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

APPLICATION OF COLGATE PRODUCTION, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23011, EDDY COUNTY, NEW MEXICO

CASE NO. 24302 ORDER NO. R-23011

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Mason Maxwell
A-1	Application & Proposed Notice of Hearing
A-2	Order No. R-23011
A-3	Plat of Tracts, Tract Ownership, Additional Pooled Partie
A-4	Sample Well Proposal Letter & AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Notice Letters 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 for March 13, 2024

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

APPLICATION OF COLGATE PRODUCTION, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23011, EDDY COUNTY, NEW MEXICO

CASE NO. 24302 ORDER NO. R-23011

SELF-AFFIRMED STATEMENT OF MASON MAXWELL

- 1. I am a Landman with Permian Resources Operating, LLC ("Permian"). 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 petroleum land matters were accepted and made a matter of record.
- 2. I am familiar with the land matters involved in this case. Copies of the application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. 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.
- 4. On January 10, 2024, the Division entered Order No. R-23011 ("Order") in Case No. 23669, which pooled uncommitted interests in the Bone Spring formation underlying a 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 Order further dedicated the Unit to the Silver 29-28 Fed Com 122H and Silver 29-28 Fed Com 132H wells ("Wells") and designated Permian Resources Operating, LLC (OGRID No. 372165) as operator of the Unit and Wells.
 - 5. A copy of the Order is attached as **Exhibit A-2**.

Colgate Production, LLC Case No. 24302 Exhibit A Released to Imaging: 4/2/2024 11:28:31 AM

6. Since the Order was entered, Colgate has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.

7. **Exhibit A-3** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interests to be pooled under the terms of the Order, which are highlighted in yellow. The additional interest owners to be pooled are locatable.

8. **Exhibit A-4** is a sample well proposal letter and AFEs that I sent to the additional parties to be pooled under the terms of the Order.

9. In my opinion, Colgate made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-5**.

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

11. In my opinion, the granting of Colgate's application would serve the interests of conservation and prevention of waste.

12. The attached exhibits 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 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 next to my signature below.

Mason Maxwell

Date

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

APPLICATION OF COLGATE PRODUCTION, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23011, EDDY COUNTY, NEW MEXICO.

CASE NO. 24302 ORDER NO. R-23011

<u>APPLICATION</u>

Pursuant to NMSA § 70-2-17, Colgate Production, LLC ("Applicant") files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-23011. Applicant states the following in support of its application.

- 1. On January 10, 2024, the Division entered Order No. R-23011 ("Order") in Case No. 23669, which pooled uncommitted interests in the Bone Spring formation underlying a 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 Order further dedicated the Unit to the Silver 29-28 Fed Com 122H and Silver 29-28 Fed Com 132H wells ("Wells") and designated Permian Resources Operating, LLC (OGRID No. 372165) as operator of the Unit and Wells.
- 2. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

Colgate Production, LLC Case No. 24302 Exhibit A-1 4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on April 4, 2024, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-23011.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com

Counsel for Colgate Production, LLC and Permian

Resources Operating, LLC

Application of Colgate Production, LLC to Pool Additional Interests Under Order No. R-23011, Eddy County, New Mexico. Colgate Production, LLC ("Applicant") seeks to pool additional uncommitted interests under the terms of Division Order No. R-23011 ("Order"). The Order: (1) pooled uncommitted interests in the Bone Spring formation underlying a 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"); dedicated the Unit to the Silver 29-28 Fed Com 122H and Silver 29-28 Fed Com 132H wells ("Wells"); and designated Permian Resources Operating, LLC (OGRID No. 372165) as the operator of the Unit and the Wells. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 30.57 miles southeast of Artesia, 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 PRODUCTION, LLC

CASE NO. 23669 ORDER NO. R-23011

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on November 16, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Colgate Production, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. 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.

