# 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

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

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

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

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

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

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22284 LEA COUNTY, NEW MEXICO. CASE NO. 23149 ORDER NO. R-22277

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### 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

**Released to Imaging: 12/9/2022 8:14:44 AM** 

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.<sup>1</sup>

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<sup>&</sup>lt;sup>1</sup> 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.

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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.

18. Colgate requests the additional uncommitted interests be pooled under the terms of 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.

21. 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.

n

12-8-22

Date

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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**

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

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.

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.

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

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.

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.

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

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.

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.

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

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.

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.

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

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 124H; 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.

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.

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

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.

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.

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

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.

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.

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

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

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-2 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. 22788 ORDER NO. R-22277 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 that exceed 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 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

Date: 9/26/2022

CASE NO. 22788 ORDER NO. R-22277

# Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST E 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	
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 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 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
Liovingstal Mall First and Last Tales Deficits	
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD) AFE Capex and Operating Costs	Exhibit A-4
Drilling Supervision/Month \$	\$8,000.00
Drilling Supervision/Nonth \$ Production Supervision/Month \$	\$8,000.00
Justification for Supervision Costs	Exhibit A
Justification for Supervision Costs	
	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing) Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-2
FLOOL OF PUDUSDED NOTICE OF HEARING (11) 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

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CASE NO. 22788 ORDER NO. R-22277

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#### 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

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-3 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. 22789 ORDER NO. R-22278 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 that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable 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 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.



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.:	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	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	E/2 W/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 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	
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 (20 days before hearing)	Exhibit C-3
Ownership Determination	
Related to the Junia Backet M31/2028/28/28/29/PM	Exhibit A-3

CASE NO. 22789 ORDER NO. R-22278

Received by OCD: 5/31/2022 11:51:33 AM	Page 4 of 12
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	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

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#### 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.

### <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. 22790 ORDER NO. R-22279 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 that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable 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 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.



Date: 9/26/2022

CASE NO. 22790 ORDER NO. R-22279

# Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST		
ALL INFORMATION IN THE APPLICATION MUST E		
Case No.:	22790	
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		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	320	
Building Blocks	guarter-guarter	
Orientation	North/South	
Description: TRS/County	W/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 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		
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		
Lehadsod the Janua Berre 5/31/2028 12:132:02 iPM	Exhibit A-3	

CASE NO. 22790 ORDER NO. R-22279

Received by OCD: 5/31/2022 11:52:59 AM	Page 4 of 12
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	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

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#### 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

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-5 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 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 that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable 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 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.



Date: 9/26/2022

CASE NO. 22791 ORDER NO. R-22280

# Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST E	
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 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	guarter-guarter
Orientation	North/South
Description: TRS/County	E/2 E/2 of Sections 18 and 19, Township 20 South, Range 34 East, Le
recent de laca. La versión de la succedor a les adorador a les de la construcción de la	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	
Colords 20 de la	Exhibit A-3

CASE NO. 22791 ORDER NO. R-22280

Received by OCD: 5/31/2022 11:54:26 AM	Page 4 of 12.
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

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CASE NO. 22791 ORDER NO. R-22280

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#### 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

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-6 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. 22792 ORDER NO. R-22281 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 that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable 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 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
	6/2/2022
Hearing Date: 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)
Nell Location Setback Rules	Standard
Spacing Unit Size	320.32
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320.32
Building Blocks	quarter-quarter
Drientation	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) Wel 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)

CASE NO. 22792 ORDER NO. R-22281

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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	
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	
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	Exhibits 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

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CASE NO. 22792 ORDER NO. R-22281

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#### 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

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-7 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. 22793 ORDER NO. R-22282 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 that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable 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 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.



Date: 9/26/2022

CASE NO. 22793 ORDER NO. R-22282

# Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST E	
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
	County, New Mexico
Entries of Appearance/Intervenors	XTO Energy, Inc., Fasken Oil & Ranch Ltd.
Nell 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
Drientation	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 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, T205-R34E
	Completion Target: 2nd Bone Spring (Approx. 10,349' TVD)
	Well Orientation: North to South
M-II #2	
Nell #3	Batman Fed Com 124H (API # pending)
	SHL: 682' 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
Well #4	Batman Fed Com 172H (API # pending)
	SHL: 232' FNL & 1735' FWL, Unit C, Section 18, T20S-R34E
	BHL: 10' FSL & 2327' FWL, Unit N, Setion 19, T20S-R34E
	Completion Target: Harkey (Approx. 10,614' TVD)
	Well Orientation: North to South

CASE NO. 22793 ORDER NO. R-22282

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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	
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
Date:	5/31/2022

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CASE NO. 22793 ORDER NO. R-22282

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#### 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

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-8 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. 22794 ORDER NO. R-22283 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 that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable 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 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

Date: 9/26/2022

CASE NO. 22794 ORDER NO. R-22283

### Exhibit A

ALL INFORMATION IN THE APPLICATION MUST E Case No.:	22794
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	
ormation 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	
Fype (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Drientation	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 Harizantal Mall Spacing Unit (V/N) If No. describe	Yes
Standard Horizontal Well Spacing Unit (Y/N), If No, describe Other Situations	
	No
Depth Severance: Y/N. If yes, description	No No
Proximity Tracts: If yes, description	
Proximity Defining Well: if yes, description Well(s)	N/A
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 113H (API # pending)
	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)
	Well Orientation: North to South
Nell #2	Batman Fed Com 125H (API # pending)
	SHL: 656' FNL & 1,375' FEL, Unit B, Section 18, T20S-R34E
	BHL: 10' FNL & 2,310' FWL, Unit O, Section 19, T203-R34E
	Completion Target: 2nd Bone Spring (Approx. 10,349' TVD)
	Well Orientation: North to South
Nell #3	Batman Fed Com 126H (API # pending)
	, i <i>s</i> ,
	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)
	Well Orientation: North to South
Well #4	Batman Fed Com 173H (API # pending)
	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)
	Well Orientation: North to South

CASE NO. 22794 ORDER NO. R-22283

Received by OCD: 5/31/2022 12:08:41 PM	Page 4 of 1
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
	5/31/2022
Date:	5/51/2022

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CASE NO. 22794 ORDER NO. R-22283

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#### 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

Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-9 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. 22795 ORDER NO. R-22284 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 that exceed 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 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.



Date: <u>9/26/2022</u>

CASE NO. 22795 ORDER NO. R-22284

### Exhibit A

ALL INFORMATION IN THE APPLICATION MUST E 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 Well Family	XTO Energy, Inc., Fasken Oil & Ranch Ltd. Batman Fed Com
Formation/Pool	Batman Fed Com
	Dono Spring Formation
Formation Name(s) or Vertical Extent	Bone Spring Formation Oil
Primary Product (Oil or Gas)	
Pooling this vertical extent Pool Name and Pool Code	Bone Spring Formation
Well Location Setback Rules	Lea; Bone Spring, South Pool (Code 37580) Standard
Spacing Unit Size	320
Spacing Unit Size	
	Horizontal
Гуре (Horizontal/Vertical)	Horizontal 320
Size (Acres) Building Blocks	
	quarter-quarter
Drientation	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
Nell #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
Nell #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
N/	
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

CASE NO. 22795 ORDER NO. R-22284

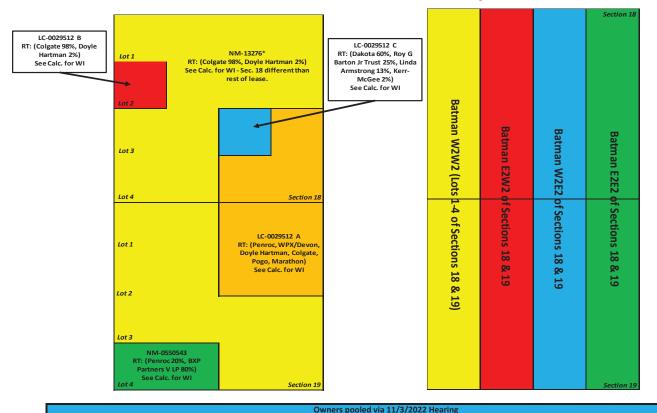
Received by OCD: 5/31/2022 12:10:07 PM	Page 4 of 1
Well #5	Batman Fed Com 134H (API # pending)
	SHL: 206' FNL & 1,315' FEL, Unit A, Section 18, T20S-R34E
	BHL: 10' FSL & 990' FEL, Unit P, Section 19, T20S-R34E
	Completion Target: 3rd Bone Spring (Approx. 10,944' TVD)
	Well Orientation: North to South
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
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	N/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 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
	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	5/31/2022

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CASE NO. 22795 ORDER NO. R-22284

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#### Land Exhibit: W2W2 - Batman Federal Com (WOLFCAMP) Section 18 & 19: W2W2, T2OS-R34E, Lea Co., NM - Containing 320.32 Acres



 Documents Sent
 Documents Sent

 Owner
 Pooling?
 Proposal
 Com Agmt
 Notes

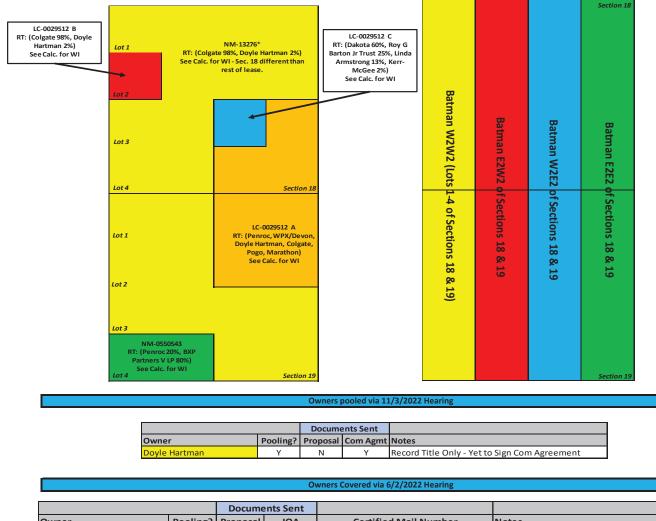
 Doyle Hartman
 Y
 N
 Y
 Record Title Only - Yet to Sign Com Agreement

					- strict's Cl	overed via	5/2/202	_ neuring									
		Do	cumen	ts Sent													
Owner	Pooling	Prop	osal	JOA		Certifie	ed Mail	Number		Notes							
Colgate Production, LLC	N/A	Y	·	Y			N/A										
XTO Holdings, LLC	Y	Y		Y		7021 272	20 0001	4876 755	4								
Marathon Oil Permian	Y	Y	,	Y				4876 765									
Devon Energy Prod. Co.	Y	Y		Y				4876 769									
Fasken Land & Minerals	N	Ý		Y				4876 763									
Mizel Resources, A Trust	Y	Y		Y				4876 756 4876 756		All documents executed Indicated participation - may remove from application							
	Y	_															
Yosemite Creek O&G		Y		Y				4876 760		Indicated pa							
Tierra Media Resources	Y	Y		Y				4876 777		In process o	ofsigning	g JOA - ma	y remove	e from ap	plicatio		
Pogo Resources	Y	Y	_	Y	_	7021 272	20 0001	4876 768	4	Title Issue							
Southwest Royalties	Y	Y	'	Y		7021 272	20 0001	4876 780	6	Signed AFEs	, Not JOA	or Coms					
Larry Nermyr	Y	Y	·	Y		7021 272	20 0001	4876 764	6								
Ruth Sutton	Y	Y		Y		7021 272	20 0001	4876 757	8	UNLOCATAB	LE						
Grey Wolf Land	N	Y	·	Y		7021 272	20 0001	4876 767	7	All docume	nts execu	ted					
Penroc Oil Corp	Y	N		N		7021 272	20 0000	2076 992	8	Record Title	Only - Ye	et to Sign	Com Agre	ement			
BXP Partners V LP	Y	N		N				2076 994		Record Title		-	-				
WPX Energy Permian LLC	Y	N		N				2076 993		Record Title							
Dakota Resources	Y	N	_	N	1			2076 988		Record Title		-	-				
	Y	N		N													
Roy G Barton Jr Trust								2076 989		Record Title							
Linda Armstrong	Y	N		N		-		2076 990		Record Title							
Kerr-Mcgee Oil & Gas	Y	N		Ν	1			2076 991		Record Title							
*Please Note Oxy USA, Inc.	has assigr	ned all r	ights a	nd intere	est unto	Colgate	Produc	tion, LLC	C. Record	l title trans	fers are	processi	ing with	the BLN	1		
Offered JOA Basis - (1280.32 Gross A			_	-		-				1		-		-			
Tract			Colgate	Fasken	ХТО	Marathon	Mizel	1		f Tierra Media	Pogo	Southwest		Sutton	Devon		
Sec 18: SWNW, S2NE Sec 18: Lot 1, N2NE, NENW			19.086% 19.086%	24.500% 24.500%	49.000% 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			0.711%	0.000%	88.000%	10.760%	0.000%	0.000%	0.016%	0.490%	0.243%	0.243%	0.016%	0.008%	0.000%		
Sec 18: Lots 3-4, E2SW			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	0.01	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	12	0.08	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,			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			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			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	122	30.32															
Tract Contractual Interest Pursuant t	o previous Fa	rmout an	d Joint O	nerating Ag	reements		I										
Tract			Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grev Wol	f Tierra Media	Pogo	Southwest	Nermyer	Sutton	Devon		
Sec 18: All			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			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, 5			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			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			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		30.32								·					·		
Batman W2W2 Unit Capitulation Sur				1					1	1							
Tract	Gros	Acres (	Colgate	Fasken	XTO	Marathon	Mizel	I Yosemite	Grev Wol	f Tierra Media	Pogo	Southwest	Nermver	Sutton	Devon		

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, T20S-R34E, Lea Co., NM - Containing 320.00 Acres



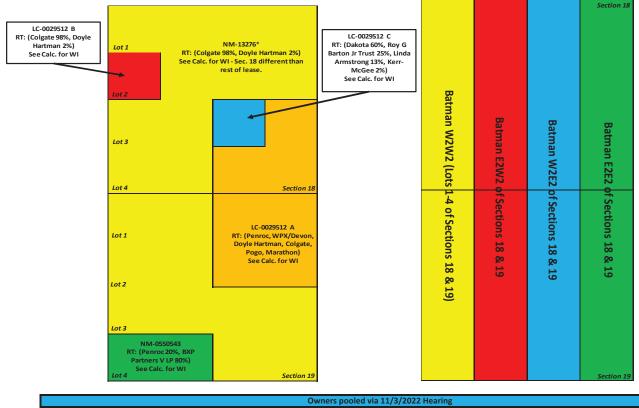
Proposal           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y	JOA           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y           Y	Certified Mail Number           N/A           7021 2720 0001 4876 7554           7021 2720 0001 4876 7653           7021 2720 0001 4876 7691           7021 2720 0001 4876 7691           7021 2720 0001 4876 7639	Notes         All documents executed
Y Y Y Y Y	Y Y Y Y Y	7021 2720 0001 4876 7554 7021 2720 0001 4876 7653 7021 2720 0001 4876 7691 7021 2720 0001 4876 7691 7021 2720 0001 4876 7639	All documents executed
Y Y Y Y	Y Y Y Y	7021 2720 0001 4876 7653 7021 2720 0001 4876 7691 7021 2720 0001 4876 7691 7021 2720 0001 4876 7639	All documents executed
Y Y Y	Y Y	7021 2720 0001 4876 7691 7021 2720 0001 4876 7639	All documents executed
Y Y	Ŷ	7021 2720 0001 4876 7639	All documents executed
Y			All documents executed
· · ·	Y		
Y		7021 2720 0001 4876 7561	Indicated participation - may remove from application
	Y	7021 2720 0001 4876 7608	Indicated participation - may remove from application
Y	Y	7021 2720 0001 4876 7776	In process of signing JOA - may remove from application
Y	Y	7021 2720 0001 4876 7684	Title Issue
Y	Y	7021 2720 0001 4876 7806	Signed AFEs, Not JOA or Coms
Y	Y	7021 2720 0001 4876 7646	
Y	Y	7021 2720 0001 4876 7578	UNLOCATABLE
Y	Y	7021 2720 0001 4876 7677	All documents executed
N	N	7021 2720 0000 2076 9928	Record Title Only - Yet to Sign Com Agreement
N	N	7021 2720 0000 2076 9942	Record Title Only - Yet to Sign Com Agreement
N	N	7021 2720 0000 2076 9935	Record Title Only - Yet to Sign Com Agreement
N	N	7021 2720 0000 2076 9881	Record Title Only - Yet to Sign Com Agreement
N	N	7021 2720 0000 2076 9898	Record Title Only - Yet to Sign Com Agreement
N	N	7021 2720 0000 2076 9904	Record Title Only - Yet to Sign Com Agreement
N	N	7021 2720 0000 2076 9911	Record Title Only - Yet to Sign Com Agreement
	Y Y Y Y N N N N N N N N N N	Y         Y           Y         Y           Y         Y           Y         Y           Y         Y           Y         Y           Y         Y           Y         Y           Y         Y           N         N           N         N           N         N           N         N           N         N           N         N           N         N           N         N           N         N	Y         Y         7021 2720 0001 4876 7776           Y         Y         7021 2720 0001 4876 7684           Y         Y         7021 2720 0001 4876 7686           Y         Y         7021 2720 0001 4876 7646           Y         Y         7021 2720 0001 4876 7578           Y         Y         7021 2720 0000 2076 9928           N         N         7021 2720 0000 2076 9942           N         N         7021 2720 0000 2076 9935           N         N         7021 2720 0000 2076 9881           N         N         7021 2720 0000 2076 9898           N         N         7021 2720 0000 2076 9904

Offered JOA Basis - (1280.32 Gross Acres) -	Leasehold inte	erest pursu	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	Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grev Wolf	Tierra Media	Pogo	Southwest	Nermver	Sutton	Devon
Sec 18: All	640.04	19.086%	24.500%	46.083%		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													
		0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	

Bauman E2W2 Onit Capitulation Summary (1	timan EZWZ Onit Capitulation Summary (Taking into account an phor 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 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



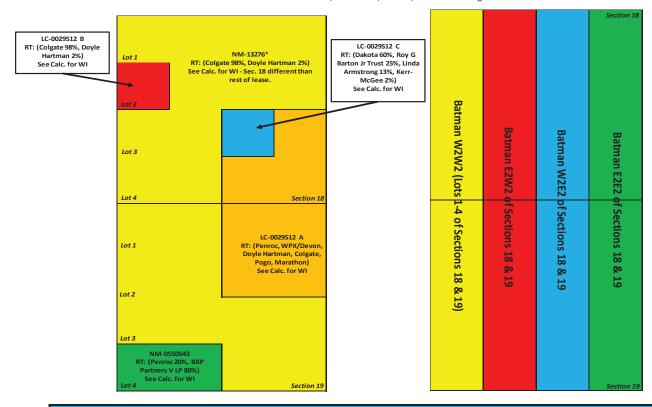
	Docume	ents Sent	
Pooling?	Proposal	Com Agmt	Notes
Y	N	Y	Record Title Only - Yet to Sign Com Agreement
Y	N	Y	Record Title Only - Yet to Sign Com Agreement
Y	N	Y	Record Title Only - Yet to Sign Com Agreement
	Pooling? Y Y Y	Pooling?ProposalYNYN	Y N Y

