### APPLICATION OF COLGATE OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS, EDDY COUNTY, NEW MEXICO.

CASE NO. 23335 ORDER NO. R-22070

### **EXHIBIT INDEX**

Exhibit A	Self-Affirmed Statement of Mark Hajdik	
A-1	Application & Proposed Notice of Hearing	
A-2	Copy of Order No. R-22070	
Exhibit B	Self-Affirmed Statement of Dana S. Hardy	
B-1	Sample Notice Letter to All Interested Parties	
B-2	Chart of Notice to All Interested Parties	
B-3	Copies of Certified Mail Green Cards and White Slips	
B-4	Affidavit of Publication for February 9, 2023	

### APPLICATION OF COLGATE OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS, EDDY COUNTY, NEW MEXICO.

### CASE NO. 23335 ORDER NO. R-22070

#### SELF-AFFIRMED STATEMENT OF MARK HAJDIK

1. I am a Senior Staff Landman with Permian Resources. Prior to the merger of Centennial Resource Development and Colgate Energy in September 2022, I was a 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 provide this Self-Affirmed Statement. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted. I am familiar with the above-referenced application and the matters involved.

2. Copies of the application and proposed hearing notice are attached as Exhibit A-1.

3. The Division entered Order No. R-22070 ("Order") in Case No. 22395 on March 9, 2022. The Order pooled all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 16 and 17, Township 19 South, Range 28 East, Eddy County, New Mexico. The Order further dedicated the unit to the Blackhawk 16 State Com 133H and Blackhawk 16 State Com 123H wells ("Wells") and designated Colgate as operator of the unit and wells. A copy of the Order is attached as **Exhibit A-2**.

> Colgate Operating, LLC Case No. 23335 Exhibit A

4. Paragraph 20 of Order required Colgate to commence drilling the Wells within one
(1) year of the date of the Order unless Colgate obtains a time extension from the Division Director for good cause.

5. Good cause exists for an extension to commence drilling the Wells due to delays resulting from limited rig availability, supply chain delays, and delays due to delays due to merger closing of Colgate and Centennial Resources. Colgate intends to commence drilling the Wells during the first half of 2023.

 Accordingly, Colgate requests that the Division extend the deadline to commence drilling the Blackhawk 16 State Com 133H and Blackhawk 16 State Com 123H Wells until March 9, 2024.

7. Colgate further requests the other provisions of the Order remain in force and effect.

8. Colgate is in good standing under the statewide rules and regulations.

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

10. The exhibits to my Self-Affirmed Statement were either prepared by me or under my supervision or were compiled from company business records.

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

my signature below. Mark Hajdik

2/17/23

Date

2

### APPLICATION OF COLGATE OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS, EDDY COUNTY, NEW MEXICO.

### CASE NO. 23335 ORDER NO. R-22070

#### **APPLICATION**

Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") requesting a one-year extension of time to commence drilling the wells authorized by Order No. R-22070 ("Order"). In support of its application, Applicant states the following.

1. The Division entered the Order in Case No. 22395 on March 9, 2022.

2. The Order pooled all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 16 and 17, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit") and dedicated the Unit to the Blackhawk 16 State Com 133H and Blackhawk 16 State Com 123H wells ("Wells").

3. The Order designated Applicant as operator of the Unit and Wells.

4. Paragraph 20 of the Order requires Applicant to commence drilling the Wells within one (1) year of the date of the Order unless Applicant obtains a time extension from the Division Director for good cause shown.

5. Applicant's ability to commence drilling the Wells has been impacted by limited rig availability and supply chain delays. Applicant intends to commence drilling the Wells during the first half of 2023.

Colgate Operating, LLC Case No. 23335 Exhibit A-1 6. Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Wells until March 9, 2024.

7. Good cause exists for the requested extension.

WHEREFORE, Applicant requests this application be set for hearing on March 2, 2023, and after notice and hearing, the Division extend the deadline to commence drilling the Wells under the Order until March 9, 2024.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Yarithza Peña P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com ypena@hinklelawfirm.com *Attorneys for Colgate Operating, LLC*  Application of Colgate Operating, LLC, to Extend Time to Commence Drilling Operations, Eddy County, New Mexico. Colgate Operating, LLC ("Applicant") seeks an order extending the deadline commence drilling operations under Order No. R-22070 ("Order") until March 9, 2024. The Division entered the Order in Case No. 22395 on March 9, 2022. The Order: pooled all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 16 and 17, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Blackhawk 16 State Com 133H and the Blackhawk 16 State Com 123H wells ("Wells"); and designated Applicant as operator of the Unit and Wells. The Order requires Applicant to commence drilling the Wells within one year of the date of the Order. Applicant requests the Division extend the deadline to commence drilling the Wells until March 9, 2024. The Wells are located approximately 18 miles northeast of Carlsbad, 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. 22395 ORDER NO. R-22070

### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 17, 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 No. 23335 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

