | ne : 12/5/2022 16 | 5:22 PM I | NMNM105505832 | Page 3 of |
|--------------|--------------------------|----------------------------|---|---------------------------------------|
| Action Date | Date Filed | Action Name | Action Status | Action Information NMNM105505832 |
| | | | | |
| 06/29/1995 | 06/29/1995 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 05/01/95;3 |
| 06/29/1995 | 06/29/1995 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 05/01/95;4 |
| 08/08/1995 | 08/08/1995 | PRODUCTION DETERMINATION | APPROVED/ACCEPTED | Action Remarks: /2/ |
| 09/07/1995 | 09/07/1995 | TRANSFER OF OPERATING RIGH | TS APPROVED/ACCEPTED | Action Remarks: OXY/SANTA FE ENERGY |
| 10/13/1995 | 10/13/1995 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: ANADARKO/LORO CORP |
| 10/13/1995 | 10/13/1995 | TRANSFER OF OPERATING RIGH | | Action Remarks: ANADARKO/LORO CORP |
| 10/16/1995 | 10/16/1995 | APD WDN/TERM/CANC | APPROVED/ACCEPTED | Action Remarks: #1 SINAGUA 20 FED |
| 11/22/1995 | 11/22/1995 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: ANN |
| 11/22/1995 | 11/22/1995 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 10/01/1995; |
| 12/13/1995 | 12/13/1995 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 11/01/95; |
| 12/13/1995 | 12/13/1995 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: MV/MV |
| 12/13/1995 | 12/13/1995 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 11/01/95; |
| 10/16/1996 | 10/16/1996 | APD WDN/TERM/CANC | APPROVED/ACCEPTED | Action Remarks: #1 SINAGUA 17 FED |
| 07/01/1999 | 07/01/1999 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: JLV |
| 07/01/1999 | 07/01/1999 | MERGER NAME CHANGE | APPROVED/ACCEPTED | Action Remarks: SF ENE RES/SF SNYDER |
| 08/06/1999 | 08/06/1999 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: LORO/LERWICK I LTD |
| 08/06/1999 | 08/06/1999 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: LERWICK/L DREYFUS NG |
| 12/27/1999 | 12/27/1999 | TRANSFER OF OPERATING RIGH | | Action Remarks: PETRO/SOUTHWESTERN |
| 05/25/2000 | 05/25/2000 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: LR |
| 05/25/2000 | 05/25/2000 | TRF OPER RGTS RET UNAPPV | APPROVED/ACCEPTED | Action Remarks: PETRO/SOUTHWESTERN |
| 06/08/2000 | 06/08/2000 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 09/01/99;2 |
| 06/08/2000 | 06/08/2000 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 09/01/99;1 |
| 06/08/2000 | 06/08/2000 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: MV/MV |
| 09/22/2000 | 09/22/2000 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: LR |
| 09/22/2000 | 09/22/2000 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 01/01/00; |
| 10/11/2000 | 10/11/2000 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: AT |
| 10/11/2000 | 10/11/2000 | MERGER NAME CHANGE | APPROVED/ACCEPTED | Action Remarks: SANTA FE/DEVON SFS |
| 03/12/2001 | 03/12/2001 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: OXY/OXY USA WTP |
| 03/12/2001 | 03/12/2001 | TRANSFER OF OPERATING RIGH | | Action Remarks: OXY/OXY USA WTP |
| 04/25/2001 | 04/25/2001 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 04/01/01; |
| 04/25/2001 | 04/25/2001 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: JLV |
| 04/25/2001 | 04/25/2001 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 04/01/01; |
| 12/12/2001 | 12/12/2001 | MERGER RECOGNIZED | APPROVED/ACCEPTED | Action Remarks: L DREYFUS/DOMINION |
| 08/08/2002 | 08/08/2002 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: DEVON/MERIT |
| 08/08/2002 | 08/08/2002 | TRANSFER OF OPERATING RIGH | | Action Remarks: DEVON/MERIT |
| 08/22/2002 | 08/22/2002 | TRANSFER OF OPERATING RIGH | | Action Remarks: ENERSTAR RESOURCES;1 |
| | | | | Receipt Number: 546067 |
| 10/03/2002 | 10/03/2002 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: MV |
| 10/03/2002 | 10/03/2002 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 09/01/02; |
| 10/18/2002 | 10/18/2002 | ASGN DENIED | APPROVED/ACCEPTED | Action Remarks: 08/08/02 RT ASGN; |
| 10/18/2002 | 10/18/2002 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: MV |
| 10/18/2002 | 10/18/2002 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 09/01/02; |
| 12/12/2002 | 12/12/2002 | MERGER RECOGNIZED | APPROVED/ACCEPTED | Action Remarks: DEVONSFS/DEVONENEPROD |
| 09/27/2005 | 09/27/2005 | MERGER NAME CHANGE | APPROVED/ACCEPTED | Action Remarks: MERIT PTNRS/MERIT MGM |
| 02/01/2006 | 02/01/2006 | RLTY REDUCTION LIFTED | APPROVED/ACCEPTED | |
| 01/04/2007 | 01/04/2007 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: DOMINION/LOBOS ENE;1 |
| | | | | Receipt Number: 1419703 |
| 05/08/2007 | 05/08/2007 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 02/01/07; |
| 05/08/2007 | 05/08/2007 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: ANN |
| 05/12/2008 | 05/12/2008 | TRANSFER OF OPERATING RIGH | TS APPROVED/ACCEPTED | Action Remarks: SOUTHWEST/DESERT RA;1 |
| | | | | Receipt Number: 1704446 |
| 06/19/2008 | 06/19/2008 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: RAYO |
| 06/19/2008 | 06/19/2008 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 06/01/08; |
| 02/01/2010 | 02/01/2010 | MERGER RECOGNIZED | APPROVED/ACCEPTED | Action Remarks: LOBOS ENE/KHODY LAND |
| 12/08/2010 | 12/08/2010 | TRANSFER OF OPERATING RIGH | TS APPROVED/ACCEPTED | Action Remarks: MERIT MAN/LINN ENER;1 |
| | | | | Receipt Number: 2260170 |
| 02/11/2011 | 02/11/2011 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: LBO |
| 02/11/2011 | 02/11/2011 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 01/01/11; |
| 10/24/2011 | 10/24/2011 | TRANSFER OF OPERATING RIGH | TS APPROVED/ACCEPTED | Action Remarks: PLANTATIO/DAVIS LAN;1 |
| | | | | Receipt Number: 2447059 |
| 11/29/2011 | 11/29/2011 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: LBO |
| 11/29/2011 | 11/29/2011 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 11/01/11; |
| 04/30/2013 | 04/30/2013 | TRANSFER OF OPERATING RIGH | TS APPROVED/ACCEPTED | Action Remarks: ANADARKO/ANADARKO;1 |
| | | | | Receipt Number: 2784194 |
| 06/25/2013 | 06/25/2013 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: MJD |
| 06/25/2013 | 06/25/2013 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 5/1/13; |
| 07/31/2013 | 07/31/2013 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | Action Remarks: LERWICK I/CROWN OIL;1 |
| | | | | Receipt Number: 2843706 |
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| 11/22/2013 | 11/22/2013 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Action Remarks: LERWICK | 1/CROWN OIL 1 | |
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| 04/02/2014 | 04/02/2014 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: ANN | | |
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| 03/16/2017 | 03/16/2017 | ASSIGNMENT OF RECORD TITLE | APPROVED/ACCEPTED | | | |
| | | | | Action Remarks: CRUMP ENE/CRUMP ENE;1 Receipt Number: 3787760 | | |
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| 08/25/2017 | 08/25/2017 | ASGN DENIED | APPROVED/ACCEPTED | Action Remarks: /A/ | 47.0 | |
| 09/15/2017 | 09/15/2017 | TRF OPER RGTS APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 08/01 | | |
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| 01/02/2018 | 01/02/2018 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Receipt Number: 4059817 Action Remarks: EXXON MOB/XTO HOLDI;1 | | |
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| 07/13/2018 | 07/13/2018 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Receipt Number: 4211565 Action Remarks: MOBIL E& | kP/XTO ENERG;1 | |
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| 11/20/2018 | 11/20/2018 | OVERRIDING ROYALTY | APPROVED/ACCEPTED | Receipt Number: 4243697 Action Remarks: 1 | | |
| 11/20/2018 | 11/20/2018 | TRANSFER OF OPERATING RIGHTS | APPROVED/ACCEPTED | Receipt Number: 4311952 Action Remarks: XTO ENE | | |
| 12/04/2018 | 12/04/2018 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Receipt Number: 4311952 Action Remarks: EMR | Receipt Number: 4311952 | |
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| 03/20/2019 | 03/20/2019 | ROYALTY RATE REDUCTION | APPROVED/ACCEPTED | A-4: D 1 | 40. | |
| 03/21/2019 | 03/21/2019 | ASGN APPROVED | APPROVED/ACCEPTED | Action Remarks: EFF 09/01 | /16; | |
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| 04/08/2019 | 04/08/2019 | AUTOMATED RECORD VERIF | APPROVED/ACCEPTED | Action Remarks: KB | • | |
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| 04/08/2010 | 01/08/2010 | | | | | |
| 04/08/2019 06/20/2019 | 04/08/2019 06/20/2019 | TRF OPER RGTS APPROVED RLTY RATE - OTHER | APPROVED/ACCEPTED | Action Remarks: 12.5%;/B/ | /10 | |

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| Action Date | Date Filed | Action Name | Action Status | Action Information NMNM105505832 |
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| 06/20/2019 | 06/20/2019 | RLTY REDUCTION APPV | APPROVED/ACCEPTED | Action Remarks: EFF 06/20/19;/B/ |
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| 02/25/2022 | 02/25/2022 | ASSIGNMENT OF RECORD TITLE | FILED | Action Remarks: OXY USA W/COLGATE P;1 |
| | | | | To Entity: Colgate Production LLC |
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| | | | | Case Action Status Date: 2022-11-30 |
| 02/25/2022 | 02/25/2022 | TRANSFER OF OPERATING RIGHTS | FILED | Action Remarks: OXY USA W/COLGATE P;1 |
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| ASSOCIATED AGREEMENT OR LEASE (RECAPITULATION TABLE) INFO | | | | | | MM | NM105505832 | | |
|---|---------------|---------------|-------------|------------------------------|-------|--------|--------------------|---------|------------|
| | | Agreement | • | | | Commit | Commitm ent Status | | |
| | Agreement | Legacy Serial | Case | 5 | Tract | ment | Effective | | Allocation |
| | Serial Number | Number | Disposition | Product Name | No | Status | Date | Acres | Percent |
| | NMNM105504135 | NMNM 091059 | CLOSED | COMMUNITIZATION AGREEMENT | 2A | | 12/01/1994 | 80.0000 | 25.000000 |
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LEGACY CASE REMARKS NMNM105505832

Legacy Case Remarks includes remarks made for the case in LR2000 up until March 14, 2022. These Case Remarks will no longer be updated in MLRS. This section of the SRP is obsolete. Please reference the MLRS website for more information and refer to the Case Actions section - Action Information on this report for similar data.

| Line Number | Remark Text |
|-------------|--|
| | |
| 0002 | CURRENT RECORD TITLE HOLDERS |
| 0003 | T. 20 S, R. 34 E; SEC. 18 SESE |
| 0004 | OXY USA WTP LP 76.67 |
| 0005 | MARATHON OIL PERMIAN LLC 16.66 |
| 0006 | DOYLE HARTMAN 6.67 |
| 0007 | SEC. 17: SW, SEC. 18: NESE; |
| 0008 | OXY USA WTP LP 88.00 |
| 0009 | MARATHON OIL PERMIAN LLC 10.00 |
| 0010 | DOYLE HARTMAN 2.00 |
| 0011 | SEC. 18: SWSE, SEC. 20: NW; |
| 0012 | OXY USA WTP LP 88.00 |
| 0013 | LERWICK LTP 10.00 |
| 0014 | DOYLE HARTMAN 2.00 |
| 0015 | SEC. 19: NE; |
| 0016 | OXY USA WTP LP 88.00 |
| 0017 | KHODY LAND & MINERALS CO 10.00 |
| 0018 | DOYLE HARTMAN 2.00 |
| 0019 | - |
| 0020 | BONDED LESSEES/OPERATORS/TRANSFEREES: |
| 0021 | - DOMINION OK TX EXPL & PROD INC - CO1050 |
| 0022 | - DOYLE HARTMAN - NM2521 - S/W; |
| 0023 | 10/18/2002 - DAKOTA RESOURCES INC - NM1914/SW |
| 0024 | 04/25/2007 - LOBOS ENE PTNRS LLC - NMB000460 -S/W; |
| 0025 | 07/25/2014 - DAKOTA RESOURCES INC - NMB000001 - S/W; |
| 0026 | 12/05/2014 - OXY USA WTP LP - ESB000226 - NW; |
| 0027 | 01/23/2015 - XTO ENERGY INC NMB001176 IND |
| 0028 | 04/26/2017 - CRUMP II NMB001235 SW |
| 0029 | 08/25/2017 /A/ ASSIGNMENT OF RECORD TITLE DATED |
| 0030 | 03/16/17 APPROVED IN ERROR WITH |
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| Line Number | Remark Text |
|-------------|--|
| 0031 | DEPTH LIMITATIONS. ASSIGNMENT IS |
| 0032 | RESCINDED AND DENIED; |
| 0033 | 09/15/2017 - MARATHON OIL PERMIAN WYB002107 N/W |
| 0034 | 12/04/2018 - XTO ENERGY INC - UTB000138 - N/W; |
| 0035 | 04/08/2019 - XTO HOLDINGS LLC - NMB001554 - SW/NM |
| 0036 | /B/THE LEASE QUALIFIES FOR THE 12.5% ROYALTY |
| 0037 | LIMITATION AS AUTHORIZED BY THE ACT OF AUGUST 8,1946 |
| 0038 | ONLY FOR THE BONE SPRING AND WOLFCAMP FORMATIONS. |

<u>Process for APD, Drilling Island, and Development Area Review in the Designated Potash</u> <u>Area</u>

I. APD Process

The BLM Carlsbad Field Office (CFO) will review an Application for Permit to Drill (APD)s for locations in the Designated Potash Area (DPA) in accordance with Secretarial Order 3324 (77 FR 71814, December 4, 2012) (hereinafter "SO 3324"), Onshore Oil and Gas Order No. 1, and applicable statues and regulations.

Upon receipt of an APD for a location in the DPA, the APD will be processed by the CFO in the following manner:

A. Initial Review

The adjudication staff will accept the APD in AFMSS II and route to the Solid Minerals Staff and Natural Resource Staff (NRS). The posting and protest period guidelines for an APD are outlined in Onshore Oil and Gas Order No. 1.

B. Review

The Solid Minerals Staff will verify that the applicant gave proper notice to all parties that may be affected by the APD per SO 3324, Section 6.e(7), including:

- 1. Surface owners affected by a planned surface disturbance contemplated in the application, plan, or proposal.
- 2. All potash operators and potash lessees in the DPA; and
- 3. Owners of oil and gas rights affected by the application, plan, or proposal, defined as lessee and operating rights owners within the leases penetrated by the wellbore and/or any lease that may be affected by a well that does not meet the State of New Mexico's minimum setback requirements.

The solid minerals staff shall prepare written documentation for the case file of whether proper notice was made. Such notice should be made by the applicant prior to the submission of the APD. If the solid minerals staff cannot verify from the APD that such notice was made, the solid mineral staff will notify the applicant that the BLM will not continue to process the APD until the applicant provides evidence to the BLM sufficient to allow the BLM to verify that all affected parties have been properly notified.

- C. Once the solid minerals staff verifies that all affected parties have been notified, the BLM will continue to process the APD in accordance with SO 3324, Section 6.e(1).
 - 1. To be considered for approval, the APD surface location must be on:
 - (a) A Drilling Island associated with a Development Area established under SO 3324 or a Drilling Island established under a prior Secretarial Order.