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

Offered JOA Basis - (1280.32 Gross Acres) -	Leasehold int	erest pursua	ant to Coun	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 previ	ous Farmout a	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 (	Taking into ac	count all pri	or 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 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



		Owne	rs pooled via	11/3/2022 Hearing
		Docume	ents Sent	
Owner	Pooling?	Proposal	Com Agmt	Notes
Doyle Hartman	Y	N	Y	Record Title Only - Yet to Sign Com Agreement
Lerwick Ltp	Y	N	Y	Record Title Only - Yet to Sign Com Agreement
Khody Land & Minerals Co.	Y	N	Y	Record Title Only - Yet to Sign Com Agreement

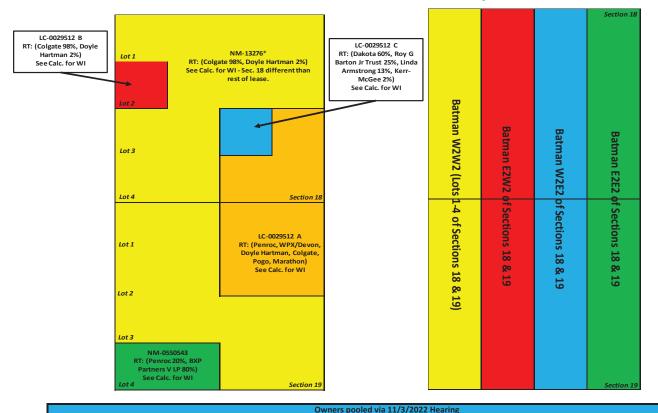
		Docume	nts Sent		
Owner	Pooling?	Proposal	JOA	Certified Mail Number	Notes
Colgate Production, LLC	N/A	Y	Y	N/A	
XTO Holdings, LLC	Y	Y	Y	7021 2720 0001 4876 7554	
Marathon Oil Permian	Y	Y	Y	7021 2720 0001 4876 7653	
Devon Energy Prod. Co.	Y	Y	Y	7021 2720 0001 4876 7691	
Fasken Land & Minerals	Ν	Y	Y	7021 2720 0001 4876 7639	All documents executed
Mizel Resources, A Trust	Y	Y	Y	7021 2720 0001 4876 7561	Indicated participation - may remove from application
Yosemite Creek O&G	Y	Y	Y	7021 2720 0001 4876 7608	Indicated participation - may remove from application
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Grey Wolf Land	Ν	Y	Y	7021 2720 0001 4876 7677	All documents executed
Penroc Oil Corp	Y	N	Ν	7021 2720 0000 2076 9928	Record Title Only - Yet to Sign Com Agreement
BXP Partners V LP	Y	N	Ν	7021 2720 0000 2076 9942	Record Title Only - Yet to Sign Com Agreement
WPX Energy Permian LLC	Y	N	Ν	7021 2720 0000 2076 9935	Record Title Only - Yet to Sign Com Agreement
Dakota Resources	Y	N	Ν	7021 2720 0000 2076 9881	Record Title Only - Yet to Sign Com Agreement
Roy G Barton Jr Trust	Y	N	Ν	7021 2720 0000 2076 9898	Record Title Only - Yet to Sign Com Agreement
Linda Armstrong	Y	N	Ν	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) - I	ered JOA Basis - (1280.32 Gross Acres) - Leasehold interest pursuant to County Chain of Ti													
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%
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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	t Contractual Interest Pursuant to previous Farmout and Joint Operating Agreements													
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	tman E2E2 Unit Capitulation Summary (Taking into account all prior Agreements)													

Batman	satman EZEZ 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 I	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



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

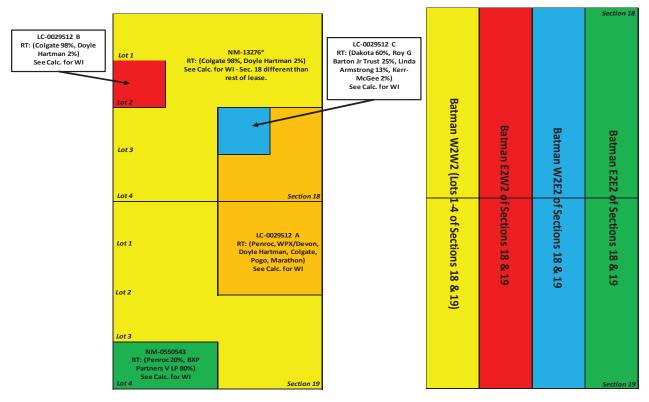
			0	wners Covered via 6/2/2022 Hearing	
		Docume	nts Sent		
Owner	Pooling?	Proposal	JOA	Certified Mail Number	Notes
Colgate Production, LLC	N/A	Y	Y	N/A	
XTO Holdings, LLC	Y	Y	Y	7021 2720 0001 4876 7554	
Marathon Oil Permian	Y	Y	Y	7021 2720 0001 4876 7653	
Devon Energy Prod. Co.	Ν	Y	Y	7021 2720 0001 4876 7691	
Fasken Land & Minerals	N	Y	Y	7021 2720 0001 4876 7639	All documents executed
Mizel Resources, A Trust	Y	Y	Y	7021 2720 0001 4876 7561	Indicated participation - may remove from application
Yosemite Creek O&G	Y	Y	Y	7021 2720 0001 4876 7608	Indicated participation - may remove from application
Tierra Media Resources	Y	Y	Y	7021 2720 0001 4876 7776	In process of signing JOA - may remove from application
Pogo Resources	Y	Y	Y	7021 2720 0001 4876 7684	Title Issue
Southwest Royalties	Y	Y	Y	7021 2720 0001 4876 7806	Signed AFEs, Not JOA or Coms
Larry Nermyr	Y	Y	Y	7021 2720 0001 4876 7646	
Ruth Sutton	Y	Y	Y	7021 2720 0001 4876 7578	UNLOCATABLE
Grey Wolf Land	N	Y	Y	7021 2720 0001 4876 7677	All documents executed
Penroc Oil Corp	Y	N	Ν	7021 2720 0000 2076 9928	Record Title Only - Yet to Sign Com Agreement
BXP Partners V LP	Y	N	Ν	7021 2720 0000 2076 9942	Record Title Only - Yet to Sign Com Agreement
WPX Energy Permian LLC	Y	N	Ν	7021 2720 0000 2076 9935	Record Title Only - Yet to Sign Com Agreement
Dakota Resources	Y	N	N	7021 2720 0000 2076 9881	Record Title Only - Yet to Sign Com Agreement
Roy G Barton Jr Trust	Y	N	Ν	7021 2720 0000 2076 9898	Record Title Only - Yet to Sign Com Agreement
Linda Armstrong	Y	N	Ν	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)	ed JOA Basis - (1280.32 Gross Acres) - Leasehold interest pursuant to County Chain of													
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													

<b>Tract Contractual Interest Pursuant to pre</b>	t Contractual Interest Pursuant to previous Farmout and Joint Operating Agreements													
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 W2W2 Unit Capitulation Summa	y (Taking into	account all	prior Agre	ements)										
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 Hearing

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

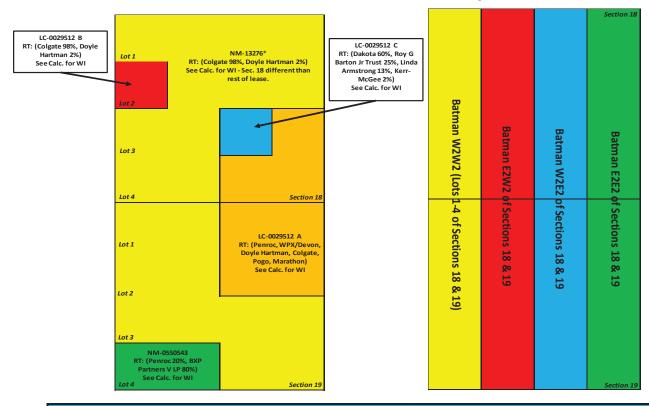
	Owners Covered via 6/2/2022 Hearing												
		Docume	ents Sent										
Owner	Pooling?	Proposal	JOA	Certified Mail Number	Notes								
Colgate Production, LLC	N/A	Y	Y	N/A									
XTO Holdings, LLC	Y	Y	Y	7021 2720 0001 4876 7554									
Marathon Oil Permian	Y	Y	Y	7021 2720 0001 4876 7653									
Devon Energy Prod. Co.	N	Y	Y	7021 2720 0001 4876 7691									
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Tierra Media Resources	Y	Y	Y	7021 2720 0001 4876 7776	In process of signing JOA - may remove from application								
Pogo Resources	Y	Y	Y	7021 2720 0001 4876 7684	Title Issue								
Southwest Royalties	Y	Y	Y	7021 2720 0001 4876 7806	Signed AFEs, Not JOA or Coms								
Larry Nermyr	Y	Y	Y	7021 2720 0001 4876 7646									
Ruth Sutton	Y	Y	Y	7021 2720 0001 4876 7578	UNLOCATABLE								
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BXP Partners V LP	Y	N	Ν	7021 2720 0000 2076 9942	Record Title Only - Yet to Sign Com Agreement								
WPX Energy Permian LLC	Y	N	Ν	7021 2720 0000 2076 9935	Record Title Only - Yet to Sign Com Agreement								
Dakota Resources	Y	N	Ν	7021 2720 0000 2076 9881	Record Title Only - Yet to Sign Com Agreement								
Roy G Barton Jr Trust	Y	N	Ν	7021 2720 0000 2076 9898	Record Title Only - Yet to Sign Com Agreement								
Linda Armstrong	Y	N	Ν	7021 2720 0000 2076 9904	Record Title Only - Yet to Sign Com Agreement								
Kerr-Mcgee Oil & Gas	Y	N	Ν	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													

t Contractual Interest Pursuant to previous Farmout and Joint Operating Agreements													
Gross Acres	Colgate	Fasken	XTO	Marathon	Mizel	Yosemite	Grey Wolf	Tierra Media	Pogo	Southwest	Nermyer	Sutton	Devon
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%
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%
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%
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%
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%
1280.32													
	Gross Acres 640.04 360.17 40 160 80.11	Gross Acres         Colgate           640.04         19.086%           360.17         98.711%           40         0.711%           160         90.000%           80.11         0.000%	Gross Acres         Colgate         Fasken           640.04         19.086%         24.500%           360.17         98.711%         0.000%           40         0.711%         0.000%           160         90.000%         0.000%           80.11         0.000%         0.000%	Gross Acres         Colgate         Fasken         XTO           640.04         19.086%         24.500%         46.083%           360.17         98.711%         0.000%         0.000%           40         0.711%         0.000%         58.800%           160         90.000%         0.000%         10.000%           80.11         0.000%         0.000%         0.000%	Gross Acres         Colgate         Fasken         XTO         Marathon           640.04         19.086%         24.500%         46.083%         3.677%           360.17         98.711%         0.000%         0.000%         0.760%           40         0.711%         0.000%         58.800%         0.760%           160         90.000%         0.000%         10.000%         0.000%           80.11         0.000%         0.000%         10.000%         100.000%	Gross Acres         Colgate         Fasken         XTO         Marathon         Mizel           640.04         19.086%         24.500%         46.083%         3.677%         3.063%           360.17         98.711%         0.000%         0.000%         0.760%         0.000%           40         0.711%         0.000%         58.800%         0.760%         0.000%           160         90.000%         0.000%         10.000%         0.000%         0.000%           80.11         0.000%         0.000%         0.000%         100.000%         0.000%	Gross Acres         Colgate         Fasken         XTO         Marathon         Mizel         Yosemite           640.04         19.086%         24.500%         46.083%         3.677%         3.063%         3.063%           360.17         98.711%         0.000%         0.000%         0.760%         0.000%         0.000%           40         0.711%         0.000%         58.800%         0.760%         0.000%         0.000%           160         90.000%         0.000%         10.000%         0.000%         0.000%         0.000%           80.11         0.000%         0.000%         100.000%         0.000%         0.000%         0.000%	Gross Acres         Colgate         Fasken         XTO         Marathon         Mizel         Yosemite         Grey Wolf           640.04         19.086%         24.500%         46.083%         3.677%         3.063%         3.063%         0.016%           360.17         98.711%         0.000%         0.000%         0.760%         0.000%         0.000%         0.016%           40         0.711%         0.000%         10.760%         0.000%         0.000%         0.016%           160         90.000%         0.000%         10.000%         0.000%         0.000%         0.000%           80.11         0.000%         0.000%         100.000%         0.000%         0.000%         0.000%	Gross Acres         Colgate         Fasken         XTO         Marathon         Mizel         Yosemite         Grey Wolf         Tierra Media           640.04         19.086%         24.500%         46.083%         3.677%         3.063%         3.063%         0.016%         0.016%           360.17         98.711%         0.000%         0.760%         0.000%         0.000%         0.016%         0.490%           40         0.711%         0.000%         0.760%         0.000%         0.006%         0.016%         0.490%           160         90.000%         0.000%	Gross Acres         Colgate         Fasken         XTO         Marathon         Mizel         Yosemite         Grey Wolf         Tierra Media         Pogo           640.04         19.086%         24.500%         46.083%         3.677%         3.063%         3.063%         0.016%         0.016%         0.245%           360.17         98.711%         0.000%         0.000%         0.760%         0.000%	Gross Acres         Colgate         Fasken         XTO         Marathon         Mizel         Yosemite         Grey Wolf         Tierra Media         Pogo         Southwest           640.04         19.086%         24.500%         46.083%         3.067%         3.063%         0.016%         0.016%         0.245%         0.245%           360.17         98.711%         0.000%         <	Gross Acres         Colgate         Fasken         XTO         Marathon         Mizel         Yosemite         Grey Wolf         Tierra Media         Pogo         Southwest         Nermyer           640.04         19.086%         24.500%         46.083%         3.677%         3.063%         3.063%         0.016%         0.016%         0.245%         0.245%         0.016%           360.17         98.711%         0.000%         0.760%         0.000%         0.000%         0.016%         0.490%         0.000%         0.000%         0.008%           40         0.711%         0.000%         0.760%         0.000%         0.000%         0.016%         0.490%         0.000%         0.008%           50         90.000%         0.000%	Gross Acres         Colgate         Fasken         XTO         Marathon         Mizel         Yosemite         Grey Wolf         Tierra Media         Pogo         Southwest         Nermyer         Sutton           640.04         19.086%         24.500%         46.083%         3.677%         3.063%         0.016%         0.016%         0.245%         0.245%         0.016%         0.008%           360.17         98.711%         0.000%         0.760%         0.000%         0.016%         0.490%         0.000%         0.008%         0.008%           40         0.711%         0.000%         0.760%         0.000%         0.000%         0.490%         0.000%         0.008%         0.008%           160         90.000%         0.000%

Batman E2W2 Unit Capitulation Summary	(Taking into	account all p	orior Agree	ments)										
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



Doguments Sont												
Pooling?			Notes									
v												
Ŷ			Record Title Only - Yet to Sign Com Agreement									
Y	N	Y	Record Title Only - Yet to Sign Com Agreement									
	Owners Co	overed via 6/	2/2022 Hearing									
	Pooling? Y Y Y	Pooling?ProposalYNYNYNYN	Y N Y									

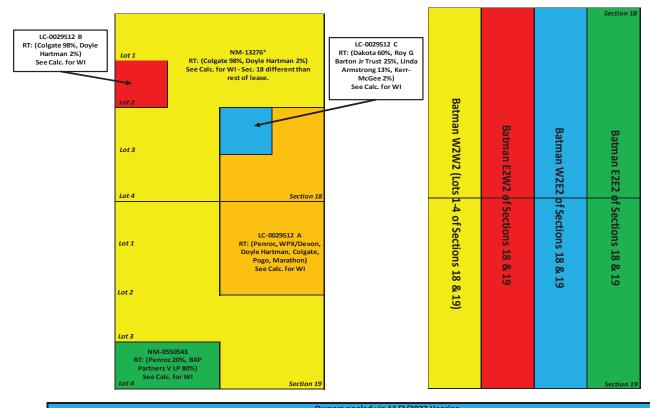
		Docume	ents Sent											
Owner	Pooling?	Proposal	JOA		Certi	ied Mai	l Numbe	er	Notes					
Colgate Production, LLC	N/A	Y	Y			N/A								
XTO Holdings, LLC	Y	Y	Y		7021 2	720 0001	L 4876 75	54						
Marathon Oil Permian	Y	Y	Y		7021 2	720 0001	L 4876 76	553						
Devon Energy Prod. Co.	Y	Y	Y		7021 2	720 0001	L 4876 76	591						
Fasken Land & Minerals	Ν	Y	Y		7021 2	720 0001	L 4876 76	539	All docume	ents exec	uted			
Mizel Resources, A Trust	Y	Y	Y		7021 2	720 0001	L 4876 75	61	Indicated	participa	tion - ma	y remove	from app	lication
Yosemite Creek O&G	Y	Y	Y		7021 2	720 0001	4876 76	508	Indicated	participa	tion - ma	y remove	from app	lication
Tierra Media Resources	Y	Y	Y		7021 2	720 0001	L 4876 77	76	In process	of signir	ng JOA - m	ay remov	e from ap	plicatio
Pogo Resources	Y	Y	Y		7021 2	720 0001	L 4876 76	684	Title Issue					
Southwest Royalties	Y	Y	Y		7021 2	720 0002	L 4876 78	306	Signed AFE	s, Not JO	A or Com	5		
Larry Nermyr	Y	Y	Y		7021 2	720 0002	L 4876 76	646						
Ruth Sutton	Y	Y	Y		7021 2	720 0001	L 4876 75	578	UNLOCATA	BLE				
Grey Wolf Land	Ν	Y	Y		7021 2	720 0001	4876 76	577	All docume	ents exec	uted			
Penroc Oil Corp	Y	N	N		7021 2	720 0000	0 2076 99	928	Record Titl	e Only - '	Yet to Sigr	n Com Agr	eement	
BXP Partners V LP	Y	N	N		7021 2	720 0000	0 2076 99	942	Record Titl	e Only - '	Yet to Sigr	n Com Agr	eement	
WPX Energy Permian LLC	Y	N	N		7021 2	720 0000	0 2076 99	935	Record Titl	e Only - '	Yet to Sigr	n Com Agr	eement	
Dakota Resources	Y	N	N		7021 2	720 0000	0 2076 98	381	Record Titl	e Only - '	Yet to Sigr	n Com Agr	eement	
Roy G Barton Jr Trust	Y	N	N		7021 2	720 0000	2076 98	398	Record Titl	e Only - '	Yet to Sigr	n Com Agr	eement	
Linda Armstrong	Y	N	N		7021 2	720 0000	2076 99	904	Record Titl	e Only -	Yet to Sigr	n Com Agr	eement	
Kerr-Mcgee Oil & Gas	Y	N	N		7021 2	720 0000	0 2076 99	911	Record Titl	e Only -	Yet to Sigr	n Com Agr	eement	
*Please Note Oxy USA, Inc.	has assign	ed all rights	and inte	erest un	to Colgat	e Produ	iction, Ll	LC. Recor						N
Offered JOA Basis - (1280.32 Gross Ad							-							
Tract	Gross Ac		Fasken	хто	Marathon	Mizel			Tierra Media	Pogo	Southwest		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: 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	ct Contractual Interest Pursuant to previous Farmout and Joint Operating Agreements													
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													

atman 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											
Documents Sent											
Pooling?	Proposal	Com Agmt	Notes								
Y	N	Y	Record Title Only - Yet to Sign Com Agreement								
Y	N	Y	Record Title Only - Yet to Sign Com Agreement								
Y	N	Y	Record Title Only - Yet to Sign Com Agreement								
		Pooling? Proposal Y N Y N	Documents Sent           Pooling?         Proposal         Com Agmt           Y         N         Y           Y         N         Y           Y         N         Y								

d via 6/2/2022 F

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

Offered JOA Basis - (1280.32 Gross Acres)	- Leasehold in	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%
ΤΟΤΑΙ	1280 32													