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

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: <u>3/09/2022</u>

## Exhibit A

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS				
Case No.:	22395			
Hearing Date:	3/3/2022			
Applicant	Colgate Operating, LLC			
Designated Operator & OGRID	371449			
Applicant's Counsel	Hinkle Shanor LLP			
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico			
Entries of Appearance/Intervenors	Apache Corporation; EOG Resources, Inc.; MRC Permian Company; Jalapeno Corporation			
Well Family	Blackhawk			
Formation/Pool				
Formation Name(s) or Vertical Extent	Bone Spring			
Primary Product (Oil or Gas)	Oil			
Pooling this vertical extent	Bone Spring			
Pool Name and Pool Code	Winchester, Bone Spring, West Pool (Pool Code 97569)			
Well Location Setback Rules	Statewide			
Spacing Unit Size	320-acre			
Spacing Unit				
Гуре (Horizontal/Vertical)	Horizontal			
Size (Acres)	320-acre			
Building Blocks	quarter-quarter			
Drientation	Laydown			
Description: TRS/County	N/2S/2 of Sections 16 and 17, Township 19 South, Range 28 East, Edd County, New Mexico			
Standard Horizontal Well Spacing Unit (Y/N), If No, lescribe	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			
Vell(s)				
lame & API (if assigned), surface and bottom hole ocation, footages, completion target, orientation, ompletion status (standard or non-standard)	Add wells as needed			
Vell #1	Blackhawk 16 State Com 133H (API # pending) SHL: 1212 FSL & 255 FEL (Unit P) of Section 16, T19S-R28E BHL: 2040 FSL & 10 FWL (Unit L) of Section 17, T19S-R28E Completion Target: Bone Spring (Approximately 8600' TVD) Completion status: Standard			
Vell #2	Blackhawk 16 State Com 123H (API # pending) SHL: 1242 FSL & 255 FEL (Unit P) of Section 16, T19S-R28E BHL: 2100 FSL & 10 FWL (Unit L) of Section 17, T19S-R28E Completion Target: Bone Spring (Approximately 7450' TVD) Completion status: Standard			
orizontal Well First and Last Take Points	Exhibit A-2			
ompletion Target (Formation, TVD and MD)	Exhibit A-4			
FE Capex and Operating Costs				
rilling Supervision/Month \$	8,000			
roduction Supervision/Month \$	800			
stification for Supervision Costs	Exhibit A			
equested Risk Charge	200%			
otice of Hearing				

chibit A-6 chibit A-7 chibit A-3 chibit A-3 chibit A-3 chibit A-3 chibit A-4 hibit A-4 hibit A-3
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hibit A-3 hibit A-3 hibit A-3 /A hibit A-4
hibit A-3 hibit A-3 hibit A-3 /A hibit A-4
hibit A-3 hibit A-3 /A hibit A-4
hibit A-3 /A hibit A-4
/A hibit A-4
/A hibit A-4
hibit A-4
hibit A-5
hibit A-4
hibit A-4
hibit A-4
hibit A-4
hibit B
hibit B-1
hibit B-7
hibit B
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hibit A-3
hibit A-3
hibit B-1
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1011 D. Houdy

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### APPLICATION OF COLGATE OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS, EDDY COUNTY, NEW MEXICO.

### CASE NO. 23335 ORDER NO. R-22070

### SELF-AFFIRMED STATEMENT OF DANA S. HARDY

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

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

3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit B-2.

4. Exhibit B-2 also provides the date each Notice Letter was sent and the date each return was received.

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

6. On February 9, 2023, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit B-4**.

7. 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.

<u>/s/ Dana S. Hardy</u> Dana S. Hardy February 27, 2023 Date

> Colgate Operating, LLC Case No. 23335 Exhibit B



# HINKLE SHANOR LLP

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

January 27, 2023

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

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

### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23335 & 23336 – Applications of Colgate Operating, LLC to Extend Time to Commence Drilling Operations Under Order Nos. R-22070 & R-22071, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 2**, **2023** 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.nm.gov/OCD/OCDPermitting) or via e-mail to ocd.hearing@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have questions regarding these matters.

Sincerely,

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

Colgate Operating, LLC Case No. 23335 Exhibit B-1

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321

### APPLICATIONS OF COLGATE OPERATING, LLC TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS, EDDY COUNTY, NEW MEXICO

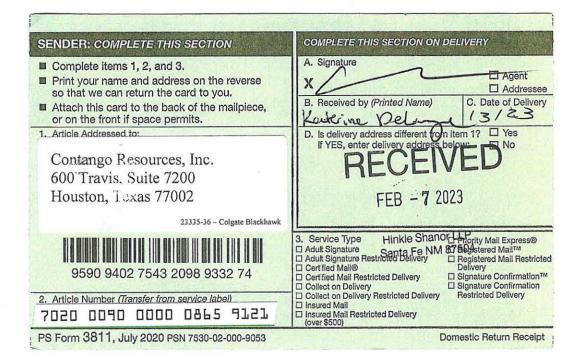
CASE NO. 23335 ORDER NO. R-22070 & CASE NO. 23336 ORDER NO. R-22071

### NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	<b>RETURN RECEIVED</b>
Contango Resources, Inc.	01/27/23	02/07/23
600 Travis, Suite 7200		
Houston, Texas 77002		
EOG Resources	01/27/23	02/06/23
5509 Champions Dr		
Midland, TX 79706		
Jalapeno Corporation	01/27/23	02/01/23
P.O. Box 1608		
Albuquerque, New Mexico 87103		
MRC Delaware Resources, LLC	01/27/23	02/08/23
5400 LBJ Freeway, Suite 1500		
Dallas, Texas 75240		
Marathon Oil Company	01/27/23	02/13/23
990 Town and Country Boulevard		
Houston, TX 77024		
Marathon Oil Permian, LLC	01/27/23	02/07/23
990 Town and Country Boulevard		
Houston, TX 77024		
Santo Legado, LLLP	01/27/23	02/01/23
P.O. Box 1020		
Artesia, New Mexico 88211		
Sharbro Energy, LLC	01/27/23	02/01/23
P.O. Box 840		
Artesia, New Mexico 88211		

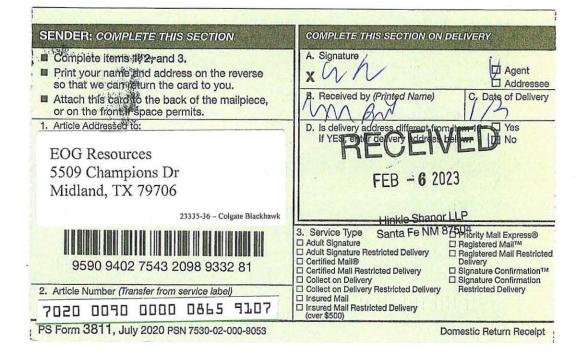
Colgate Operating, LLC Case No. 23335 Exhibit B-2





Colgate Operating, LLC Case No. 23335 Exhibit B-3

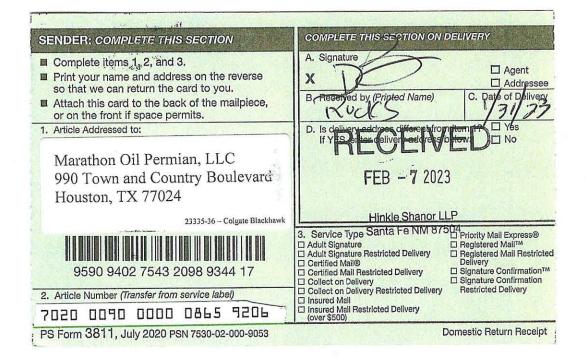








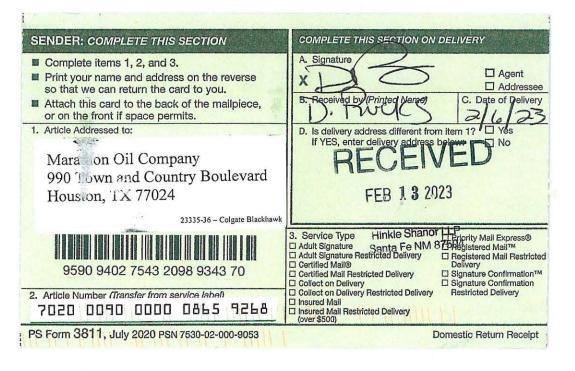




















# **Carlsbad Current Argus.**

Affidavit of Publication Ad # 0005584912 This is not an invoice

#### HINKLE SHANOR LLP 218 MONTEZUMA

#### SANTA FE, NM 87501

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

02/09/2023

Legal Clerk

Subscribed and sworn before me this February 9,

2023:

State of WI, County of Brown

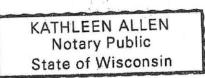
My commission expires

This is to notify all interested parties, inc Contango Resources, EOG Resources; Jal including Inc. Jalapeno Corporation; MRC Delaware Resources, LLC; Marathon Oil Company; Marathon Oil Permian, LLC; Santo Legado, LLLP; Sharbro Energy, LLC; 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. 23335). The hearing will be conducted re-motely on March 2, 2023, 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/h earing-info/. Applicant applies for an order extending the deadline to commence the deadline to commence drilling operations under Order No. R-22070 ("Order") until March 9, 2024. The Di-vision entered the Order in Case No. 22395 on March 9, 2022. The Order: pooled all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 16 and 17, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"); dedi-cated the Unit to the Blackhawk 16 State Com 133H and the Blackhawk 16 State Com 123H wells 133H and the Blackhawk 16 State Com 123H wells ("Wells"); and designated Applicant as operator of the Unit and Wells. The Order requires Applicant to com-mence drilling the Wells within one year of the date of the Order. Applicant re-quests the Division extend quests the Division extend the deadline to commence drilling the Wells until March 9, 2024. The Wells are located approximately 18 miles northeast of Carlsbad, New Mexico.

#5584912, Current Argus, February 9, 2023

Ad # 0005584912 PO #: Case No. 23335 # of Affidavits: 1

This is not an invoice



Colgate Operating, LLC Case No. 23335 Exhibit B-4