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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23669

EXHIBIT INDEX

Compulsory Pooling Checklist

Self-Affirmed Statement of Travis Macha
Application & Proposed Notice of Hearing
C-102s
Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Parties to Pool, Unit Recapitulation
Sample Well Proposal Letter & AFEs
Chronology of Contact
Self-Affirmed Statement of Christopher Cantin
Regional Locator Map
Cross-Section Location Map
Second Bone Spring Subsea Structure Map
Third Bone Spring Subsea Structure Map
Stratigraphic Cross-Section
Gun Barrel Development Plan
Self-Affirmed Statement of Dana S. Hardy
Sample Notice Letter to All Interested Parties
Chart of Notice to All Interested Parties
Copies of Certified Mail Receipts and Returns
Affidavit of Publication for July 18, 2023 and October 29, 2023

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23669	APPLICANT'S RESPONSE
Date	November 16, 2023
Applicant	Colgate Production, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 372165 (for Designated Operator - Permian Resources Operating, LLC)
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Colgate Production, LLC for Compulsory Pooling Eddy County, New Mexico.
Entries of Appearance/Intervenors:	N/A
Well Family	Silver 29-28 Fed Com
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:	Shugart North; Bone Spring Pool (Code 56405)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240
Building Blocks:	quarter-quarter
Orientation:	East to West
Description: TRS/County	S/2 NE/4 of Section 29 and the S/2 N/2 of Section 28, Township 18 South, Range 31 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is	Yes.
approval of non-standard unit requested in this application?	
Other Situations Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
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	Silver 29-28 Fed Com 122H (API #) 1930' FNL & 2245' FEL (Unit G), Section 29, T18S, R31E 1980' FNL & 100' FEL (Unit H), Section 28, T18S, R31E Completion Target: Bone Spring (Approx. 8,732' TVD)

Received by OCD: 11/14/2023 2:01:36 PM	Page 4 of 57
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	Exhibit B-3, B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	N/A
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:	11/13/2023

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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23669

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

- 1. I am a Senior Landman with Permian Resources Operating, LLC ("Permian Resources"). I and 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 petroleum land matters were accepted and made a matter of record.
- 2. Prior to the merger of Centennial Resources Development and Colgate Energy in September 2022, I was a Landman with Colgate Operating, LLC. The applicant, Colgate Production, LLC ("Colgate"), is a working interest owner in the proposed unit and seeks to designate Permian Resources as operator of the unit and wells.
- 3. Copies of Colgate's application and proposed hearing notice are attached as **Exhibit A-1**.
- 4. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.
- 5. Colgate seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NE/4 of Section 29 and the S/2 N/2 of Section 28, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit").

Colgate Production, LLC Case No. 23669 Exhibit A

- 6. The Unit will be dedicated to the **Silver 29-28 Fed Com 122H** and **Silver 29-28 Fed Com 132H wells** ("Wells"), which will be completed in the Shugart North; Bone Spring Pool (Code 56405). The Wells will be drilled from surface hole locations in the SW/4 NE/4 (Unit G) of Section 29 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 28.
 - 7. The completed intervals of the Wells will be orthodox.
 - 8. **Exhibit A-2** contains the C-102s for the Wells.
- 9. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Colgate seeks to pool highlighted in yellow. All of the parties are locatable in that Colgate believes it located valid addresses for them.
- 10. Colgate has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.
- 11. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 12. In my opinion, Colgate made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.
- 13. Colgate requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Colgate and other operators in the vicinity.

- 14. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 15. In my opinion, the granting of Colgate's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 16. 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 next to my electronic signature below.

	11.13.2023
Travis Macha	Date

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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23669

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Production, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NE/4 of Section 29 and the S/2 N/2 of Section 28, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states the following:

- 1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the **Silver 29-28 Fed Com 122H** and **Silver 29-28 Fed Com 132H** wells ("Wells"), which will be drilled from surface hole locations in the SW/4 NE/4 (Unit G) of Section 29 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 28.
 - 3. The completed intervals of the Wells will be orthodox.
- 4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protest correlative rights.
- 6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Permian

Colgate Production, LLC Case No. 23669 Exhibit A-1 Resources Operating, LLC (OGRID No. 372165) should be designated the operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 3, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Permian Resources Operating, LLC as the operator of the Unit and the
 Wells to be drilled thereon;
- D. Authorizing Permian Resources Operating, LLC to recover its costs of drilling, equipping, and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Permian Resources Operating, LLC in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

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

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 Counsel for Colgate Production, LLC and Permian Resources Operating, LLC **Application of Colgate Production, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NE/4 of Section 29 and the S/2 N/2 of Section 28, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Silver 29-28 Fed Com 122H** and **Silver 29-28 Fed Com 132H** wells ("Wells"), which will be drilled from surface hole locations in the SW/4 NE/4 (Unit G) of Section 29 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 28. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Permian Resources Operating, LLC (OGRID No. 372165) as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 30.57 miles southeast of Artesia, New Mexico.

1625 N. French Dr., Hobbs, NM 88240

811 S. First St., Artesia, NM 88210

District II

District III

District IV

Phone: (575) 393-6161 Fax: (575) 393-0720

Phone: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

> 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

Colgate Production, LLC Case No. 23669 Exhibit A-2

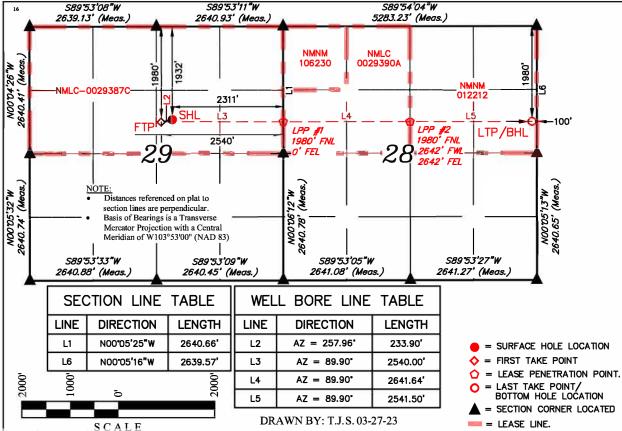
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	API Number 2 Pool Code 56405		Shugart North; Bone Spring	
4 Property Code	⁵ Property Name SILVER 29-28 FED COM			⁶ Well Number 132H
⁷ OGRID No. 372165	⁸ Operator Name PERMIAN RESOURCES OPERATING, LLC		⁹ Elevation 3625.7'	

Surface Location

- 62	SWIIIVI = VIIIIVI									
Ī	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	G	29	18S	31E		1932	NORTH	2311	EAST	EDDY
	"Bottom Hole Location If Different From Surface									
ı	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	H	28	18S	31E		1980	NORTH	100	EAST	EDDY
ĺ	12 Dedicated Acr	es 13	Joint or Infill	14 Conso	lidation Code	15 Order No.	23			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LATITUDE = 32°43'13.38" (32.720382°) LONGITUDE = -103°53'26.07" (-103.890575°) NAD 27 (SURFACE HOLE LOCATION)

NAD 83 (SURFACE HOLE LOCATION)

LATITUDE = 32°43'12.95" (32.720263°) LONGITUDE = -103°53'24.25" (-103.890070°

STATE PLANE NAD 83 (N.M. EAST) N: 626091.02' E: 677503.98'

STATE PLANE NAD 27 (N.M. EAST) N: 626027.83' E: 636324.90'

NAD 83 (FIRST TAKE POINT)

LATITUDE = 32°43'12.89" (32,720248°

LONGITUDE = -103°53'28.75" (-103.891319°)

NAD 27 (FIRST TAKE POINT)

LATITUDE = 32°43'12.47" (32.720129°)

LONGITUDE = -103°53'26.93" (-103.890814°)

STATE PLANE NAD 83 (N.M. EAST)

N: 626041.26' E: 677275.48'