Tract Contractual Interest Pursuant to previous Farmout and Joint Operating Agreements														
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 E2E2 Unit Capitulation Summary (1	atman E2E2 Unit Capitulation Summary (Taking into account all prior Agreements)													

	bathan E2E2 On Capitulation Summary	Taking into a	ccount an pi	IUI Agreen	ientsj										
Batman 1280.32 Acre JOA Offering         1280.32         48.579%         12.248%         26.124%         8.333%         1.531%         0.013%         0.161%         0.122%         0.010%         0.006%         1	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%         0.012%         0.130%         0.123%         0.123%         0.010%         0.006%         0	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

Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> 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

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 1/8<sup>th</sup> 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 7/8<sup>th</sup> 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 area shall fulfill the Federal lands to the committed tracts within the communitized area shall fulfill the 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** (Operator)

Date:

By:

Brandon Gaynor, Senior Vice President

### ACKNOWLEDGEMENT

STATE OF TEXAS ) ) ss. COUNTY OF MIDLAND )

On this \_\_\_\_\_\_ day of \_\_\_\_\_\_ 20\_\_\_\_, before me, a Notary Public for the State of Texas ,personally appeared Brandon Gaynor, known to me to be the Senior Vice President of Colgate Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

Notary Public

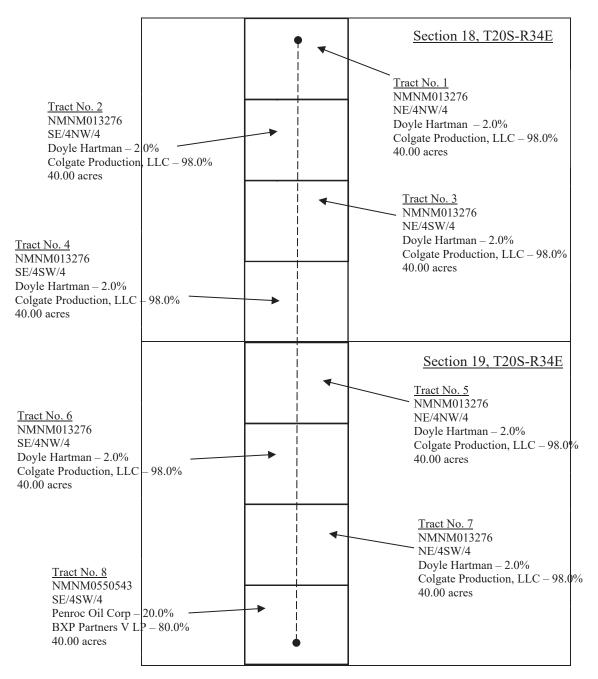
My commission expires

#### **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: Lease Date: Lease Term: Lessor: Original Lessee:

**Current Lessee of Record:** 

Description of Land Committed: Number of Acres: Royalty Rate: Name and Percent ORRI Owners: Name of Working Interest Owners: NMNM013276 November 1, 1959 5 years United States of America Cities Service Oil Company and Olsen Oils, Inc. Doyle Hartman – 2.0% & Colgate Production, LLC - 98.0% NE/4NW/4 Section 18, T20S-R34E 40.00 acres 12.50% N/A 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

### TRACT NO. 2

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,
C	Inc.
Current Lessee of Record:	Doyle Hartman – 2.0% & Colgate Production,
	LLC - 98.0%
<b>Description of Land Committed:</b>	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

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%
<b>Description of Land Committed:</b>	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
5	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

### TRACT NO. 4

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%
<b>Description of Land Committed:</b>	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

### TRACT NO. 5

Wolf Land Services, LLC – 0.00015630, Ruth

Sutton - 0.00007810

NMNM013276
November 1, 1959
5 years
United States of America
Cities Service Oil Company and Olsen Oils,
Inc.
Doyle Hartman – 2.0% & Colgate Production,
LLC - 98.0%
NE/4NW/4 Section 19, T20S-R34E
40.00 acres
12.50%
N/A
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. 6

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%
<b>Description of Land Committed:</b>	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, Inc0.00490000, Marathon Oil
	Permian – 0.00510000, Larry Nermyr –
	0.00015630, Jack Fletcher – 0.00007810, Ruth

#### TRACT NO. 7

LLC - 0.00007810

Sutton - 0.00007810, Grey Wolf Land Services,

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%
<b>Description of Land Committed:</b>	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

#### TRACT NO. 8

Lease Serial Number:
Lease Date:
Lease Term:
Lessor:
Original Lessee:
Current Lessee of Record:
<b>Description of Land Committed:</b>
Number of Acres:
Royalty Rate:
Name and Percent ORRI Owners:
Name of Working Interest Owners:

NMNM0550543 May 1, 1964 10 years United States of America Louis A. J. Gordon BXP Partners V LP & Penroc Oil Corporation SE/4SW/4 Section 19, T20S-R34E 40.00 acres 12.50% Boyle, R.E. – 0.05000000 Marathon Oil Permian, LLC – 1.0000000

### **RECAPITULATION**

		Percentage of Interest
<u>Tract No.</u>	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, 3/21/22, 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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Colgate Operating, LLC Case Nos. 23149-23156 Exhibit A-13 "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

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#### DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT CASE RECORDATION** (MASS) Sorial Register Page

		(M)	ASS) Serial Register	' Page	
Run Date/Time	e: 12/5/2022 16:22 PM		NMNM105505832		Page 1 o
<u>Authority</u>				Total Acres	Serial Number
02-25-1920; 04 <sup>-</sup>	1STAT0437; 30USC226	6; 08-21-1935;		600.0000	NMNM105505832
,	30USC226; MINERAL 310771 EXCHANGE P			Case File Jurisdiction	Legacy Serial No NMLC 0029512A
Commodity O		UBLIC DOMAIN LEA	AGE		Lease Issued Date
CASE DETAILS	6				NMNM105505832
Case Name Effective Date	C-8012527 02/01/1951	Split Estate Split Estate Acres		Fed Min Interest Future Min Interest	Νο
Expiration Date	02/01/1931	Royalty Rate	Other	Future Min Interest Date	INU
		Royalty Rate Other	12.5%:/B/		

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

#### Name & Mailing Address

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
MARATHON OIL PERMIAN LLC
MOBIL EXPL & PROD US
DEVELOPMENT CORPORATION
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

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 990 TOWN AND COUNTRY BLVD 810 HOUSTON ST 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

22777 SPRINGWOODS VILLAGE PKWY

PO BOX 173779

810 HOUSTON ST

XXXXXXXXXXX

XXXXXXXXXXX

DENVER CO 80217-3779 HOUSTON TX 77251-1330 MIDLAND TX 79707-2260 HOUSTON TX 7779-9188 ROSWELL NM 88202-1837 OKLAHOMA CITY OK 73102-5010 MIDLAND TX 79702-2880 HOUSTON TX 77024 HOUSTON TX 77024 FT WORTH TX 76102-6203	OPERATING RIGHTS OPERATING RIGHTS OPERATING RIGHTS OPERATING RIGHTS OPERATING RIGHTS OPERATING RIGHTS OPERATING RIGHTS LESSEE OPERATING RIGHTS OPERATING RIGHTS	0.00000 0.00000 0.00000 0.00000 0.00000 0.00000 0.00000 0.00000 0.00000 0.00000 0.00000
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 XXXXXXXXX XX XXXXX-XXXX	OPERATING RIGHTS LESSEE OPERATING RIGHTS LESSEE OPERATING RIGHTS LESSEE OPERATING RIGHTS OPERATING RIGHTS LESSEE	0.000000 0.000000 0.000000 0.000000 0.000000

XXXXXXXXXX XX XXXXX-XXXX

Interest Relationship

**OPERATING RIGHTS** 

### **RECORD TITLE**

#### (No Records Found)

#### **OPERATING RIGHTS**

(No Records Found)

LAND RECORDS							NMNM105505832	
Тwp	Rng	Sec	Survey Type	Survey Number	Subdivision	District / Field Office	County	Mgmt Agency
0200S	0340E	017	Aliquot		SW	PECOS DISTRICT OFFICE	LEA	BUREAU OF
						CARLSBAD FIELD OFFICE		LAND MGMT
0200S	0340E	018	Aliquot		E2SE,SWSE	PECOS DISTRICT OFFICE	LEA	BUREAU OF
						CARLSBAD FIELD OFFICE		LAND MGMT
0200S	0340E	019	Aliquot		NE	PECOS DISTRICT OFFICE	LEA	BUREAU OF
			•			CARLSBAD FIELD OFFICE		LAND MGMT
0200S	0340E	020	Aliauot		NW	PECOS DISTRICT OFFICE	LEA	BUREAU OF
						CARLSBAD FIELD OFFICE		LAND MGMT
	Twp           0200S           0200S           0200S	Twp         Rng           0200S         0340E           0200S         0340E           0200S         0340E	Twp         Rng         Sec           0200S         0340E         017           0200S         0340E         018           0200S         0340E         019	TwpRngSecSurvey Type0200S0340E017Aliquot0200S0340E018Aliquot0200S0340E019Aliquot	TwpRngSecSurvey TypeSurvey Number0200S0340E017Aliquot0200S0340E018Aliquot0200S0340E019Aliquot	TwpRngSecSurvey TypeSurvey NumberSubdivision0200S0340E017AliquotSW0200S0340E018AliquotE2SE,SWSE0200S0340E019AliquotNE	Twp         Rng         Sec         Survey Type         Survey Number         Subdivision         District / Field Office           0200S         0340E         017         Aliquot         SW         PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE           0200S         0340E         018         Aliquot         E2SE,SWSE         PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE           0200S         0340E         019         Aliquot         NE         PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE           0200S         0340E         020         Aliquot         NW         PECOS DISTRICT OFFICE	Twp       Rng       Sec       Survey Type       Survey Number       Subdivision       District / Field Office       County         0200S       0340E       017       Aliquot       SW       PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE       LEA         0200S       0340E       018       Aliquot       E2SE,SWSE       PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE       LEA         0200S       0340E       019       Aliquot       NE       PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE       LEA         0200S       0340E       020       Aliquot       NE       PECOS DISTRICT OFFICE CARLSBAD FIELD OFFICE       LEA

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

HISTORICAL INFORMATION MAY ONLY BE ACCESSIBLE THROUGH THE MLRS WEBSITE.

**Colgate Operating, LLC** Case Nos. 23149-23156 Exhibit A-14

NMNM105505832

Percent Interest

#### DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page NMNM105505832

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CASE ACTIO	-			
Action Date	Date Filed	Action Name	Action Status	Action Information NMNM10550583
02/19/1931	02/19/1931	CASE ESTABLISHED	APPROVED/ACCEPTED	
02/20/1931	02/20/1931	EFFECTIVE DATE	APPROVED/ACCEPTED	
2/20/1931	02/20/1931	FUND CODE	APPROVED/ACCEPTED	Action Remarks: 05;145003
1/02/1942	11/02/1942	CASE CREATED BY ASGN	APPROVED/ACCEPTED	Action Remarks: OUT OF NMLC029512;
3/19/1946	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/
)/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
/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
3/26/1982	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	, such remains. Office ove/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	09/29/1983 04/18/1984	COMMITTED TO AGREEMENT	APPROVED/ACCEPTED	Action Remarks: EFF 06/01/83; Action Remarks: NMNM70987X;W LYNCH
4/18/1984				ACTION REMAINS. INIVITYIVI/USO/A,VV LTINCH
4/18/1984 6/30/1986	04/18/1984			Action Remarks: SUN EXPL/SUN OPER
	06/30/1986	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	AGION REMARKS: SUN EXPL/SUN UPER
6/30/1986	06/30/1986	TRANSFER OF OPERATING RIGHTS		Action Remarks: CLN EVEL/CLN OPED
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
5/09/1987	06/09/1987	ADDTL INFO RQSTD	APPROVED/ACCEPTED	Action Remarks: TX PACIFIC/SUN EXPL
5/09/1987	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	APPROVED/ACCEPTED	Action Remarks: TEXAS/SUN OPER LTD
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;
1/15/1991	04/15/1991	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: GLC/GC
1/22/1991	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
5/25/1991	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: GAG
2/18/1994	02/18/1994	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LR
2/01/1994	12/01/1994	LEASE COMMITTED TO COMMUNITIZATION AGREEMENT	APPROVED/ACCEPTED	Action Remarks: NMNM91059;
2/01/1994	12/01/1994	MEMO OF 1ST PROD-ALLOC		Action Remarks: /2/NMNM91059;
2/24/1995	02/24/1995		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	04/10/1995	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: (1)WALLEN/DAKOTA
5/05/1995	05/05/1995	APD APPROVED	APPROVED/ACCEPTED	Action Remarks: #1 SINAGUA 19 FED COM
6/29/1995	06/29/1995	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MV/MV
	06/29/1995	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 05/01/95;1
6/29/1995	00/23/1333			Action Remarks. ETT 05/01/35.1

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#### DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** CASE RECORDATION (MASS) Serial Register Page NMNM105505832

Pun Data/Tim	ne: 12/5/2022 16		erial Register Page NM105505832	Page 3 c
Action Date	Date Filed	Action Name	Action Status	Action Information NMNM105505832
	2400			
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 RIGHTS	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 RIGHTS	APPROVED/ACCEPTED	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
8/06/1999	08/06/1999	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: LERWICK/L DREYFUS NG
2/27/1999	12/27/1999	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: PETRO/SOUTHWESTERN
5/25/2000	05/25/2000	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LR
5/25/2000	05/25/2000	TRF OPER RGTS RET UNAPPV	APPROVED/ACCEPTED	Action Remarks: PETRO/SOUTHWESTERN
6/08/2000	06/08/2000	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/01/99;2
6/08/2000	06/08/2000	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/01/99;1
6/08/2000	06/08/2000	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MV/MV
9/22/2000	09/22/2000	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LR
9/22/2000	09/22/2000	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 01/01/00;
0/11/2000	10/11/2000	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: AT
0/11/2000	10/11/2000	MERGER NAME CHANGE	APPROVED/ACCEPTED	Action Remarks: SANTA FE/DEVON SFS
)3/12/2001	03/12/2001	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: OXY/OXY USA WTP
3/12/2001	03/12/2001	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: OXY/OXY USA WTP
4/25/2001	04/25/2001	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 04/01/01;
4/25/2001	04/25/2001	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: JLV
4/25/2001	04/25/2001	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 04/01/01;
2/12/2001	12/12/2001	MERGER RECOGNIZED	APPROVED/ACCEPTED	Action Remarks: L DREYFUS/DOMINION
8/08/2002	08/08/2002	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: DEVON/MERIT
8/08/2002	08/08/2002	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: DEVON/MERIT
08/22/2002	08/22/2002	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: ENERSTAR RESOURCES;1
JOILE/LOOL	00/22/2002			Receipt Number: 546067
10/03/2002	10/03/2002	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: MV
0/03/2002	10/03/2002	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/01/02;
0/18/2002	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
2/01/2006	02/01/2006	RLTY REDUCTION LIFTED	APPROVED/ACCEPTED	Addon temarks. MERT 1 Three Mert 1 Mol
)1/04/2007	01/04/2007	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: DOMINION/LOBOS ENE;1
1/04/2007	01/04/2007	ASSIGNMENT OF RECORD THEE	AFFROVED/ACCEFTED	Receipt Number: 1419703
5/08/2007	05/08/2007	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/01/07:
)5/08/2007		AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN
)5/12/2008	05/08/2007 05/12/2008	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: SOUTHWEST/DESERT RA:1
5/12/2006	05/12/2006	TRANSFER OF OFERATING RIGHTS	AFFROVED/ACCEFTED	
00/10/2000	06/40/2000	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Receipt Number: 1704446
6/19/2008 6/19/2008	06/19/2008 06/19/2008	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: RAYO Action Remarks: EFF 06/01/08;
2/01/2010			APPROVED/ACCEPTED	Action Remarks: LOBOS ENE/KHODY LAND
2/08/2010	02/01/2010	MERGER RECOGNIZED		Action Remarks: MERIT MAN/LINN ENER:1
2/06/2010	12/08/2010	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	
0/11/0014	00/11/0011			Receipt Number: 2260170
2/11/2011	02/11/2011	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LBO
2/11/2011	02/11/2011	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 01/01/11;
0/24/2011	10/24/2011	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: PLANTATIO/DAVIS LAN;1
				Receipt Number: 2447059
1/29/2011	11/29/2011	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LBO
1/29/2011	11/29/2011	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 11/01/11;
4/30/2013	04/30/2013	TRANSFER OF OPERATING RIGHTS	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
07/31/2013	07/31/2013	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: LERWICK I/CROWN OIL;2
				Receipt Number: 2843706
07/31/2013	07/31/2013	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: LERWICK I/CROWN OIL;1
				Receipt Number: 2843696
1/13/2013	11/13/2013	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/13;
	11/13/2013	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/01/13
		AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN
	11/13/2013			
1/13/2013	11/13/2013			
11/13/2013 11/13/2013 11/13/2013 11/22/2013	11/13/2013 11/13/2013 11/22/2013	TRF OPER RGTS APPROVED ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED APPROVED/ACCEPTED	Action Remarks: EFF 08/01/13; Action Remarks: LERWICK 1/CROWN OIL:1

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#### DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CASE RECORDATION (MASS) Serial Register Page NMNM105505832