- (b) A Barren Area and the Authorized Officer determines that such operations will not adversely affect active or planned potash mining operations in the immediate vicinity of the proposed drill-site, or
- (c) A Drilling Island, not covered by the first category above, or single well site established under SO 3324 by the approval and in the sole discretion of the Authorized Officer, provided that such site was jointly recommended to the Authorized Officer by the oil and gas lessee(s) and nearest potash lessee(s).
- 2. If the surface location in the APD is not covered by one of the tree provisions of SO 3324, Section 6.e.(1) (Section 1. C.1. above), the BLM will deny the APD unless the applicant will take one of the following actions:
 - (a) Revise the APD to change the proposed surface location to an area covered by one of the three provisions of SO 3324 Section 6.e(1).
 - (b) Propose a new Drilling Island either at the existing surface location in the APD or a new location where the APD can be approved. The proposed Drilling Island may be outside an existing Development Area. If the operator chooses this option, the BLM will process the proposal as described in Section II and Section III below.
 - (c) If the applicant does not take one of the above actions (a) or (b) within one year, the APD will be denied.
- D. If the APD is covered by one of the provisions in Section I.C.1 above, the APD can be processed to the next level of review. The solid minerals staff will prepare a memorandum confirming receipt of verification that proper notification was made and that APD meets one of the exceptions in SO 3324, Section 6.e.(1) and send the memorandum to the adjudication staff, who will rote the APD to the NRS, fluid minerals staff and potash specialist for the technical review described in Onshore Oil and Gas Order No. 1. The APD will be processed as a normal APD.
 - 1. Buffer zones as described in SO 3324, Section 6.e.(3) will apply to the proposed well. See Section IV below, for the definition of oil and gas wells for determining associated buffer zones. Per SO 3324, Section 6.e.(3), the BLM may adjust the buffer zones in an individual case, when the facts and circumstances demonstrate that such adjustment would enhance conservation and would not compromise safety. When reviewing an APD, the BLM will refer to the latest available information provided by the potash operators in the DPA and verified by the BLM (SO 3324, Sec. 6.d).
 - (a) Conditions of Approval will be attached on every APD processed within the Known Potash Lease Area (KPLA) or R-111-P requiring operators to report the following:
 - (1) Any fluid flow outside of casing in the Salado Formation.
 - (2) Any well collision events.

- (3) Sustained annulus pressure between the first intermediate and next innermost casing string in excess of 500 psi above the baseline pressure of the well or above 1500 psi total
- (4) Sustained losses in excess of 50% through the Salado Formation within two miles of open-mine workings.
- 2. The BLM will complete the analysis required by the National Environmental Policy Act (NEPA) and prepare appropriate documentation of the analysis.
- 3. A potash specialist will send a memorandum to the Field Manager recommending approval or denial of the APD based on the criteria described above.
- 4. The BLM must complete the following tasks before approving an APD in the DPA:
 - (a) Memorandum from a potash specialist to the Field Manager recommending approval of the APD.
 - (b) Written documentation from the solid mineral staff that all affected parties were properly notified.
 - (c) Appropriate NEPA analysis; and
 - (d) Appropriate technical reviews, as specified in Onshore Oil and Gas Order No.1, from:
 - I. Potash Specialist
 - II. Resource Specialist
 - III. Fluid Minerals Specialist

II. <u>Drilling Island Process</u>

If a proposal for a Drilling Island may affect more than one oil and gas operator, then all the affected oil and gas operators should be encouraged to take part in the proposal. Typically, before any formal notifications of a Drilling Island proposal is made to the BLM, a proponent of a Drilling Island will notify a potash specialist who will arrange for a NRS to conduct a desk review of the proposed Drilling Island and/or inspect the area of the proposed Drilling Island to identify any obvious site-specific resource concerns. The NRS will coordinate with a potash specialist to ensure that potential impacts of the Drilling Island to potash resources are identified.

- A. Drilling Islands may be proposed by the BLM or external parties. The CFO will process Drilling Island proposals in the following manner:
 - 1. If the BLM proposes a Drilling Island, BLM solid minerals staff with adjudication staff will identify the affected parties from BLM records for record title holder and operating rights information (Section II.B) or any operator of an active well. The BLM will notify the affected parties in writing with appropriate proof of deliver. A sample notification letter is attached (Attachment 2 Sample

Notification Letter). The BLM will review the proposal per SO 3324, Section 6.e.(2)(d) and process the proposal per Section II.E. above.

2. If an external party proposes a Drilling Island, the adjudication staff will date stamp the proposal as received and route it to the solid minerals staff for initial review then subsequent review by natural resource staff.

B. Review

The adjudication staff will route the proposal to the solid minerals staff who will verify that the applicant has properly notified all the affected parties per SO 3324, Section 6.e.(7). The affected parties should include:

- 1. Surface Owners affected by the planned surface disturbance contemplated in the application, plan, or proposal.
- 2. Grazing permit holders who may be affected by a planned surface disturbance contemplated in the application, plan, or proposal. The BLM will make any grazing permit holder information available upon request to applicant.
- 3. All potash operators and lessee in the DPA; and
- 4. Owners of oil and gas rights affected by the application, plan, or proposal, defined as lessees, operating, and working rights owners, or any operator of an active well within the proposed Drillings Island that can be accessed with present-day drilling capabilities. The average lateral length of an oil/gas well in the Permian Basin is currently 8,500 feet with lengths up to 3 miles becoming more common. Notification of the affected parties (that potentially could access their leases from the proposed Drilling Island in the DPA within 2 miles from the boundary of the Drilling Island is required. As technology advances, this distance will be subject to revisions as deemed necessary by the Authorized Officer. If the BLM or an outside party finds that oil or gas resources may be stranded, then notification shall include any potentially stranded oil and gas lease holders and operating rights owners, even if those leases are outside the 2-mile radius.

Notice should be made by the applicant prior to the submission of the Drilling Island proposal. The BLM will not authorize any action prior to the proper notification of all affected parties (SO 3324, Sec. 6.e.(7)). If the BLM office finds that notice was not given to all affected parties, the BLM will notify the operator and await verification that all affected parties have been properly notified. U.S. certified mail return receipts may be used as evidence of notice of affected parties or other acceptable means of communication to verify proper notification.

Section 7.f. of SO 3324 directs the BLM to develop appropriate time frame guidelines and requirements, as appropriate, to tenable timely actions pursuant to SO 3324.

Therefore, the BLM will provide a 30-day period during which any affected party can notify the BLM of their objections to or concurrence with the proposal via letter or email addressed to the Field Manager and copied to all affected parties. This 30-day period commences upon the date the affected party received the notification letter, as recorded on the certified mail return receipt associated with the notification letter or other acceptable means of communication to verify proper notification.

The BLM will not establish a Drilling Island until all affected parties who express interest in or opposition to the proposal have been given the opportunity to meet with the BLM to discuss any concerns within 30 days of the Drilling Island onsite (NRS Surface Review). The BLM will notify the affected parties in writing with appropriate proof of delivery. Such meetings can take place individually with the BLM or collectively with other interested parties.

The BLM must address protest in a timely manner to enable timely actions pursuant to SO 3324. The BLM will provide an opportunity for affected parties to schedule a meeting with the BLM to discuss any protest within 60 days of the BLM's receipt of a protest. Affected parties may request an extension of time to meet with the BLM. The BLM may grant an extension if the requesting party provides adequate justification for the extension. The BLM will apply a presumption that a protest has been waived if the protestant declines to seek an extension supported by adequate justificatory or schedule a meeting with the BLM to discuss the protest within 60 days of the BLM's receipt of the protest. When the BLM receives a protest that presents an alternate proposal, the BLM will determine whether it is a reasonable alternative that should be evaluated during the NEPA process. The BLM also will review the Plan of Development and preliminary drilling locations from the proposal to ensure the Drilling Island position complies with the Order.

- a. The Drilling Island proposal submission should contain a narrative with the following:
 - 1. A map of the location of the proposed action showing:
 - i. Township, Range, Section.
 - ii. Surface ownership, and
 - iii. Lease ownership within a two -mile radius of the proposed Drilling Island labeled by operator and lease number.
 - 2. A map of the proposed drilling pads (preliminary plat) within the boundary of the drilling island and description of the downhole development with approximate number of wells to be drilled, formation, and location and direction of proposed well bores.
 - 3. A list in table format of all affected parties ats reference above.
- b. Pursuant to SO 3324, Section 6.e. (1), a Drilling Island can only be established such that any proposed drilling will occur:

- 1. Within an associated Development Area (specifically reviewed under Section 6.e.(2)(d) of SO 3324, Section 6.e.(1)(a).
- 2. Within a Barren Area and the Authorized Officer determines that such operations will not adversely affect active or planned potash mining operations I the immediate vicinity of the proposed drill-site (SO 3324, Section 6.e.(1)(b)); or
- 3. Outside of a Development Area or Barren Area as described above, provided that the Drilling Island was jointly recommended to the Authorized Officer by the oil and gas lessee(s) and the nearest potash lessee(s) (Section 6.e.(1)(c)).
- c. A BLM interdisciplinary team will review the Drilling Island proposal in accordance with Section 6.e.(1) of the Order. Members of this team shall include:
 - 1. Solid Minerals Staff,
 - 2. Fluid Minerals Staff,
 - 3. NRS Staff,
 - 4. Other resources staff as necessary.
- d. A National Environmental Policy Act (NEPA) compliance document will be prepared. The NEPA analysis will documents alternatives; alternatives may be generated in response to issues identified during internal and external scoping or by interested parties. The NEPA analysis will document the environmental effects of the proposed action and alternatives and the decision record will document the decisionmaking process.
- e. At this point in the review process, the Drilling Island may be approved, denied or modified. If modifications are made, then BLM must grant the applicant an opportunity to provide notice to affected parties prior to approval. Notice should be made by the applicant prior to the submission of the Drilling Island proposal. The BLM will not authorize any action prior to the proper notification of all affected parties of the changes SO 3324, Section 6.e.(7)). If the BLM office finds that notice was not given to all affected parties, the BLM will notify the applicant and await verification that all affected parties have been properly notified. U.S. certified mail return receipts may be used as evidence of notice of affected parties or other acceptable means of communication to verify proper notification.

The BLM will provide a 30-day period during which any affected party can notify the BLM of their objections to or concurrence with the changes to the proposal via letter or email addressed to the Field Manager and copied to all affected parties. This 30-day period commences upon the date notification letter was received as recorded on

the certified mail return receipt associated with the notification letter or other acceptable means of communication to verify proper notification.

f. A Drill Island Map will be published quarterly by BLM to share the status of drilling island within the DPA with the public. A Notice to Lessee (NTL) can be issued upon request in the form of an approval letter according to Section 6.e.(2)(b) of the SO 3324 to any affected party, as defined above in Section II.B.4 of this IM. The NTL letter will contain the location and boundary of the Drilling Island. The approval of a Drilling Island does not grant the operator permission to drill a well. Approval to drill on the Drilling Island may only be granted through an approved APD. The BLM will process any APDs associated with the Drilling Island proposals as provided in Section I, above.

III. Development Area Process

If a proposal for a Development Area affects more than one oil and gas operator, then BLM will encourage all interested parties to make a joint proposal.

- A. Development Areas can be established by a proposal from the BLM, or third parties as specified below. Upon receipt of a proposal for a Development Area within the DPA, the proposal will be processed by the CFO in the following manner:
 - 1. If the BLM proposes a Development Area, BLM staff will examine serial register page information for record title holder and operating rights information, or any operator of an active well to determine the parties affected as defined bellow under Section III.B of this IM. Notification will be sent to the affected parties via certified return receipts or other acceptable means of communication to verify proper notification. A sample letter of notification is attached (Attachment 2 Sample Notification Letter). The BLM will review the proposal in accordance SO 3324, Section. 6.e. (2)(d).
 - 2. If the CFO receives a proposal for a Development Area within the DPA from an outside party, adjudication staff will date stamp the proposal as received and route it to potash specialist for initial review.

B. Initial Review

Once the Development Area proposal is routed, the BLM will verify that the applicant gave proper notice of the Development Area proposal to all affected parties according to SO 3324, Section 6.e.(7). As a guideline, affected parties receiving notice for a Development Area should include:

- 1. All Potash operators and potash lessee(s) in the DPA; and
- 2. All owners of oil and gas rights affected by the application, plan, or proposal, defined as lessees, operating rights owners, and any operator of an active well within leases

penetrated by measured length of wellbore (vertical and horizontal section) of the well spacing unit up to 3.0 miles in the direction of the lateral unless additional notice is subsequently required by Authorized Officer in case-by-case situation.

Notice should be made by applicant to all affected parties prior to the submission of the Development Area proposal. The BLM will not authorize any action prior to the proper notification of all affected parties (SO 3324, Section 6.e.(7)). If the BLM finds that notice was not given to all affected parties, the BLM will notify the proponent and await verification that all affected parties have been properly notified. U.S. certified mail return receipts may be used as evidence of notice of affected parties or other acceptable means of communication to verify proper notification.

Section 7.f. of SO 3324 directs the BLM to develop appropriate time-frame guidelines and requirements, as appropriate, to enable timely actions pursuant to the SO 3324. Therefore, the BLM will provide a 30-day period during which any affected party may notify the BLM of their objections to or concurrence with the proposal via letter or email addressed to the Field Manager and copied to all affected parties. This 30-day period commences upon the date the affected party received the notification letter, as recorded on the certified mail return receipt associated with the notification letter or other acceptable means of communication to verify proper notification.

The BLM will not establish a Development Area until all affected parties who express interest in or opposition to the proposal have been given the opportunity to meet with the BLM to discuss any concerns. Such meetings can take place individually with the BLM or collectively with other interested parties.

The BLM must address protests in a timely manner to enable effective administration of SO 3324. The BLM will provide an opportunity for affected parties to schedule a meeting with BLM to discuss any protests within 90 days of the BLM's receipt of a protest. Affected parties may request an extension of time to meet with the BLM. The BLM may grant an extension of 60 days if the requesting party provides adequate justification for the extension. The BLM will apply a presumption that a protest has been waived if the protestant declines to seek an extension supported by an adequate justification or to schedule a meeting with BLM to discuss the protest within 90 days of the BLM's receipt of the protest. When BLM receives a protest that presents an alternate proposal, BLM will determine whether it is a reasonable alternative that should be evaluated during the NEPA process.

BLM will also review the Plan of Development and preliminary drilling locations from the proposal to ensure the full development of leases.

- C. The Development Area proposal submission should contain a narrative with the following:
 - 1. A map of the location of the Development Area showing:
 - a. Township, Range, Section
 - b. Surface ownership.

- c. Lease ownership within the proposed measured length of the wellbore's spacing unit and up to 3 miles from the proposed drilling island labeled by operator and lease number.
- 2. Map of the proposed drilling pads (preliminary plat) within the boundary of the Drilling Island and description of the downhole development with approximate number of wells to be drilled, formations, and location and direction of the wellbores.
- 3. Map of the associated Drilling Island(s) (preliminary plat)
- 4. A list in table format of all affected parties as referenced above in this section.
- 5. All Potash operators and potash lessee(s) in the DPA.

The Development Area shall be accessible to oil and gas operators from a Drilling Island. If there is not a Drilling Island associated with the Development Area proposal, a new Drilling Island should be proposed at a location described in Section 6.e.(1) of SO 3324. The new Drilling Island proposal will be processed consistent with Section II of this IM. If no Drilling Islands exist within proximity to the proposed Development Area, BLM will work with the proponent(s) to find a suitable Drilling Island location. If a Drilling Island providing access to the Development Area for oil and gas operators cannot be established under the provisions of the Order, the Development Area cannot be approved as proposed.

- D. A BLM interdisciplinary team will review the Development Area proposal in accordance with Section 6.e.(2) of the Order. Members of this team shall include:
 - 1. Solid Mineral Staff
 - 2. Fluid Mineral Staff
 - 3. NRS
 - 4. Other resources staff as necessary
- E. A National Environmental Policy Act (NEPA) compliance document will be prepared. The NEPA analysis will document alternatives; alternatives may be generated in response to issues identified during internal and external scoping or by interested parties. The NEPA analysis will document the environmental effect s of the proposed action and alternatives and the decision record will document the decision-making process.
- F. At this point in the review process, the Development Area may be approved, denied, or modified. If modifications are made, then BLM must grant the applicant an opportunity to provide notice to affected parties prior to approval. Notice should be made by the applicant prior to the submission of the Development Area proposal. BLM will not authorize any action prior to the proper notification of all affected parties of the changes (SO 3324 Section. 6.e.(7)). If BLM finds that notice was not given to all affected parties, BLM will notify the applicant and await verification that all affected parties have been properly notified. U.S. certified mail return receipts may be used as evidence of notice of affected parties or via other acceptable means of communication to verify proper notification.