STATE PLANE NAD 27 (N.M. EAST)

N: 625978.08' E: 636096.40'

NAD 83 (LPP #1)

100

LATITUDE = 32°43'12.94" (32.720261°)

LONGITUDE = -103°52'59.02" (-103.883061°)

NAD 27 (LPP #1)

LATITUDE = 32°43'12.51" (32.720142°)

LONGITUDE = -103°52'57.20" (-103.882557°)

STATE PLANE NAD 83 (N.M. EAST)

N: 626056.64' E: 679814.92' STATE PLANE NAD 27 (N.M. EAST)

N: 625993.44' E: 638635.85'

NAD 83 (LPP #2)

LATITUDE = 32°43'12.99" (32.720274°) LONGITUDE = -103°52'28.11" (-103.874474°)

NAD 27 (LPP #2) LATITUDE = 32°43'12.56" (32.720155°)

LONGITUDE = -103°52'26.29" (-103.873969°

STATE PLANE NAD 83 (N.M. EAST) N: 626072.64' E: 682455.97

STATE PLANE NAD 27 (N.M. EAST) N: 626009.42' E: 641276.92

17 OPERATOR CERTIFICATION

Page 12 of 57

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature	Date
Printed Name	
F-mail Address	

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

March 23, 2023

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number:

NAD 83 (LTP/BHL))
------------------	---

LATITUDE = 32°43'13.03" (32.720286°) LONGITUDE = -103°51'58.36" (-103.866212°)

NAD 27 (LTP/BHL)

LATITUDE = 32°43'12.60" (32.720167°)

LONGITUDE = -103°51'56.55" (-103.865707°

STATE PLANE NAD 83 (N.M. EAST)

N: 626088.04' E: 684996.92' STATE PLANE NAD 27 (N.M. EAST)

N: 626024.80' E: 643817.88'

Released to Imaging: 11/14/2023 2:06:48 PM

Received by OCD: 11/14/2023 2:01:36 PM

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

1220 S. St. Francis Dr., Santa Fc, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

☐ AMENDED REPORT

Submit one copy to appropriate District Office

Revised August 1, 2011

Form C-102

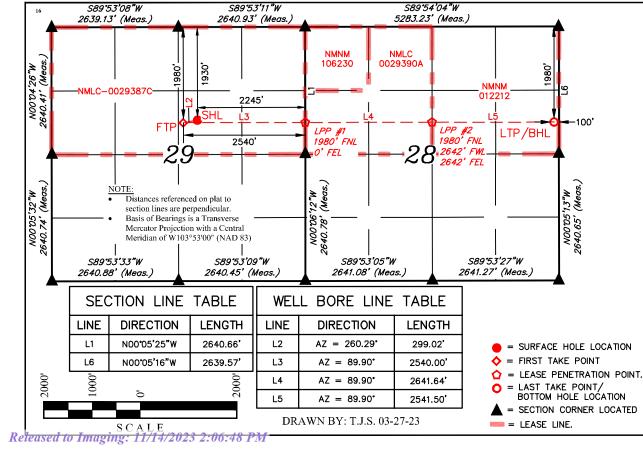
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	API Number 2 Pool Code 56405		Shugart North; Bone Spring	
⁴ Property Code	⁵ Property Name SILVER 29-28 FED COM		⁶ Well Number 122H	
⁷ OGRID No. 372165		· •	perator Name JRCES OPERATING, LLC	⁹ Elevation 3625.3'

¹⁰ Surface Location

UL or lot no. G	Section 29	Township 18S	Range 31E	Lot Idn	Feet from the 1930	North/South line NORTH	Feet from the 2245	East/West line EAST	County EDDY
Bottom Hole Location If Different From Surface									
UL or lot no. H	Section 28	Township 18S	Range 31E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 100	East/West line EAST	County EDDY
12 Dedicated Acr		Joint or Infill		lidation Code	15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°43'13.39" (32.720387°) LONGITUDE = -103°53'25.30" (-103.890360°) NAD 27 (SURFACE HOLE LOCATION)

LATITUDE = 32°43'12.96" (32.720268°) LONGITUDE = -103°53'23.48" (-103.889855

STATE PLANE NAD 83 (N.M. EAST)

N: 626092.92' E: 677569.94'

STATE PLANE NAD 27 (N.M. EAST) N: 626029.74' E: 636390.86

NAD 83 (FIRST TAKE POINT)

LATITUDE = 32°43'12.89" (32.720248°

LONGITUDE = -103°53'28.75" (-103.891319°

NAD 27 (FIRST TAKE POINT)

LATITUDE = 32°43'12.47" (32.720129°) LONGITUDE = -103°53'26.93" (-103.890814°)

STATE PLANE NAD 83 (N.M. EAST)

N: 626041.26' E: 677275.48'

STATE PLANE NAD 27 (N.M. EAST)

N: 625978.08' E: 636096.40'

NAD 83 (LPP #1)

LATITUDE = 32°43'12.94" (32.720261°)

LONGITUDE = -103°52'59.02" (-103.883061°

NAD 27 (LPP #1)

LATITUDE = 32°43'12.51" (32.720142°) LONGITUDE = -103°52'57.20" (-103.882557°

STATE PLANE NAD 83 (N.M. EAST)

N: 626056.64' E: 679814.92'

STATE PLANE NAD 27 (N.M. EAST)

N: 625993.44' E: 638635.85'

LATITUDE = 32°43'12.99" (32,720274°) LONGITUDE = -103°52'28.11" (-103.874474°

NAD 27 (LPP #2)

NAD 83 (LPP #2)

LATITUDE = 32°43'12.56" (32.720155°)

LONGITUDE = -103°52'26.29" (-103.873969°)

STATE PLANE NAD 83 (N.M. EAST)

N: 626072.64' E: 682455.97

STATE PLANE NAD 27 (N.M. EAST)

N: 626009.42' E: 641276.92'

Page 13 of 57 17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature	Date
Printed Name	

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

March 23, 2023

Date of Survey

E-mail Address

Signature and Seal of Professional Surveyor:



Certificate Number:

	NAI	D 83	(LTP/BHL)	i
--	-----	------	-----------	---

LATITUDE = 32°43'13.03" (32.720286°)

LONGITUDE = -103°51'58.36" (-103.866212°

NAD 27 (LTP/BHL)

LATITUDE = 32°43'12.60" (32.720167°) LONGITUDE = -103°51'56.55" (-103.865707°

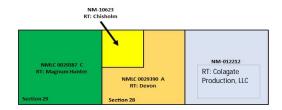
STATE PLANE NAD 83 (N.M. EAST)

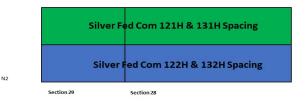
N: 626088.04' E: 684996.92'

STATE PLANE NAD 27 (N.M. EAST)

N: 626024.80' E: 643817.88'

<u>Land Exhibit: Silver 29-28 Fed Com #122H</u> Section 29: S/2NE/4, Section 28: S/2N/2, T18S-R31E, Eddy Co., NM





		Documents Sent		ent	
Owner	Pooling?	Proposal	JOA	Com Agmt	Notes
Permian Resources Operating, LLC	N/A	N/A	N/A	N/A	
1789 Minerals Fund II, LP d/b/a Hoya					
Energy, LP	Υ	Υ	Υ	Υ	
Magnum Hunter Production, Inc.	N	Υ	Υ	Υ	Exectued all docs
Sabinal Energy Operating, LLC	N	Υ	Υ	Υ	Exectued all docs
Earthstone Permian, LLC	N	Υ	Υ	Υ	Exectued all docs
Maverick Oil and Gas Corporation	Υ	Υ	Υ	Υ	
Timothy MacDonald	Υ	Υ	Υ	Υ	

