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

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

CASE NO. 23719 ORDER NO. R-22323

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Travis Macha	
A-1	Application & Proposed Notice of Hearing	
A-2	Order No. R-22323	
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 Receipts and Returns	
B-4	Affidavit of Publication from August 11, 2023	

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

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

CASE NO. 23719 ORDER NO. R-22323

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

1. I am a Senior 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 Oil Conservation Division ("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-22323 ("Order") in Case No. 22865 on October 20, 2022. The Order: pooled all uncommitted interests in the Bone Spring and Harkey formations underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 17 and 20, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"); dedicated the Unit to the Robin Federal Com 114H, Robin Federal Com 127H, Robin Federal Com 128H, Robin Federal Com 174H, and Robin Federal Com 134H wells ("Wells"); and designated Colgate as operator of the Unit and Wells. A copy of the Order is attached as **Exhibit A-2**.

Exhibit A (Case No. 23719)

Colgate Operating, LLC

4. Paragraph 19 of the Order requires 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 shown.

5. Good cause exists for an extension to commence drilling the Well due to delays resulting from limited rig availability and the supply chain. In addition, Colgate's drilling schedule has been revised due to the merger of Colgate and Centennial Resources.

6. Accordingly, Colgate requests that the Division extend the deadline to commence drilling the Wells.

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 attached exhibits were compiled from company business records.

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

Travis Macha

<u>8/21/2023</u> Date

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

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

CASE NO. 23719 ORDER NO. R-22323

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-22323 ("Order"). In support of its application, Applicant states the following.

1. The Division entered the Order in Case No. 22865 on October 20, 2022.

2. The Order pooled all uncommitted interests in the Bone Spring and Harkey formations underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 17 and 20, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit") and dedicated the Unit to the Robin Federal Com 114H, Robin Federal Com 127H, Robin Federal Com 128H, Robin Federal Com 174H, and Robin Federal Com 134H wells ("Wells").

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

4. Paragraph 19 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, supply chain delays, and delays due to the merger of Colgate and Centennial Resources.

Exhibit A-1 (Case No. 23719)

Colgate Operating, LLC

6. Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Wells until October 20, 2024.

7. Good cause exists for the requested extension.

WHEREFORE, Applicant requests this application be set for hearing on August 3, 2023, and after notice and hearing, the Division extend the deadline to commence drilling the Wells under the Order until October 20, 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, Lea County, New Mexico. Colgate Operating, LLC ("Applicant") seeks an order extending the deadline to commence drilling operations under Order No. R-22323 ("Order") until October 20, 2024. The Division entered the Order in Case No. 22865 on October 20, 2022. The Order: pooled all uncommitted interests in the Bone Spring and Harkey formations underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 17 and 20, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"); dedicated the Unit to the Robin Federal Com 114H, Robin Federal Com 127H, Robin Federal Com 128H, Robin Federal Com 174H, and Robin Federal Com 134H 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 within one year 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. 22865 ORDER NO. R-22323

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on July 7, 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. 22865 ORDER NO. R-22323 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. 22865 ORDER NO. R-22323 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: 10/20/2022

CASE NO. 22865 ORDER NO. R-22323

Page 3 of 110

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	22865
Hearing Date:	7/7/2022
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	Doyle and Margaret Hartman
Well Family	Robin Federal Com
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring & Harkey Formations
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring & Harkey Formations
Pool Name and Pool Code	Lea; Bone Spring, South Pool (Code 37580)
Well Location Setback Rules	Standard
Spacing Unit Size	320-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	E/2 E/2 of Sections 17 and 20, Township 20 South, Range 34 East,
	Lea County
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	Robin Federal Com 114H (API # pending)
	SHL: 330' FSL & 1265' FEL, Unit P, Section 20, T20S-R34E
	BHL: 10' FNL & 330' FEL, Unit A, Section 17, T20S-R34E
	Completion Target: Bone Spring (Approx. 9,613' TVD)
	Well Orientation: North to South
Well #2	Robin Federal Com 127H (API # pending)
	SHL: 330' FSL & 1295' FEL, Unit P, Section 20, T20S-R34E
	BHL: 10' FNL & 660' FEL, Unit A, Section 17, T20S-R34E
	Completion Target: Bone Spring (Approx. 10,530' TVD)
	Well Orientation: North to South
Well #3	Robin Federal Com 128H
	SHL: 330' FSL & 1235' FEL, Unit P, Section 20, T20S-R34E
	BHL: 10' FNL & 330' FEL, Unit A, Section 17, T20S-R34E
	Completion Target: Bone Spring (Approx. 10,173' TVD)
	Well Orientation: North to South