Affected parties have 30 days to notify BLM of their objections to or concurrence with the changes to the proposal via letter or email addressed to the Field Manager and copied to the applicant and all affected parties. This 30-day period commences upon the date the affected party received the notification letter, as recorded on the certified mail return receipt associated with the notification letter or via other acceptable means of communication to verify proper notification.

- G. Development Areas will expire within five years of being approved if no drilling activities have occurred within that time. For Development Areas approved prior to the updated IM, this mandate will be managed retroactively to seven years since being approved. BLM may review extensions of this mandate provided there is adequate justification for the extension.
- H. Development Areas can be assigned to other operators after approval with a certified affidavit with resignation successor signature sent to BLM. Authorized Officer has reserved right to approve successor operator under Section 6.2.c. of SO 3324 to ensure that operator has resources to operate and extract the oil and gas resources consistent with requirements of SO 3324 and all applicable laws and regulations and has provided financial assurance in the amount required by the Authorized Officer.
- I. Development Areas that are pending can be compulsory pooled, and BLM will concur with the Oil Conservation Division's Order provided no BLM minerals are stranded. An approved Development Area could also be reversed by an Oil Conservation Division compulsory pooling Order and BLM will concur with Order provided no BLM minerals are being stranded.
- J. A Development Area can be modified after approval with a supplemental notification subject to Authorized Officer's discretion up to two miles beyond the terminus of the original approved Development Area.
- K. An approved Development Area can be withdrawn after approval with a follow-up Development Area recission letter to affected lessees.
- L. A Development Area map will be published quarterly by BLM to share the status of development areas within the DPA to the public. A Notice to Lessee (NTL) can be issued upon request in the form of an approval letter according to Section 6.e.(2)(b) of SO 3324 to any affected party, as defined above in Section II.B.3 of this IM. The NTL letter will contain the location and boundary of the Development Area and a survey plat of the associated Drilling Island. The approval of a Development Area does not grant the operator permission to drill a well. **Approval to drill within a Development Area may only be granted through an approved APD.** BLM will process any APDs associated with the Development Area proposals as provided in Section I, above.

M. BLM may approve pending Development Areas applications that comply with statutory and regulatory requirements in order to further administer SO 3324.

IV. Oil and Gas Buffer Zones

BLM staff apply the following definitions within the DPA:

Oil well: An oil well within the DPA is a well with a total depth above the base of the Second Bone Spring Sandstone Member of the Bone Spring Formation. The base of the Second Bone Spring Sandstone Member is defined as the marker encountered at a depth of 10,585 feet in the Devon Energy – Todd 14K Federal 1, API No. 30-015-20298 located in the NE4 of SW4 Section 14, T23S, R31E. An oil well shall be given a ½ mile buffer, until such time as revised distances are adopted by the BLM or in an individual case when the facts and circumstances demonstrate that such adjustment would enhance conservation and would not compromise safety, as references in SO 3324, Section 6.e (3).

Gas Well: A gas well within the DPA is a well penetrating the base of the Second Bone Spring Sandstone Member of the Bone Spring Formation. A gas well hall be given a ½ mile buffer, until such time a revised distances are adopted by the BLM or in an individual case when the facts and circumstances demonstrate that such adjustment would enhance conservation and would not compromise safety, as referenced in Order 3324, Section 6.e.(3).

See Attachment 3, Cross-section of the Bone Spring Formation in the DPA for more information on the geological marker for the base of the Second Bone Spring Sandstone Member.

At this time the Authorized Officer may approve an oil well with a pilot hole drilled no deeper than 50 feet below the base of the Second Bone spring Sandstone, as described above, for the purposes of geophysical logging. A pilot hole will provide more certainty that the wellbore will be drilled and completed in the proposed target zone. Such pilot hole may be authorized only on condition that they shall not be stimulated and must be plugged with cement isolating the wellbore from deeper zones to the satisfaction of the Authorized Officer, prior to drilling the lateral.

V. Appeal Process

All decision documents issued by the CFO will notify applicants and affected parties of their appeal rights. An approved Development Area can be appealed to the State Director within 20 days of the approval of Development Area. Decision of the State Director may be appealed to the Interior Board of Land Appeals (IBLA).

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

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22277 LEA COUNTY, NEW MEXICO.

CASE NO. 23149 ORDER NO. R-22277

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22278 LEA COUNTY, NEW MEXICO.

CASE NO. 23150 ORDER NO. R-22278

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22279 LEA COUNTY, NEW MEXICO.

CASE NO. 23151 ORDER NO. R-22279

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22280 LEA COUNTY, NEW MEXICO.

CASE NO. 23152 ORDER NO. R-22280

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22281 LEA COUNTY, NEW MEXICO.

CASE NO. 23153 ORDER NO. R-22281

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22282 LEA COUNTY, NEW MEXICO.

CASE NO. 23154 ORDER NO. R-22282

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22283 LEA COUNTY, NEW MEXICO

CASE NO. 23155 ORDER NO. R-22283

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22284 LEA COUNTY, NEW MEXICO.

CASE NO. 23156 ORDER NO. R-22284

SELF-AFFIRMED STATEMENT OF JOHN MARTIN ANTHONY

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B

- 1. I am a geologist at Colgate Operating, LLC ("Colgate"). I am over 18 years of age, 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 geology were accepted and made a matter of record.
 - 2. I am familiar with the geological matters pertaining to the above referenced cases.
- 3. I testified by affidavit in Case Nos. 22788-22795. My testimony and exhibits in those cases are true and accurate. For purposes of clarity, I have provided the exhibits here as referenced below.
- 4. **Exhibit B-1** is a regional locator map that identifies the Batman project area, in proximity to the Capitan Reef within the Delaware Basin.
- 5. **Exhibit B-2** is a gun barrel diagram of Colgate's development plan for the Batman wells.
- 6. **Exhibit B-3** contains cross section locator maps for the Wolfcamp wells that are the subject of Case Nos. 23149 through 23152. The approximate wellbore paths for the proposed Batman Fed Com 201H, 202H, 203H, and 204H wells ("Wolfcamp Wells") are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. These maps identify the cross-section running from A-A' with the cross-section well names and a black line in proximity to the proposed wells.
- 7. **Exhibit B-4** contains Wolfcamp Structure maps on the base of the Wolfcamp formation in TVD subsea with a contour interval of 50 ft. The maps identify the approximate wellbore paths for the proposed Wolfcamp Wells with purple dashed lines. The location of the cross-section running from A-A' is identified in proximity to the proposed wells. The data points

are indicated by red triangles. The map demonstrates the formation is gently dipping to the south in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

- 8. **Exhibit B-5** identifies three wells penetrating the targeted intervals for the Wolfcamp Wells that I used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. It contains gamma ray, resistivity, and porosity logs. The structural cross section from north to south shows the regional dip to the south for the Wolfcamp Wells. The target zone for these proposed wells is the Wolfcamp formation, which is consistent across the units. The approximate well-path for the proposed wells is indicated by dashed lines to be drilled from north to south across the units.
- 9. **Exhibit B-6** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-5. The cross section is oriented from north to south and is hung on the top of the Wolfcamp formation. The proposed landing zone for the Wolfcamp Wells is labeled on the exhibit. The approximate well-path for the proposed wells is indicated by dashed lines to be drilled from north to south across the units. This cross-section demonstrates the target interval is continuous across the units.
- 10. **Exhibit B-7** contains cross section locator maps for the Bone Spring wells that are the subject of Case Nos. 23153 through 23156. The approximate wellbore paths for the proposed Batman Fed Com 111H, 112H, 113H, 114H, 121H, 122H, 123H, 124H, 125H, 126H, 127H, 128H, 171H, 172H, 173H, 174H, 131H, 132H, 133H, and 134H wells are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. These maps identify

the cross-section running from A-A' with the cross-section well names and a black line in proximity to the proposed wells.

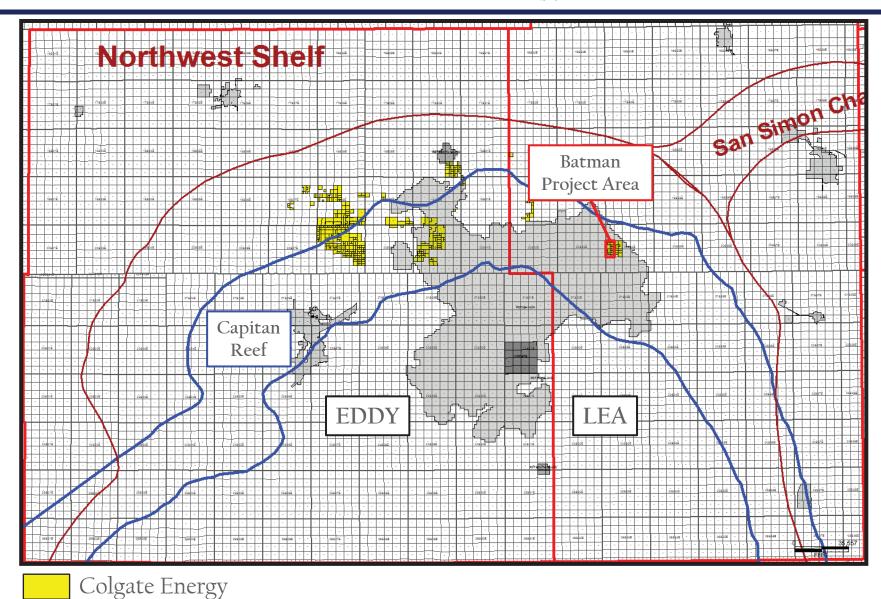
- 11. **Exhibit B-8** contains First Bone Spring Structure maps on the base of the First Bone Spring formation in TVD subsea with a contour interval of 50'. The maps identify the approximate wellbore paths for the First Bone Spring wells with a black dashed line. They also identify the location of the cross-section running from A-A' in proximity to the proposed wells. The data points are indicated by red triangles. The maps demonstrate the formation is gently dipping to the south-southeast. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 12. **Exhibit B-9** contains Second Bone Spring Structure maps in TVD subsea with a contour interval of 50'. The maps identify the approximate wellbore paths for the Second Bone Spring wells with orange dashed lines. They also identify the location of the cross-section running from A-A' in proximity to the proposed wells. The data points are indicated by red triangles. The maps demonstrate the formation is gently dipping to the south-southeast. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 13. **Exhibit B-10** contains Third Bone Spring Structure maps in TVD subsea with a contour interval of 50'. The maps identify the approximate wellbore paths for the Harkey Formation wells with a maroon dashed line. They also identify the location of the cross-section running from A-A' in proximity to the proposed wells. The data points are indicated by red triangles. The maps demonstrate the formation is gently dipping to the south in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

- 14. **Exhibit B-11** contains Third Bone Spring Structure maps in TVD subsea with a contour interval of 50'. The maps identify the approximate wellbore paths for the Third Bone Spring wells with a red dashed line. They also identify the location of the cross-section running from A-A' in proximity to the proposed wells. The data points are indicated by red triangles. The maps demonstrate the formation is gently dipping to the south in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- I used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. It contains gamma ray, resistivity, and porosity logs. The structural cross section from north to south shows the regional dip to the south-southeast for the First Bone Spring, Second Bone Spring, Harkey, and Third Bone Spring formations. The target zones for the proposed wells are the Bone Spring formation, which are consistent across the Units. The approximate wellbore paths for the Wells are indicated by dashed lines.
- 15. **Exhibit B-13** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-12. The cross section is oriented from north to south and is hung on the top of the Wolfcamp formation. The proposed landing zones for the Wells are labeled on the exhibit. The approximate wellbore paths for the Wells are indicated by dashed lines. This cross section demonstrates the target intervals are continuous across the Units.
- 16. In my opinion, a standup orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Units and is the preferred fracture orientation in this portion of the trend.

- 17. Based on my geologic study of the area, the targeted intervals underlying the Units is suitable for development by horizontal wells and the tracts comprising the Units will contribute more or less equally to the production of the Wells.
- 18. In my opinion, the granting of Colgate's applications will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 19. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 20. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. 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 below.

John Martin Anthony

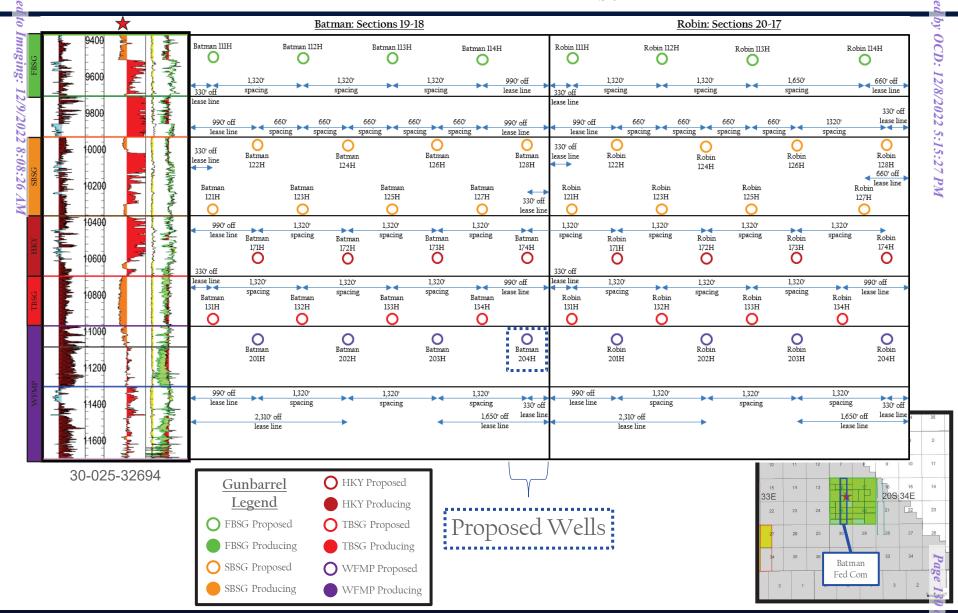
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Gun Barrel Development Plan Etman Fed Com 204H

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-2





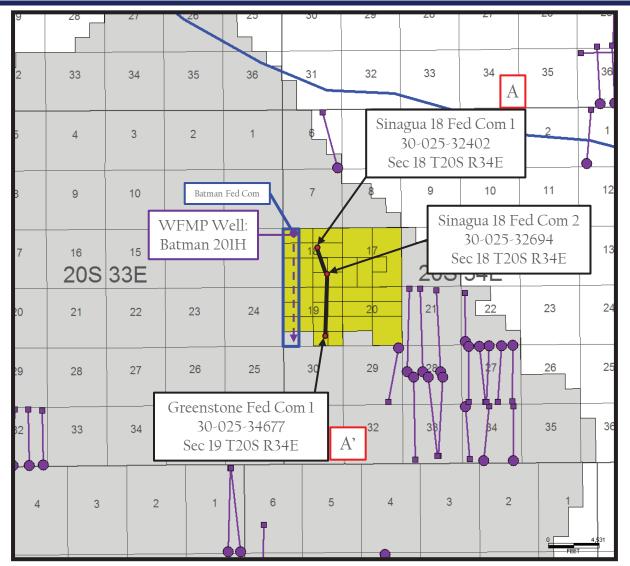
Gross-Section Locator Map

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Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-3