Colgate Production, LLC Case No. 24302 Exhibit A-2

- 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. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
- 20. 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.
- 21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
- 22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 23. 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").
- 24. 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

CASE NO. 23669 ORDER NO. R-23011

Page 2 of 7

Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 25. 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.
- 26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 27. 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."
- 28. 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.
- 29. 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.

- 30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 30 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 32. 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.
- 33. 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.
- 34. 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.*
- 35. 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.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

Date: 1/10/2024

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAÑ M FUGE DIRECTOR (ACTING)

DMF/hat

CASE NO. 23669 ORDER NO. R-23011

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Exhibit A

ALL INFORMATION IN THE APPLICATION MUST BE SU	JPPORTED BY SIGNED AFFIDAVITS
Case: 23667	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	Long John 29-30 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 NW/4 of Section 29 and the S/2 N/2 of Section 30, Township 18 South, Range 31 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
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	Long John 29-30 Fed Com 122H (API #) 1072' FNL & 2593' FWL (Unit C), Section 29, T18S, R31E 1980' FNL & 100' FWL (Lot 2), Section 30, T18S, R31E Completion Target: Bone Spring (Approx. 8,732' TVD)

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Well #1	Long John 29-30 Fed Com 132H (API #) 1035' FNL & 2632' FEL (Unit B), Section 29, T18S, R31E 1980' FNL & 100' FWL (Lot 2), Section 30, T18S, R31E Completion Target: Bone Spring (Approx. 9,642' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
, , , , , ,	
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
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-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
Released to Imaging: 11/14/2023 2:06:01 PM C-102	Exhibit A-2

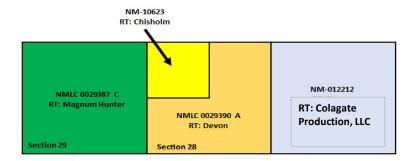
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Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3, B-4
Cross Section Location Map (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

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Land Exhibit: Silver 29-28 Fed Com #122H & #132H

Section 29: S/2NE/4, Section 28: S/2N/2, T18S-R31E, Eddy Co., NM $\,$



Silver Fed Com 121H & 131H Spacing

Silver Fed Com 122H & 132H Spacing

Section 29

Section 29

Section 28

		ts 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	
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	
Nortex Corporation	Υ	Υ	Υ	Υ	
Kent Production Company, LLC	Υ	Υ	Υ	Υ	
William G. Parker, Nancy Parker					
Strong and Sylvia S. Voohries,					
Trustees of the Estate of T.R. Parker	Υ	Υ	Υ	Υ	
ANET Oil and Gas Consulting, LLC	Υ	Υ	Υ	Y	
Gajh 1989 Limited Partnership	Υ	Y	Y	Υ	

Leasehold C	wnership
Owner	Sec 29: NE/4
Colgate Production, LLC	43.256323%
1789 Minerals Fund II, LP d/b/a	
Hoya Energy, LP	14.598782%
Sabinal Energy Operating, LLC	16.128178%
Nortex Corporation	7.500000%
Gajh 1989 Limited Partnership	13.516717%
ANET Oil and Gas Consulting, LLC	3.041667%
William G. Parker, Nancy Parker	
Strong and Sylvia S. Voohries,	
Trustees of the Estate of T.R.	
Parker	1.125000%
Kent Production Company, LLC	0.833333%

Leasehold Ownership		
Owner Sec 28: NE/4NW/4, S/2NW/4		
Colgate Production, LLC	61.136565%	
1789 Minerals Fund II, LP d/b/a		
Hoya Energy, LP	12.513242%	
Sabinal Energy Operating, LLC	13.824152%	
Nortex Corporation	7.500000%	
ANET Oil and Gas Consulting, LLC	3.041670%	
William G. Parker, Nancy Parker		
Strong and Sylvia S. Voohries,		
Trustees of the Estate of T.R.		
Parker	1.125000%	
Kent Production Company, LLC	0.833330%	
Timothy R. MacDonald	0.015625%	
Maverick Oil and Gas Corporation	0.010417%	