Run Date/Tin	ne: 12/5/2022 16	:22 PM NMI	NM105505832		Page 4
Action Date	Date Filed	Action Name	Action Status	Action Information	NMNM105505832
1/22/2013	11/22/2013	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: LERWICI	
4/02/2014	04/02/2014	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Receipt Number: 2916173 Action Remarks: ANN	3
				Action Remarks. Ann	
4/02/2014	04/02/2014	DEC ISSUED	APPROVED/ACCEPTED		
7/25/2014	07/25/2014	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
7/25/2014	07/25/2014	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 12/0	1/13;
3/01/2014	08/01/2014	ASGN DENIED	APPROVED/ACCEPTED	Action Remarks: LERWICI	K/CROWN OIL
8/26/2014	08/26/2014	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: LINN EN	
1/03/2014	11/03/2014	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Receipt Number: 3112922 Action Remarks: KHODY L	AN/EXXON MOB;1
1/24/2014	11/01/0011			Receipt Number: 3161041	
	11/24/2014	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: ANN	
2/05/2014	12/05/2014	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: BTM	
2/05/2014	12/05/2014	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 12/0	
1/05/2015	01/05/2015	MERGER NAME CHANGE	APPROVED/ACCEPTED	Action Remarks: SOUTHW	/ESTERN/SWN;
1/23/2015	01/23/2015	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: DME	
1/23/2015	01/23/2015	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 12/0	1/14:
2/28/2016	02/28/2016	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/0	· · · · · · · · · · · · · · · · · · ·
2/01/2016	12/01/2016	MERGER RECOGNIZED	APPROVED/ACCEPTED	Action Remarks: KHODY/F	
3/16/2017	03/16/2017	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Action Remarks: CRUMP I Receipt Number: 3787760	
3/16/2017	03/16/2017	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: CRUMP I Receipt Number: 3787760	ENE/CRUMP ENE;1
1/26/2017	04/06/0047				
4/26/2017	04/26/2017	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 04/0	1/17,1
4/26/2017	04/26/2017	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: RCC	
4/26/2017	04/26/2017	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 04/0	1/17;2
5/18/2017	05/18/2017	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1	
7/06/2017	07/06/2017	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Receipt Number: 3839899 Action Remarks: CROWN	
7/06/2017	07/06/2017	ASSIGNMENT OF RECORD TITLE	APPROVED/ACCEPTED	Receipt Number: 3881655 Action Remarks: CRUMP	5
7/06/2017	07/06/2017	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Receipt Number: 3881655 Action Remarks: CRUMP I	
7/06/2017	07/06/2017	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Receipt Number: 3881655 Action Remarks: CROWN	
8/25/2017	08/25/2017	ASGN DENIED	APPROVED/ACCEPTED	Receipt Number: 3881655 Action Remarks: /A/	5
9/15/2017	09/15/2017	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/0	1/17;2
9/15/2017	09/15/2017	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/0	
9/18/2017	09/18/2017	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: JA	.,,.
					4/47.4
0/16/2017	10/16/2017	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/0	
0/16/2017	10/16/2017	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/0	1/17;2
0/20/2017	10/20/2017	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: JA	
1/02/2018	01/02/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1	
1/00/0040	04/00/0040			Receipt Number: 4059817	,
1/02/2018	01/02/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 2 Receipt Number: 4059817	,
1/02/2018	01/02/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 3	
	0.1/00/00.10			Receipt Number: 4059817	
1/02/2018	01/02/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: EXXON N Receipt Number: 4059817	,
1/02/2018	01/02/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: EXXONN Receipt Number: 4059817	
1/02/2018	01/02/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: XTO ENE Receipt Number: 4059817	
3/16/2018	03/16/2018	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LBO	
3/16/2018	03/16/2018	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/0	1/18;1
3/16/2018	03/16/2018	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 02/0	
4/02/2018	04/02/2018	MERGER NAME CHANGE	APPROVED/ACCEPTED	Action Remarks: RKI EXP	
7/13/2018	07/13/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED APPROVED/ACCEPTED	Action Remarks: 1	
7/13/2018	07/13/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Receipt Number: 4211565 Action Remarks: MOBIL E	&P/XTO ENERG;1
8/24/2018	08/24/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Receipt Number: 4211565 Action Remarks: LINN EN Receipt Number: 4243697	ER/POGO RESO;1
1/20/2018	11/20/2018	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 4311952	
1/20/2018	11/20/2018	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: XTO ENE Receipt Number: 4311952	RG/XTO HOLDI;1
2/04/2018	12/04/2018	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: EMR	
2/04/2018	12/04/2018	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 08/0	1/18;
3/20/2019	03/20/2019	ROYALTY RATE REDUCTION	APPROVED/ACCEPTED		
3/21/2019	03/21/2019	ASGN APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/0	1/18;
3/21/2019	03/21/2019	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LBO	7
3/21/2019	03/21/2019	TRF OPER RGTS APPROVED	APPROVED/ACCEPTED	Action Remarks: EFF 09/0	1/18.
					1710,
4/08/2019	04/08/2019	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: KB	4/40
			APPROVED/ACCEPTED	Action Remarks: EFF 12/0	1/18
4/08/2019 6/20/2019	04/08/2019 06/20/2019	TRF OPER RGTS APPROVED RLTY RATE - OTHER	APPROVED/ACCEPTED	Action Remarks: 12.5%;/B	

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#### 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						
Action Date	Date Filed	Action Name	Action Status	Action Information NMNM105505832		
06/20/2019 03/11/2020	06/20/2019 03/11/2020	RLTY REDUCTION APPV OVERRIDING ROYALTY	APPROVED/ACCEPTED APPROVED/ACCEPTED	Action Remarks: EFF 06/20/19;/B/ Action Remarks: 1		
				Receipt Number: 4712446		
08/31/2020	08/31/2020	TRANSFER OF OPERATING RIGHTS	APPROVED/ACCEPTED	Action Remarks: POGO RESO/BXP PARTN;1 Receipt Number: 4793736		
12/29/2020	12/29/2020	AUTOMATED RECORD VERIF	APPROVED/ACCEPTED	Action Remarks: LL		
12/29/2020	12/29/2020	TRF OPER RGTS RET UNAPPV	APPROVED/ACCEPTED	Action Remarks: POGO RES/BXP PARTN V		
06/30/2021	06/30/2021	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 4920386		
09/20/2021	09/20/2021	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 4958283		
11/12/2021	11/12/2021	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 3 Receipt Number: 4976573		
11/12/2021	11/12/2021	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 1 Receipt Number: 4976573		
11/12/2021	11/12/2021	OVERRIDING ROYALTY	APPROVED/ACCEPTED	Action Remarks: 2 Receipt Number: 4976573		
02/25/2022	02/25/2022	ASSIGNMENT OF RECORD TITLE	FILED	Action Remarks: OXY USA W/COLGATE P;1 To Entity: Colgate Production LLC From Entity: OXY USA WTP LP Receipt Number: 5020018 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 Receipt Number: 5019777		

#### ASSOCIATED AGREEMENT OR LEASE (RECAPITULATION TABLE) INFO

Agreement Serial Number	Agreement Legacy Serial Number	Case Disposition	Product Name	Tract No	Commit ment Status	Commitm ent Status Effective Date	Acres	Allocation Percent
NMNM105504135	NMNM 091059	CLOSED	COMMUNITIZATION	2A		12/01/1994	80.0000	25.000000
NMNM105504135	NMNM 091059	CLOSED	AGREEMENT COMMUNITIZATION AGREEMENT	2B		12/01/1994	40.0000	12.500000

#### LEGACY CASE REMARKS

NMNM105505832

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

Run Date/Time	: 12/5/2022 16:22 PM	NMNM105505832	
Line Number	Remark Text		
0031	DEPTH LIMITATIONS.	ASSIGNMENT IS	
0032	RESCINDED AND DEM	IED;	
0033	09/15/2017 - MARATHON OIL	PERMIAN WYB002107 N/W	
0034	12/04/2018 - XTO ENERGY IN	C - UTB000138 - N/W;	
0035	04/08/2019 - XTO HOLDINGS I	LC - NMB001554 - SW/NM	
0036	/B/THE LEASE QUALIFIES FO	R THE 12.5% ROYALTY	
0037	LIMITATION AS AUTHORIZED	BY THE ACT OF AUGUST 8,1946	
0038	ONLY FOR THE BONE SPRIN	G AND WOLFCAMP FORMATIONS.	

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

# I. <u>APD Process</u>

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.

Attachment 1-1

Colgate Operating, LLC 110 Case Nos. 23149-23156 Exhibit A-15

- (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. Drilling Island Process

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:
  - 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 <u>60</u> 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 decision-making 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. <u>Approval to drill on the Drilling Island may only be granted through an approved APD</u>. 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:
  - 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. <u>Approval to drill within a Development Area may only be granted through an approved APD.</u> 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:

<u>Oil well</u>: 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 <sup>1</sup>/<sub>4</sub> 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).

<u>Gas Well</u>: 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 <sup>1</sup>/<sub>2</sub> 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. <u>Appeal Process</u>

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.

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

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

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

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

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

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

APPLICATION OF COLGATE OPERATING, LLC, TO POOL ADDITIONAL INTERESTS, UNDER ORDER NO. R-22284 LEA COUNTY, NEW MEXICO. CASE NO. 23149 ORDER NO. R-22277

CASE NO. 23150 ORDER NO. R-22278

CASE NO. 23151 ORDER NO. R-22279

CASE NO. 23152 ORDER NO. R-22280

CASE NO. 23153 ORDER NO. R-22281

CASE NO. 23154 ORDER NO. R-22282

CASE NO. 23155 ORDER NO. R-22283

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.

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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.

15. **Exhibit B-12** identifies three wells penetrating the targeted Bone Spring intervals 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

12/5/2022 Date

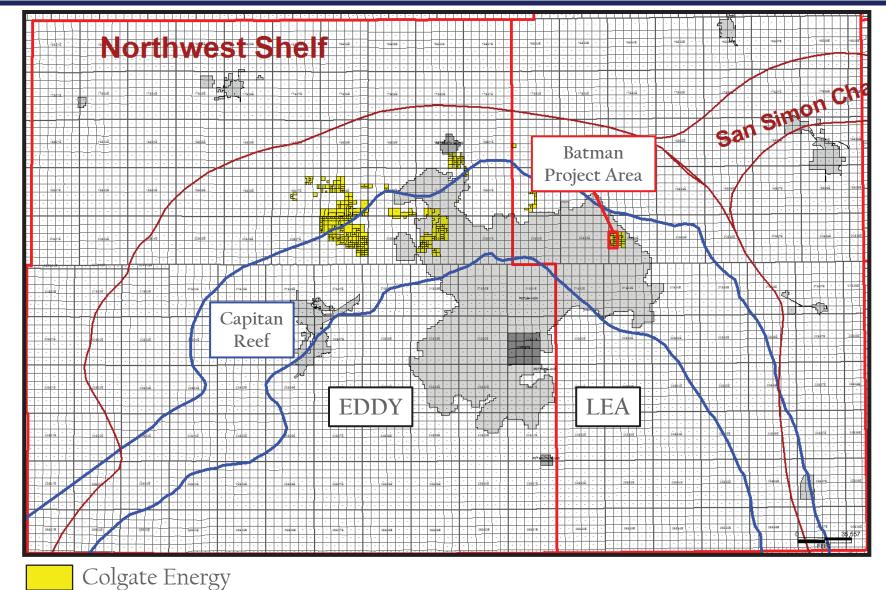
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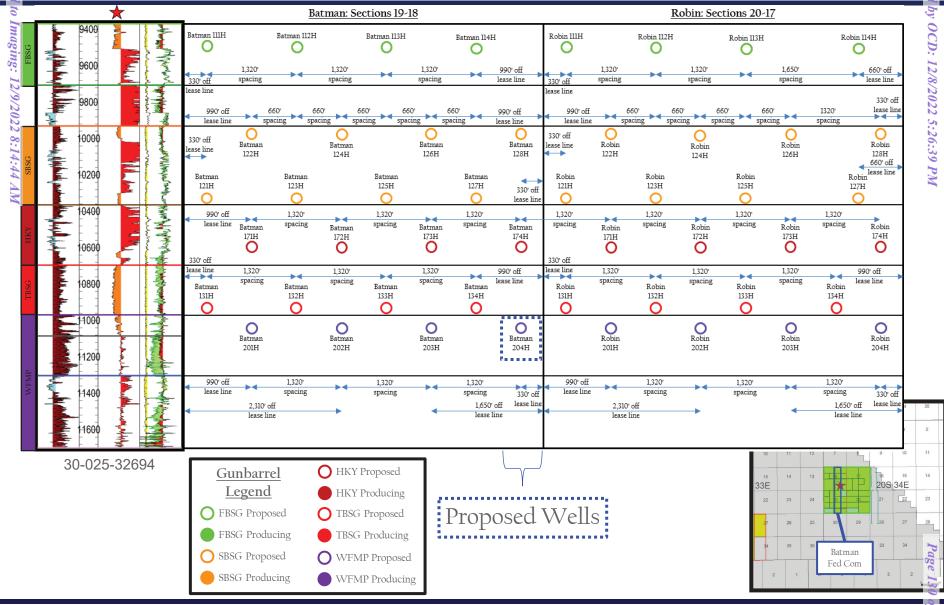
# Eun Barrel Development Plan

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



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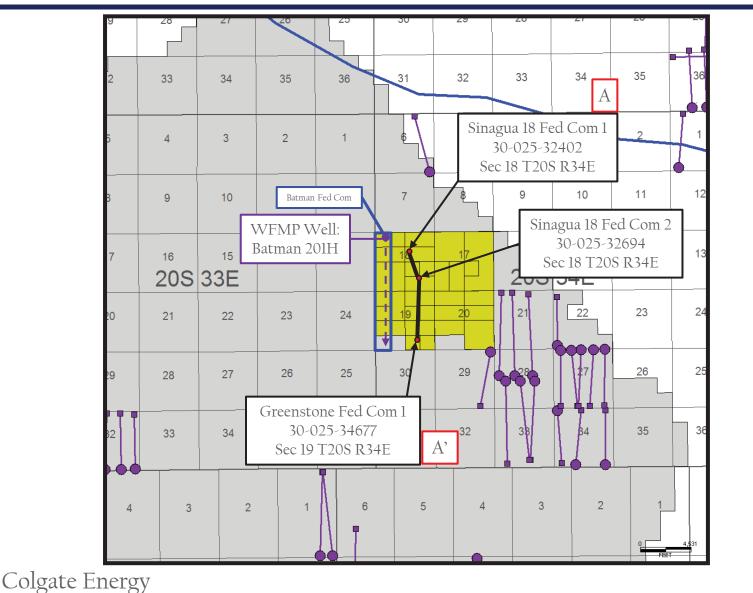
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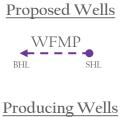
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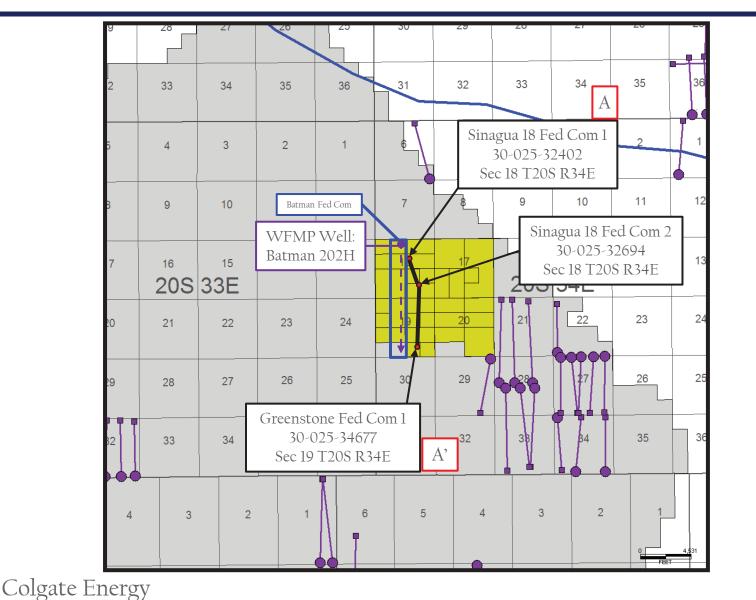






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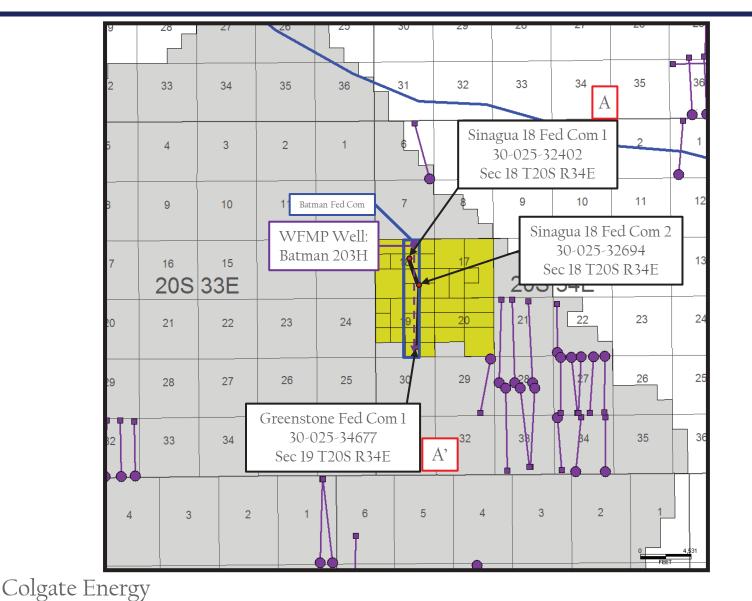
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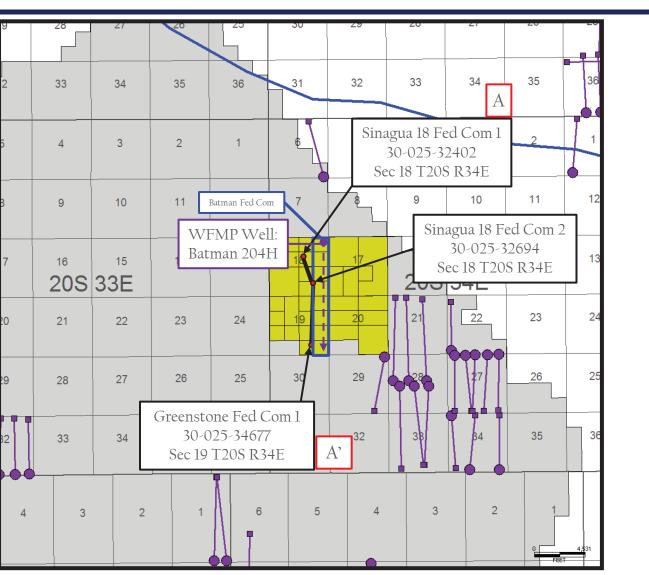
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# Wolfcamp – Structure Map