Proposed Wells



Producing Wells



Colgate Energy

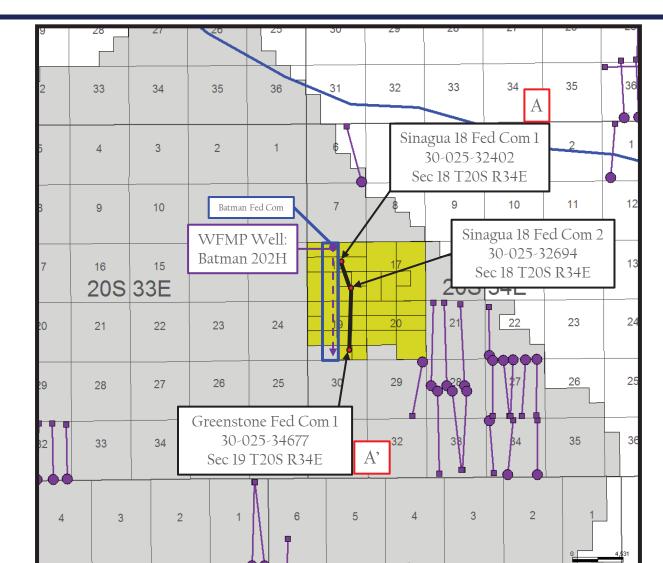
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Fross-Section Locator Map

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<u>Proposed Wells</u>



Producing Wells



Colgate Energy

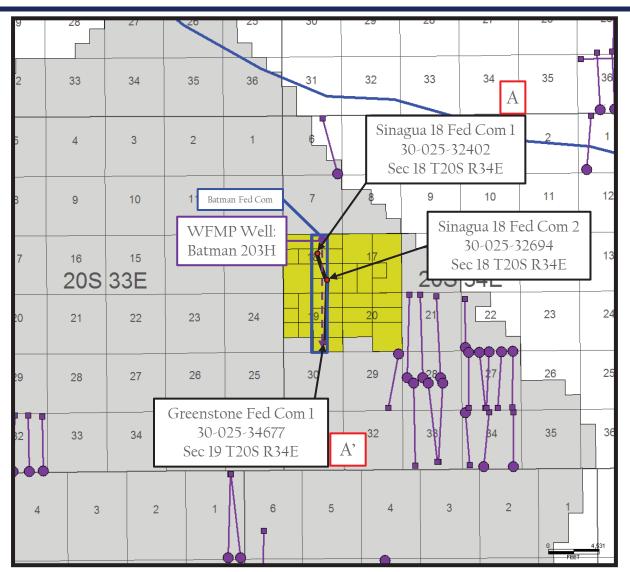
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Proposed Wells



Producing Wells



Colgate Energy

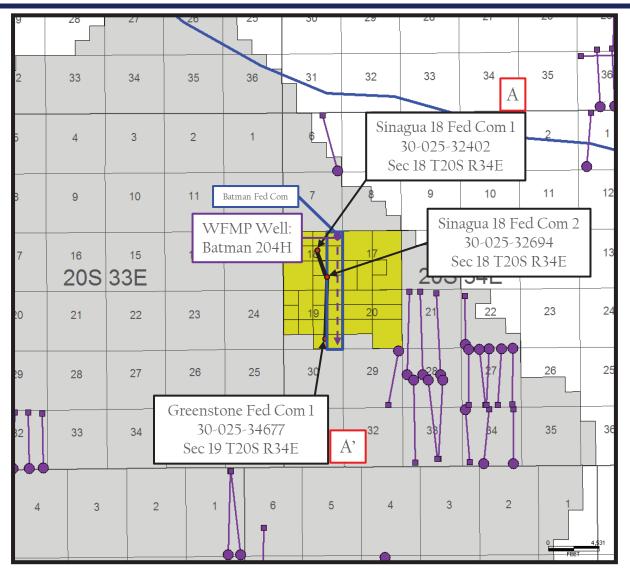
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Proposed Wells



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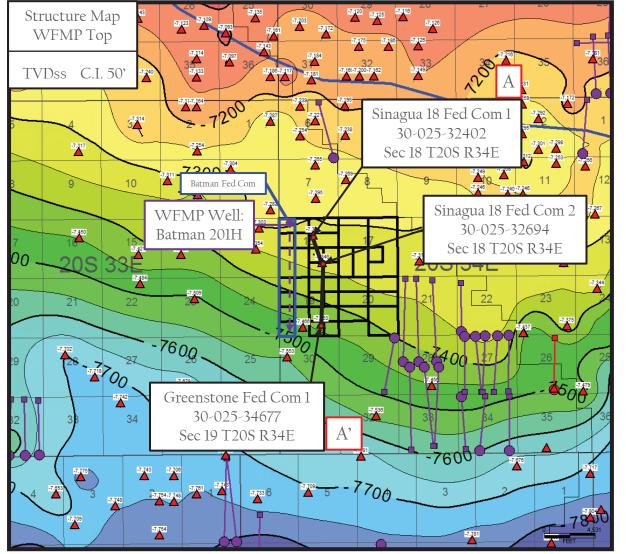
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Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-4







Control Poin TVDss





Producing Wells

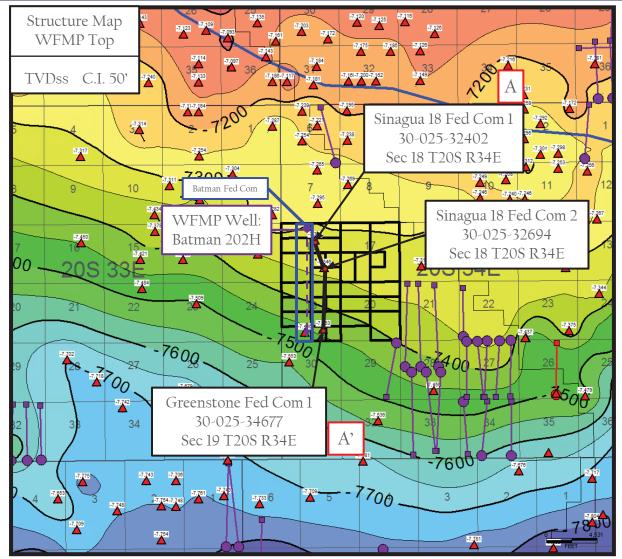


Wolfcamp – Structure Map

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Control Poin TVDss





Producing Wells

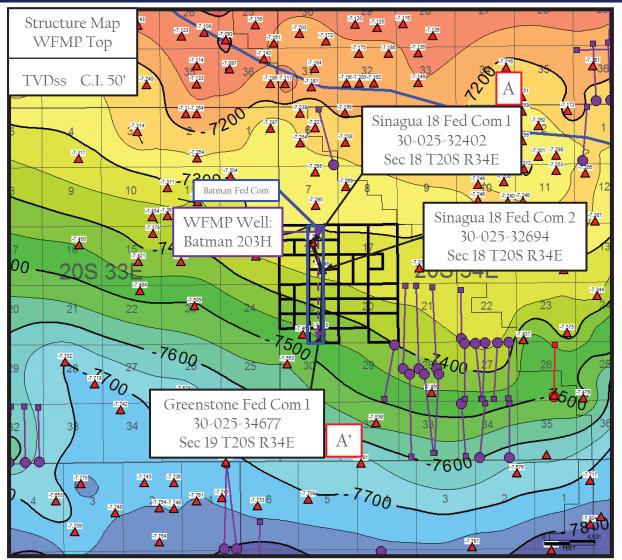


Wolfcamp – Structure Map

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Control Poin TVDss





Producing Wells

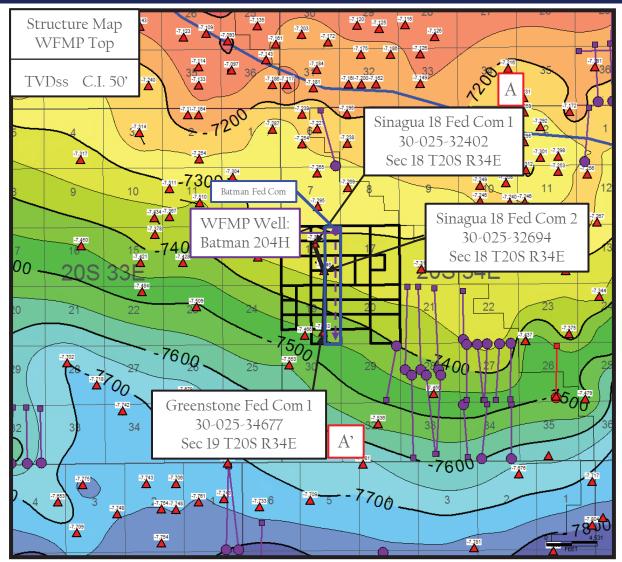


Wolfcamp – Structure Map

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Control Point
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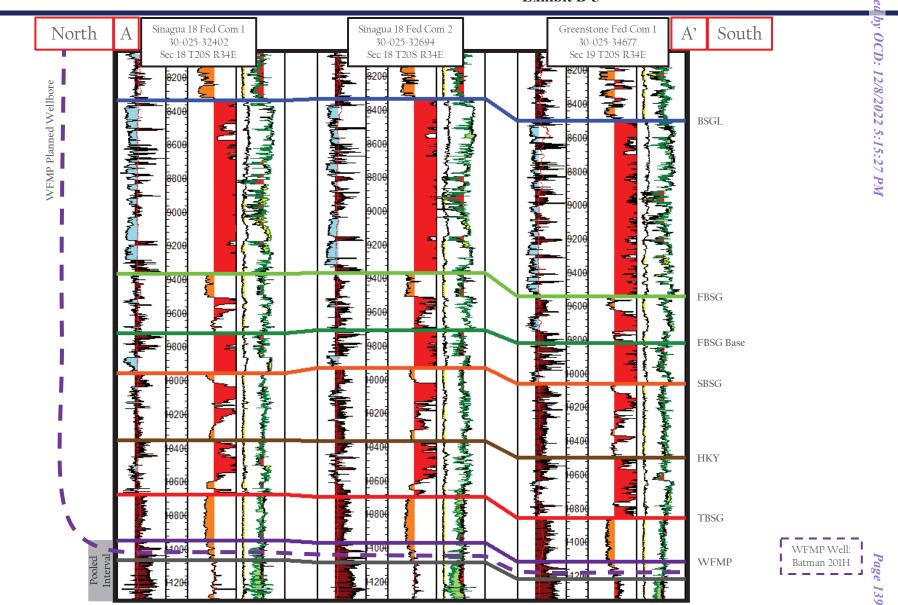
Producing Wells



Structural Cross-Section A-A' Etman Fed Com 201H

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-5

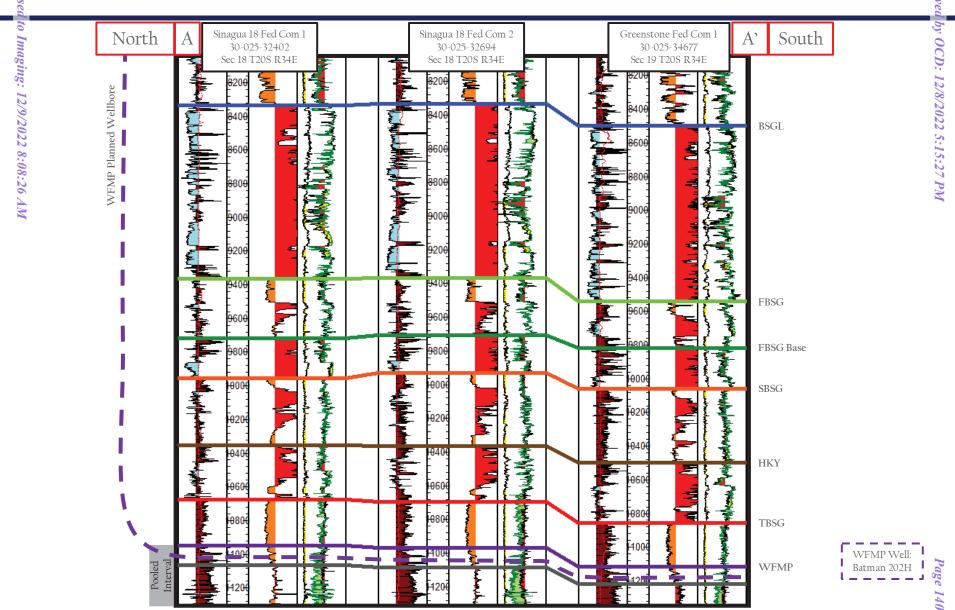




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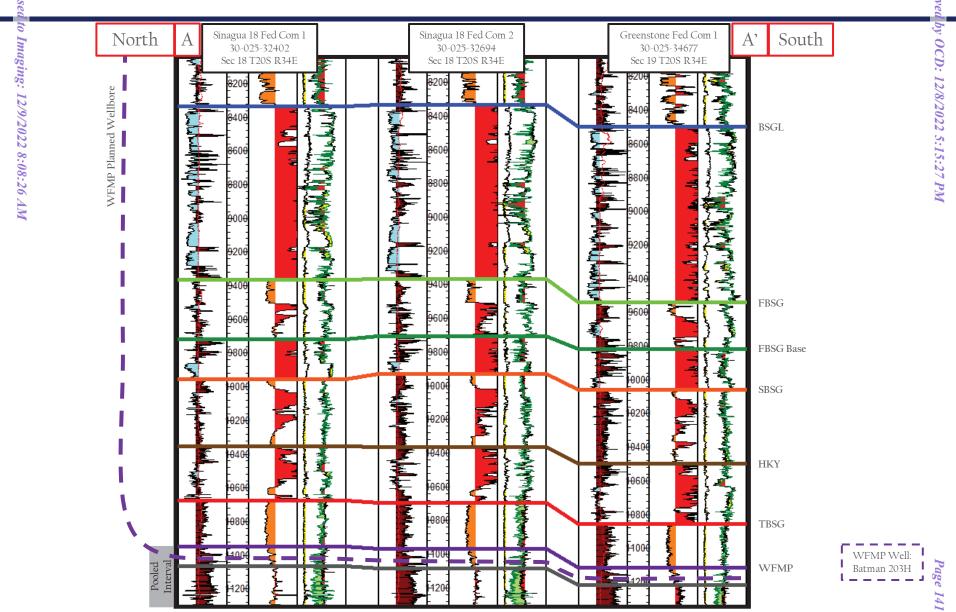
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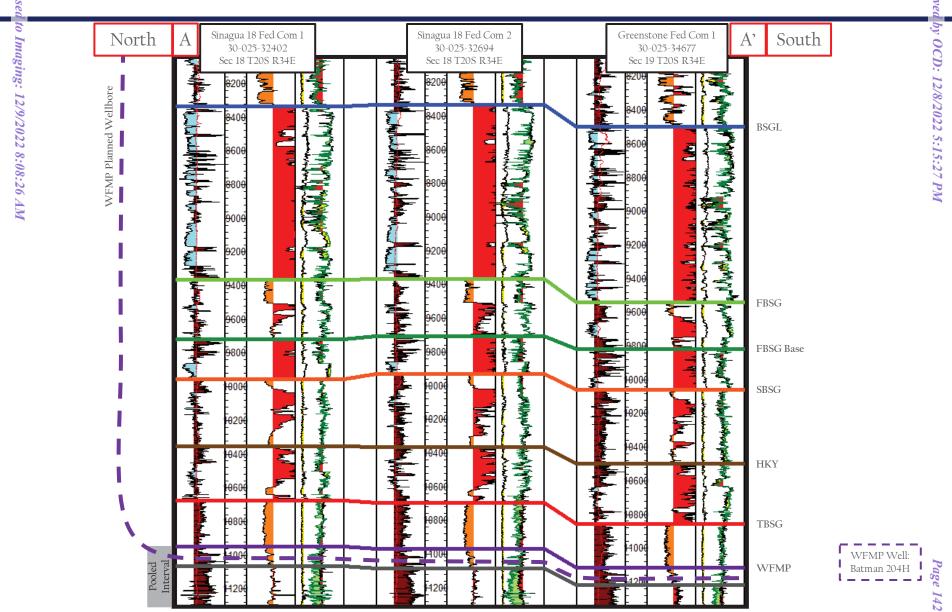
Structural Cross-Section A-A' Etman Fed Com 203H





Structural Cross-Section A-A' Internal Cross-Section A-A'

