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

**CASE NO. 24511** 

#### **EXHIBIT INDEX**

### Compulsory Pooling Checklist

| Exhibit A | Self-Affirmed Statement of Ryan Curry  |
|-----------|--|
| A-1       | Application & Proposed Notice of Hearing   |
| A-2       | C-102  |
| A-3       | Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties |
| A-4       | Sample Well Proposal Letter & AFEs   |
| A-5       | Chronology of Contact  |
| Exhibit B | Self-Affirmed Statement of Chris Cantin  |
| B-1       | Regional Locator Map   |
| B-2       | Cross Section Location Map   |
| B-3       | Wolfcamp Subsea Structure Map  |
| B-4       | Stratigraphic Cross-Section  |
| B-5       | Gun Barrel Development Plan  |
| Exhibit C | Self-Affirmed Statement of Dana S. Hardy   |
| C-1       | Notice Letters to All Interested Parties   |
| C-2       | Chart of Notice to All Interested Parties  |
| C-3       | Copies of Certified Mail Receipts and Returns  |
| C-4       | Affidavit of Publication for May 24, 2024  |

| COMPULSORY POOLING APPLICATION CHECKLIST   |   |  |  |  |  |
|--|---|--|--|--|--|
| ALL INFORMATION IN THE APPLICATION MUST E  | SE SUPPORTED BY SIGNED AFFIDAVITS                         |  |  |  |  |
| Case: 24511  | APPLICANT'S RESPONSE                                      |  |  |  |  |
| Date: June 13, 2024  |   |  |  |  |  |
| Applicant  | Colgate Production, LLC                                   |  |  |  |  |
| Designated Operator & OGRID (affiliation if applicable)                                  | Permian Resources Operating, LLC (OGRID No. 372165)       |  |  |  |  |
| Applicant's Counsel:   | Hinkle Shanor LLP   |  |  |  |  |
| Case Title:  | Application of Colgate Production, LLC for                |  |  |  |  |
|  | Compulsory Pooling, Eddy County, New Mexico.              |  |  |  |  |
| Entries of Appearance/Intervenors:   | EOG Resources, Inc.                                       |  |  |  |  |
| Well Family  | Esky  |  |  |  |  |
| Formation/Pool   |   |  |  |  |  |
| Formation Name(s) or Vertical Extent:  | Wolfcamp  |  |  |  |  |
| Primary Product (Oil or Gas):  | Oil   |  |  |  |  |
| Pooling this vertical extent:  | Wolfcamp  |  |  |  |  |
| Pool Name and Pool Code (Only if NSP is requested):                                      | Burton Flat, Wolfcamp, North (GAS) Pool (Code 73520)      |  |  |  |  |
| Well Location Setback Rules (Only if NSP is Requested):                                  | Statewide   |  |  |  |  |
| Spacing Unit   |   |  |  |  |  |
| Type (Horizontal/Vertical)   | Horizontal  |  |  |  |  |
| Size (Acres)   | 322.48 acres  |  |  |  |  |
| Building Blocks:   | quarter-quarter   |  |  |  |  |
| Orientation:   | East to West  |  |  |  |  |
| Description: TRS/County  | S/2 N/2 of Sections 17 and 18, Township 20 South,         |  |  |  |  |
|  | Range 28 East, Eddy County                                |  |  |  |  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe                             | Yes.  |  |  |  |  |
| and is approval of non-standard unit requested in this                                   |   |  |  |  |  |
| application?   |   |  |  |  |  |
| Other Situations   |   |  |  |  |  |
| Depth Severance: Y/N. If yes, description  | No.   |  |  |  |  |
| Proximity Tracts: If yes, description  | No.   |  |  |  |  |
| 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,                              | Add wells as needed                                       |  |  |  |  |
| footages, completion target, orientation, completion status                              |   |  |  |  |  |
| (standard or non-standard)   |   |  |  |  |  |
| Well #1  | Esky 17-18 Fed Com 202H (API # pending)                   |  |  |  |  |
|  | SHL: 1252' FNL & 426' FEL (Unit A), Section 17, T20S-R28E |  |  |  |  |
|  | BHL: 1652' FNL & 10' FWL (Unit E), Section 18, T20S-R28E  |  |  |  |  |
|  | Completion Target: Wolfcamp (Approx. 8,875' TVD)          |  |  |  |  |
| AFE Capex and Operating Costs  |   |  |  |  |  |
| Drilling Supervision/Month \$  | \$10,000  |  |  |  |  |
| Production Supervision/Month \$  | \$1,000   |  |  |  |  |
| Justification for Supervision Costs  | Exhibit A-4   |  |  |  |  |
| Requested Risk Charge  | 200%  |  |  |  |  |
| Notice of Hearing  |   |  |  |  |  |
| Proposed Notice of Hearing   | Exhibit A-1   |  |  |  |  |
| Proof of Mailed Notice of Hearing (20 days before hearing)                               | Exhibits C-1, C-2, C-3                                    |  |  |  |  |
| Proof of Published Notice of Hearing (10 days before hearing)                            | Exhibit C-4   |  |  |  |  |
| Ownership Determination  | Evhihit A 2   |  |  |  |  |
| 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                           | 11/4  |  |  |  |  |
| notice requirements.   | N/A   |  |  |  |  |
| Pooled Parties (including ownership type)  | Exhibit A-3   |  |  |  |  |
| Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & | N/A   |  |  |  |  |
| below)   | N/A   |  |  |  |  |
| DCIOW)   | I V A   |  |  |  |  |