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



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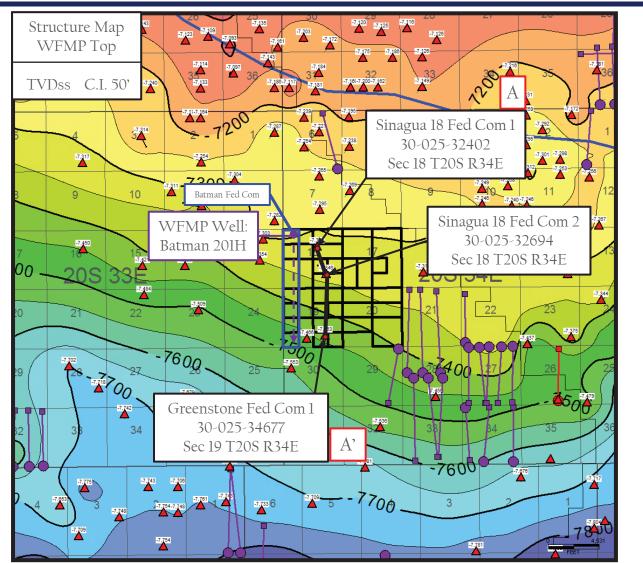
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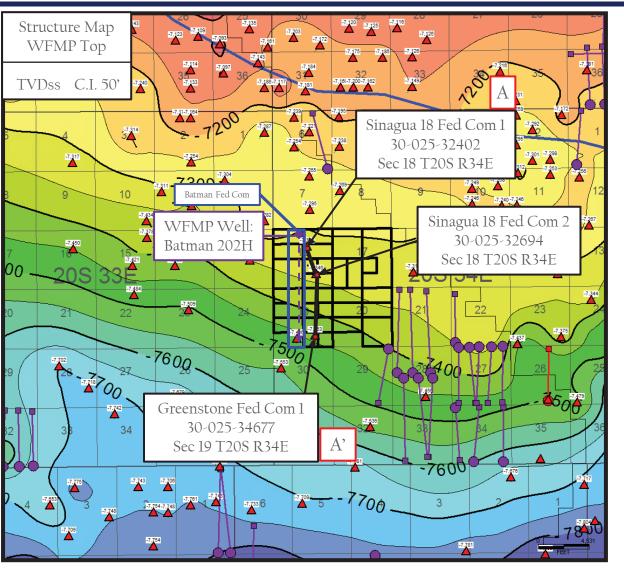
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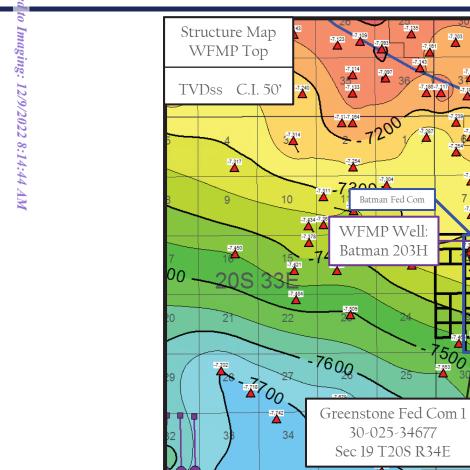


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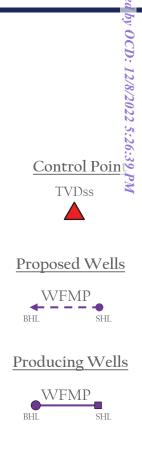
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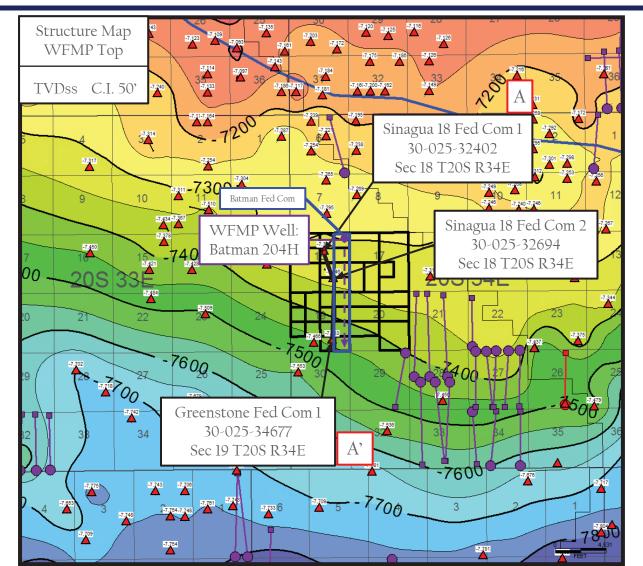
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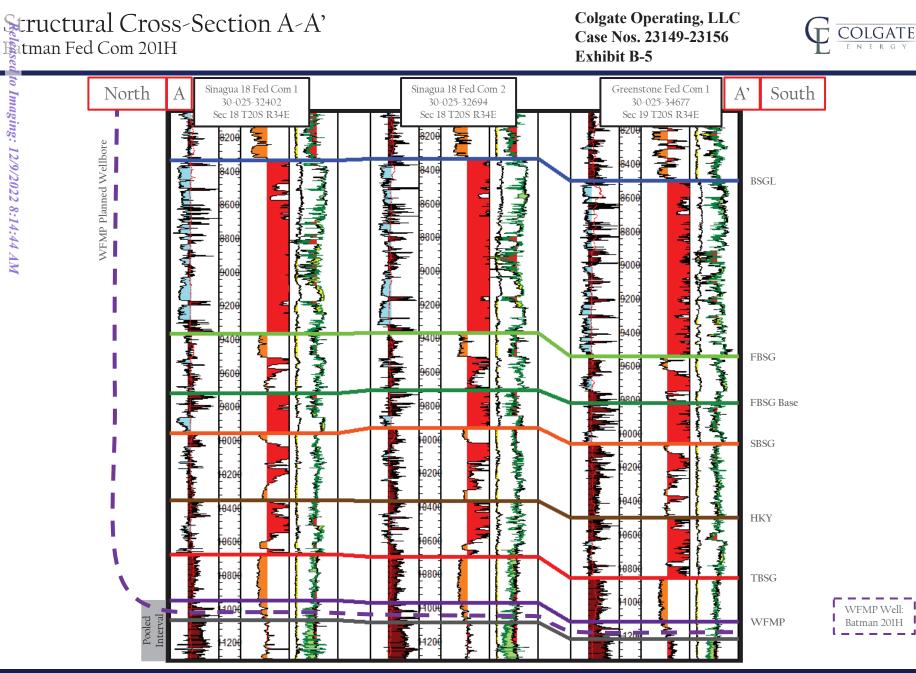


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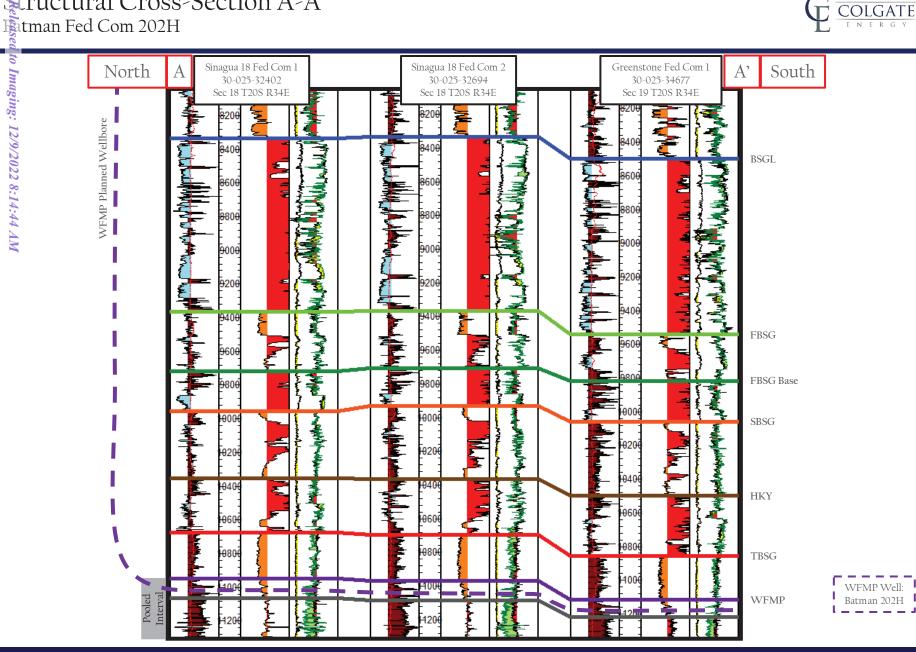
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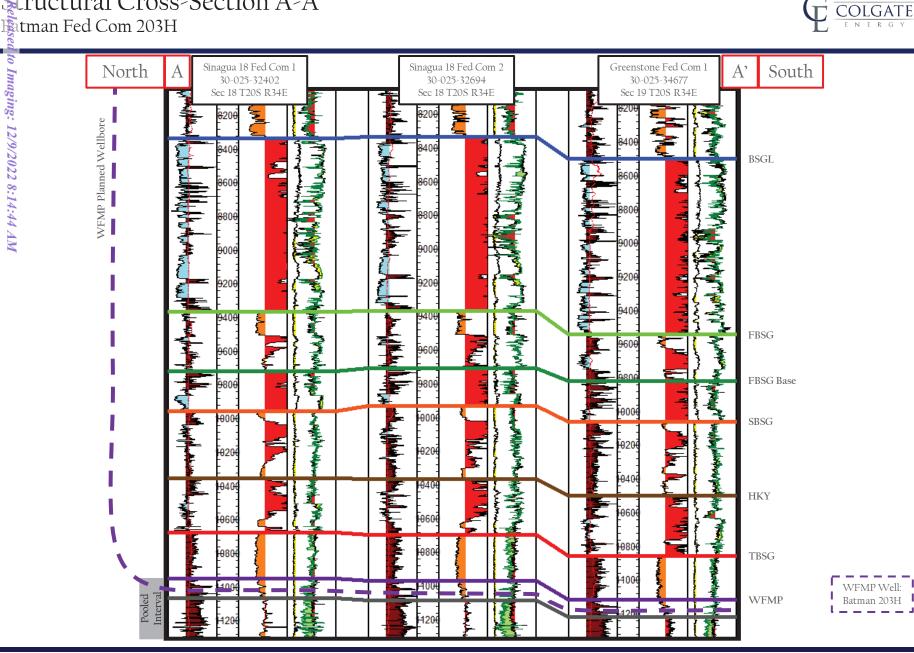
Structural Cross-Section A-A'

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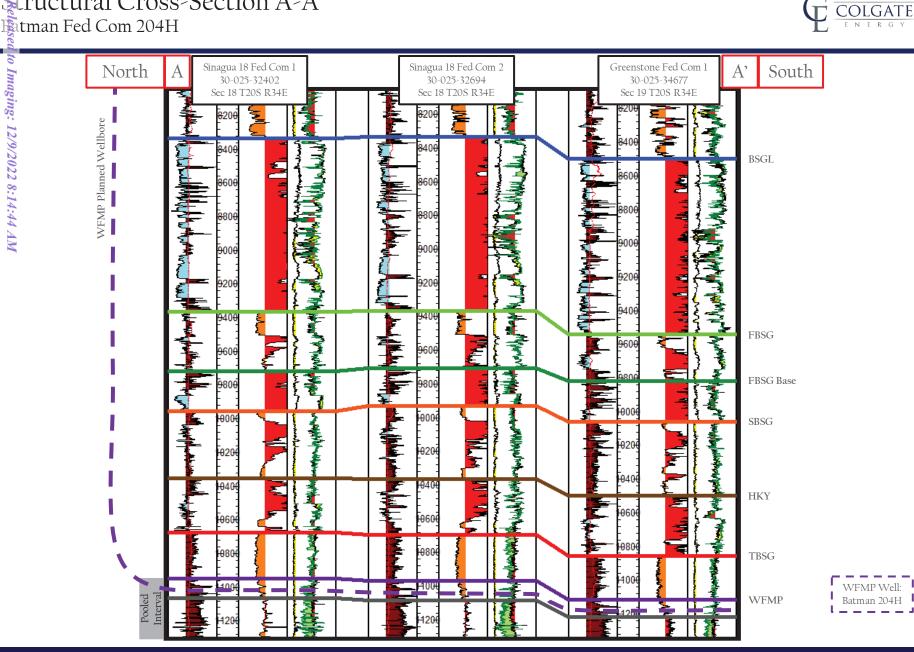
# Structural Cross-Section A-A'

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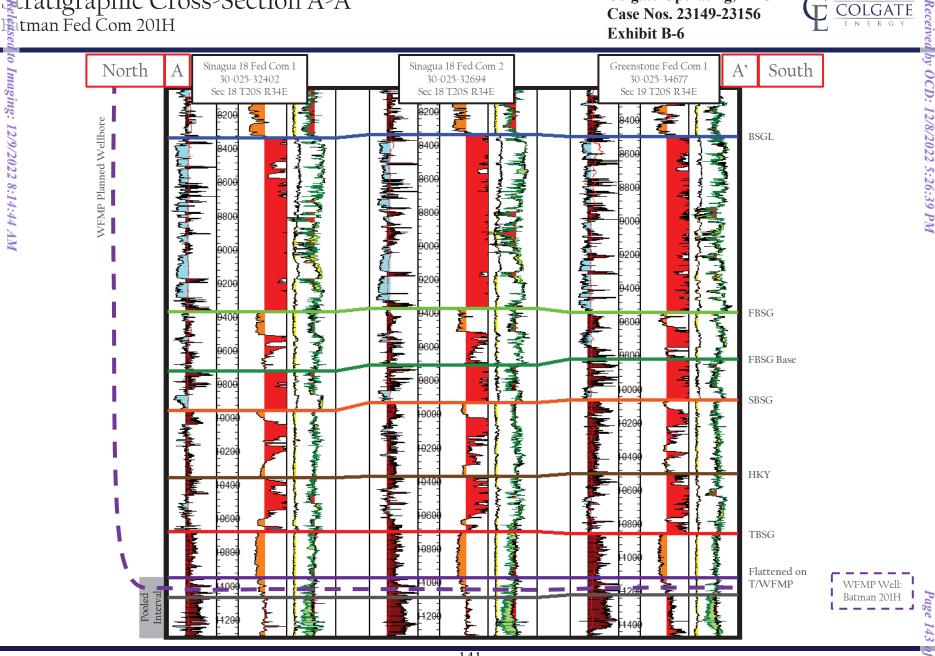
# Structural Cross-Section A-A'

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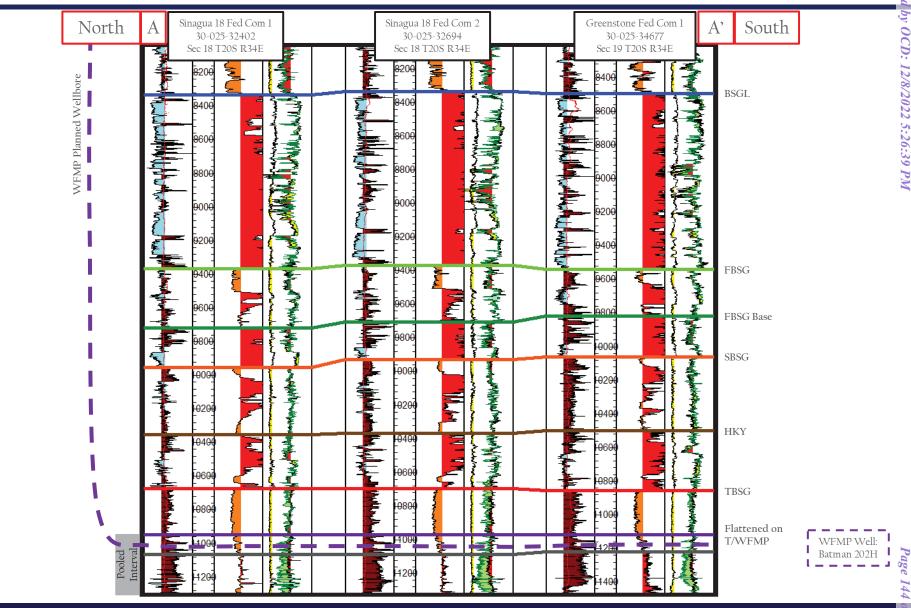


# Stratigraphic Cross-Section A-A'

**Colgate Operating, LLC** Case Nos. 23149-23156

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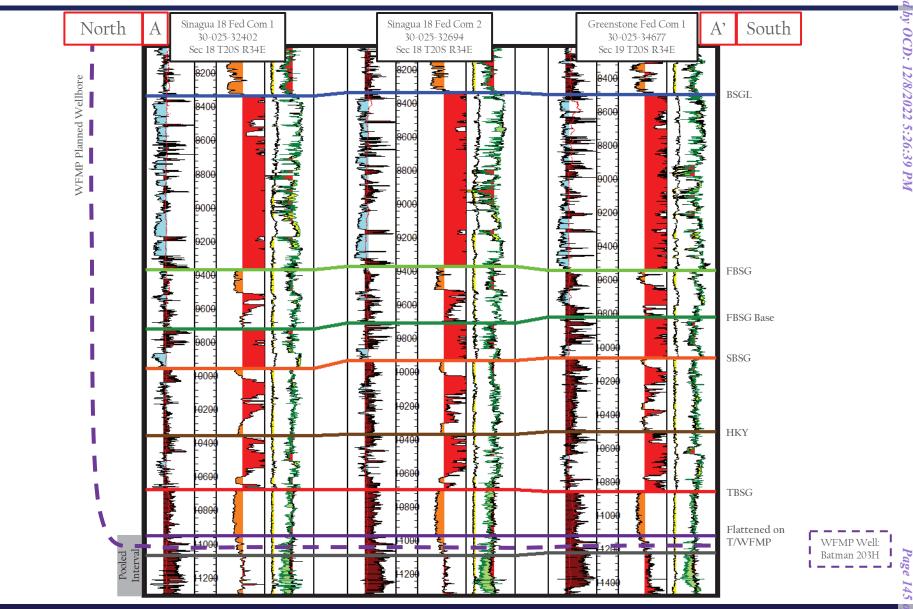


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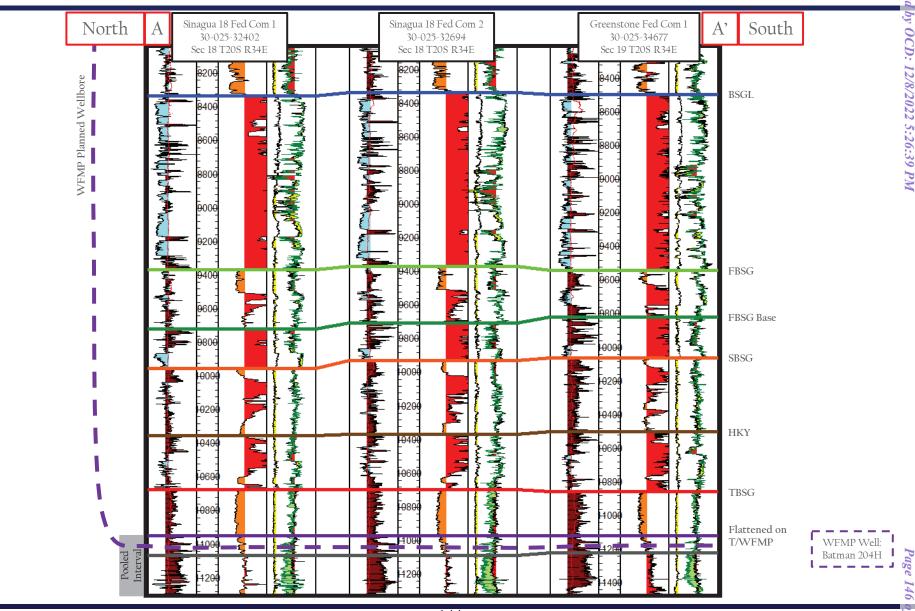