Leasehold Ownership			
Owner	Sec 29: NE/4		
Colgate Production, LLC	32.362300%		
1789 Minerals Fund II, LP d/b/a			
Hoya Energy, LP	8.421610%		
Magnum Hunter Production, Inc.	50.000000%		
Sabinal Energy Operating, LLC	9.216090%		
Sabinal Energy Operating, LLC	9.216090%		

Leasehold Ownership			
Owner	Sec 28: NE/4NW/4, S/2NW/4		
Colgate Production, LLC	64.883500%		
1789 Minerals Fund II, LP d/b/a			
Hoya Energy, LP	16.684300%		
Sabinal Energy Operating, LLC	18.432200%		

Leasehold Ownership				
Owner Sec 28: NW/4NW/4				
Earthstone Permian, LLC		99.792000%		
Maverick Oil & Gas Corporation		0.083000%		
Timothy MacDonald		0.125000%		

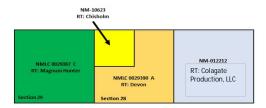
Leasehold Ownership				
Owner	Sec 28: E/2NE/4			
Colgate Production, LLC	64.883500%			
1789 Minerals Fund II, LP d/b/a				
Hoya Energy, LP	16.684300%			
Sabinal Energy Operating, LLC	18.432200%			

Leasehold Ownership			
Owner	Sec 28	3: NW/4NE/4, SW/4	NE/4
Colgate Production, LLC		64.883500%	
1789 Minerals Fund II, LP d/b/a			
Hoya Energy, LP		16.684300%	
Sabinal Energy Operating, LLC		18.432200%	

Unit Capitulation					
Owner	WI				
Colgate Production, LLC	59.895850%				
1789 Minerals Fund II, LP d/b/a					
Hoya Energy, LP	11.149353%				
Sabinal Energy Operating, LLC	12.288130%				
Earthstone Permian, LLC	16.632000%				
Maverick Oil and Gas Corporation	0.013833%				
Timothy MacDonald	0.020833%				
TOTAL	100.000000%				

Colgate Production, LLC Case No. 23669 Exhibit A-3 N2

<u>Land Exhibit: Silver 29-28 Fed Com #132H</u> Section 29: S/2NE/4, Section 28: S/2N/2, T18S-R31E, Eddy Co., NM





		Documents Sent			
Owner	Pooling?	Proposal	JOA	Com Agmt	Notes
Permian Resources Operating, LLC	N/A	N/A	N/A	N/A	
1789 Minerals Fund II, LP d/b/a Hoya					
Energy, LP	Υ	Υ	Υ	Υ	
Magnum Hunter Production, Inc.	N	Υ	Υ	Υ	Exectued all docs
Sabinal Energy Operating, LLC	N	Υ	Υ	Υ	Exectued all docs
Earthstone Permian, LLC	N	Υ	Υ	Υ	Exectued all docs
Maverick Oil and Gas Corporation	Υ	Υ	Υ	Υ	
Timothy MacDonald	Υ	Υ	Υ	Υ	

Leasehold Ownership		
Owner	Sec 29: NE/4	
Colgate Production, LLC	32.362300%	
1789 Minerals Fund II, LP d/b/a		
Hoya Energy, LP	8.421610%	
Magnum Hunter Production, Inc.	50.000000%	
Sabinal Energy Operating, LLC	9.216090%	

Leasehold Ownership		
Owner	Sec 28: NE/4NW/4, S/2NW/4	
Colgate Production, LLC	64.883500%	
1789 Minerals Fund II, LP d/b/a		
Hoya Energy, LP	16.684300%	
Sabinal Energy Operating, LLC	18.432200%	

Leasehold Ownership				
Owner Sec 28: NW/4NW/4				
Earthstone Permian, LLC	99.792000%			
Maverick Oil & Gas Corporation	0.083000%			
Timothy MacDonald	0.125000%			

Leasehold Ownership				
Owner	Sec 28: E/2NE/4			
Colgate Production, LLC	64.883500%			
1789 Minerals Fund II, LP d/b/a				
Hoya Energy, LP	16.684300%			
Sabinal Energy Operating, LLC	18.432200%			

Leasehold Ownership				
Owner	Sec 28	: NW/4NE/4, SW/4	NE/4	
Colgate Production, LLC 64.883500%				
1789 Minerals Fund II, LP d/b/a				
Hoya Energy, LP 16.684300%				
Sabinal Energy Operating, LLC		18.432200%		

Unit Capitulation				
Owner	WI			
Colgate Production, LLC	59.895850%			
1789 Minerals Fund II, LP d/b/a				
Hoya Energy, LP	11.149353%			
Sabinal Energy Operating, LLC	12.288130%			
Earthstone Permian, LLC	16.632000%			
Maverick Oil and Gas Corporation	0.013833%			
Timothy MacDonald	0.020833%			
TOTAL	100.000000%			



300 N. MARIENFELD STREET, SUITE 1000 MIDLAND, TX 79701

OFFICE 432.695.4222 **FAX** 432.695.4063

April 13, 2023

Via Certified Mail

NORTEX CORPORATION 3009 Post Oak Blvd. Houston, TX 77056

RE: Silver 29-28 Fed Com – Well Proposals

Section 28 & 29, T18S-R31E Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator, hereby proposes the drilling and completion of the following four (4) wells, the Silver 29-28 Federal Com 121H, 122H, 131H, & 132H, at approximate locations within Township 18 South, Range 31 East:

SECOND BONE SPRING FORMATION:

1. Silver 29-28 Fed Com 121H

SHL: 1,929' FNL & 2,211' FEL (or at a legal location within unit letter G) of Section 29

FTP: 660' FNL & 2,540' FEL of Section 29 LTP: 660' FNL & 100' FEL of Section 28 BHL: 660' FNL & 10' FEL of Section 28

Standard Spacing Unit: N/2NE/4 of Section 29, N/2N/2 of Section 28, T18S-R31E

TVD: 8,702' TMD: 16,487'

2. Silver 29-28 Fed Com 122H

SHL: 1,930' FNL & 2,244' FEL (or at a legal location within unit Letter G) of Section 29

FTP: 1,980' FNL & 2,540' FEL of Section 29 LTP: 1,980' FNL & 100' FEL of Section 28 BHL: 1,980' FNL & 10' FEL of Section 28

Standard Spacing Unit: S/2NE/4 of Section 29, S/2N/2 of Section 28, T18S-R31E

TVD: 8,732' TMD: 16,517'

THIRD BONE SPRING FORMATION:

3. Silver 29-28 Fed Com 131H

SHL: 1,930' FNL & 2,277' FEL (or at a legal location within unit letter G) of Section 29

FTP: 660' FNL & 2,540' FEL of Section 29 LTP: 660' FNL & 100' FEL of Section 28 BHL: 660' FNL & 10' FEL of Section 28

Standard Spacing Unit: N/2NE/4 of Section 29, N/2N/2 of Section 28, T18S-R31E

TVD: 9,602' TMD: 17,387'

> Colgate Production, LLC Case No. 23669 Exhibit A-4

4. Silver 29-28 Fed Com 132H

SHL: 1,931' FNL & 2,310' FEL (or at a legal location within unit letter G) of Section 29

FTP: 1,980' FNL & 2,540' FEL of Section 29 LTP: 1,980' FNL & 100' FEL of Section 28 BHL: 1,980' FNL & 10' FEL of Section 28

Standard Spacing Unit: S/2NE/4 of Section 29, S/2N/2 of Section 28, T18S-R31E

TVD: 9,642' TMD: 17,427'

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is enclosed. The Operating Agreement has the following general provisions:

- -100%/300%/300% non-consent provisions
- \$8,000/\$800 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at travis.macha@permianres.com. Due to the number of inquiries received, email may be the quickest way to receive a response.