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Received by OCD: 7/5/2022 3:24:36 PM Well #4	Robin Federal Com 174H
	SHL: 10' FSL & 1235' FEL, Unit P, Section 20, T20S-R34E
	BHL: 10' FNL & 330' FEL, Unit A, Section 17, T20S-R34E
	Completion Target: Bone Spring (Approx. 10,800' TVD)
	Well Orientation: North to South
Well #5	Robin Federal Com 134H
	SHL: 10' FSL & 1295' FEL, Unit P, Section 20, T20S-R34E
	BHL: 10' FNL & 990' FEL, Unit A, Section 17, T20S-R34E
	Completion Target: Bone Spring (Approx. 11,060' TVD)
Horizontal Well First and Last Take Points	Well Orientation: North to South Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-2
AFE Capex and Operating Costs	Exhibit A-4
	<u>ća 000 00</u>
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-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
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
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-7, B-8
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-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3, B-4, B-5, B-6
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibits B-7, B-8

CASE NO. 22865 ORDER NO. R-22323

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Received by OCD: 7/5/2022 3:24:36 PM

Received by OCD: 7/5/2022 3:24:36 PM	Page 5 of 110
CERTIFICATION: I hereby certify that the information	0
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:	7/5/2022

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CASE NO. 22865 ORDER NO. R-22323

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

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

CASE NO. 23719 ORDER NO. R-22323

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, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit B-2**.

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

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

5. On August 11, 2023, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit B-4**.

6. 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.

/s/ Dana S. Hardy Dana S. Hardy September 1, 2023 Date

Exhibit B (Case No. 23719)



HINKLE SHANOR LLP

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

August 3, 2023

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

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

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23717 - 23720 – Applications of Colgate Operating, LLC to Extend Time to Commence Drilling Operations under Order Nos. R-22319, R-22321, R-22323, and R-22325, 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 **September 7, 2023**, beginning at 8:15a.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 The statement must be submitted the OCD E-Permitting date. through system (https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to ocd.hearings@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 contact Travis Macha, Senior Landman, Colgate Operating, LLC, at (432) 400-1037, if you have questions regarding these matters.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

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

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Colgate Operating, LLC

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

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

CASE NO. 23717 ORDER NO. R-22319 & CASE NO. 23718 ORDER NO. R-22321 & CASE NO. 23719 ORDER NO. R-22323 & CASE NO. 23720 ORDER NO. R-22325

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Grey Wolf Land Services, LLC	08/03/23	Per USPS Tracking
236 Argyle Ave.		(Last checked 09/01/23):
San Antonio, TX 78209		
		09/01/23 – Item is in
		transit to the destination.
Doyle Hartman	08/03/23	Per USPS Tracking
P.O. Box 10426		(Last checked 09/01/23):
Midland, TX 79702		
		08/31/23 – Item is in
		transit next facility.
Lerwick I, Ltd	08/03/23	08/16/23
P.O. Box 10886		
Midland, TX 79702		
Marathon Oil Permian, LLC	08/03/23	08/15/23
990 Town and Country Boulevard		
Houston, TX 77024	0.0 /0.2 /2.2	
Larry Nermyr	08/03/23	Per USPS Tracking
900 33 Avenue SW, Apartment 15		(Last checked 09/01/23):
Minot, ND 58701		08/24/22 Items heins
		08/24/23 – Item being returned to sender.
Osprey Oil and Gas II, LLC	08/03/23	
707 N Carrizo St.	08/03/23	Per USPS Tracking (Last checked 09/01/23):
Midland, TX 79701		(Last effected $09/01/23$).
Wildiand, 1A / 7/01		08/09/23 – Delivered to
		individual at the address.
Penroc Oil Corp	08/03/23	08/11/23
1515 W Calle Sur St., Suite 174	00/05/25	00/11/23
Hobbs, NM 88240		
100005, 1111 002 10		