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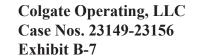
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### Fross-Section Locator Map tman Fed Com – 111H, 121H, 122H, 171H, 131H





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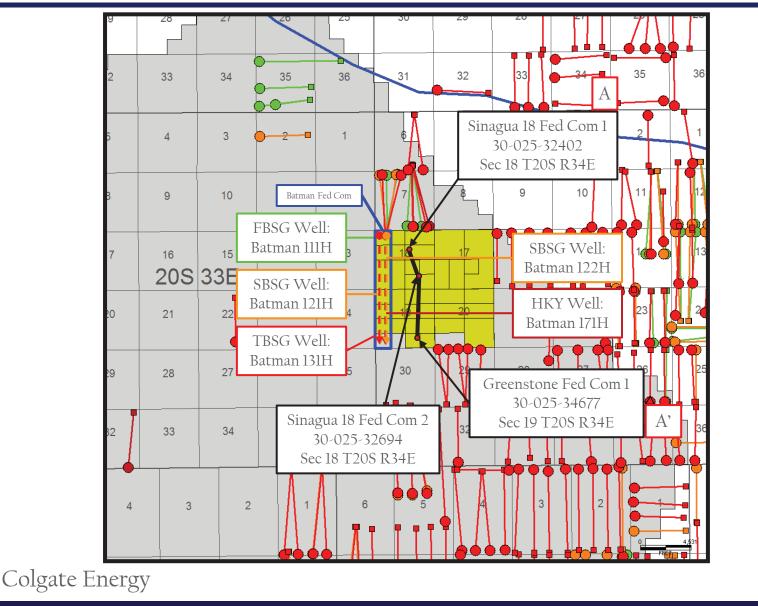
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## ©ross-Section Locator Map tman Fed Com – 112H, 123H, 124H, 172H, 132H



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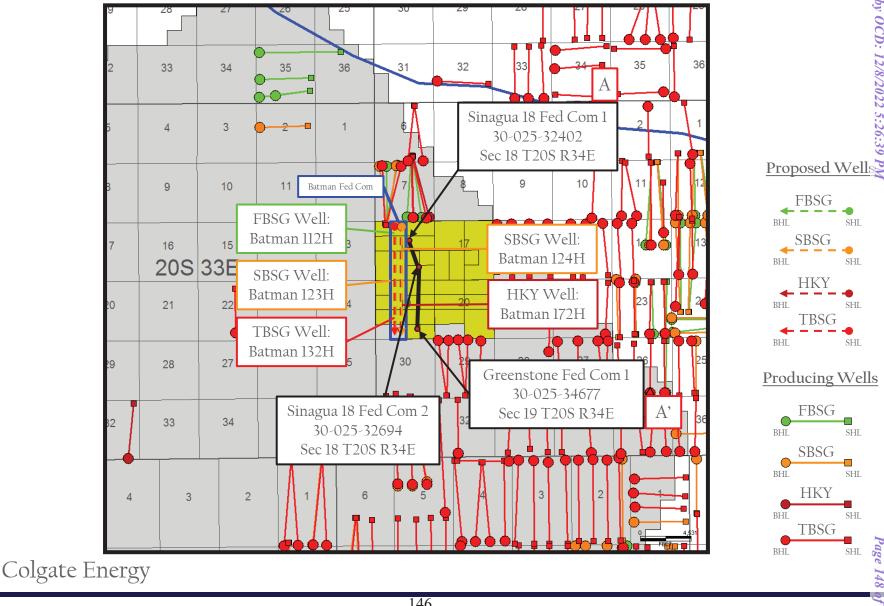
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## Fross-Section Locator Map tman Fed Com – 113H, 125H, 126H, 173H, 133H



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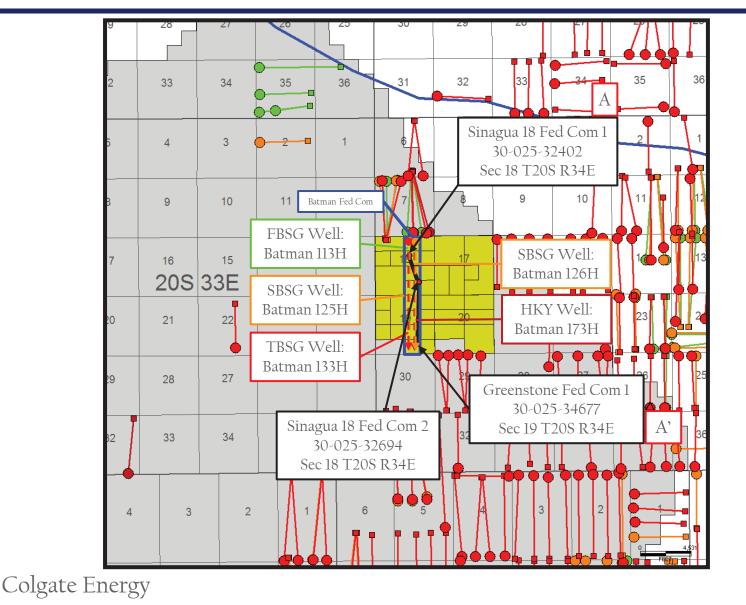
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## ©ross-Section Locator Map tman Fed Com – 114H, 127H, 128H, 174H, 134H



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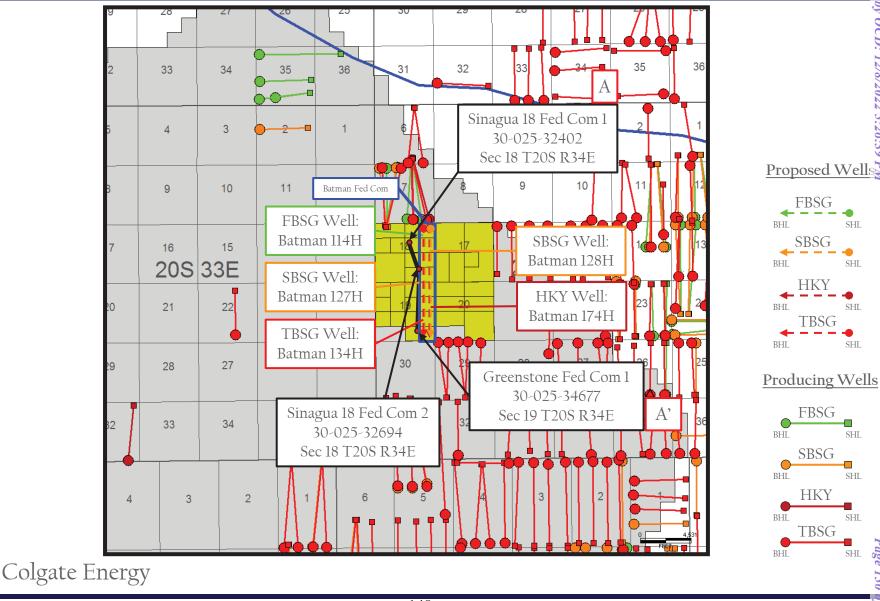
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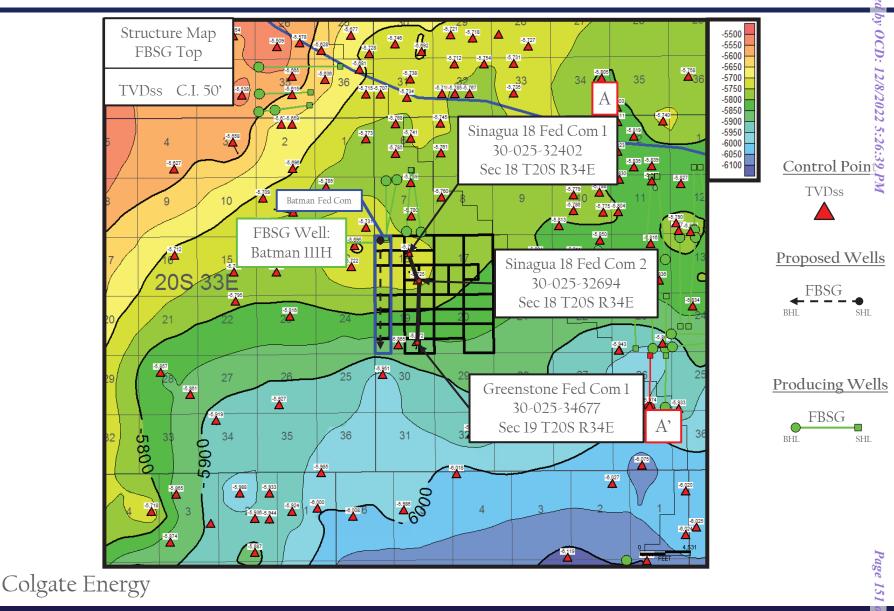




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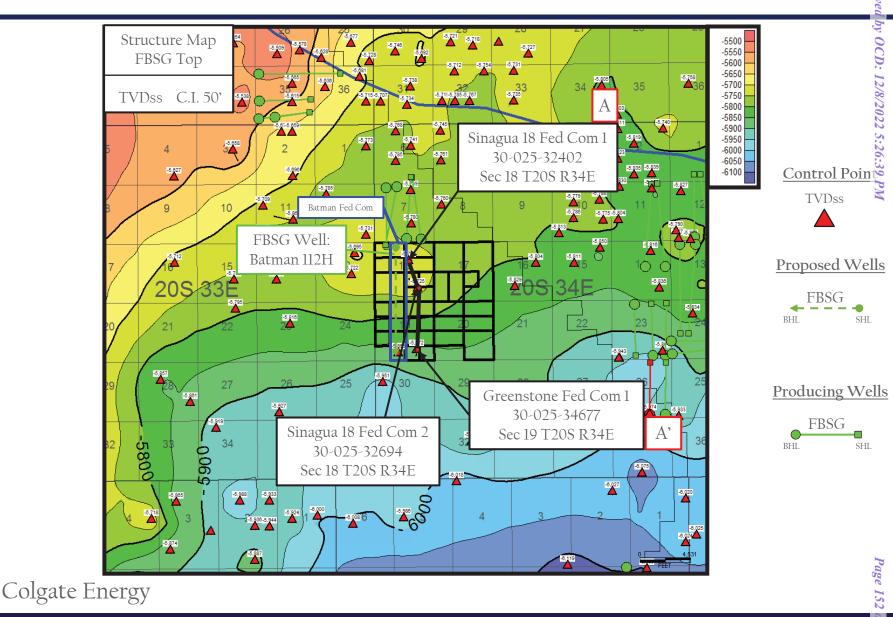
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### Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-8



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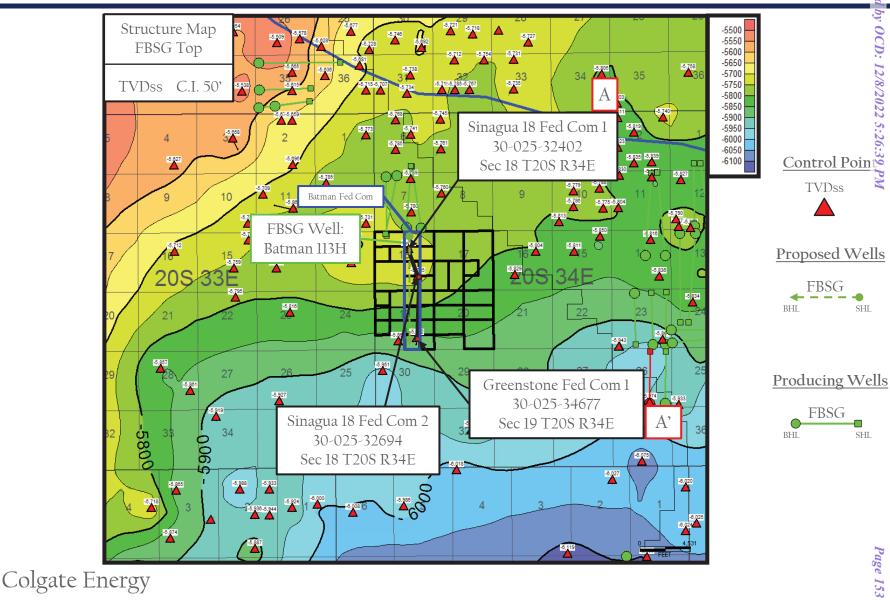


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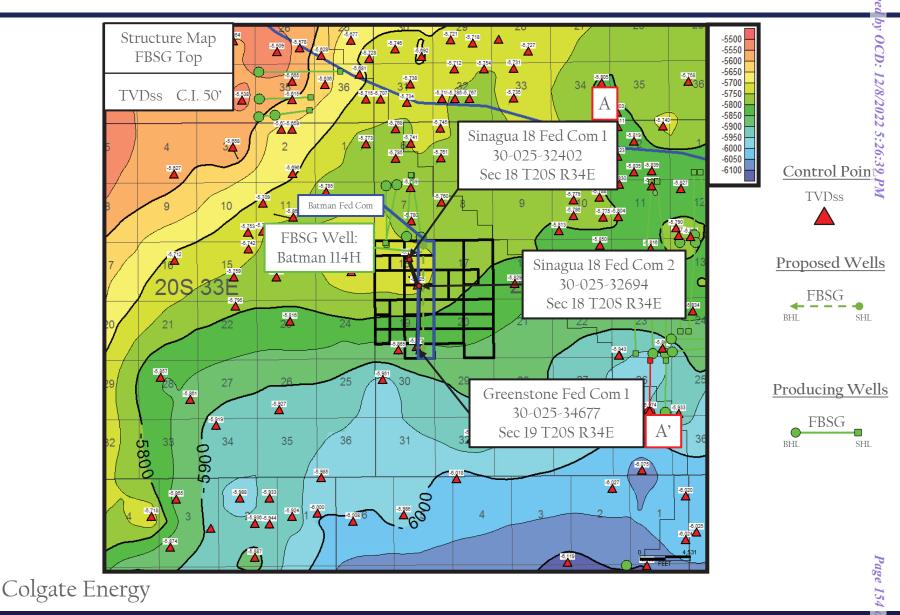


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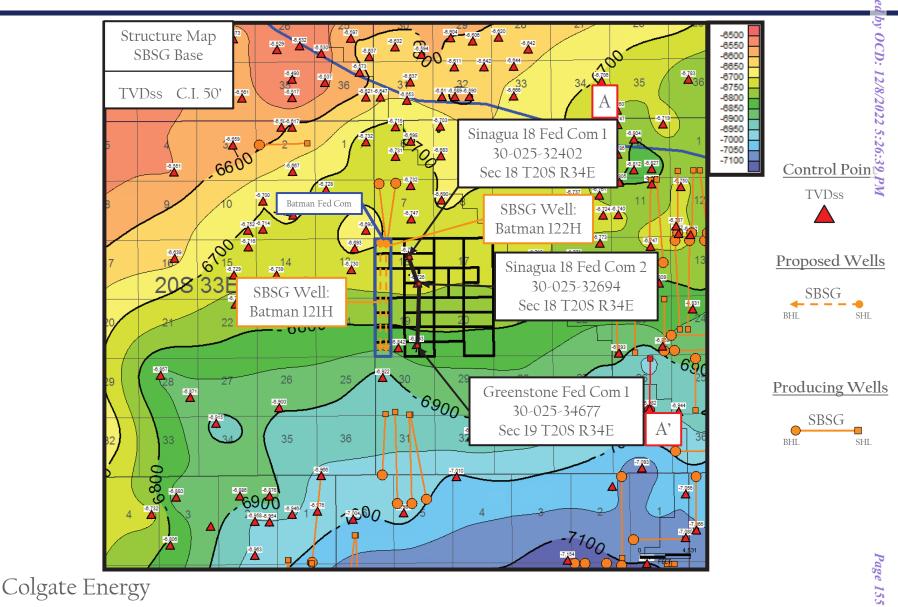
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# Second Bone Spring – Structure Map

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



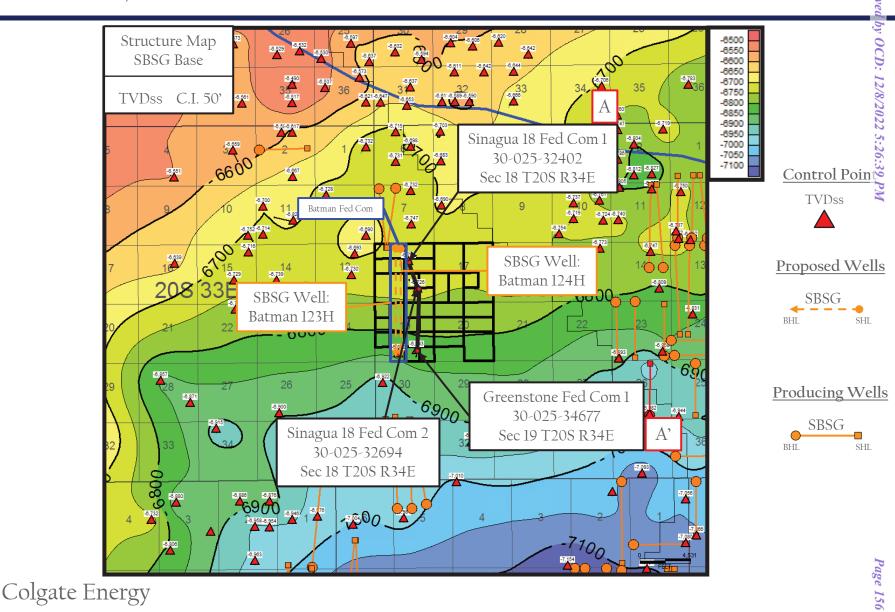


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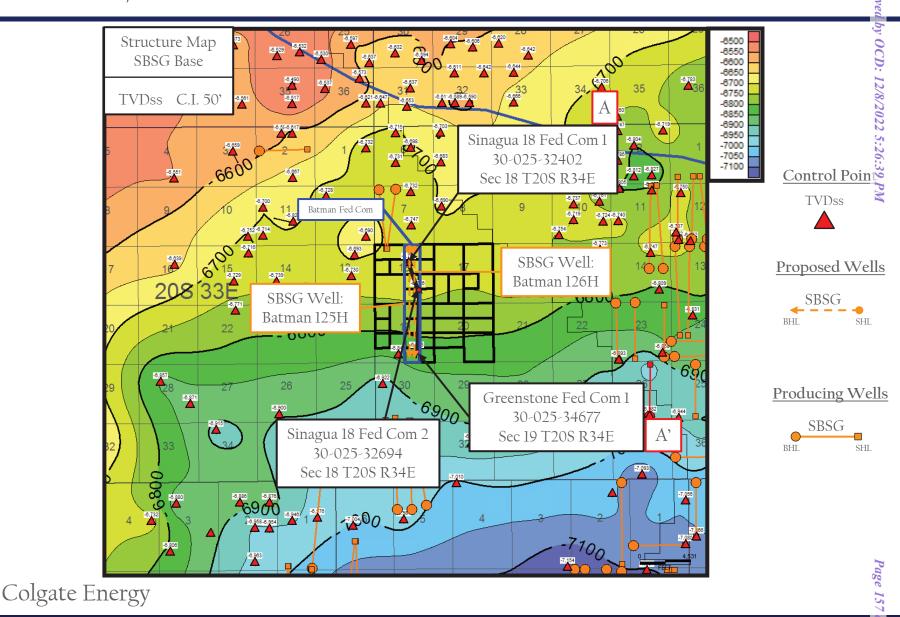
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### Second Bone Spring – Structure Map Intman Fed Com 125H, 126H