| Joinder   |  |
|---|--|
| Sample Copy of Proposal Letter                            | Exhibit A-4                                      |
| List of Interest Owners (ie Exhibit A of JOA)             | Exhibit A-3                                      |
| Chronology of Contact with Non-Joined Working Interests   | Exhibit A-5                                      |
| Overhead Rates In Proposal Letter                         | Exhibit A-4                                      |
| Cost Estimate to Drill and Complete                       | Exhibit A-4                                      |
| Cost Estimate to Equip Well                               | Exhibit A-4                                      |
| Cost Estimate for Production Facilities                   | Exhibit A-4                                      |
| Geology   |  |
| Summary (including special considerations)                | Exhibit B  |
| Spacing Unit Schematic                                    | Exhibit B-1                                      |
| Gunbarrel/Lateral Trajectory Schematic                    | Exhibit B-5                                      |
| 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                                 |  |
| C-102   | Exhibit A-2                                      |
| Tracts  | Exhibit A-3                                      |
| Summary of Interests, Unit Recapitulation (Tracts)        | Exhibit A-3                                      |
| General Location Map (including basin)                    | Exhibit B-1                                      |
| Well Bore Location Map                                    | Exhibit B-2                                      |
| Structure Contour Map - Subsea Depth                      | Exhibits B-3                                     |
| Cross Section Location Map (including wells)              | Exhibit B-2                                      |
| Cross Section (including Landing Zone)                    | Exhibit B-4                                      |
| Additional Information                                    |  |
| Special Provisions/Stipulations                           | N/A  |
| CERTIFICATION: I hereby certify that the information prov | ided 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:   | 6/6/2024   |

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

**CASE NO. 24511** 

## SELF-AFFIRMED STATEMENT OF RYAN CURRY

- 1. I am a landman for Permian Resources Operating, LLC ("Permian Resources"). Colgate Production, LLC ("Colgate") is a wholly owned subsidiary of 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 petroleum land matters were accepted and made a matter of record.
- 2. I am familiar with the land matters involved in the above-referenced cases. Copies of Permian Resources' application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. Applicant seek an order pooling all uncommitted interests in the Wolfcamp formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit").
- 4. The Unit will be dedicated to the **Esky 17 Fed Com 202H** well ("Well"), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 18.
- The Well will be completed in the BURTON FLAT; WOLFCAMP, NORTH
   (GAS) pool (Code 73520).
  - 6. The completed interval of the Well will be orthodox.

Colgate Production, LLC Case No. 24511 Exhibit A

- 7. **Exhibit A-2** contains the C-102 for the Well.
- 8. **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 Applicant seeks to pool highlighted in yellow. All of the parties are locatable in that Applicant believes they located valid addresses for them.
- 9. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but have been unable to obtain voluntary agreements from all interest owners.
- 10. **Exhibit A-4** contains a sample well proposal letter that was sent to interest owners for the Well. 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.
- 11. In my opinion, Applicant made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit** A-5.
- 12. 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 Resources (OGRID No. 372165) should be designated as operator of the Well and the Unit.
- 13. Permian Resources requests overhead and administrative rates of \$10,000 per month while the Well is being drilled, and \$1,000 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Permian Resources 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 Applicant's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- I understand this Self-Affirmed Statement will be used as written testimony in this 16. 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.