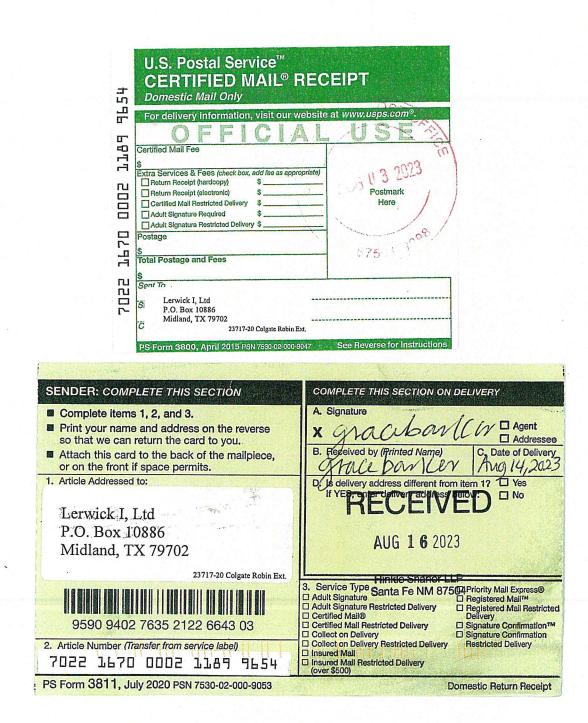
STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

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

CASE NO. 23717 ORDER NO. R-22319 & CASE NO. 23718 ORDER NO. R-22321 & CASE NO. 23719 ORDER NO. R-22323 & CASE NO. 23720 ORDER NO. R-22325

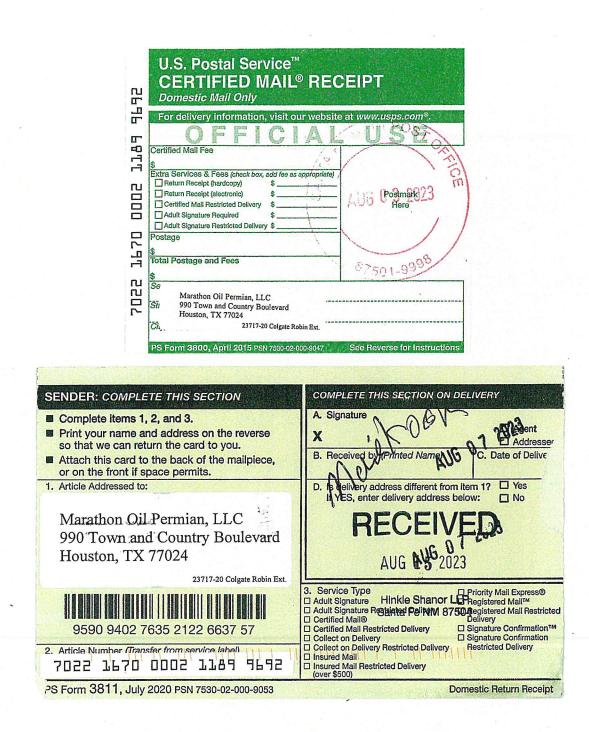
NOTICE LETTER CHART

Southwest Royalties, Inc. 200 N. Loraine St., Suite 400 Midland, TX 79701	08/03/23	08/11/23
Tierra Media Resources, LP P.O. Box 9758 Midland, TX 79708	08/03/23	08/11/23
WPX Energy Permian, LLC 333 W Sheridan Ave. Oklahoma City, OK 73102	08/03/23	08/11/23



WV21:00:01 Exhibit B-3 (Case No. 23719)

Colgate Operating, LLC



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6.1	U.S. Postal Servic CERTIFIED MA Domestic Mail Only	
35	For delivery information, vis	it our website
ц Ц	OFFIC	; AL
1.1.8	Certified Mail Fee	129
П	Extra Services & Fees (check box, add fe	ee as appropriate)
гч	Return Receipt (hardcopy) \$ Return Receipt (electronic) \$	100
000	Certified Mail Restricted Delivery \$	
	Adult Signature Required \$	
1.000	Adult Signature Restricted Delivery \$	and the second
670	Postage \$	
Ë,	Total Postage and Fees	



EIPT

at www.usps.com

Postmark23

for the stranger
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7022 1670 0002 1189 9678	U.S. Postal Service CERTIFIED MAIL Domestic Mail Only For delivery information, visit of Certified Mail Fee S Extra Services & Fees (check box, add fee a Return Receipt (hardcopy) S Certified Mail Feest/cted Delivery S Certified Mail Restricted Delivery S Contail Postage and Fees S Sent To S WPX Energy Permian, LLC 333 W Sheridan Ave. Oklahoma City, OK 73102 C 23717-20 Colgate Re	© RECEIPT	
Parti da cana d			
SENDER: COMPLE		COMPLETE THIS SECTION ON DE	LIVERY
	nd address on the reverse	X	Agent
Attach this card to or on the front if s		B. Received by (Printed Name)	C. Date of Delivery
WPX Energy 333 W Sheric Oklahoma Ci	Permian, LLC lan Ave.	D. Is delivery address different from ite If YES enter delivery address belo RECEIVE AUG 11 2023	em 1? U Yes ow: No
9590 9402 7 2 Article Number (Trans	635 2122 6637 19	Certified Mail® Certified Mail® Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Restricted Delivery	Priority Mail Express® Registered Mail™ Registered Mail Restricted Delivery Signature Confirmation™ Signature Confirmation Restricted Delivery
7022 1670		Insured Mail Insured Mail Insured Mail Restricted Delivery (over \$500)	
PS Form 3811, July	2020 PSN 7530-02-000-9053	Dom	estic Return Receipt