Leasehold	Ownership
Owner	Sec 28: NE/4
Colgate Production, LLC	64.883475%
1789 Minerals Fund II, LP d/b/a	
Hoya Energy, LP	16.684322%
Sabinal Energy Operating, LLC	18.432203%

Unit Capitulation	
Owner	WI
Colgate Production, LLC	56.425454%
1789 Minerals Fund II, LP d/b/a	
Hoya Energy, LP	14.598782%
Sabinal Energy Operating, LLC	16.128178%
Nortex Corporation	5.000000%
Gajh 1989 Limited Partnership	4.505572%
ANET Oil and Gas Consulting, LLC	2.027779%
William G. Parker, Nancy Parker	
Strong and Sylvia S. Voohries,	
Trustees of the Estate of T.R.	
Parker	0.750000%
Kent Production Company, LLC	0.555554%
Timothy R. MacDonald	0.005208%
Maverick Oil and Gas Corporation	0.003472%
TOTAL	100.000000%

Colgate Production, LLC Case No. 24302 Exhibit A-3



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. 24302 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:

	Vell Elections: r responses in the spa	ces 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):		
By:		
Printed Name:		
Date:		

Participate / Rejection Declaration

Printed Name: _____

Title:

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.

I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
I hereby elect to reject the insurance coverage arranged by Permian Resources Operating LLC.
Agreed this day of, 2023 by:

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 imagei.	Drill a horizontal SBSG we	ell and complete with	44 stages. AFE include		
REMARKS:	install cost	r r		8,	
		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	_	73,456		-	73,456
13 Fuel & Power 14 Cementing & Float Equip	-	138,539 178,401	531,662		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		-	90,393	-	90,393 107,411
18 Completion Unit, Swab, C 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	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	-	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		-	17,907		17,907
33 Tanggang & Talantaganient	TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	6,968,122
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE CO	OSTS	COSTS	COSTS	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	<u>-</u>	-	-	-	
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		<u>-</u>		-	-
84 Electrical / Grounding	=			41,161	41,161
85 Communications / SCADA	_	-	-	-	
86 Instrumentation / Safety	TOTAL TANCETO	-		-	4 850 000
	TOTAL COSTS >	934,087	1 160 808	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		
Co-CEO	WH	Co-C	EO IW	VP - Opera	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:	☐ Yes 「	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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