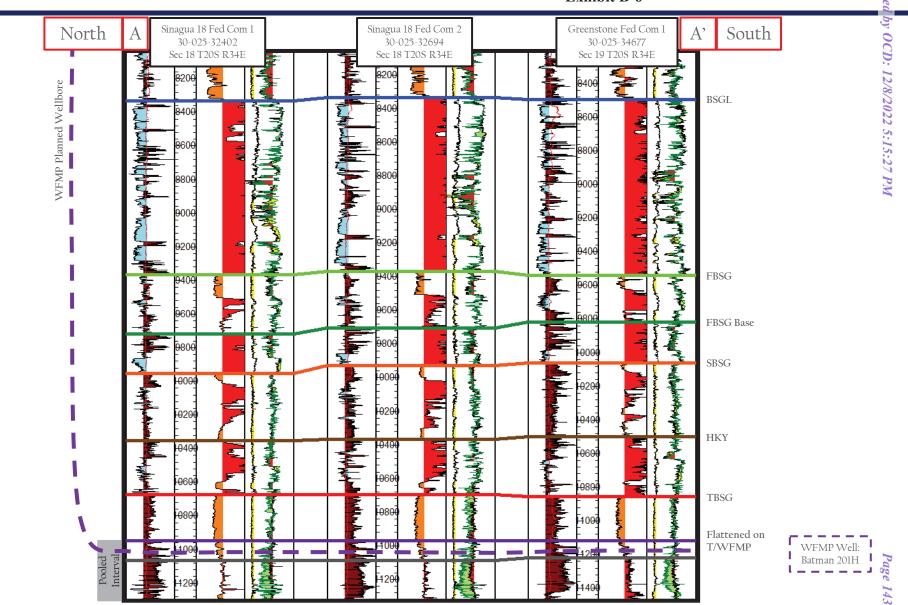




Stratigraphic Cross-Section A-A' Etman Fed Com 201H

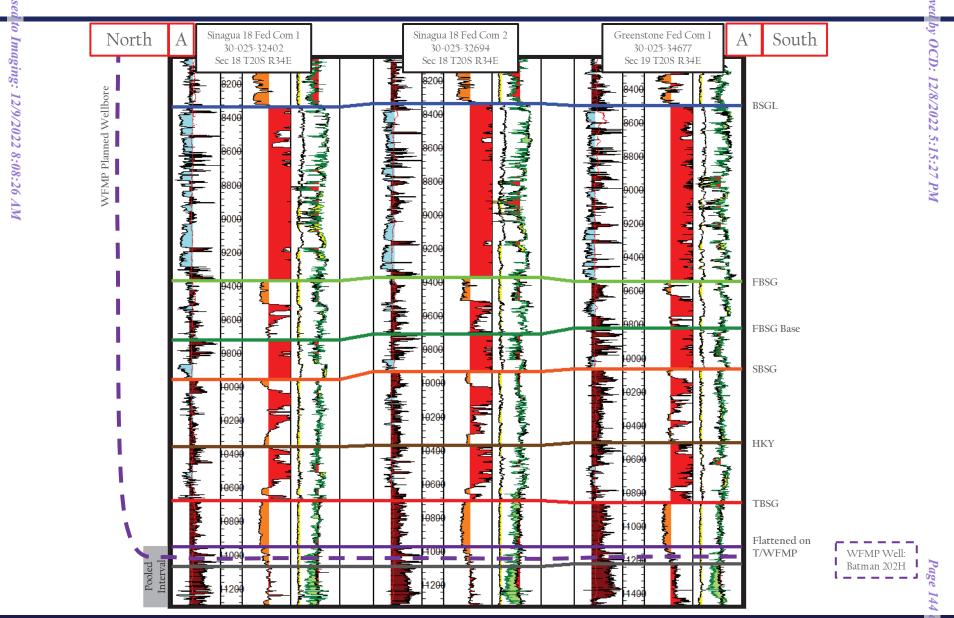
Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-6





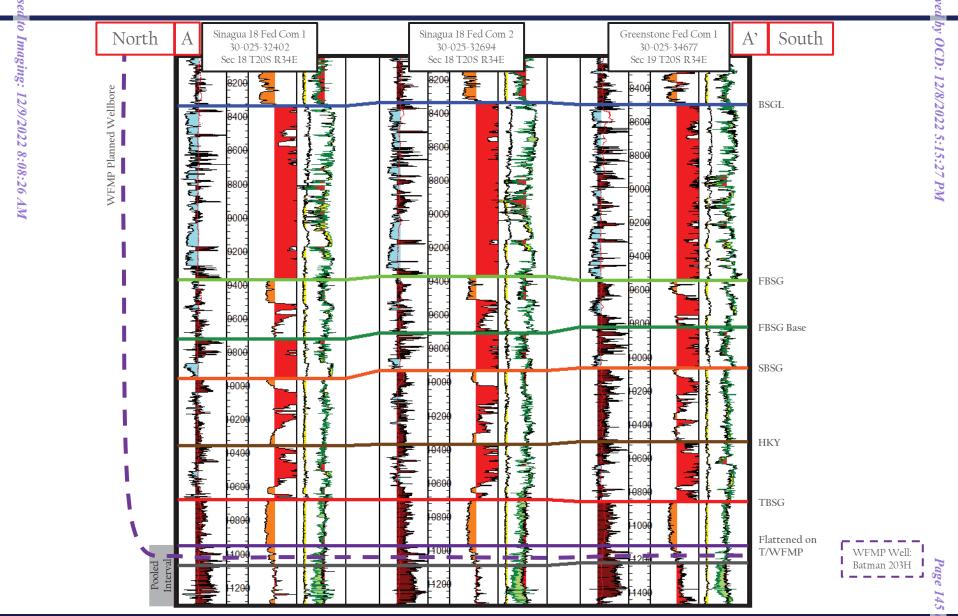
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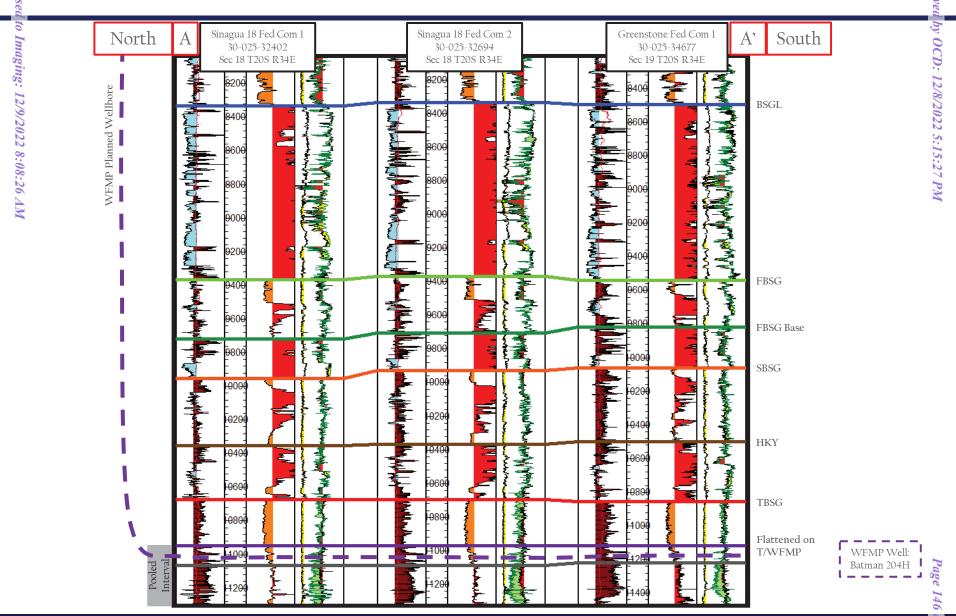
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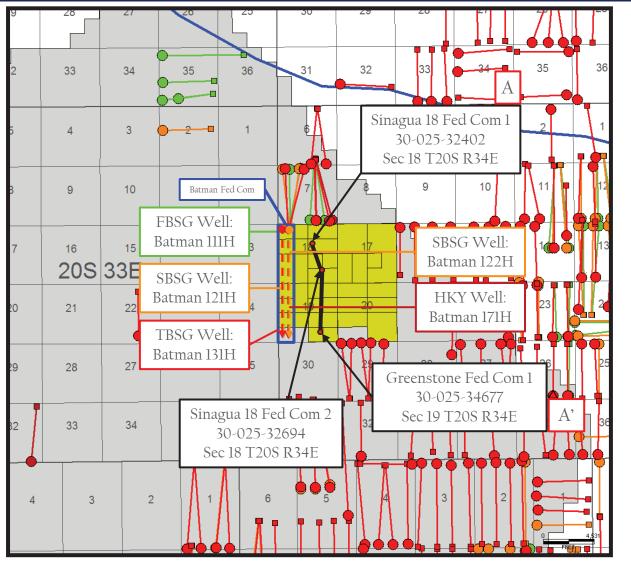




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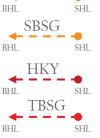




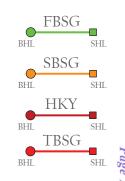


FBSG

Proposed Wells



Producing Wells

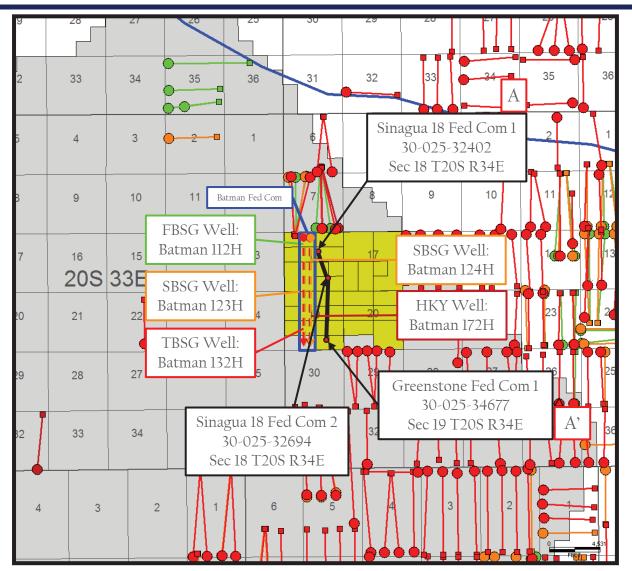


. CONFIDENTIAL

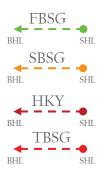
Fross-Section Locator Map

tman Fed Com – 112H, 123H, 124H, 172H, 132H

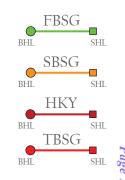




Proposed Wells



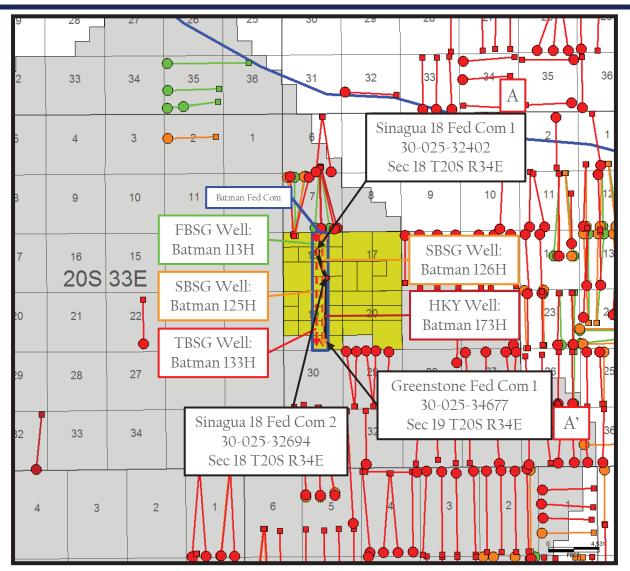
Producing Wells



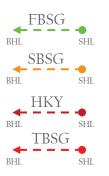
Fross-Section Locator Map

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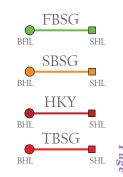




Proposed Wells



Producing Wells

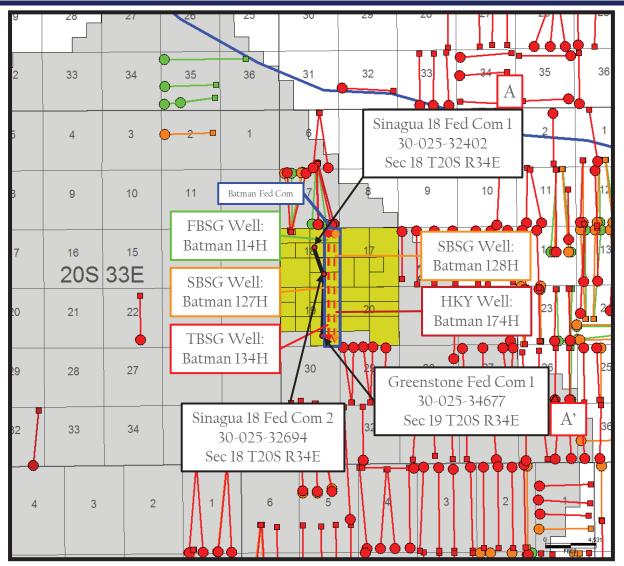


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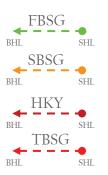
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International Education International Education International Internatio

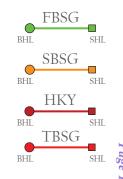




Proposed Wells



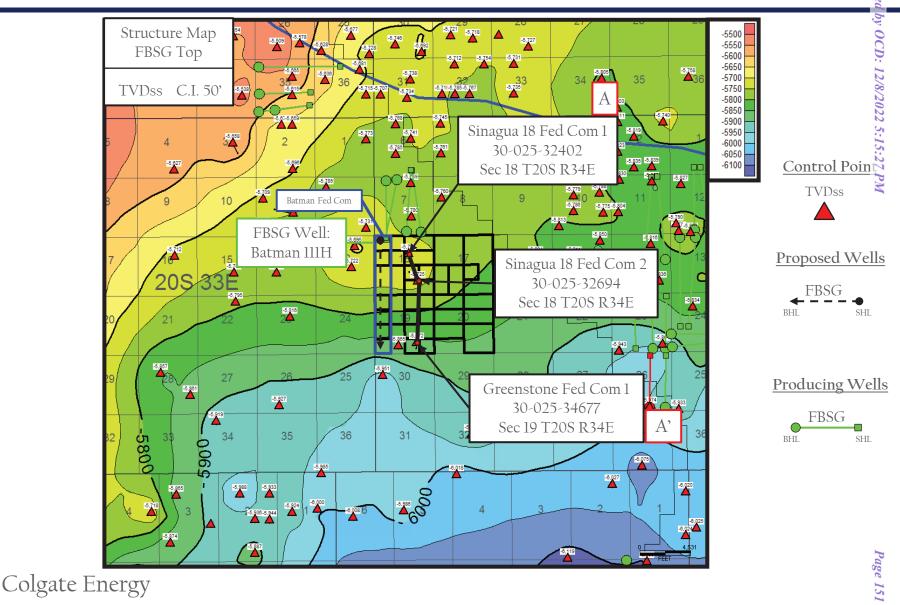
Producing Wells



Colgate Energy

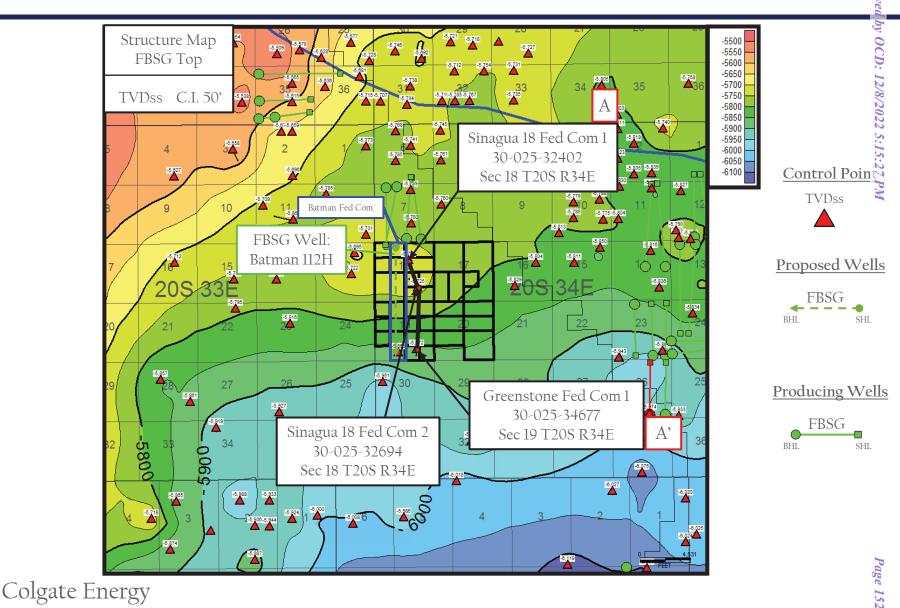
Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-8