Respectfully,

Travis Macha Senior Landman

Enclosures

Silver 29-28 Federal Com Elections:

Well Elections: (Please indicate your responses in the spaces below)				
Well(s) Elect to Participate Elect to NOT Participate				
Silver 29-28 Federal Com 121H				
Silver 29-28 Federal Com 122H				
Silver 29-28 Federal Com 131H				
Silver 29-28 Federal Com 132H				

Company Name (If Applicable):
Ву:
Printed Name:
Date:

Participate / Rejection Declaration

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

•		nce coverage arranged by Permian Resources ll be charged for such participation.
I hereby elect to rejuLLC.	ect the insurance cove	erage arranged by Permian Resources Operating,
Agreed this	_ day of	_, 2023 by:

By:	
Printed Name:	
TT: -1	

Permian Resources Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

		F COSTS AND AUTHO	ORIZATION FOR EXPEN		
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Silver Federal Com 122H Section 29, T18S-R31E				ugart; Bone Spring, North 16,517' / 8,732'
LOCATION: COUNTY/STATE:	Eddy County, New Mexic	0		MD/TVD: LATERAL LENGTH:	7,500'
Permian WI:	Eddy County, New Mexic			DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	18.6
deceddic inkdei.	Drill a horizontal SBSG w	ell and complete with	44 stages. AFE include		
REMARKS:	install cost	r r		8, 1 1 1 1,	
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE O	COSTS	COSTS	COSTS	COSTS	COSTS \$ 43,311
2 Location, Surveys & Damag		43,311 211,239	13,248		224,487
4 Freight / Transportation	_	34,924	32,101	15,938	82,962
5 Rental - Surface Equipment		91,164	157,958	75,703	324,826
6 Rental - Downhole Equipm 7 Rental - Living Quarters	ent _	150,630 35,257	43,853 39,948		75,205
10 Directional Drilling, Surve	eys -	314,969	-		314,969
11 Drilling	· -	552,750	-	-	552,750
12 Drill Bits 13 Fuel & Power	_	73,456	531,662	-	73,456
14 Cementing & Float Equip	=	138,539 178,401	- 331,002		670,202 178,401
15 Completion Unit, Swab, C	TU -	-		11,953	11,953
16 Perforating, Wireline, Slick		-	288,273		288,273
17 High Pressure Pump Truck 18 Completion Unit, Swab, C		-	90,393 107,411	-	90,393 107,411
20 Mud Circulation System	-	77,146	- 107,411		77,146
21 Mud Logging	-	12,854	-	-	12,854
22 Logging / Formation Evalu	ation	5,331	6,115		11,445
23 Mud & Chemicals 24 Water	-	265,321 31,867	321,306 485,146	7,969 199,219	594,596 716,232
25 Stimulation	-	-	596,903	- 177,417	596,903
26 Stimulation Flowback & D	-	-	89,170	119,531	208,701
28 Mud / Wastewater Disposa	_	141,596	44,840	44.050	186,436
30 Rig Supervision / Engineer 32 Drlg & Completion Overh		88,869 7,643	97,832	11,953	198,654 7,643
35 Labor	-	112,452	50,954	11,953	175,359
54 Proppant	-	-	920,415	-	920,415
95 Insurance	-	10,749	-	-	10,749
97 Contingency 99 Plugging & Abandonment		<u>-</u>	17,907		17,907
77 Tugging & Mundonment	TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	6,968,122
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE CO	OSTS	COSTS	COMPLETION	COSTS	COSTS
60 Surface Casing	\$	92,593	-	-	\$ 92,593
61 Intermediate Casing	-	260,797	-	-	260,797
62 Drilling Liner	- -	-	-	-	-
63 Production Casing 64 Production Liner	-	520,436			520,436
65 Tubing	-			115,251	115,251
66 Wellhead	-	49,101	-	32,929	82,030
67 Packers, Liner Hangers	_	11,159		16,464	27,624
68 Tanks 69 Production Vessels	-			57,625	57,625
70 Flow Lines	-	_		32,929	32,929
71 Rod string	-	-	-		
72 Artificial Lift Equipment	_	-	-	74,090	74,090
73 Compressor 74 Installation Costs	=	<u> </u>		24,697	24,697
75 Surface Pumps	-				-
76 Downhole Pumps		-	-	-	-
77 Measurement & Meter Inst 78 Gas Conditioning / Dehyd	_	-		24,697	24,697
79 Interconnecting Facility Pi				16,464	16,464
80 Gathering / Bulk Lines	_	-	-		
81 Valves, Dumps, Controller		-	-	-	-
82 Tank / Facility Containments 83 Flare Stack	nt -				
84 Electrical / Grounding	-			41,161	41,161
85 Communications / SCADA	1			<u> </u>	
86 Instrumentation / Safety	TOTAL TOTAL	-		-	-
	TOTAL TANGIBLES >	934,087	0	436,306	1,370,393
	TOTAL COSTS >	3,862,673	4,469,808	952,202	8,338,516
EPARED BY Permian Reso	urces Operating, LLC:				
Drilling Engineer:	: PS				
Completions Engineer:					
Production Engineer:					
rmian Resources Operating	, LLC APPROVAL:				
		_	T-0	v	
Co-CEO	WH	Co-C	EO IW	VP - Operat	CRM
VP - Land & Legal	****	VP - Geoscien	,		CKM
vi - Lanu & Legai	BG	vi - Geoscien	SO		
	-				
	_				
ON OPERATING PARTNE	R APPROVAL:				
Company Name:	:		Working Interest (%):	Ta	x ID:
* *			_		
Signed by:	:		Date:		
Title	:		Approval:	Υes	No (mark one)
1100	-		Approvai.		

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Silver Federal Com 132H				gart; Bone Spring, Nor
LOCATION:	Section 29, T18S-R31E			MD/TVD:	17,427' / 9,642'
COUNTY/STATE:	Eddy County, New Mexic	0		LATERAL LENGTH:	7,500'
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal TBSG w install cost	ell and complete with	44 stages. AFE includes	drilling, completions, flow	back and Initial A
KEWIAKKS.	nistan cost	DRIVING.	COMPLETION	PRODUCTION	TOTAL
INTANGIBL	E COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory		44,924	-	-	\$ 44,92
2 Location, Surveys & Dan	nages –	219,105	13,741	-	232,84
4 Freight / Transportation		36,224	33,296	16,531	86,08
5 Rental - Surface Equipme 6 Rental - Downhole Equip		94,559 156,239	163,840 45,486	78,522	336,92
7 Rental - Living Quarters	- Julient	36,570	41,436		78,00
10 Directional Drilling, Su	rveys _	326,698	-	-	326,69
11 Drilling	<u>-</u>	5/3,333	-	-	573,33
12 Drill Bits	_	76,191	-	-	76,19
13 Fuel & Power	- -	143,698	551,460	-	695,13
14 Cementing & Float Equal 15 Completion Unit, Swab	-	185,044	-	12,398	185,04 12,39
16 Perforating, Wireline, S		 _	299,008	-	299,00
17 High Pressure Pump Tr		-	93,759	-	93,75
18 Completion Unit, Swab,	,CTU -	-	111,411	-	111,4
20 Mud Circulation System	n -	80,019	-	-	80,03
21 Mud Logging		13,332	-	-	13,33
22 Logging / Formation Eva 23 Mud & Chemicals	aiuation	5,529	6,342	-	11,87
23 Mud & Chemicals 24 Water	-	275,201 33,053	333,271 503,212	8,265 206,637	616,73 742,90
25 Stimulation	-	-	619,129	200,637	619,12
26 Stimulation Flowback &	z Disp	-	92,490	123,982	216,47
28 Mud/Wastewater Disp	-	146,869	46,509	-	193,37
30 Rig Supervision / Engin		92,178	101,475	12,398	206,08
32 Drlg & Completion Ove	erhead	7,928	-	-	7,92
35 Labor	_	116,639	52,852 954,688	12,398	181,88 954,68
54 Proppant 95 Insurance	_	11,150	-		11,15
97 Contingency	-	-	18,574	-	18,57
99 Plugging & Abandonme	ent -	-	-	-	-
	TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	7,227,5
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing	\$ _	96,041	-		\$ 96,04
61 Intermediate Casing 62 Drilling Liner	_	270,508			270,50
63 Production Casing	_	539,816			539,8
64 Production Liner	-	-			-
65 Tubing	-	-	-	119,542	119,54
66 Wellhead	_	50,930	-	34,155	85,08
67 Packers, Liner Hangers	_	11,575	-	17,077	28,65
68 Tanks 69 Production Vessels	_			59,771	59,77
70 Flow Lines	_	 _		34,155	34,15
71 Rod string	-			-	
72 Artificial Lift Equipmen	nt -	-		76,849	76,84
73 Compressor	_	-	-	-	-
74 Installation Costs	_	-	-	25,616	25,63
75 Surface Pumps 76 Downhole Pumps	_				
77 Measurement & Meter I	nstallation _			25,616	25,63
78 Gas Conditioning / Deh		_	-	-	-
79 Interconnecting Facility	•	-	-	17,077	17,0
80 Gathering / Bulk Lines	_	-	-	-	-
81 Valves, Dumps, Control		-	-	-	
82 Tank / Facility Contains	ment		-		
83 Flare Stack 84 Electrical / Grounding	_	<u>-</u>		42,694	42,69
85 Communications / SCA	DA -	-			
86 Instrumentation / Safety			-		
	TOTAL TANGIBLES >	968,870	0	452,553	1,421,4
	TOTAL COSTS >	3,897,455	4,469,808	968,448	8,649,0
EPARED BY Permian Re	sources Operating, LLC:				
Drilling Engine	eer: PS				
Completions Engine					
Production Engine					
Trouvellon English					
nian Resources Operati	ng, LLC APPROVAL:				
Co-C	EO	Co-CE	SO .	VP - Operatio	ons
	WH		JW	1 - 200	CRM
VP - Land & Le	gal	VP - Geoscienc	,		
	BG		SO		
N OPERATING PARTN	JER APPROVAL				
			Moulsier - Internation	m ·	
Company Nar	ne:		Working Interest (%):	Tax I	D:
Signed	by:		Date:		
Tr.	tle:		Approval:	Yes	No (mark one
	HE.		Approvai:	1 165	, iso imark one