	Cilvon Dadou-1 C- 10011			AFE NO.:	1
WELL NAME:	Silver Federal Com 132H				rt; Bone Spring, No
LOCATION:	Section 29, T18S-R31E				17,427' / 9,642'
COUNTY/STATE:	Eddy County, New Mexic	20		LATERAL LENGTH:	7,500'
Permian WI:	TTDGG			DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG Drill a horizontal TBSG w	rell and complete with	44 stages AFE includes	drilling, completions, flowb	18.6 ack and Initial A
REMARKS:	install cost	en una complete with	11 stages. 111 E merades	erimitg, completions, nowe	ack and miliar 7
INTANGIBLE	COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$	44,924	-	-	\$ 44,9
2 Location, Surveys & Dam	ages	219,105	13,741	-	232,8
4 Freight / Transportation	1	36,224	33,296	16,531	86,0
5 Rental - Surface Equipme 6 Rental - Downhole Equip		94,559 156,239	163,840 45,486	78,522	336,9 201,7
7 Rental - Living Quarters	-	36,570	41,436		78,0
10 Directional Drilling, Sur	veys -	326,698	-	-	326,6
11 Drilling	-	573,333	-	-	573,3
12 Drill Bits	_	76,191	-	-	76,1
13 Fuel & Power	_ -	143,698 185,044	551,460		695,1 185,0
14 Cementing & Float Equi _] 15 Completion Unit, Swab,		-		12,398	12,3
l6 Perforating, Wireline, Sli		-	299,008	-	299,0
17 High Pressure Pump Tru		-	93,759	-	93,7
18 Completion Unit, Swab,		-	111,411	-	111,4
20 Mud Circulation System	_	80,019	-	-	80,0
21 Mud Logging	luation	13,332	6 342	-	13,3
22 Logging / Formation Eva 23 Mud & Chemicals	-	5,529 275,201	6,342 333,271	8,265	616,7
24 Water	-	33,053	503,212	206,637	742,9
25 Stimulation	-	-	619,129	-	619,1
26 Stimulation Flowback &	-		92,490	123,982	216,4
28 Mud/Wastewater Dispo		146,869	46,509	-	193,3
30 Rig Supervision / Engine		92,178	101,475	12,398	206,0
32 Drlg & Completion Over 35 Labor	nead	7,928 116,639	52,852	12,398	181,8
54 Proppant	-	- 110,039	954,688	12,398	954,6
95 Insurance	-	11,150	-	-	11,1
77 Contingency	-	-	18,574	-	18,5
99 Plugging & Abandonme	nt -	-	-	-	
	TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	7,227,
TANGIBLE	COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
50 Surface Casing	<u> </u>	96,041	-		\$ 96,0
1 Intermediate Casing	· -	270,508			270,5
62 Drilling Liner	-	-	-	-	
3 Production Casing	_	539,816	-	-	539,8
4 Production Liner	_	-	-	-	
55 Tubing 66 Wellhead	<u>-</u>	50,930		119,542 34,155	119,5 85,0
67 Packers, Liner Hangers	-	11,575		17,077	28,6
8 Tanks	-	-	-	59,771	59,7
69 Production Vessels	_	-	-	-	
70 Flow Lines	_	-	-	34,155	34,1
71 Rod string	_	-	-		
72 Artificial Lift Equipment	<i>:</i>			76,849	76,8
73 Compressor 74 Installation Costs	_	<u> </u>		25,616	25,6
75 Surface Pumps	-			-	20,0
76 Downhole Pumps	-	-	-	-	
77 Measurement & Meter In	ıstallation	-	-	25,616	25,6
78 Gas Conditioning / Dehy		-	-	-	
*** * *			-	17,077	
	riping _				17,0
80 Gathering / Bulk Lines	-	-	-	-	17,0
80 Gathering / Bulk Lines 81 Valves, Dumps, Controll	lers -	- - -		-	17,0
80 Gathering/Bulk Lines 81 Valves, Dumps, Controll 82 Tank/Facility Containm	lers -	- - - -		-	-
80 Gathering/Bulk Lines 81 Valves, Dumps, Controll 82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding	ers ent			-	
80 Gathering / Bulk Lines 81 Valves, Dumps, Controll 82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAL	ers ent	- - - - -	- - - - -		
79 Interconnecting Facility I 80 Gathering / Bulk Lines 81 Valves, Dumps, Controll 82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAL 86 Instrumentation / Safety	ers eent	- - - -	-	- - - - 42,694 -	42,6
80 Gathering/Bulk Lines 81 Valves, Dumps, Controll 82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAL	ers eent DA TOTAL TANGIBLES >	- - - - - 968,870	- - - 0	42,694 	42,6
30 Gathering / Bulk Lines 31 Valves, Dumps, Controll 32 Tank / Facility Containm 33 Flare Stack 34 Electrical / Grounding 35 Communications / SCAL 36 Instrumentation / Safety	ers eent	- - - -	-	- - - - 42,694 -	42,6
80 Gathering / Bulk Lines 81 Valves, Dumps, Controll 82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAL 86 Instrumentation / Safety	TOTAL TANGIBLES > TOTAL COSTS > sources Operating, LLC:	- - - - - 968,870	- - - 0	42,694 	42,6