149



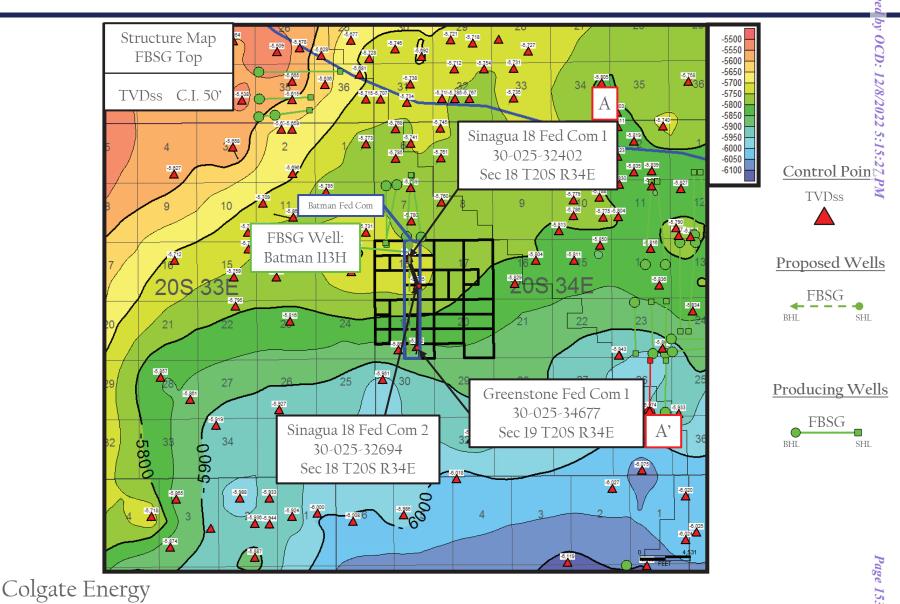


150

tman Fed Com 113H

to Imaging: 12/9/2022 8:08:26 AM



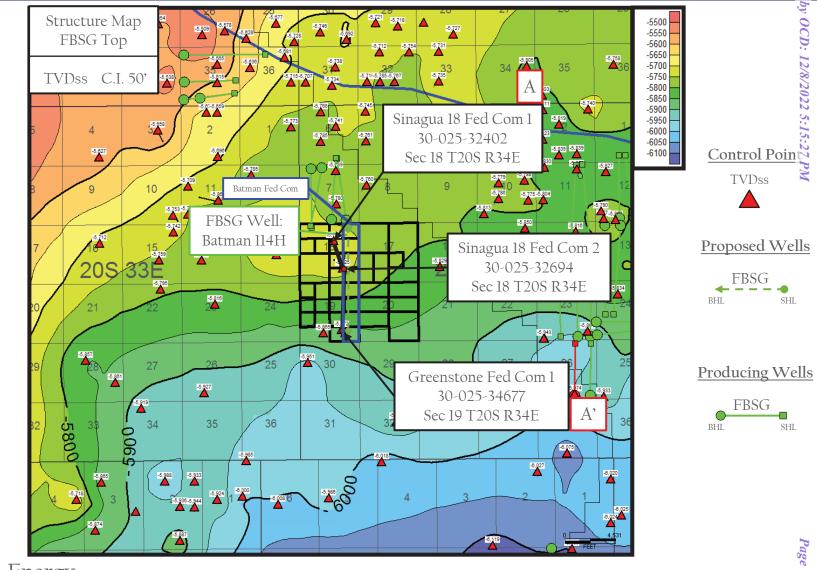


151

tman Fed Com 114H

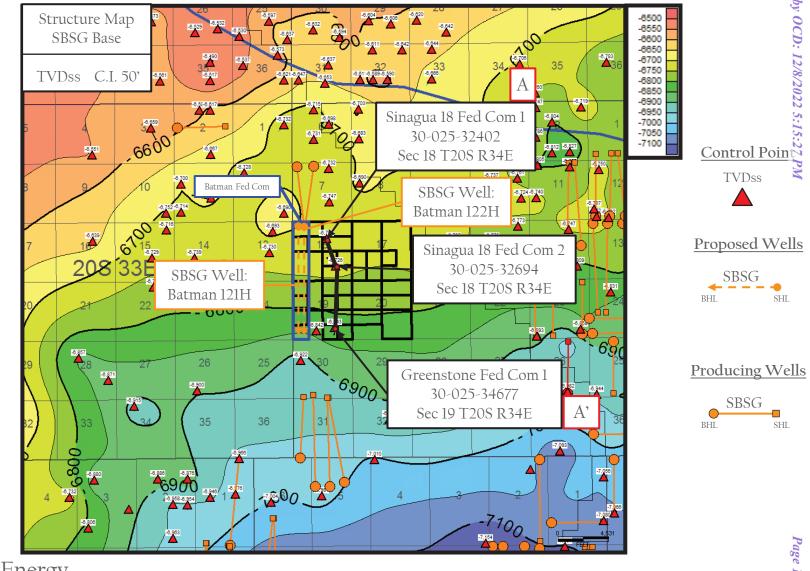
to Imaging: 12/9/2022 8:08:26 AM





Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-9

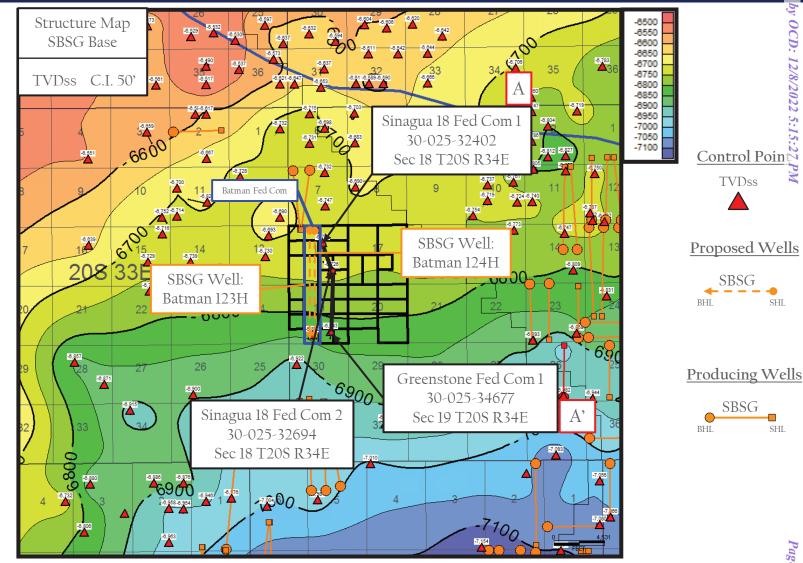




Colgate Energy

Second Bone Spring – Structure Map Etman Fed Com 123H, 124H



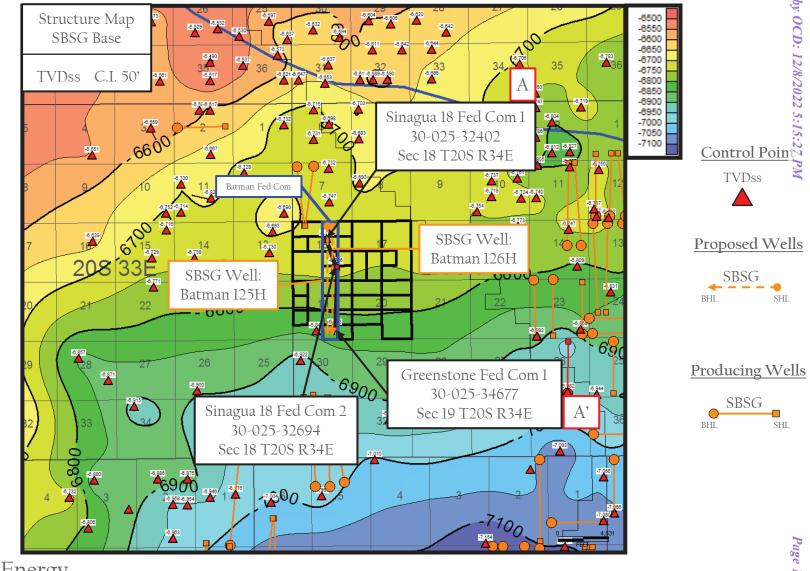


Colgate Energy

Second Bone Spring – Structure Map Etman Fed Com 125H, 126H



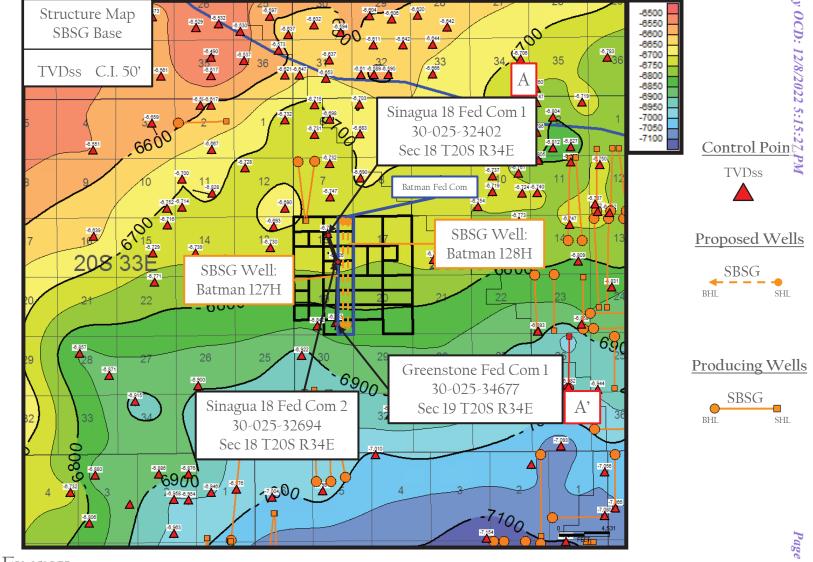




Second Bone Spring – Structure Map Etman Fed Com 127H, 128H

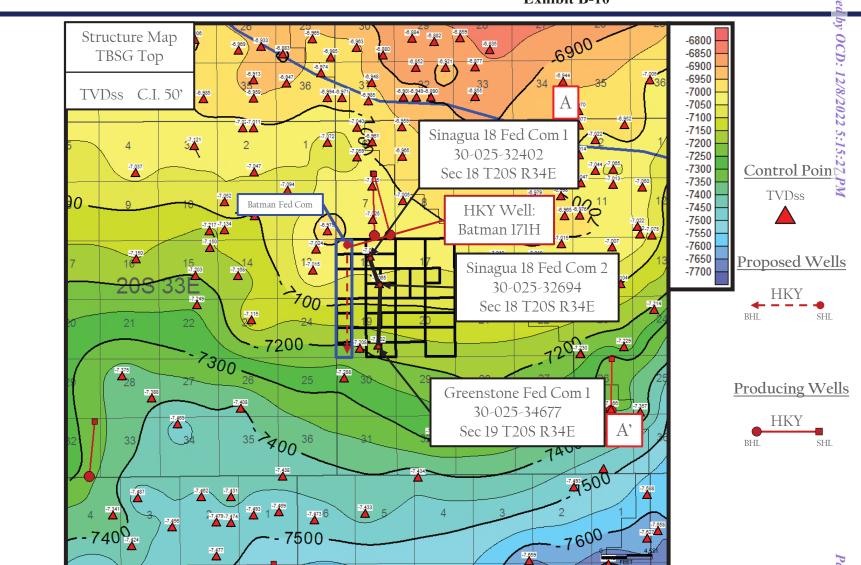
COLGATE ENERGY





Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-10



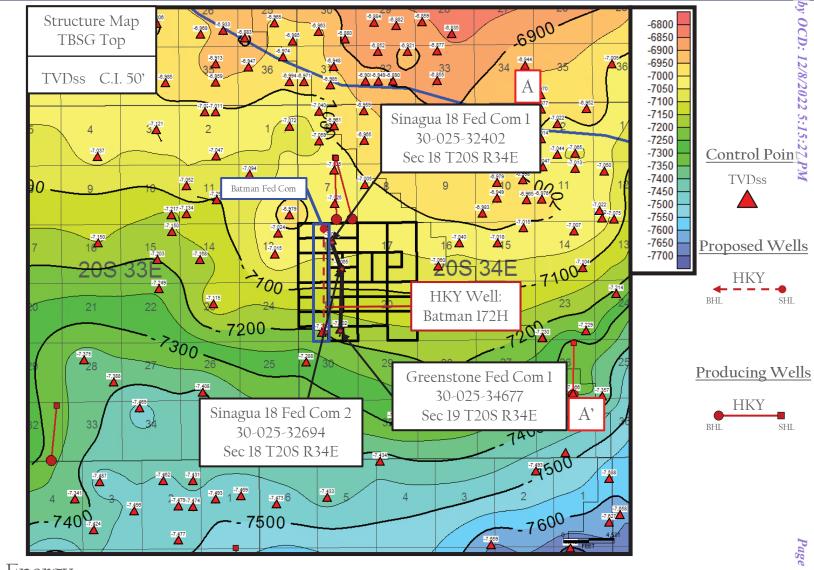


Colgate Energy

🗟tman Fed Com 172H

to Imaging: 12/9/2022 8:08:26 AM

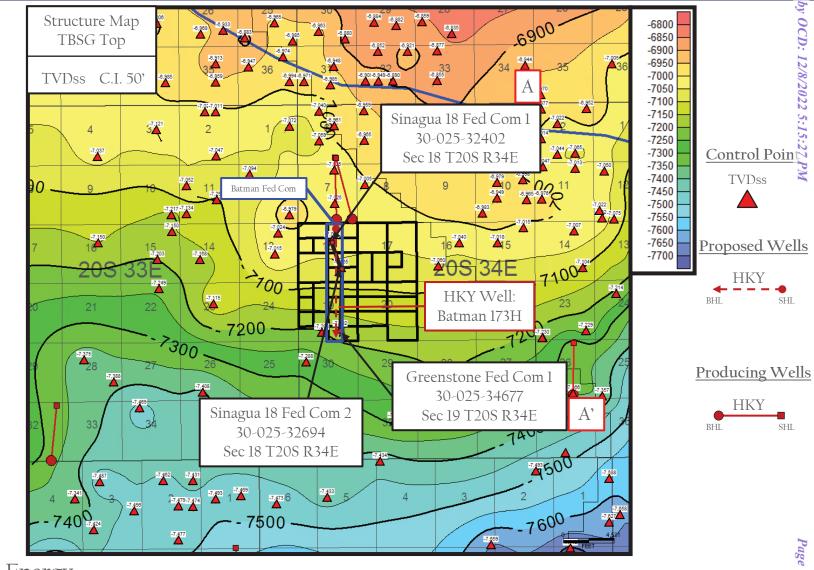




🗟tman Fed Com 173H