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.



Long John & Silver – Chronology of Communication

Please note, while separate cases, Permian Resources has kept the Long John and Silver units in lockstep, thus a combined chronology of events

March 2023 – Permian Resources orders full Drilling and Division Order Title Opinions on Long John & Silver (title currently wrapping up, but did receive full mineral ownership reports in August 2023)

April 11, 2023 – Initial Long John & Silver well proposals (along with the Coms and JOA) sent to all known parties at the time

April 19, 2023 – Long John re-proposed correcting surface hole locations

April 21, 2023 – Correspondence with ANET Oil & Gas

April 21, 2023 – Correspondence with 1789

April 25, 2023 – Correspondence with Sabinal

April 26, 2023 – Correspondence with BEXP

April 27, 2023 – Correspondence with S&P Co.

May 9, 2023 – Long John proposed to ConocoPhillips as parent company to Burlington

May 9, 2023 – Silver proposed to Magnum Hunter

May 16, 2023 – Correspondence with Sklarco

May 23, 2023 - Correspondence with Burlington

May 24, 2023 – Correspondence with Kent

July 18, 2023 - Correspondence with Magnum Hunter

August 3, 2023 - Correspondence with Magnum Hunter

August 7, 2023 - Correspondence with Magnum Hunter

September 12, 2023 – Correspondence with Sklarco

October 2, 2023 - Correspondence with Magnum Hunter

October 17, 2023 - Correspondence with Magnum Hunter

Colgate Production, LLC Case No. 23669 Exhibit A-5

Received by OCD: 11/14/2023 2:01:36 PM

Released to Imaging: 11/14/2023 2:06:48 PM

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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23668 & 23669

SELF-AFFIRMED STATEMENT OF CHRISTOPHER CANTIN

- 1. I am a geologist with Permian Resources Operating, LLC ("Permian Resources"). 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 that pertain to the above-referenced cases.
- 3. **Exhibit B-1** is a regional locator map that identifies the Silver project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of this application.
- 4. **Exhibit B-2** is a cross section location map for the proposed horizontal spacing units ("Units") within the Bone Spring formation. The approximate wellbore paths for the proposed **Silver 29-28 Fed Com 121H, Silver 29-28 Fed Com 131H, Silver 29-28 Fed Com 122H, and Silver 29-28 Fed Com 132H wells ("Wells") are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed Wells. Pooling units area defined by blue boxes and are labeled with their respective case numbers.**

Colgate Production, LLC Case No. 23669 Exhibit B

Received by OCD: 11/14/2023 2:01:36 PM

- 5. **Exhibit B-3** is a Subsea Structure map on the Second Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed Wells with a orange dashed line. It also identifies 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 map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 6. **Exhibit B-4** is a Subsea Structure map on the Third Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed Wells with a red dashed line. It also identifies 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 map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 7. **Exhibit B-5** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-4. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from west to east and is hung on the top of the Wolfcamp formation. The proposed landing zones for the Wells are labeled on the exhibit. The approximate well-paths for the proposed Wells are indicated by dashed lines to be drilled from west to east across the units. This cross-section demonstrates the target intervals are continuous across the Unit.
- 8. **Exhibit B-6** is a gun barrel diagram that shows the proposed Wells in the Bone Spring formation. Pooling units area defined by blue dashed boxes and are labeled with their respective case numbers.

- 9. In my opinion, a laydown orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend.
- 10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.
- 11. In my opinion, the granting of Colgate's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 12. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm 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.