10 Gathering / Bulk Lines 11 Valves, Dumps, Controll 12 Tank / Facility Containm 13 Flare Stack 14 Electrical / Grounding 15 Communications / SCAL 16 Instrumentation / Safety PARED BY Permian Res Drilling Engines	TOTAL TANGIBLES > TOTAL COSTS > Sources Operating, LLC: PS	- - - - - 968,870	- - - 0	42,694 	42,6
0 Gathering / Bulk Lines 1 Valves, Dumps, Controll 2 Tank / Facility Containm 3 Flare Stack 4 Electrical / Grounding 5 Communications / SCAL 6 Instrumentation / Safety PARED BY Permian Res Drilling Enginee Completions Enginee	TOTAL TANGIBLES > TOTAL COSTS > Sources Operating, LLC: er: PS er: ML	- - - - - 968,870	- - - 0	42,694 	42,6
20 Gathering / Bulk Lines 21 Valves, Dumps, Controll 22 Tank / Facility Containm 23 Flare Stack 24 Electrical / Grounding 25 Communications / SCAL 26 Instrumentation / Safety PARED BY Permian Res Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES > TOTAL COSTS > Sources Operating, LLC: er: PS er: ML er: DC	- - - - - 968,870	- - - 0	42,694 	42,6
80 Gathering / Bulk Lines 81 Valves, Dumps, Controll 82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAL 86 Instrumentation / Safety PARED BY Permian Res Completions Enginee Production Enginee	TOTAL TANGIBLES > TOTAL COSTS > Sources Operating, LLC: er: PS er: ML er: DC	- - - - - 968,870	- - - 0	42,694 	1,421, 8,649,
80 Gathering / Bulk Lines 81 Valves, Dumps, Controll 82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAL 86 Instrumentation / Safety PARED BY Permian Res Drilling Enginee Completions Enginee	TOTAL TANGIBLES > TOTAL COSTS > Sources Operating, LLC: PS PS PT: ML PT: DC Mg, LLC APPROVAL: MG	- - - - - 968,870	- - - 0 4,469,808	42,694 	1,421, 8,649,
80 Gathering / Bulk Lines 81 Valves, Dumps, Controll 82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAL 86 Instrumentation / Safety PARED BY Permian Res Completions Enginee Production Enginee Production Enginee Anian Resources Operating Co-CE	TOTAL TANGIBLES > TOTAL COSTS > Sources Operating, LLC: PS PS PT: ML PT: DC Mg, LLC APPROVAL: MH	- - - - 968,870 3,897,455	- - - 0 4,469,808	42,694 	1,421, 8,649,
10 Gathering / Bulk Lines 11 Valves, Dumps, Controll 12 Tank / Facility Containm 13 Flare Stack 14 Electrical / Grounding 15 Communications / SCAL 16 Instrumentation / Safety PARED BY Permian Res Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES > TOTAL COSTS > Sources Operating, LLC: PS PS PT: ML PT: DC Mg, LLC APPROVAL: MH	968,870 3,897,455	- - - 0 4,469,808	42,694 	1,421, 8,649,
O Gathering / Bulk Lines 1 Valves, Dumps, Controll 2 Tank / Facility Containm 3 Flare Stack 4 Electrical / Grounding 5 Communications / SCAL 6 Instrumentation / Safety PARED BY Permian Res Drilling Enginee Completions Enginee Production Enginee Production Enginee Lian Resources Operatir Co-CE VP - Land & Leg	TOTAL TANGIBLES > TOTAL COSTS > Sources Operating, LLC: PS PS PT: ML PT: DC Mg, LLC APPROVAL: MG MH MG	- - - - 968,870 3,897,455	- - - 0 4,469,808	42,694 	1,421, 8,649,
SO Gathering / Bulk Lines SO Gathering / Bulk Lines SO Valves, Dumps, Controll SO Tank / Facility Containm SO Flare Stack SO Helectrical / Grounding SO Communications / SCAL SO Instrumentation / Safety PARED BY Permian Res Drilling Engines Completions Engines Production Engines Production Engines NOPERATING PARTN NOPERATING PARTN	TOTAL TANGIBLES > TOTAL COSTS > SOURCES Operating, LLC: PS PS PT: ML PT: DC Mg, LLC APPROVAL: GO WH Gal BG ER APPROVAL:	- - - - 968,870 3,897,455	- - - 0 4,469,808		1,421, 8,649,
30 Gathering / Bulk Lines 31 Valves, Dumps, Controll 32 Tank / Facility Containm 33 Flare Stack 34 Electrical / Grounding 35 Communications / SCAL 36 Instrumentation / Safety PARED BY Permian Res Drilling Enginee Completions Enginee Production Enginee Production Enginee Nian Resources Operatin Co-CE VP - Land & Leg	TOTAL TANGIBLES > TOTAL COSTS > SOURCES Operating, LLC: PS PS PT: ML PT: DC Mg, LLC APPROVAL: GO WH Gal BG ER APPROVAL:	- - - - 968,870 3,897,455	- - - 0 4,469,808	42,694 	42,6
80 Gathering / Bulk Lines 81 Valves, Dumps, Controll 82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAL 86 Instrumentation / Safety PARED BY Permian Res Drilling Engines Completions Engines Production Engines Production Engines NOPERATING PARTN	TOTAL TANGIBLES > TOTAL COSTS > SOURCES Operating, LLC: PS	- - - - 968,870 3,897,455	- - - 0 4,469,808		CRM