to Imaging: 12/9/2022 8:08:26 AM

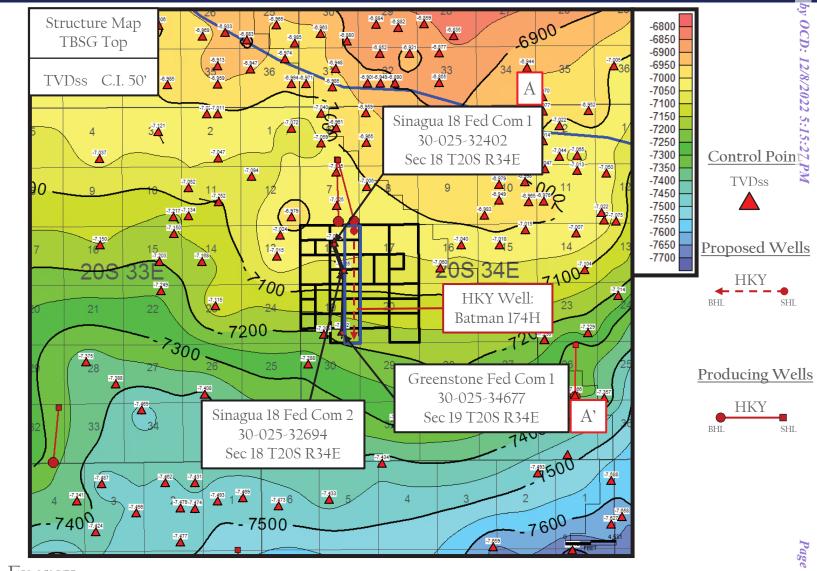




🏚 tman Fed Com 174H

to Imaging: 12/9/2022 8:08:26 AM

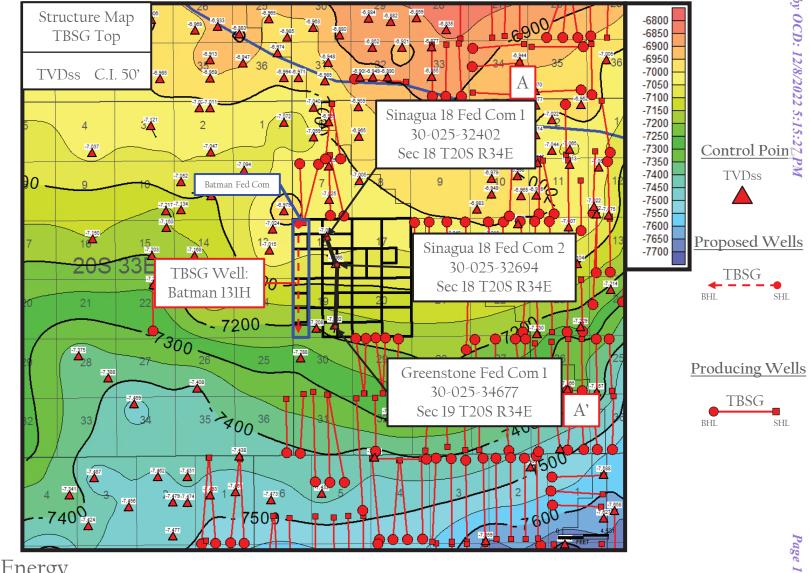




Third Bone Spring – Structure Map Etman Fed Com 131H

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-11

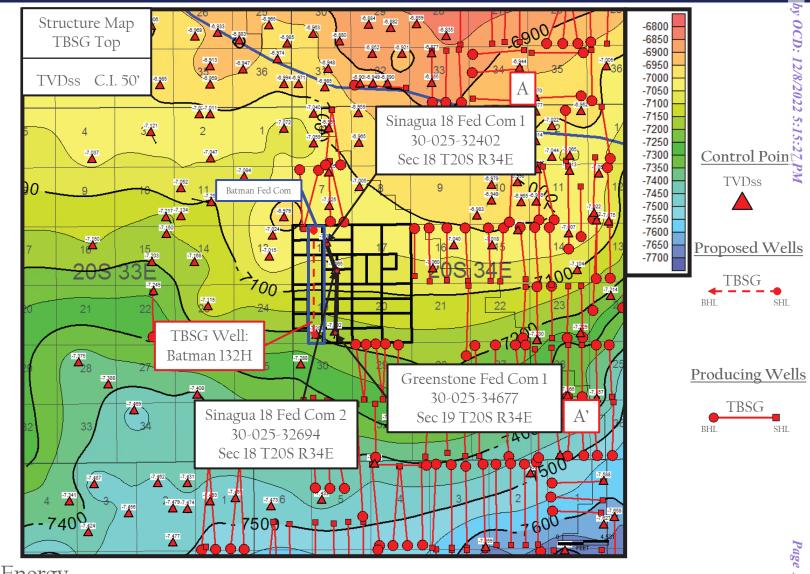




Colgate Energy

tman Fed Com 132H

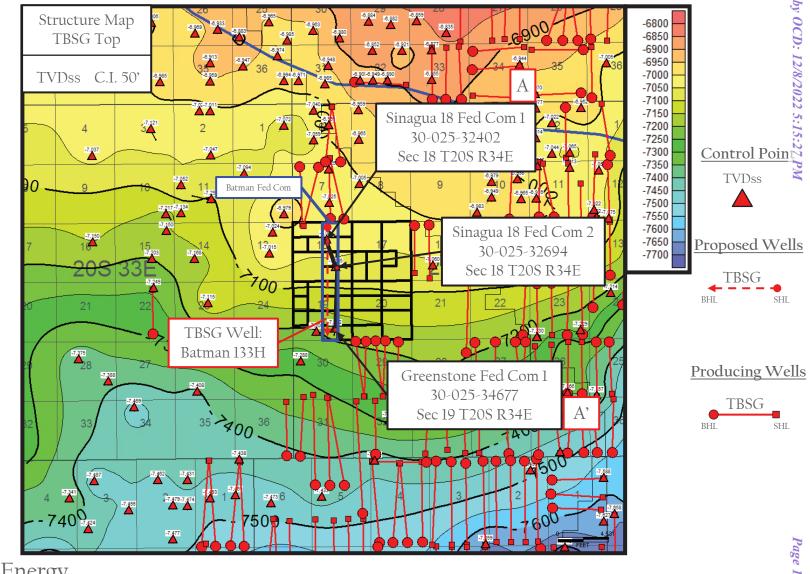




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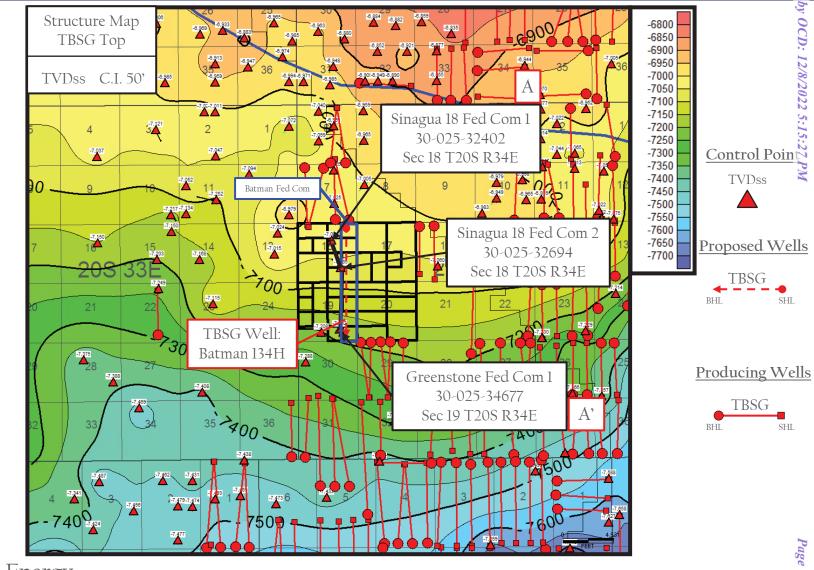




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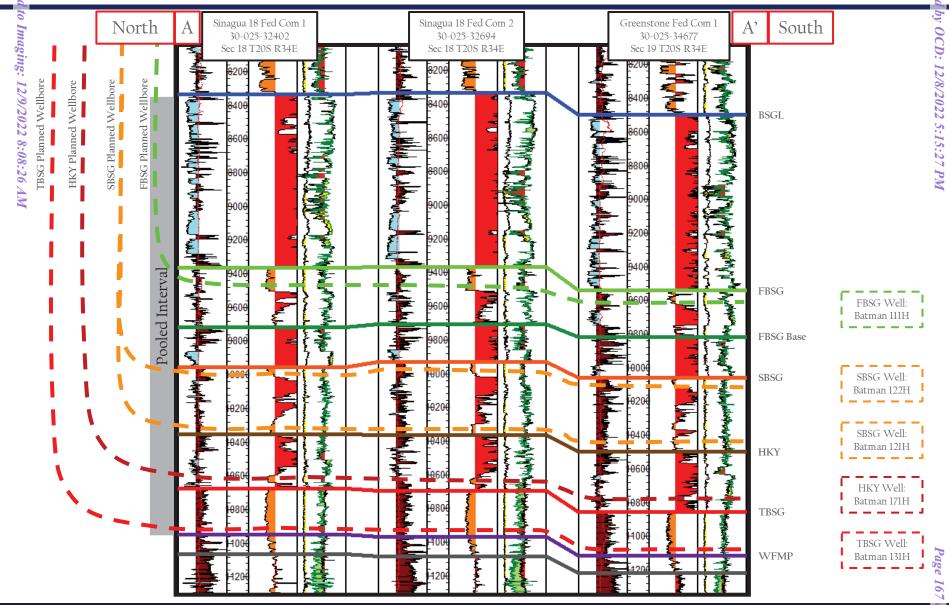






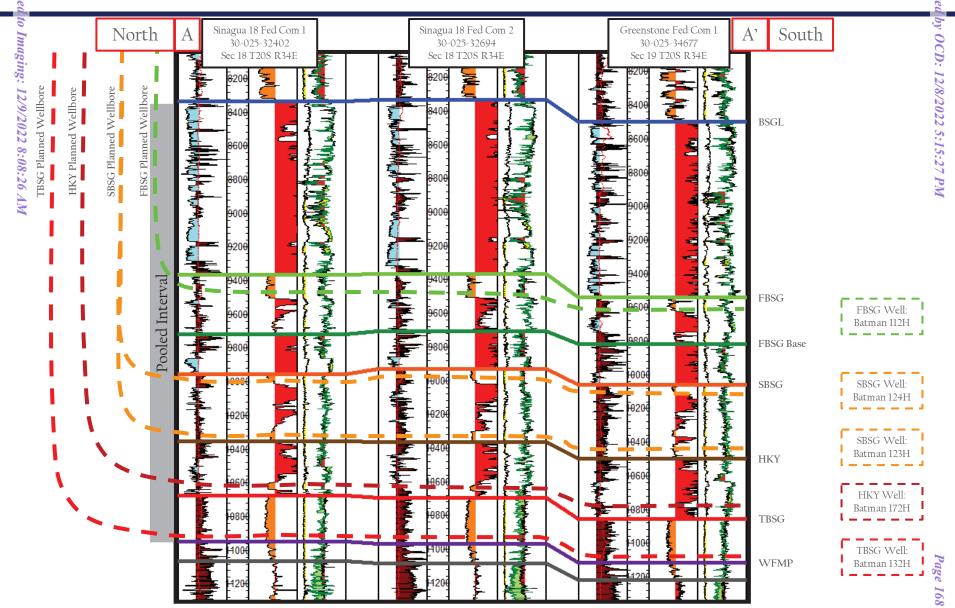
Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-12





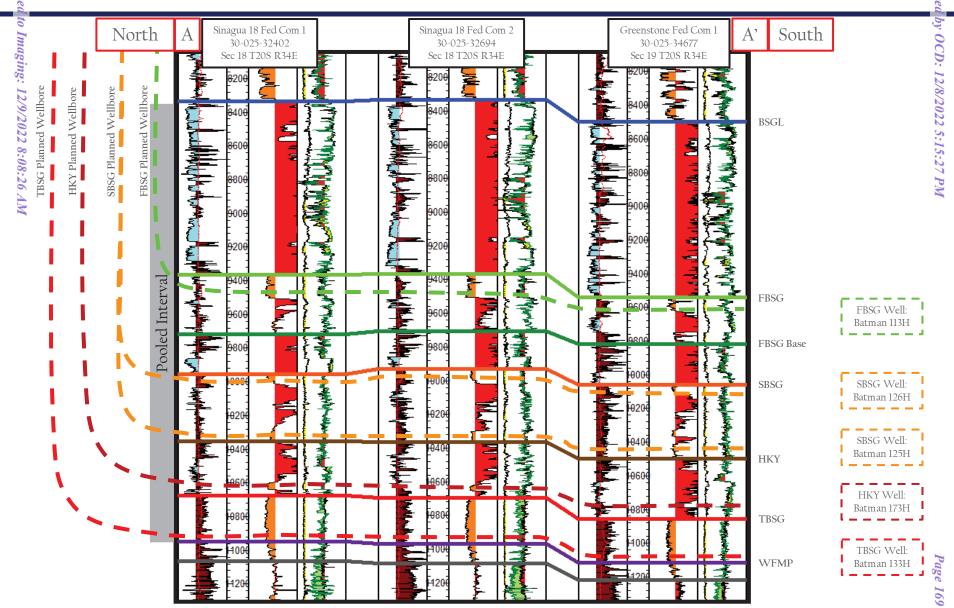
Structural Cross-Section A-A' Etman Fed Com 112H, 123H, 124H, 172H, 132H





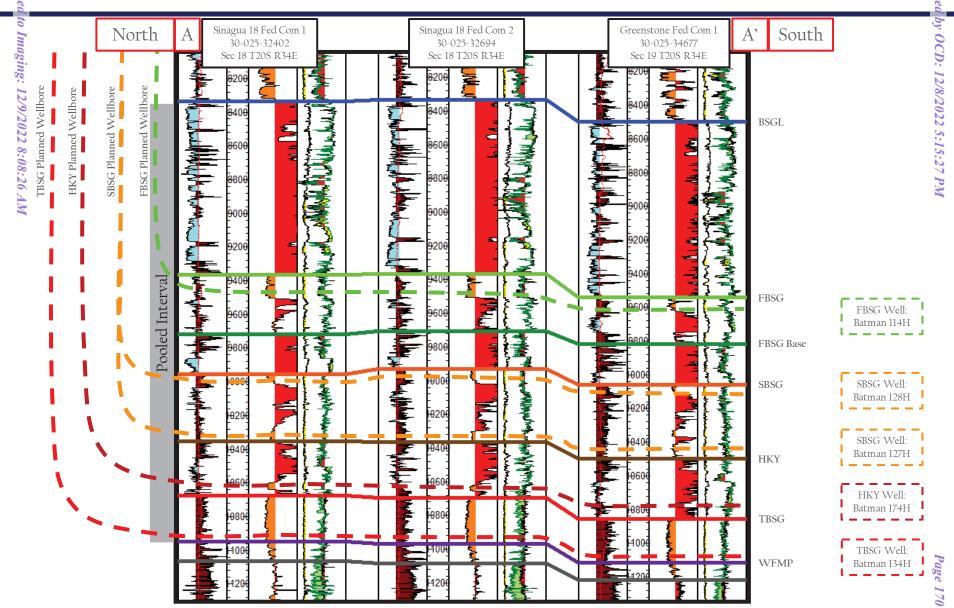
Structural Cross-Section A-A' Etman Fed Com 113H, 125H, 126H, 173H, 133H