Christopher Cantin

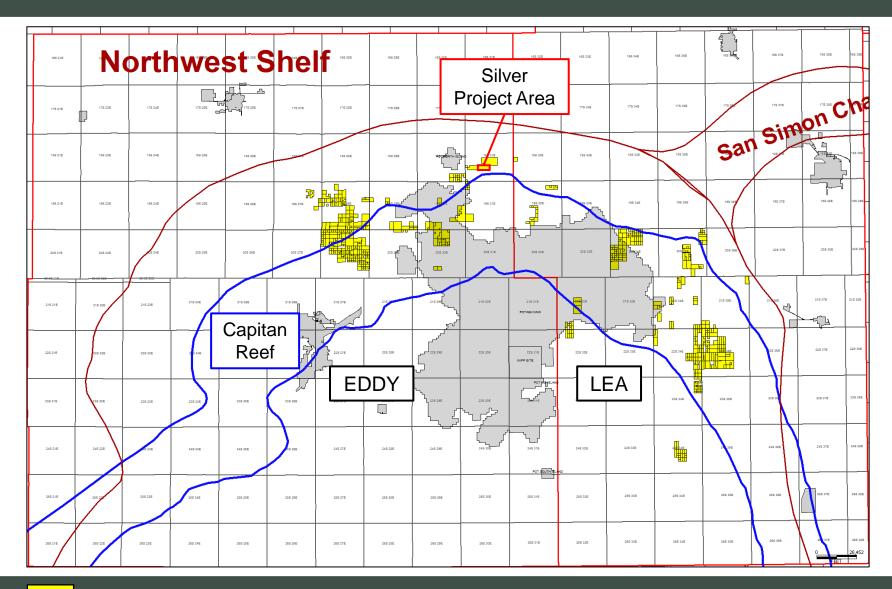
Date (

Received by OCD: 11/14/2023 2:01:36 PM

Regional Locator Map Silver 29-28 Fed Com

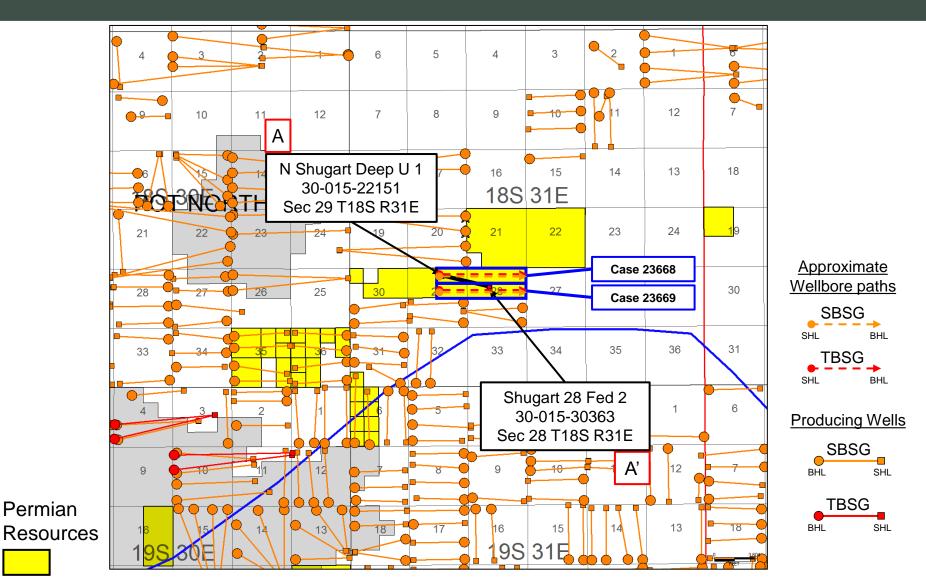
Colgate Production, LLC Case No. 23669 Exhibit B-1







Cross-Section Locator Map Silver 29-28 Fed Com Bone Spring



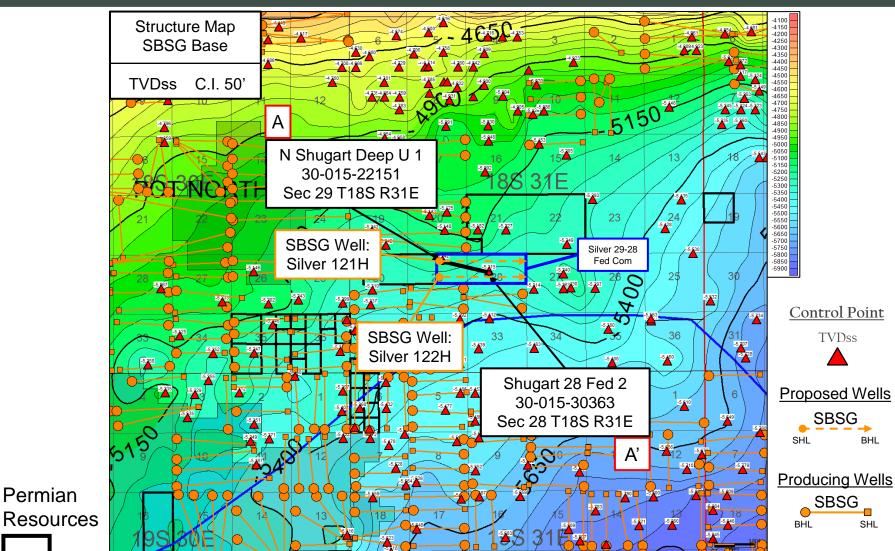
Permian

Silver 29-28 Fed Com 121H & 122H

Second Bone Spring – Structure Map

Exhibit B-3

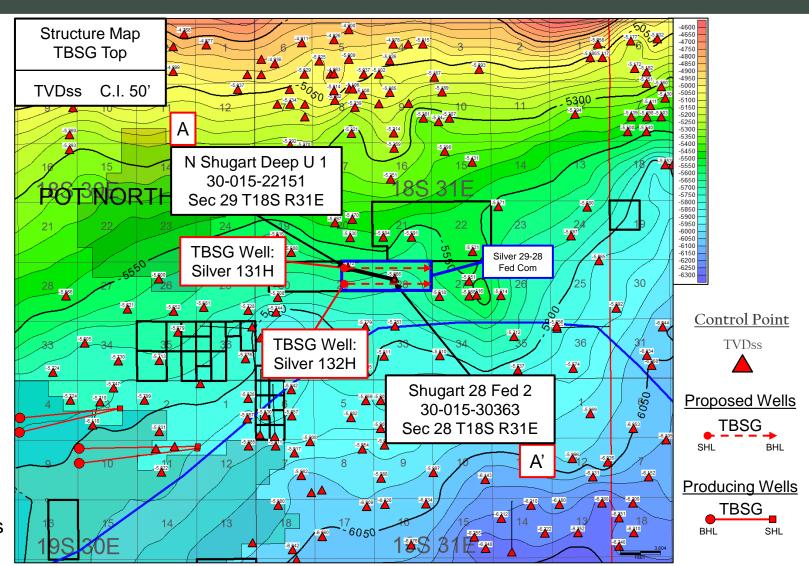




Resources

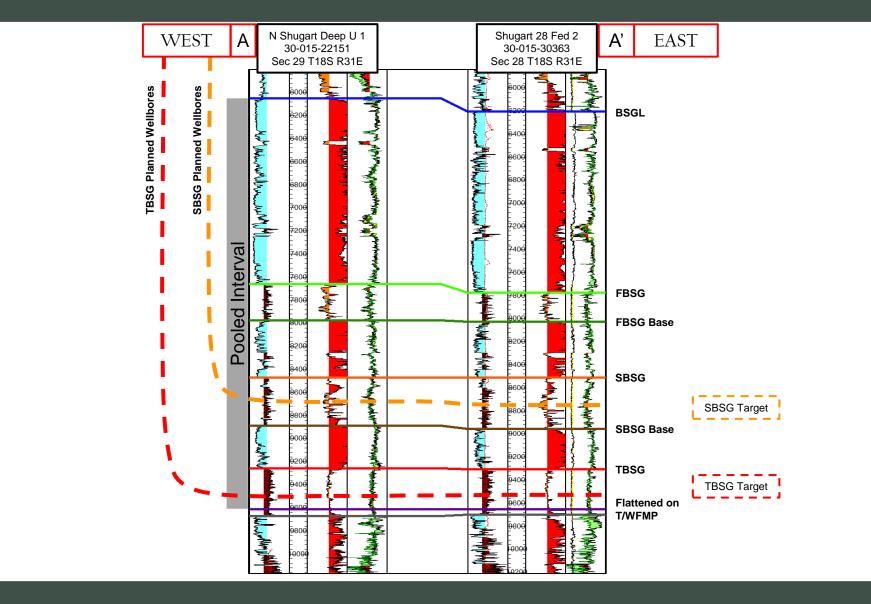
Third Bone Spring – Structure Map Silver 29-28 Fed Com 131H & 132H





Permian Resources

Stratigraphic Cross-Section A-A' Silver 29-28 Fed Com Bone Spring

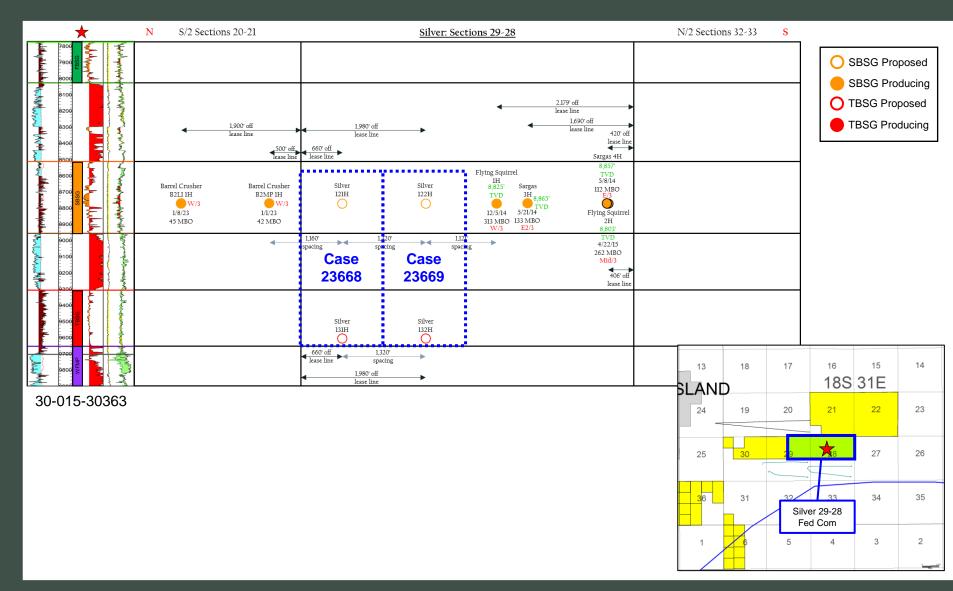


Colgate Production, LLC Case No. 23669

Exhibit B-6







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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23669

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

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

Applicant herein.