Received by OCD: 9/5/2023 10:30:17 AM

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7676	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only
1	For delivery information, visit our website at www.usps.com®.
11.89	OFFICIAL Certified Mail Fee
2000	Extra Services & Fees (check box, add fee as adprogrinate) Return Receipt (hardcopy) Return Receipt (electronic) Cartified Mail Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery \$
1670	Postage \$ Total Postage and Fees 87501-9998
7022	S Grey Wolf Land Services, LLC S 236 Argyle Ave. San Antonio, TX 78209 C 23717-20 Colgate Robin Ext.
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Page 24 of 36

Released to Imaging: 9/5/2023 11:25:26 AM

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USPS Tracking[®]

Tracking Number:

70221670000211899616

Copy Ad

Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on September 1, 2023 at 1:35 pm. The item is currently in transit to the destination.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Moving Through Network Departed USPS Facility

ALBUQUERQUE, NM 87101 September 1, 2023, 1:35 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 August 31, 2023, 2:48 pm

In Transit to Next Facility

August 30, 2023

Arrived at USPS Regional Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER August 28, 2023, 12:16 pm

Unclaimed/Being Returned to Sender

SAN ANTONIO, TX 78218 August 25, 2023, 10:43 am

Reminder to Schedule Redelivery of your item

Remove X

Feedback

August 12, 2023

Notice Left (No Authorized Recipient Available) SAN ANTONIO, TX 78209 August 7, 2023, 3:12 pm

Departed USPS Regional Facility SAN ANTONIO TX DISTRIBUTION CENTER August 5, 2023, 10:51 pm

Arrived at USPS Regional Facility SAN ANTONIO TX DISTRIBUTION CENTER August 5, 2023, 11:38 am

Departed USPS Facility ALBUQUERQUE, NM 87101 August 3, 2023, 9:33 pm

Arrived at USPS Facility ALBUQUERQUE, NM 87101 August 3, 2023, 9:29 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	\checkmark
USPS Tracking Plus®	\checkmark
Product Information	\sim
See Less 🔨	
Track Another Package	
Enter tracking or barcode numbers	



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USPS Tracking[®]

FAQs >

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Tracking Number: 70221670000211899746

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Moving Through Network In Transit to Next Facility August 31, 2023

Departed USPS Regional Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER August 30, 2023, 7:57 am

Arrived at USPS Regional Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER August 29, 2023, 4:22 pm

Unclaimed/Being Returned to Sender

MIDLAND, TX 79701 August 25, 2023, 3:23 pm

Reminder to pick up your item before August 26, 2023 MIDLAND, TX 79702 August 17, 2023

Available for Pickup

DOWNTOWN MIDLAND 100 E WALL ST MIDLAND TX 79701-9998 M-F 0830-1700 August 12, 2023, 10:43 am

Arrived at Post Office

MIDLAND, TX 79701 August 12, 2023, 10:41 am

Departed USPS Regional Facility MIDLAND TX DISTRIBUTION CENTER

August 12, 2023, 1:21 am

Arrived at USPS Regional Facility MIDLAND TX DISTRIBUTION CENTER August 11, 2023, 8:05 pm

Departed USPS Facility ALBUQUERQUE, NM 87101 August 3, 2023, 9:33 pm

Arrived at USPS Facility ALBUQUERQUE, NM 87101 August 3, 2023, 9:29 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	\checkmark
USPS Tracking Plus®	\checkmark
Product Information	\checkmark

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Track Another Package

Enter tracking or barcode numbers

Page 30 of 36 7미군군 1.뉴フロ 미미미군 1.1.A덕 덕노용도	Domestic Main Only For delivery information, visit our website at www.usps.com?. OFFICIAL USE OFFICIAL USE Certified Mail Fee \$ MAIN POS Certified Mail Fee \$ Beturn Receipt (hardcopy) \$ Certified Mail Restricted Delivery \$ Certified Mail Restricted Delivery \$ Adult Signature Restricted Delivery \$ Certified Note Note Note Note Note Note Note Note	
	Minot, ND 58701 23717-20 Colgate Robin Ext. PS Form 3800, April 2015 PSN 7550-02-000-9047 See Reverse for Instructions	