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19

# Second Bone Spring – Structure Map

Structure Map -6500 OCD: 12/8/2022 5:26: -6,632 -6,642 -6550 SBSG Base -6600 -6650 -8,783 **4**36 -8,490 35 -8,517 -6700 31 35 36 -6750 TVDss C.I. 50' -0.501 -6800 -6850 -6900 -6950 Sinagua 18 Fed Com 1 -7000 - 66 00 30-025-32402 -7050 -7100 8,812 -8,827 Control Poin -8,551 Sec 18 T20S R34E **TVDss** 7 Batman Fed Com -8,747 -6,69 6700 6,693 -8.639 1 **6** SBSG Well: -6,739 Proposed Wells 400 1-8,730 Batman 128H 208 SBSG Well: SBSG -6.771 Batman 127H BHL SHL 22 65 26 **Producing Wells** Greenstone Fed Com 1 -6,871 6900 30-025-34677 -6,944 SBSG -0.915 Sinagua 18 Fed Com 2 A' Sec 19 T20S R34E BHL SHL 30-025-32694 Sec 18 T20S R34E 0 680 **Å**9**Å** 7,056 1 2<sup>0</sup>0 100 7,154 Page 158 Colgate Energy

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, CONFIDENTIAL

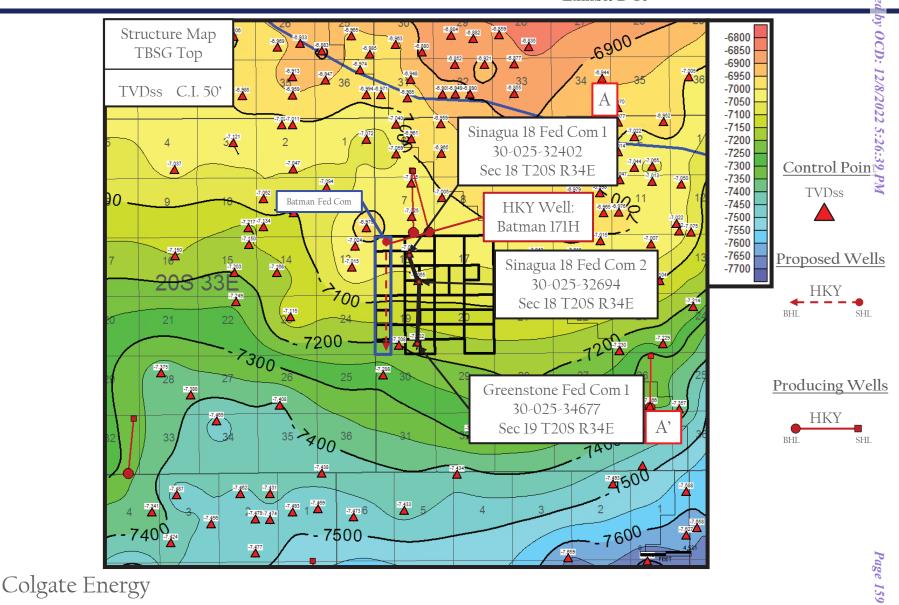
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19

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



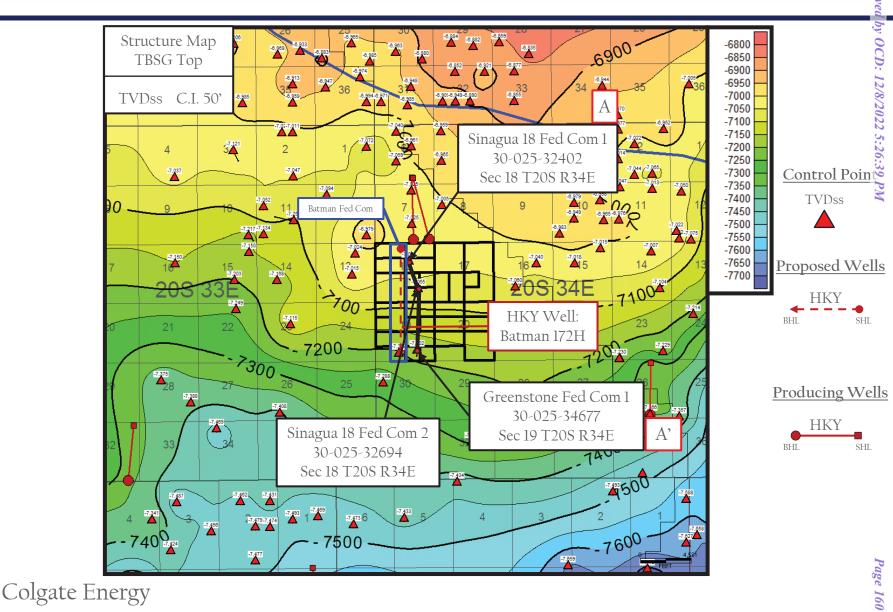


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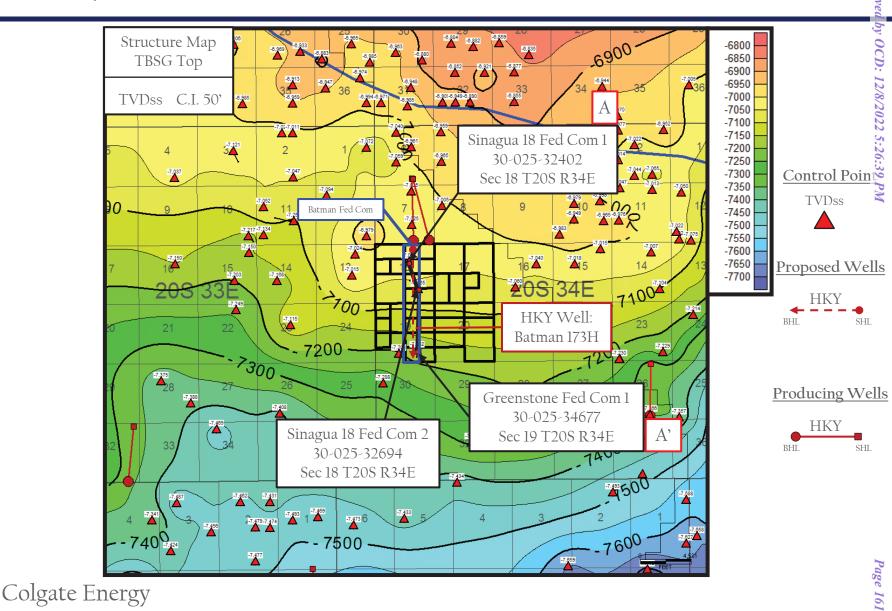
👼 tman Fed Com 172H



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191

### Ehird Bone Spring – Structure Map 🗟 tman Fed Com 173H

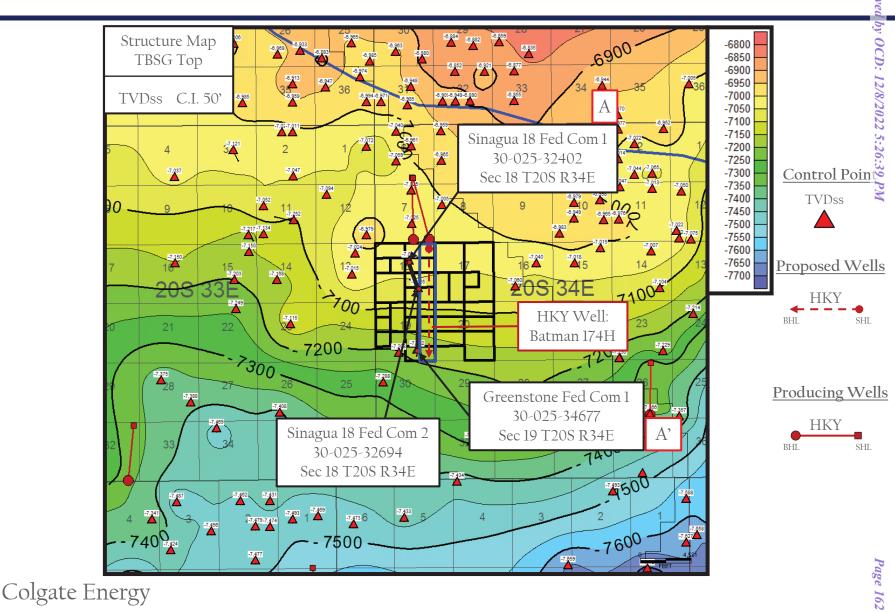


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**CONFIDENTIAL** 

191

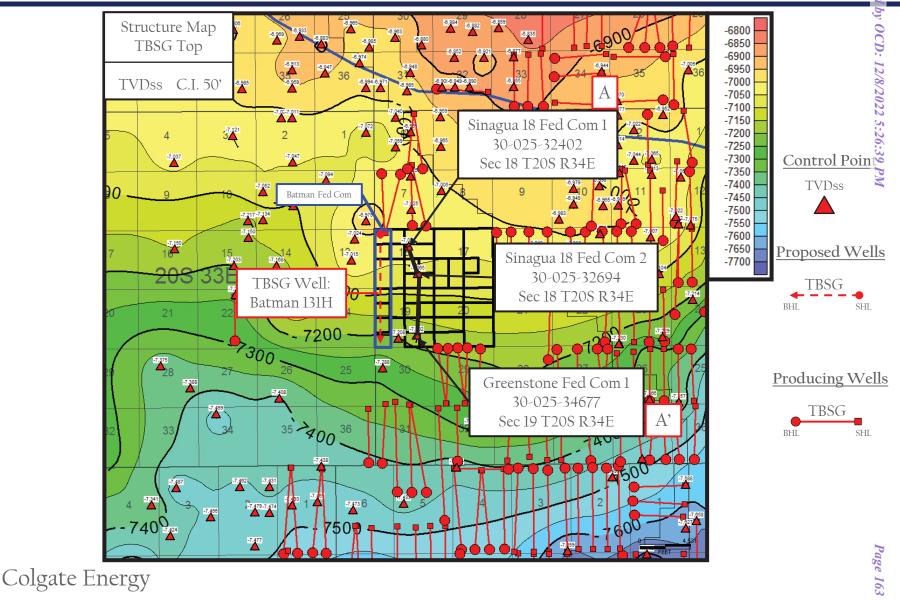
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#### Colgate Operating, LLC Case Nos. 23149-23156 Exhibit B-11

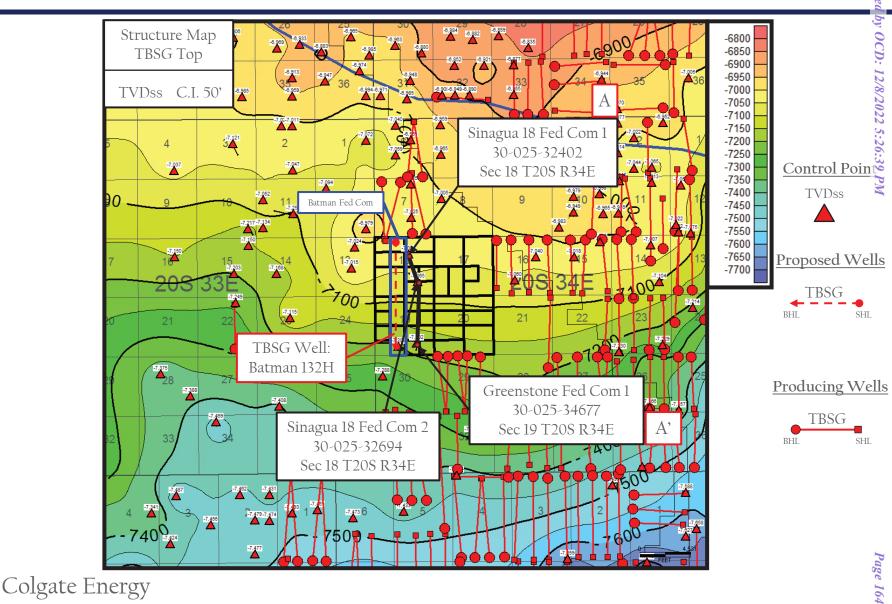


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COLGATE ENERGY

👼 tman Fed Com 132H

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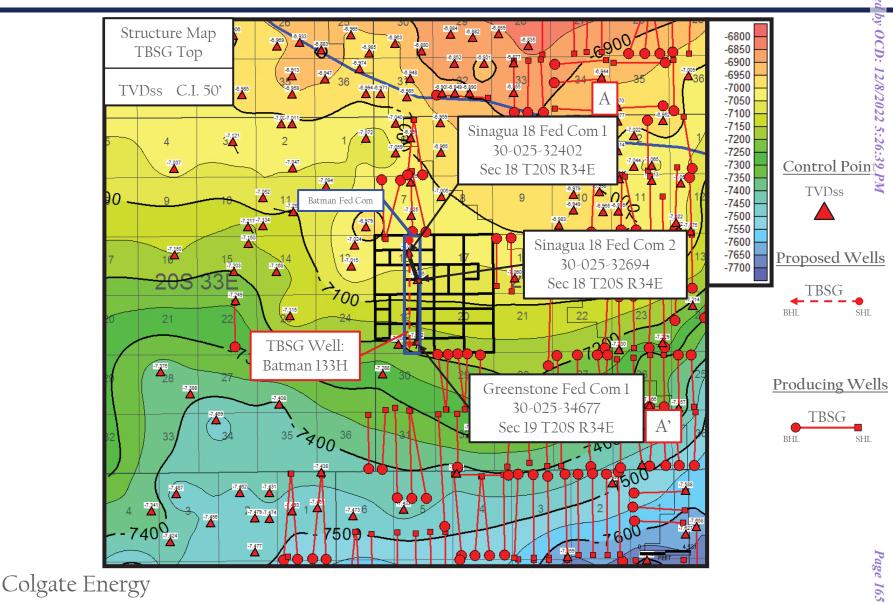


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COLGATE E N E R G Y

### Ehird Bone Spring – Structure Map 🕅 tman Fed Com 133H



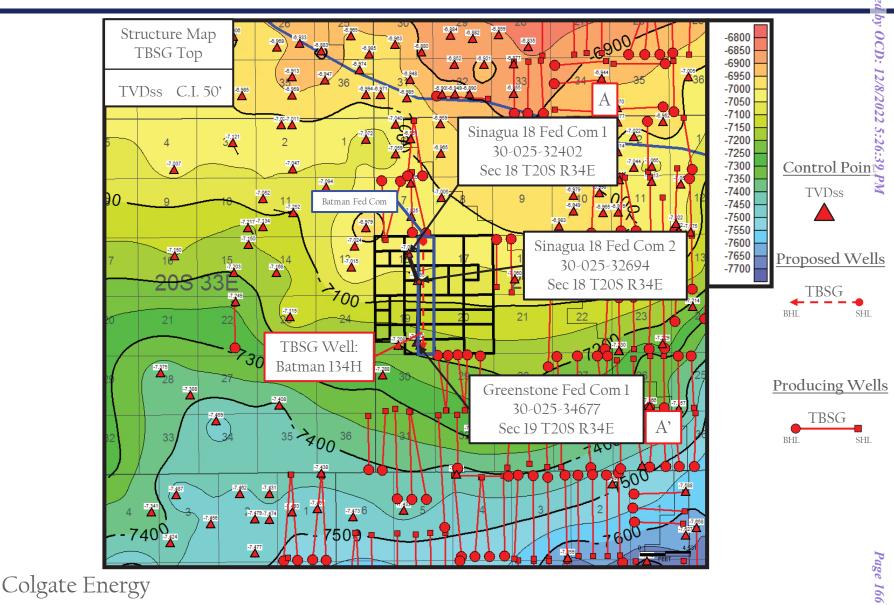
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COLGATE E N E R G Y

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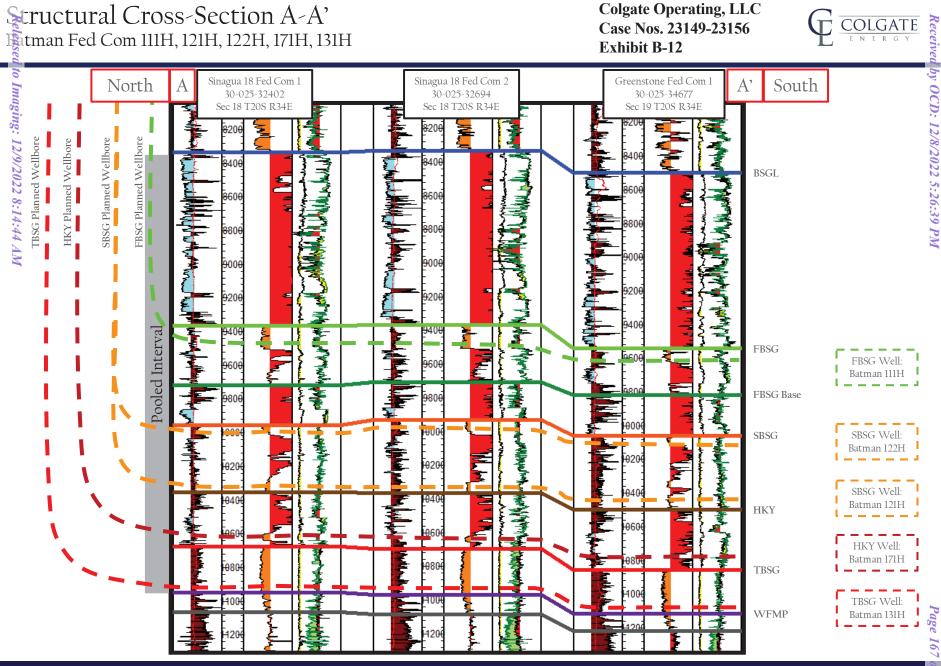
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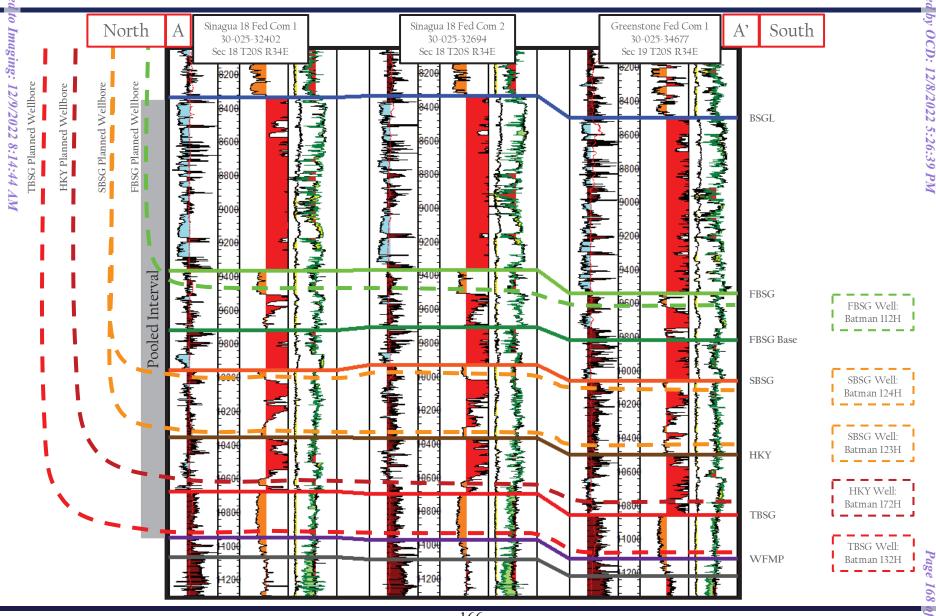
**CONFIDENTIAL** 