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

Letters, along with the Application in this case, to be sent to the parties set out in the chart attached

as Exhibit C-2.

3. Exhibit C-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 C-**

3 as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On July 18th and October 29th, 2023, I caused a notice to be published to all

interested parties in the Carlsbad Current Argus. Two (2) Affidavits of Publication from the Legal

Clerk of the Carlsbad Current Argus, along with a copy of the notice publications, are attached as

Exhibit C-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 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

November 13, 2023

Date

Colgate Production, LLC Case No. 23669 Exhibit C



HINKLE SHANOR LLP

P.O. BOX 2068

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

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

October 18, 2023

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

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23668 & 23669 – Applications of Colgate Production, LLC for Compulsory Pooling, 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 **August 3**, **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: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://www.apps.emnrd.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 for Permian Resources Operating, LLC, by phone at (432) 400-1037 if you have questions regarding these matters.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Colgate Production, LLC Case No. 23669 Exhibit C-1

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



HINKLE SHANOR LLP

ATTORNEYS AT LAW
P.O. BOX 2068
SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

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

July 13, 2023

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

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23668 & 23669 – Applications of Colgate Production, LLC for Compulsory Pooling, 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 **August 3**, **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: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://www.apps.emnrd.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 for Permian Resources Operating, LLC, by phone at (432) 400-1037 if you have questions regarding these matters.

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

Enclosure

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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23668-69

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
1789 Minerals Fund II	07/13/23	07/26/23
dba Hoya Energy LP		
26203 Monarch Meadow Court		
Katy, TX 77494		
Anet Oil and Gas Consulting, LLC	07/13/23	07/21/23
730 2nd Ave., Suite 1400		
Minneapolis, Minnesota 55402		
BEXP II Alpha, LLC	07/13/23	07/24/23
5914 W Courtyard Drive, Ste 340		
Austin, TX 78730		
BEXP II Omega, LLC	07/13/23	07/24/23
5914 W Courtyard Drive, Ste 340		
Austin, TX 78730		
Duane A. Davis	07/13/23	Per USPS Tracking
6441 Waggoner Drive		(Last checked 11/10/23):
Dallas, TX 75230		
		07/21/23 – Item in transit
		to next facility.
Devon Energy Production Co., LP	07/13/23	07/24/23
333 W Sheridan Ave.		
Oklahoma City, OK 73102		No signature.
Earthstone Operating, LLC	07/13/23	07/20/23
1400 Woodloch Forest Dr., Ste 300		
The Woodlands, TX 77380		
KCS Resources, LLC	10/18/23	11/10/23
P.O. Box 22719		
Houston, Texas 77027		Return to sender.
Kent Production Company, LLC	07/13/23	07/26/23
3009 Post Oak Blvd., Suite 1212		
Houston, TX 77056		
Timothy R Macdonald	07/13/23	08/14/23
3017 Avenue O		
Galveston, TX 77550		Return to sender.
Magnum Hunter	07/13/23	07/19/23
6001 Deauville Blvd.		
Midland, TX 79706		

Colgate Production, LLC Case No. 23669 Exhibit C-2

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

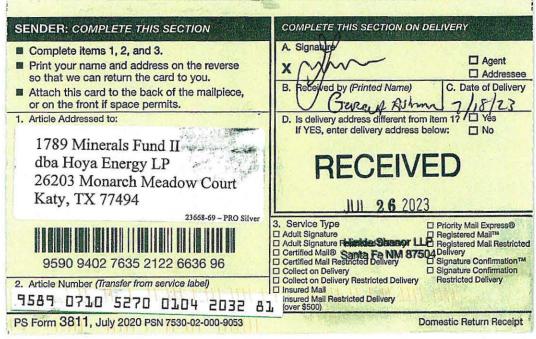
APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23668-69

NOTICE LETTER CHART

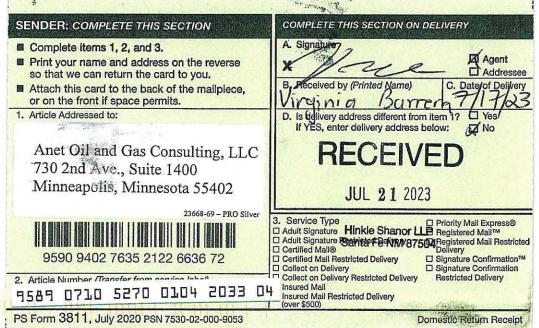
Maverick Oil & Gas Corporation	07/13/23	07/19/23
1001 West Wall Street		
Midland, TX 79701		
Mewbourne Oil Company	10/18/23	10/26/23
500 W. Texas Ave #1020		
Midland, Texas 79701		
Nortex Corporation	07/13/23	07/25/23
3009 Post Oak Blvd., Suite 1212		
Houston, TX 77056		
Sabinal Energy Operating LLC	07/13/23	07/24/23
1780 Hughes Landing, Blvd., Ste 1200		
The Woodlands, TX 77380		
Tanos Energy Holdings II, LLC	07/13/23	07/24/23
921 E SE 323		
Tyler, TX 75701		