USPS Tracking[®]

FAQs >

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Tracking Number:

70221670000211899685

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Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item could not be delivered on August 24, 2023 at 12:53 pm in MINOT, ND 58701. It was held for the required number of days and is being returned to the sender.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Alert Unclaimed/Being Returned to Sender MINOT, ND 58701 August 24, 2023, 12:53 pm

Reminder to Schedule Redelivery of your item August 12, 2023

Notice Left (No Authorized Recipient Available)

MINOT, ND 58701 August 7, 2023, 2:09 pm

Departed USPS Regional Facility

BISMARCK ND DISTRIBUTION CENTER August 7, 2023, 1:28 am

In Transit to Next Facility August 6, 2023

Arrived at USPS Regional Facility BISMARCK ND DISTRIBUTION CENTER August 5, 2023, 11:17 pm

Departed USPS Facility				
ALBUQUERQUE, NM 87101				
August 3, 2023, 11:47 pm				
Arrived at USPS Facility				
ALBUQUERQUE, NM 87101				
August 3, 2023, 9:29 pm				
Hide Tracking History				
What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)				
Text & Email Updates	\checkmark			
USPS Tracking Plus®	\checkmark			
Product Information				
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Track Another Package				
Enter tracking or barcode numbers				

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

	For delivery information, visit our website at www.usps.com ^o .		
	Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (alectronic) Certified Mail Restricted Delivery Adult Signature Required \$		
미/ 멱吓	Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ 67501-9988 \$		
2202	\$ Sent To Sent To Osprey Oil and Gas II, LLC TOT N Carrizo St. Midland, TX 79701 C 23717-20 Colgate Robin Ext.		

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USPS Tracking[®]

Tracking Number:

70221670000211899623

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 6:34 am on August 9, 2023 in MIDLAND, TX 79701.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Delivered Delivered, Left with Individual MIDLAND, TX 79701 August 9, 2023, 6:34 am

Departed USPS Regional Facility MIDLAND TX DISTRIBUTION CENTER August 9, 2023, 1:37 am

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER August 8, 2023, 7:54 pm

In Transit to Next Facility August 7, 2023

Departed USPS Regional Facility OAKLAND CA DISTRIBUTION CENTER August 5, 2023, 10:22 pm

Arrived at USPS Regional Facility

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Feedback

Received by OCD: 9/5/2023 10:30:17 AM

OAKLAND CA DISTRIBUTION CENTER August 5, 2023, 6:36 pm

Departed USPS Facility ALBUQUERQUE, NM 87101 August 3, 2023, 9:33 pm

Arrived at USPS Facility ALBUQUERQUE, NM 87101 August 3, 2023, 9:29 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	\checkmark
USPS Tracking Plus®	\checkmark
Product Information	\checkmark

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Track Another Package

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Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

Affidavit of Publication

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 August 11, 2023 and ending with the issue dated August 11, 2023.

Publisher

Sworn and subscribed to before me this 11th day of August 2023.

Ruth Black

Business Manager

My commission expires January 29, 2027

STATE OF NEW MEXICO (Seal) NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

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 publication has been made.

LEGAL NOTICE August 11, 2023

This is to notify all interested parties, including Doyle Hartman; Lerwick I Ltd; Penroc Oil Corp; WPX Energy Permian LLC; Larry Nermyr; Marathon Oil Permian, LLC; Grey Wolf Land Services, LLC; Osprey Oil and Gas II, LLC; Tierra Media Resources, LP; Southwest Royalties, Inc.; 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. 23719). The hearing will be conducted remotely on September 7, 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:

that date: https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order extending the deadline to commence drilling operations under Order No. R-22323 ("Order") until October 20, 2024. The Division entered the Order in Case No. 22865 on October 20, 2022. The Order: pooled all uncommitted interests in the Bone Spring and Harkey formations underlying a 320-acre. more or less, standard horizontal spacing 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 17 and 20, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"); dedicated the Unit to the Robin Federal Com 114H, Robin Federal Com 127H, Robin Federal Com 128H, Robin Federal Com 174H, and Robin Federal Com 134H 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 October 20, 2024. The Wells are located approximately 27.12 miles southwest of Hobbs, New Mexico.

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GILBERT

PO BOX 2068

HINKLE, SHANOR LLP

SANTA FE, NM 87504

00281572

Exhibit B-4 (Case No. 23719) Released to Imaging: 9/5/2023 11:25:26 AM **Colgate Operating, LLC**