191

COLGATE E N E R G Y



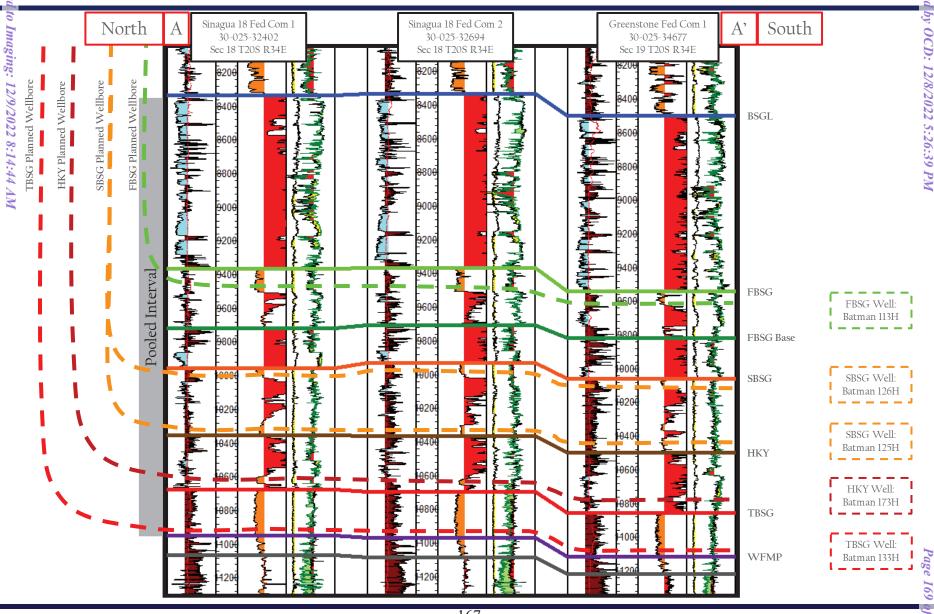
Structural Cross-Section A-A' 👖 tman Fed Com 112H, 123H, 124H, 172H, 132H



COLGATE ENERGY

166

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



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COLGATE ENERGY



COLGATE ENERGY 👼 tman Fed Com 114H, 127H, 128H, 174H, 134H 6 Sinagua 18 Fed Com 1 Sinagua 18 Fed Com 2 Greenstone Fed Com 1 North A' South Imaging: 12/9/2022 8:14:44 AM А 30-025-32402 30-025-32694 30-025-34677 Sec 18 T20S R34E Sec 18 T20S R34E Sec 19 T20S R34E **TBSG** Planned Wellbore FBSG Planned Wellbore HKY Planned Wellbore SBSG Planned Wellbore 400 <del>8</del>40<del>0</del> 8400 F BSGL 5 600 **I** Mu <del>600</del> ŝ 3800 380<del>0</del> <del>9</del>00<del>0</del> <del>9</del>00<del>0</del> 200 <del>9</del>20<del>0</del> <del>9</del>40<del>0</del> Pooled Interval <del>)</del>40<del>(</del> FBSG ALMAN V FBSG Well: <del>)</del>60<del>(</del> <del>9</del>60<del>0</del> Batman 114H FBSG Base Ì <del>9</del>80<del>0</del> -1 <del>9</del>80<del>0</del> 000 San ilaha SBSG SBSG Well: Batman 128H 0204 SBSG Well: 0400 A NAME <del>0</del>40 2 0400 Batman 127H HKY 0600 HKY Well: -Batman 174H Ę 0800 1 080 10800 TBSG H000 100 TBSG Well: WFMP Batman 134H 

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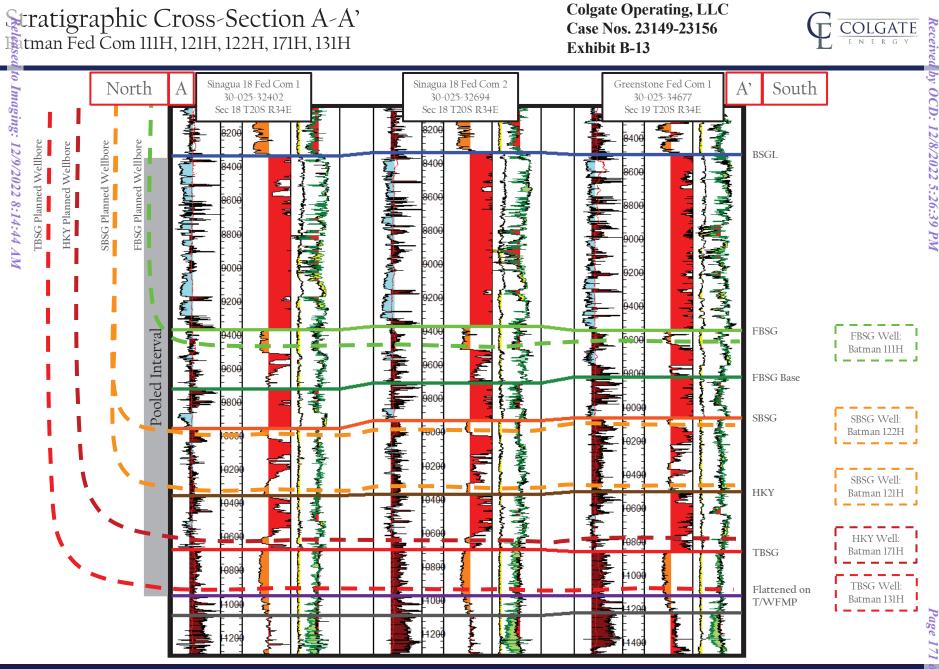
Structural Cross-Section A-A'

168

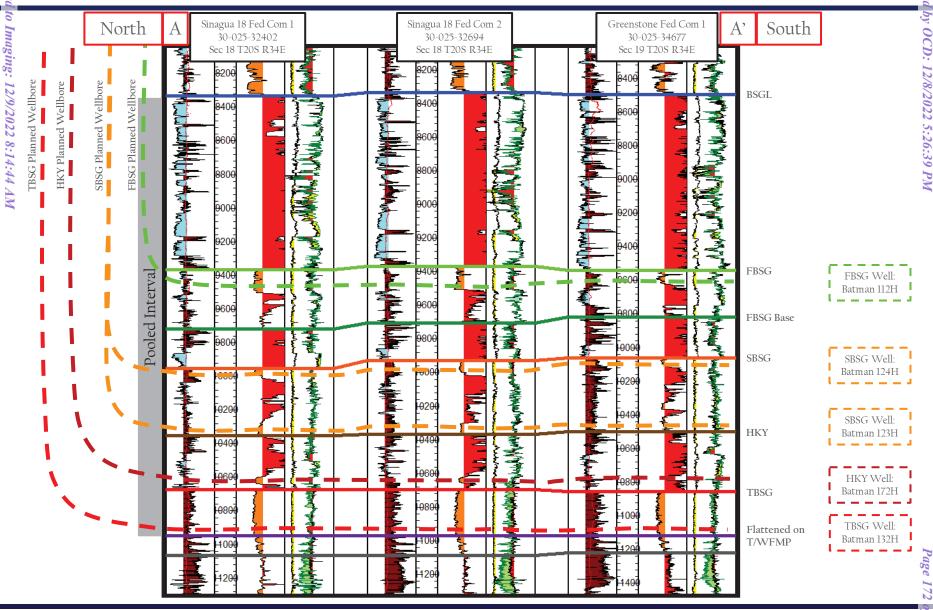
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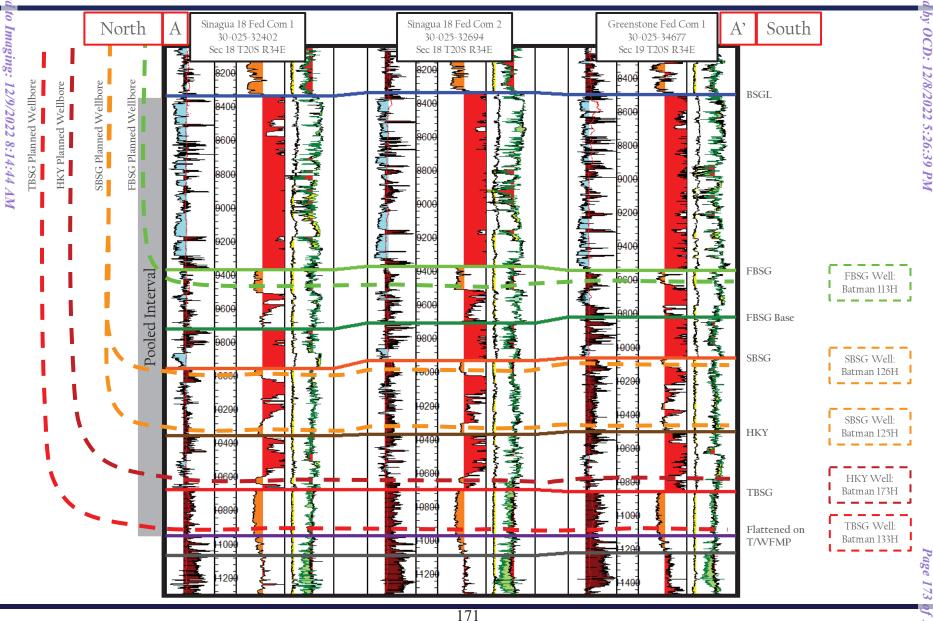


Stratigraphic Cross-Section A-A' Intman Fed Com 112H, 123H, 124H, 172H, 132H



COLGATE ENERGY Rece OCD: 12/8/2022 5:26:39 PM

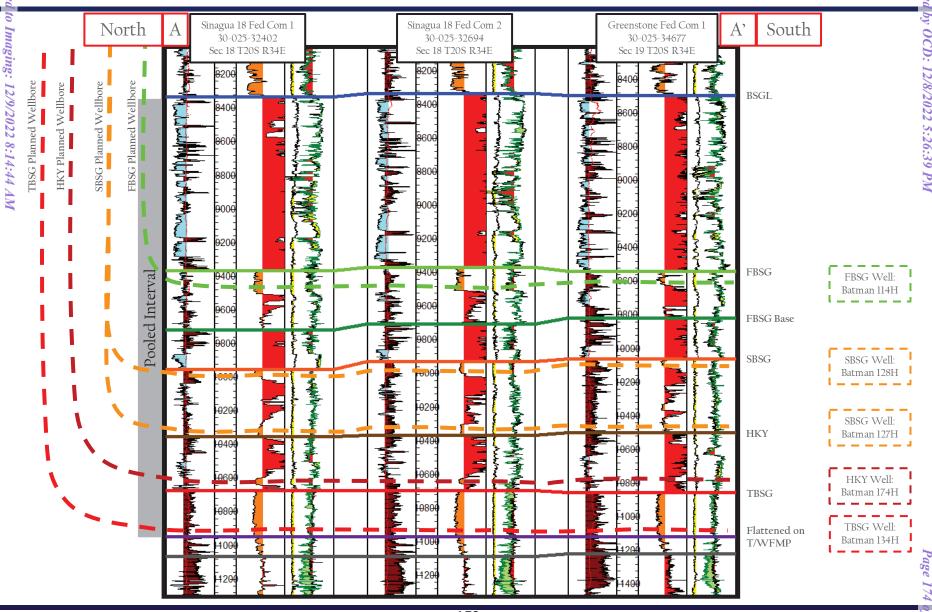
Stratigraphic Cross-Section A-A' Intman Fed Com 113H, 125H, 126H, 173H, 133H



29

COLGATE ENERGY

Stratigraphic Cross-Section A-A' Etman 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	CASE NO. 23149
LEA COUNTY, NEW MEXICO.	ORDER NO. R-22277
APPLICATION OF COLGATE OPERATING,	
LLC, TO POOL ADDITIONAL INTERESTS,	
UNDER ORDER NO. R-22278	CASE NO. 23150
LEA COUNTY, NEW MEXICO.	ORDER NO. R-22278
APPLICATION OF COLGATE OPERATING,	
LLC, TO POOL ADDITIONAL INTERESTS,	
UNDER ORDER NO. R-22279	CASE NO. 23151
LEA COUNTY, NEW MEXICO.	<b>ORDER NO. R-22279</b>
APPLICATION OF COLGATE OPERATING,	
LLC, TO POOL ADDITIONAL INTERESTS,	
UNDER ORDER NO. R-22280	CASE NO. 23152
LEA COUNTY, NEW MEXICO.	ORDER NO. R-22280
APPLICATION OF COLGATE OPERATING,	
LLC, TO POOL ADDITIONAL INTERESTS,	
UNDER ORDER NO. R-22281	<b>CASE NO. 23153</b>
LEA COUNTY, NEW MEXICO.	ORDER NO. R-22281
APPLICATION OF COLGATE OPERATING,	
LLC, TO POOL ADDITIONAL INTERESTS,	
UNDER ORDER NO. R-22282	<b>CASE NO. 23154</b>
LEA COUNTY, NEW MEXICO.	ORDER NO. R-22282
APPLICATION OF COLGATE OPERATING,	
LLC, TO POOL ADDITIONAL INTERESTS,	
UNDER ORDER NO. R-22283	<b>CASE NO. 23155</b>
LEA COUNTY, NEW MEXICO	ORDER NO. R-22283
APPLICATION OF COLGATE OPERATING,	
LLC, TO POOL ADDITIONAL INTERESTS,	
UNDER ORDER NO. R-22284	<b>CASE NO. 23156</b>
LEA COUNTY, NEW MEXICO.	ORDER NO. R-22284
SELF-AFFIRMED STATEMENT	
OF DANA S. HARDY	
	Colgate Operating

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

.

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.

<u>/s/ Dana S. Hardy</u> 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:

Page 177 of 191

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

October 7, 2022

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO ALL PARTIES ENTITLED TO NOTICE

#### Re: 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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

Please contact Travis Macha at (432) 400-1037 if you have questions about this matter.

Sincerely,

175

/s/ Dana S. Hardy

Dana S. Hardy

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

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



#### HINKLE SHANOR LLP

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

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

hinklelawfirm.com

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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<u>https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/</u>) or via e-mail to <u>ocd.hearings@state.nm.us</u> 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.

Sincerely,

176

/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, NEW MEXICO.

#### CASE NOs. 23151-52 & 23155-56 ORDER NOs. R-22279-80 & R-22283-84

#### **NOTICE LETTER CHART**

PARTY	NOTICE LETTER SENT	<b>RETURN RECEIVED</b>
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

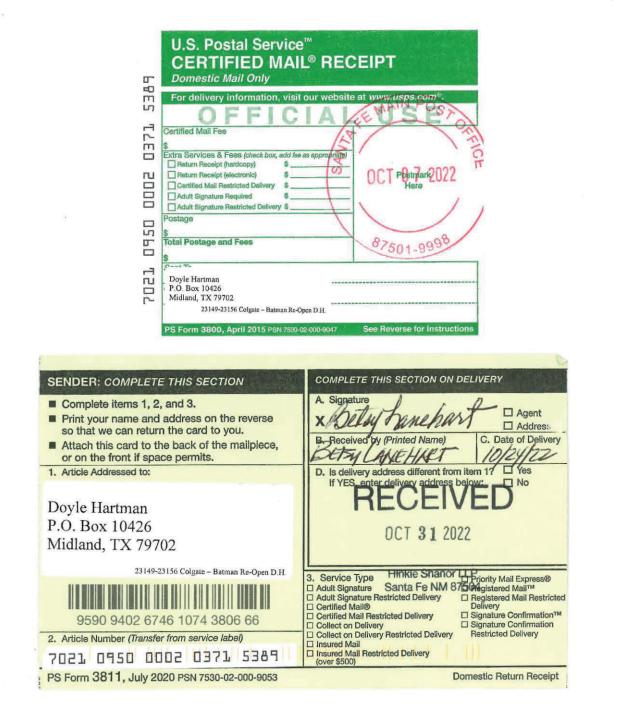
#### APPLICATION OF COLGATE OPERATING, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NOS. R-22277-84, LEA COUNTY, NEW MEXICO.

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

#### **NOTICE LETTER CHART**

PARTY	NOTICE LETTER SENT	<b>RETURN RECEIVED</b>
Doyle Hartman	10/07/22	10/31/22
P.O. Box 10426		
Midland, TX 79702		





For delivery inform	ation, visit our we	ebsite at <i>www.u</i>	sps.com®.
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Certified Mail Fee	/	FE MAIN	209
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STATE OF NEW MEXICO COUNTY OF LEA

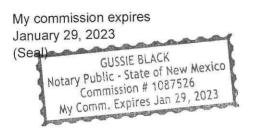
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> 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.

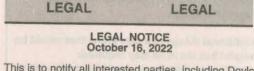
**Business Manager** 



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 02107475

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

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



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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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. #38128

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.

Ve

**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

#### 02107475

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

#### 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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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. #38148

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 02107475

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

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

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.

Juso

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 02107475

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

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: <u>https://www.emnrd.mm.gov/ocd/hearing-info/</u>. 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. #38151

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.

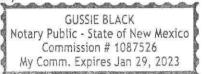
hasel

Publisher

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

**Business Manager** 

My commission expires January 29, 2023 (Seal)



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 02107475

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

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 111H; Batman Fed Com 121H; Batman Fed Com 121H; 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, 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. #38150

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).

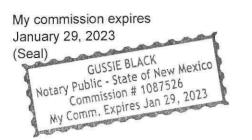
> Beginning with the issue dated October 18, 2022 and ending with the issue dated October 18, 2022.

Juse ll

Publisher

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

**Business Manager** 



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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u> Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-2282. Order No. R-2282 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 132H. The Order designated Applicant as perator 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. #38149

02107475

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

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 Hoxico Commission # 1027526 Ny 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 02107475

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

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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 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. #38130

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 02107475

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

#### 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-2284. Order No. R-2284 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. #38131