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

January 12, 2024 – Long John and Silver proposed to new parties

Colgate Production, LLC Case No. 24302 Exhibit A-5 STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF COLGATE PRODUCTION, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23011, EDDY COUNTY, NEW MEXICO

CASE NO. 24302 ORDER NO. R-23011

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 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 March 13, 2024, I caused a notice to be published to all interested parties in the

Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current

Argus, along with a copy of the notice publication, is attached as **Exhibit B-4**.

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.

/s/ Dana S. Hardy

Dana S. Hardy

March 28, 2024

Date

Colgate Production, LLC Case No. 24302 Exhibit B



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

March 11, 2024

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

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24301 & 24302 – Applications of Colgate Production, LLC to Pool Additional Interests Under Order Nos. R-23010 & R-23011, 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 **April 4**, **2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, 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.

If you have any questions about these applications, please contact Mason Maxwell, New Mexico Landman, Permian Resources – 432-400-0188, mason.maxwell@permianres.com.

Sincerely,

<u>/s/ Dana S. Hardy</u> Dana S. Hardy Colgate Production, LLC Case No. 24302 Exhibit B-1

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

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

APPLICATIONS OF COLGATE PRODUCTION, LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-23010, & R-23011, EDDY COUNTY, NEW MEXICO.

CASE NO. 24301 ORDER NO. R-23010 & CASE NO. 24302 ORDER NO. R-23011

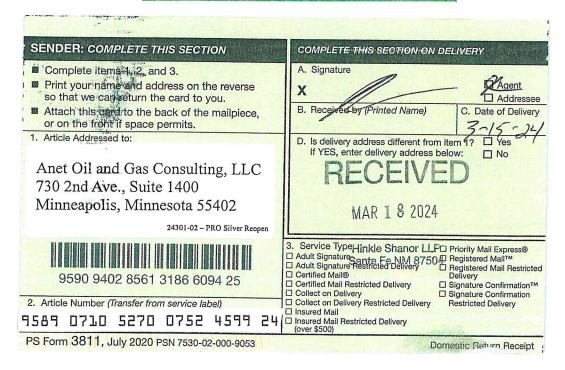
NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Anet Oil and Gas Consulting, LLC	03/11/24	03/18/24
730 2nd Ave., Suite 1400		
Minneapolis, Minnesota 55402		
Gajh 1989 Limited Partnership	03/11/24	03/26/24
1001 Fannin St., Ste 1600		
Houston, TX 77002		Return to sender.
William G. Parker, Nancy Parker Strong	03/11/24	Per USPS Tracking
and Sylvia S Voorhies		(Last Checked 03/28/24):
TTEE's of the Estate of T.R. Parker		
2885 Leonard Ave.		03/20/24 – Delivery
Medford, OR 97504		attempted.