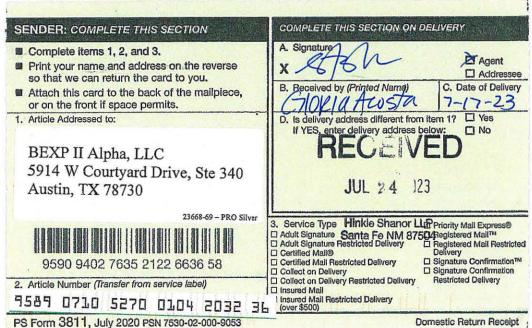


Colgate Production, LLC Case No. 23669 Exhibit C-3

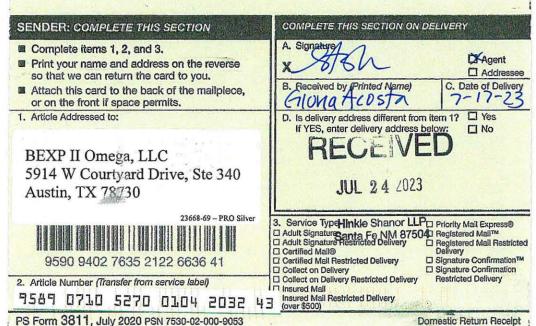




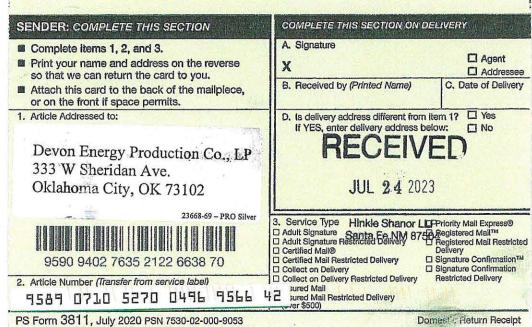
















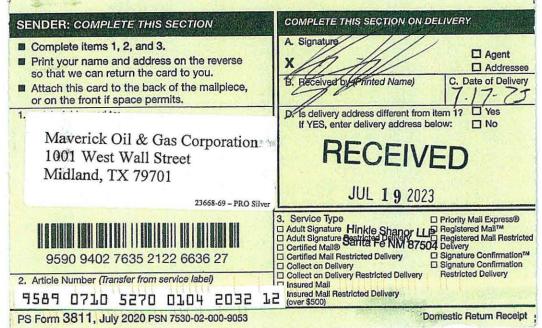




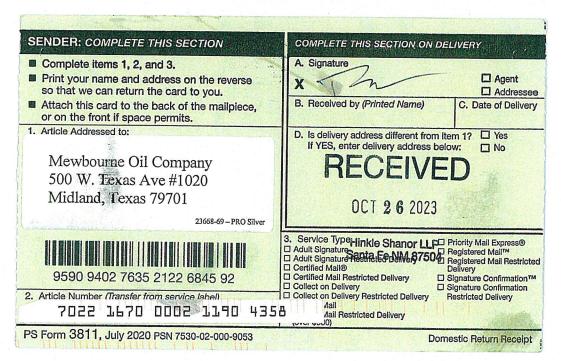








58	U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only		
H ₃	For delivery information, visit our website at www.usps.com®.		
11190	OFFICIA ISAN7		
2000	SExtra Services & Fees (check bax, add fee as appropriate) Return Receipt (hardcopy) S Return Receipt (electronic) S Postmark Government Postmark Government Postmark Government Postmark Postmark		
1670	Postage \$ Total Postage and Fees		
7022	Mewbourne Oil Company 500 W. Texas Ave#1020 Midland, Texas 79701 23668-69 - PRO Silver		
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions		











Domestic Return Receipt

PS Form 3811, July 2020 PSN 7530-02-000-9053





U.	
	For delivery information, visit our website at www.usps.com®.
5270 03.04	Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (electronic) Certified Mail Restricted Delivery \$ Adult Signature Restricted Delivery \$ Adult Signature Restricted Delivery \$
9589 0730	Postage \$ Total Postage and Fees \$ Sent To
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

USPS Tracking®

FAQs >

Remove X

Tracking Number:

9589071052700104203229

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®

Delivered

Out for Delivery

Preparing for Delivery

Moving Through Network

In Transit to Next Facility

July 21, 2023

Departed USPS Regional Facility

DALLAS TX DISTRIBUTION CENTER July 17, 2023, 6:16 am

Arrived at USPS Regional Facility

DALLAS TX DISTRIBUTION CENTER July 15, 2023, 11:55 am

Departed USPS Facility

ALBUQUERQUE, NM 87101 July 13, 2023, 10:32 pm Feedbac

Arrived at USPS Facility
ALBUQUERQUE, NM 87101
July 13, 2023, 9:55 pm

Hide Tracking History

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

Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ^	
Track Another Package	
Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs



HINKLE SHANOR LLP
ATTORNEYS AT LAW

POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504

RECEIVED

NUV 1 0 2023

Hinkle Shanor LLP Santa Fe NM 87504

A1: 93250107292915





7022 1670 0002 1190 4341



Not 10/2)

KCS Resources, LLC P.O. Box 22719

Houston, Texas VIII

773 FE 1.

0010/28/23

RETURN TO SENDER NOT DELIVERABLE AS ADDRESSED UNABLE TO FORWARD

UTF BC: 87584286868 87584279287 - 4|4|11144|1444|144

*1793-81289-28-24 hillighghalaghahil



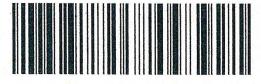
HINKLE SHANOR LLP ATTORNEYS AT LAW

POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504

RECEIVED

AUG 14 2023

Hinkle Shanor LLP Santa Fe NM 87504



9589 0710 5270 0496 9566 97



ZIP 87501 02 7H 0006052409

Timothy R Macdonald

3017 Avenue C Galveston, TX

0002/05/23

RETURN TO SENDER UNCLAIMED UNABLE TO FORWAR

FIRST-CLASS

UNC

BC: 87504206868

evererese cc

Carlsbad Current Argus.

Affidavit of Publication Ad # 0005770320 This is not an invoice

HINKLE SHANOR, LLP POBOX 2068

SANTA FE, NM 87504

I, a legal cierk 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:

07/18/2023

Subscribed and sworn before me this July 18, 2023:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005770320 PO #: 23669 # of Affidavits1

This is not an invoice

This is to notify all interested parties, including Magnum Hunter; 1789 Minerals Fund II dba Hoya Energy LP; Sabinal Energy Operating LLC; Anet Oil and Gas Consulting LLC: Paris A. Paris sulting, LLC; Duane A. Davis; sulting, LLC; Duane A. Davis; BEXP II Alpha, LLC; BEXP II Omega, LLC; Nortex Corporation; Maverick Oil & Gas Corporation; Kent Production Company LLC; Timothy R Macdonald; Earthstone Operating LLC; Devon Energy Production Co., LP; Tanos Energy Holdings II LLC; and their successors and accident their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Col-gate Production, LLC (Case No. 23669). The hearing will be conducted remotely on August 3, 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 ap-plies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal or less, standard norizontal spacing unit comprised of the S/2 NE/4 of Section 29 and the S/2 N/2 of Section 28, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Silver 29-28 Fed Com 122H and Silver 29-28 Fed Com 132H wells ("Wells"), which will be drilled from surface hole locations in the SW/4 NE/4 (Unit G) of Section 29 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 28. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Permian Resources Operat-ing, LLC (OGRID No. 372165) as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approxi-mately 30.57 miles southeast of Artesia, New Mexico. #5770320, Current Current Argus, July 18, 2023

> Colgate Production, LLC Case No. 23669 Exhibit C-4

Carlsbad Current Argus.

This is to notify all interested parties, including Magnum Hunter; 1789 Minerals Fund II dba Hoya Energy LP; Sabinal

Hunter; 1789 Minerals Fund II dba Hoya Energy LP; Sabinal Energy Operating LLC; Anet Oil and Gas Consulting, LLC; Duane A. Davis; BEXP II Alpha, LLC; BEXP II Omega, LLC; Nortex Corporation; Maverick Oil & Gas Corporation; Kent Production Company LLC; Timothy R Macdonald; Earthstone Operating LLC; Devon Energy Production Co., LP; Tanos Energy Holdings II, LLC; KCS Resources, LLC; Mewbourne Oil Company; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on

an application submitted by Colgate Production, LLC (Case No. 23669). The hearing will be conducted remotely on No-

NO. 23699). The hearing will be conducted remotely on November 16, 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/hearing-info/. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NE/4 of Section 29 and the S/2 NE/4 of Section 29 and the

S/2 N/2 of Section 28, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Silver 29-28 Fed Com 122H and Silver 29-28 Fed Com

132H wells ("Wells"), which will be drilled from surface hole locations in the SW/4 NE/4 (Unit G) of Section 29 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 28. The completed intervals of the Wells will be orthodox. Also to

be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Permian Resources Operating, LLC (OGRID No. 372165) as the operator of the Wells, and a 200% charge for the risk in-

volved in drilling and completing the Wells. The Wells are located approximately 30.57 miles southeast of Artesia, New

#5851461, Current Argus, October 29, 2023

Affidavit of Publication Ad # 0005851461 This is not an invoice

HINKLE SHANOR, LLP POBOX 2068

SANTA FE, NM 87504

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:

10/29/2023

Legal Clerk

Subscribed and sworn before me this October 29,

2023:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005851461 PO #: Case No. 23669 # of Affidavits1

This is not an invoice

Released to Imaging: 11/14/2023 2:06:48 PM