Structural Cross-Section A-A' Hatman Fed Com 114H, 127H, 128H, 174H, 134H



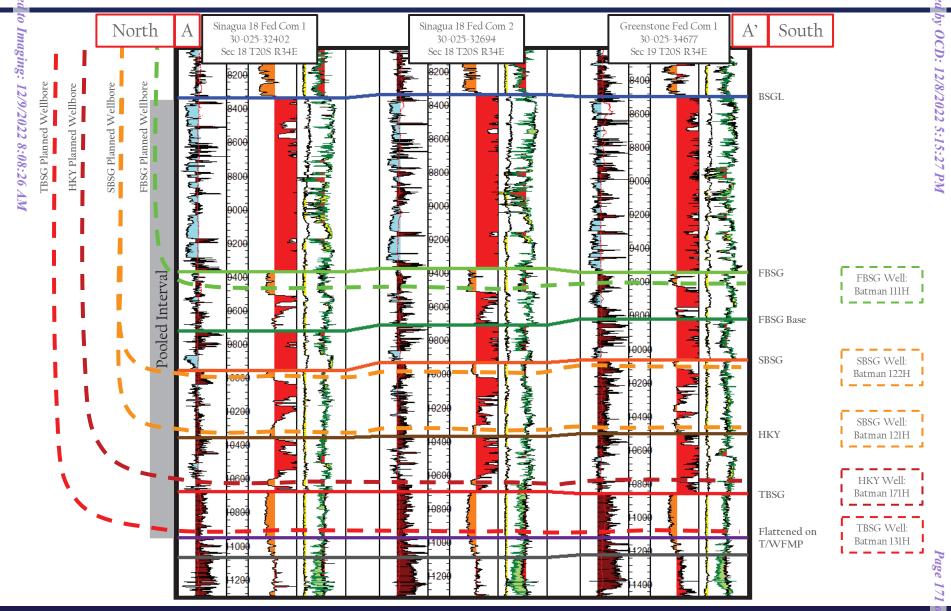


Stratigraphic Cross-Section A-A' Litman Fed Com 111H, 121H, 122H, 171H, 131H

CONFIDENTIAL

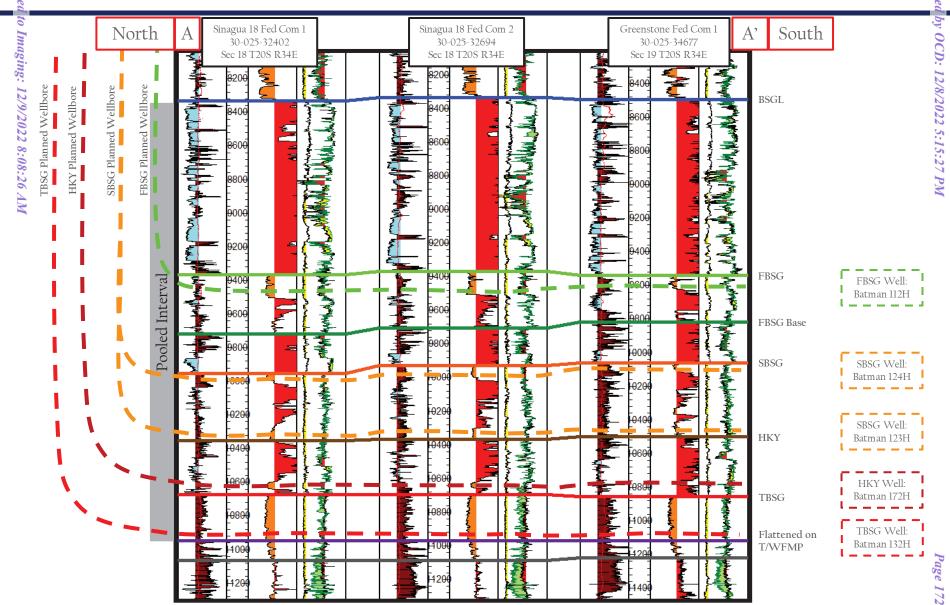
Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-13





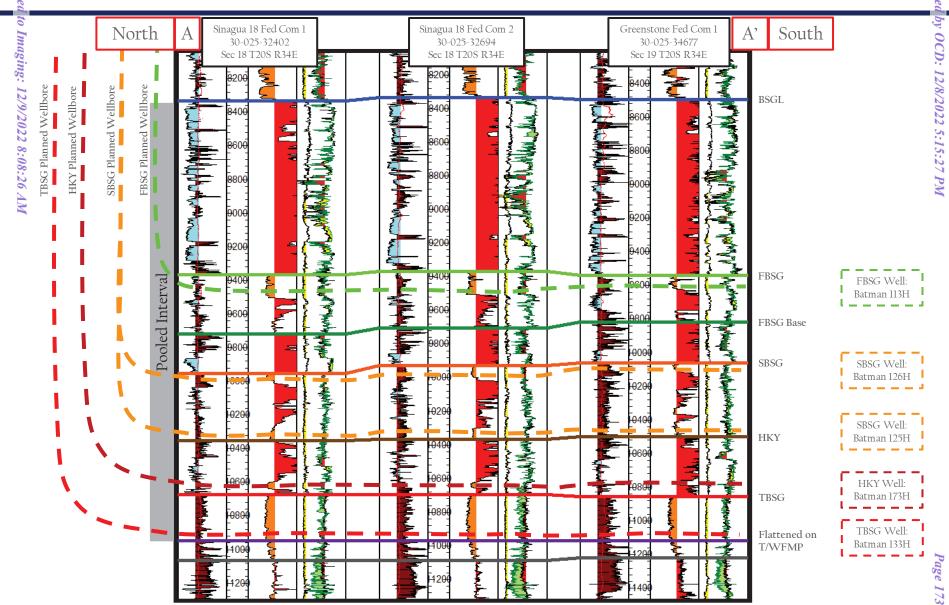
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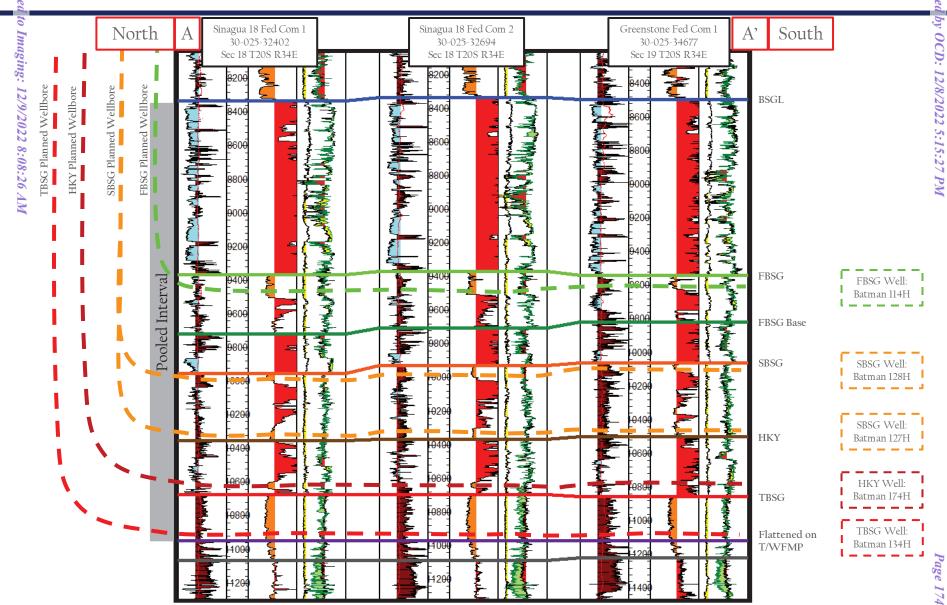
Stratigraphic Cross-Section A-A' Litman Fed Com 113H, 125H, 126H, 173H, 133H





Stratigraphic Cross-Section A-A' Litman Fed Com 114H, 127H, 128H, 174H, 134H





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

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22277 LEA COUNTY, NEW MEXICO.

CASE NO. 23149 ORDER NO. R-22277

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22278 LEA COUNTY, NEW MEXICO.

CASE NO. 23150 ORDER NO. R-22278

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22279 LEA COUNTY, NEW MEXICO.

CASE NO. 23151 ORDER NO. R-22279

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22280 LEA COUNTY, NEW MEXICO.

CASE NO. 23152 ORDER NO. R-22280

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS,

CASE NO. 23153

UNDER ORDER NO. R-22281 LEA COUNTY, NEW MEXICO.

ORDER NO. R-22281

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22282

CASE NO. 23154

LEA COUNTY, NEW MEXICO.

ORDER NO. R-22282

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22283

CASE NO. 23155

LEA COUNTY, NEW MEXICO

ORDER NO. R-22283

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22284 LEA COUNTY, NEW MEXICO.

CASE NO. 23156 ORDER NO. R-22284

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit C Received by OCD: 12/8/2022 5:15:27 PM

Page 176 of 191

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

Applicant herein.

2. I am familiar with the Notice Letters attached as **Exhibit C-1**

3. The above referenced Applications were 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 and includes copies of the certified mail green cards and

white slips as supporting documentation for proof of mailing.

4. On October 18, 2022, I caused a notice to be published to all interested parties in

the Hobbs News Sun. The Affidavits of Publication from the Legal Clerk of the Hobbs News Sun,

along with copies of the notice publications, are attached as Exhibit C-3.

5. 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 4 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.

/s/ Dana S. Hardy

Dana S. Hardy

December 8, 2022

Date



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

October 7, 2022

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

TO ALL PARTIES ENTITLED TO NOTICE

Case Nos. 23151, 23152, 23155, 23156 - Applications of Colgate Operating, LLC to Pool Additional Interests under Order Nos. R-22279, R-22280, R-22283, and R-22284, Lea 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 **November 3, 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 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 contact Travis Macha at (432) 400-1037 if you have questions about this matter.

Sincerely,

175

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit C-1

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332 PO BOX 1720 ARTESIA, NEW MEXICO 88211 575-622-6510 (FAX) 575-746-6316 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

October 7, 2022

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Doyle Hartman P.O. Box 10426 Midland, TX 79702

Re:

Case Nos. 23149 -23156 - Applications of Colgate Operating, LLC to Pool Additional Interests under Order Nos. R-22277, R-22278, R-22279, R-22280, R-22281, R-22282, R-22283, and R-22284, Lea County, New Mexico.

Dear Mr. Hartman:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. You are receiving this notice because you are a record title owner of the leases at issue, and Colgate seeks to pool your record title interest. The hearing will be conducted on **November 3**, 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 contact Travis Macha at (432) 400-1037 if you have any questions about this matter.

176

| Sincerely, | |
|-------------------|--|
| /s/ Dana S. Hardy | |
| Dana S. Hardy | |

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332 PO BOX 1720 ARTESIA, NEW MEXICO 88211 575-622-6510 (FAX) 575-746-6316 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 TO POOL ADDITIONAL
INTERESTS UNDER ORDER NOs. R-22279-80
AND R-22283-84, LEA COUNTY,
CASE NOs. 23151-52 & 23155-56
ORDER NOs. R-22279-80 & R-22283-84

NOTICE LETTER CHART

| PARTY | NOTICE LETTER SENT | RETURN RECEIVED |
|------------------------------|--------------------|----------------------------|
| Khody Land & Minerals Co. | 10/07/22 | Per USPS Tracking |
| 333 W. Sheridan Ave. | | (Last checked 12/07/22): |
| Oklahoma City, OK 73102-5010 | | |
| | | 10/15/22 – Item in transit |
| | | to next facility. |
| Lerwick Ltp | 10/07/22 | 10/17/22 |
| 101 Brookline Drive | | |
| Ashefille, NC 28803 | | |

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit C-2

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

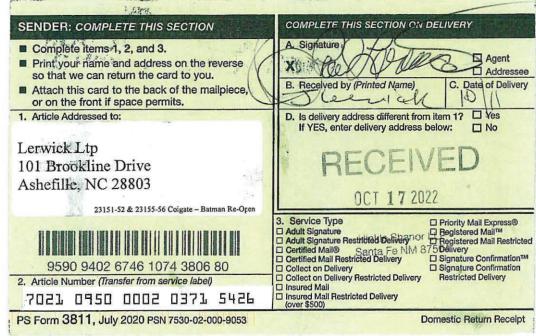
APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NOs. R-22277-84, LEA COUNTY, NEW MEXICO.

CASE NOs. 23149-56 ORDER NOs. R-22277-84

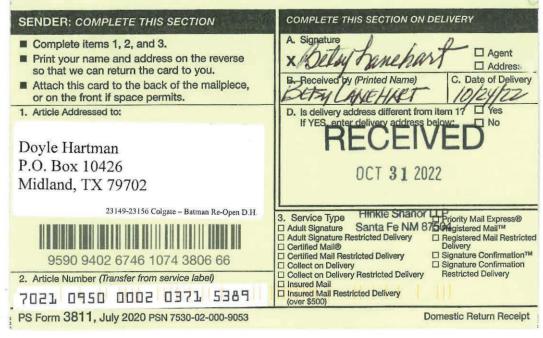
NOTICE LETTER CHART

| PARTY | NOTICE LETTER SENT | RETURN RECEIVED |
|-------------------|--------------------|-----------------|
| Doyle Hartman | 10/07/22 | 10/31/22 |
| P.O. Box 10426 | | |
| Midland, TX 79702 | | ! |











STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated October 16, 2022 and ending with the issue dated October 16, 2022.

Publisher

Sworn and subscribed to before me this 16th day of October 2022.

Business Manager

My commission expires

January 29, 2023

(Seal)
GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526
My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE October 16, 2022

This is to notify all interested parties, including Doyle Hartman; and his successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23149). The hearing will be conducted remotely on November 3, 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.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22277. Order No. R-22277 pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 201H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00271991

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit C-3

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated October 18, 2022 and ending with the issue dated October 18, 2022.

Publisher

Sworn and subscribed to before me this 18th day of October 2022.

Business Manager

My commission expires

January 29, 2023

GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526
My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE October 18, 2022

This is to notify all interested parties, including Doyle Hartman, and his successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23150). The hearing will be conducted remotely on November 3, 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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22278. Order No. R-22278 pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 202H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

02107475

00272087

STATE OF NEW MEXICO COUNTY OF LEA

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> Beginning with the issue dated October 16, 2022 and ending with the issue dated October 16, 2022.

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GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

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LEGAL

LEGAL

LEGAL NOTICE October 16, 2022

This is to notify all interested parties, including Doyle Hartman; Lerwick Ltp.; Khody Land & Minerals Co.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23151). The hearing will be conducted remotely on November 3, 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.emnrd.nm.gov/ocd/hearing-info/ Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22279. Order No. R-22279 pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 203H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico. #38129

02107475

00271993

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated October 18, 2022 and ending with the issue dated October 18, 2022.

Publisher

Sworn and subscribed to before me this 18th day of October 2022.

Business Manager

My commission expires January 29, 2023

(Seal)

GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE October 18, 2022

This is to notify all interested parties, including Doyle Hartman; Lerwick Ltp.; Khody Land & Minerals Co.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23152). The hearing will be conducted remotely on November 3, 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.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22280. Order No. R-22280 pooled all uncommitted interests in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19. Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Batman Fed Com 204H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 27.62 miles southwest of Hobbs, New Mexico.

02107475

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STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated October 18, 2022 and ending with the issue dated October 18, 2022.

Publisher

Sworn and subscribed to before me this 18th day of October 2022.

Business Manager

My commission expires January 29, 2023

(Seal)

GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE October 18, 2022

This is to notify all interested parties, including Doyle Hartman; and his successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23153). The hearing will be conducted remotely on November 3, 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.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22281. Order No. R-22281 pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the Lots 1, 2, 3, and 4 (W/2 W/2 equivalent) of irregular Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 121H; Batman Fed Com 121H; Batman Fed Com 121H; Batman Fed Com 121H; Batman Fed Com 131H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

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00272089

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated October 18, 2022 and ending with the issue dated October 18, 2022.

Publisher

Sworn and subscribed to before me this 18th day of October 2022.

Business Manager

My commission expires January 29, 2023

(Seal)

GUSSIE BLACK

Notary Public - State of New Mexico

Commission # 1087526

My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE October 18, 2022

This is to notify all interested parties, including Doyle Hartman, and his successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23154). The hearing will be conducted remotely on November 3, 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.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22282. Order No. R-22282 pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 124H; Batman Fed Com 123H; Batman Fed Com 132H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

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STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated October 16, 2022 and ending with the issue dated October 16, 2022.

Publisher

Sworn and subscribed to before me this 16th day of October 2022.

Business Manager

My commission expires January 29, 2023

(Seal)

GUSSIE BLACK
Notary Public - State of Now Mickico
Commission # 1027626
Aty Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

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LEGAL NOTICE October 16, 2022

This is to notify all interested parties, including Doyle Hartman; Lerwick Ltp.; Khody Land & Minerals Co.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23155). The hearing will be conducted remotely on November 3, 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.emnrd.nm.gov/ocd/hearing-info/Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22283. Order No. R-22283 pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the W/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 113H; Batman Fed Com 125H; Batman Fed Com 126H; Batman Fed Com 173H; and Batman Fed Com 126H; Batman Fed Com 173H; and Batman Fed Com 133H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

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00271995

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated October 16, 2022 and ending with the issue dated October 16, 2022.

Publisher

Sworn and subscribed to before me this 16th day of October 2022.

Business Manager

My commission expires

January 29, 2023 (Seat)

GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE October 16, 2022

This is to notify all interested parties, including Doyle Hartman; Lerwick Ltp.; Khody Land & Minerals Co.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23156). The hearing will be conducted remotely on November 3, 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.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22284. Order No. R-22284 pooled all uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the following wells ("Wells"): Batman Fed Com 114H; Batman Fed Com 127H; Batman Fed Com 128H; Batman Fed Com 174H; and Batman Fed Com 134H. The Order designated Applicant as operator of the Unit and Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 27.62 miles southwest of Hobbs, New Mexico.

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