Colgate Production, LLC Case No. 24302 Exhibit B-2

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	U.S. Postal Service [™]
ᄓ	CERTIFIED MAIL® RECEIPT Domestic Mail Only
4599	For delivery information, visit our website at www.usps.com®.
5270 0752	Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$ Return Receipt (electronic) \$ Certified Mail Restricted Delivery \$ Adult Signature Required \$ Adult Signature Restricted Delivery \$ Postage
9589 0710	\$ Total Postage and Fees \$ Sent To Anet Oil and Gas Consulting, LLC 73 0 2nd Ave., Suite 1400 Minncapolis, Minnesota 55402 C 24301-02 - PRO Silver Reopen
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



Colgate Production, LLC Case No. 24302 Exhibit B-3



CERTIFIED MAIL





_. 9327000003473135

Released to Imaging: 4/2/2024 11:28:31 AM

ALERT: SEVERE WEATHER AND EMERGENCY EVENTS ACROSS THE U.S. MAY DELAY FINAL D...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700752459917

Copy Schedule a Redelivery (https://tools.usps.com/redelivery.htm)

Latest Update

This is a reminder to arrange for redelivery of your item before March 29, 2024 or your item will be returned on March 30, 2024. You may arrange redelivery by using the Schedule a Redelivery feature on this page or may pick up the item at the Post Office indicated on the notice.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivery Attempt: Action Needed

Reminder to Schedule Redelivery of your item before March 29, 2024

March 20, 2024

Available for Pickup

MEDFORD OR S&DC 173 EHRMAN WAY MEDFORD OR 97501-9844 March 15, 2024, 6:30 pm

Notice Left (No Authorized Recipient Available)

MEDFORD, OR 97504 March 15, 2024, 2:02 pm

Arrived at USPS Regional Facility

MEDFORD OR DISTRIBUTION CENTER March 14, 2024, 4:25 pm

In Transit to Next Facility

March 1	13,	20	24
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Departed USPS Facility

ALBUQUERQUE, NM 87101 March 11, 2024, 10:08 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 March 11, 2024, 9:22 pm

Hide Tracking History

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

Text & Email Updates	~
Schedule Redelivery	~
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Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs



PO Box 631667 Cincinnati, OH 45263-1667

PROOF OF PUBLICATION

Hinkle Shanor Llp Pobox 10 Roswell NM 88202-0010

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

03/13/2024

and that the fees charged are legal. Sworn to and subscribed before on 03/13/2024

Legal Clerk

Notary, State of WI, County of Brown

My commission expires

Publication Cost: \$62.92

Order No: 9949334

Customer No: 1366930

PO #:

THIS IS NOT AN INVOICE!

Please do not use this form for payment remittance.

KATHLEEN ALLEN Notary Public State of Wisconsin

of Copies:

This is to notify all interested parties, including Anet Oil and Gas Consulting, LLC; Gaih 1989 Limited Partnership; William G. Parker, Nancy Parker Strong and Sylvias Voorhies TTEE's of the Estate of T.R. Parker; 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. 24302). The hearing will be conducted on April 4, 2024 in a hybrid fashion, both inperson at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. Colgate Production, LLC ("Applicant") seeks to pool additional uncommitted interests under the terms of Division Order No. R-23011 ("Order"). The Order: (1) pooled uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the S/2 N/2 of Section 28, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Silver 2928 Fed Com 122H and that Oil will Conser Mexico ("Unit"); dedi-cated the Unit to the Silver 29-28 Fed Com 122H and Silver 29-28 Fed Com 132H wells ("Wells"); and desig-nated Permian Resources Operating, LLC (OGRID No. 372165) as the operator of the Unit and the Wells of the Unit and the Wells.
Since the Order was
entered, Applicant has Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 30.57 miles southeast of Artesia, New Mexico.

#9949334, Carlsbad Current Argus, March 13, 2024

> Colgate Production, LLC Case No. 24302 Exhibit B-4