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

**CASE NO. 24511** 

#### **APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Production, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 17 and 18, Township 20 South, Range 28 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 **Esky 17 Fed Com 202H** well ("Well"), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 18.
  - 3. The completed interval of the Well 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 Well 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 protect 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. 24511 Exhibit A-1 Resources Operating, LLC (OGRID No. 372165) should be designated the operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, 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 Well in the Unit;
- C. Designating Permian Resources Operating, LLC as the operator of the Unit and the
   Well to be drilled thereon;
- D. Authorizing Permian Resources Operating, LLC to recover its costs of drilling, equipping, and completing the Well;
- 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 Well against any working interest owner who

  does not voluntarily participate in the drilling of the Well.

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

dhardy@hinklelawfirm.com jmclean@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 Wolfcamp formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Esky 17 Fed Com 202H** well ("Well"), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 18. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Permian Resources Operating, LLC (OGRID No. 372165) as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 20 miles north of Carlsbad, New Mexico.

6/6/2024 3:20:05 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

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.

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

AMENDED REPORT

**Colgate Production, LLC** Case No. 24511 Exhibit A-2

#### <sup>17</sup>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.

Chassia Ware Signature

Date

5/1/24

Cassie Evans

Printed Name

Cassie.Evans@permianres.com

E-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.

January 03, 2024

Signature and Seal of Professional Surveyor:



Certificate Number:

LINE

L1

L2

L3

LINE

L4

L5

Distances referenced on plat to

SECTION - LINE TABLE

LENGTH

2646.08

2643.44

2643.78

LENGTH

512.07

1331.72

DIRECTION

N00'41'09"E

N00°47'06"E

N01°18'30"E

DIRECTION

 $AZ = 141.29^{\circ}$ 

 $AZ = 270.02^{\circ}$ 

 $AZ = 270.01^{\circ}$ 

WELLBORE - LINE TABLE

Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

= LEASE BOUNDARY UNIT = SURFACE HOLE LOCATION ♦ = FIRST TAKE POINT/ LAST TAKE POINT

= LEASE PENETRATION POINT

O = BOTTOM HOLE LOCATION

SECTION CORNER LOCATED

SCALE DRAWN BY: T.J.S. 01-05-24 REV: 2 T.J.S. 05-17-24

(UPDATE WELLBORE PATH)

WELL LOCATION AND ACREAGE DEDICATION PLAT

Santa Fe, NM 87505

| <sup>1</sup> API Number         |  | <sup>2</sup> Pool Code<br>73520              | , NORTH (GAS)                     |
|---------------------------------|--|--|-----------------------------------|
| <sup>4</sup> Property Code      |  | <sup>5</sup> Pr<br>ESKY 1                    | <sup>6</sup> Well Number<br>202H  |
| <sup>7</sup> OGRID №.<br>372165 |  | <sup>8</sup> O <sub>F</sub><br>PERMIAN RESOU | <sup>9</sup> Elevation<br>3271.1' |

#### Surface Location

|   | SWIW ZOWIGH   |         |          |       |         |               |                  |               |                |        |
|---|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| ١ | UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|   | A             | 17      | 20S      | 28Ē   |         | 1252          | NORTH            | 426           | EAST           | EDDY   |

Bottom Hole Location If Different From Surface

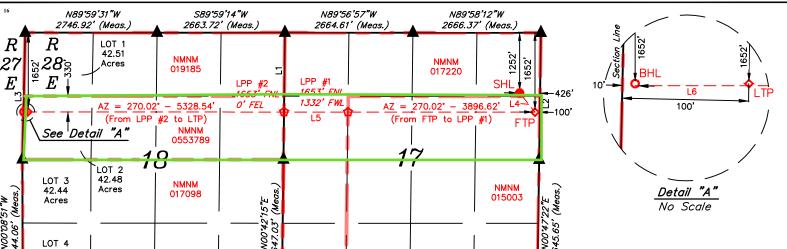
| UL or lot no.<br>E   | Section<br>18 | Township<br>20S | Range<br>28E | Lot Idn | Feet from the<br>1652 | North/South line<br>NORTH | Feet from the<br>10 | East/West line<br>WEST | County<br>EDDY |
|--|---------------|-----------------|--------------|---------|-----------------------|---------------------------|---------------------|------------------------|----------------|
| 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 3.2.2.48 |               | 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 (FIRST TAKE POINT)

LATITUDE = 32°34'34.63" (32.576285°)

LONGITUDE = -104°11'29.90" (-104.191640°)



| R<br>27<br>E<br>∷               | $egin{array}{c} R \ 28 \ E \ \end{array}$ | LOT 1<br>42.51<br>Acres | NMNM<br>019185                                 | LPP #2                   | LPP #1<br>1653' FM |                     | NMNM<br>017220                | THS 1252'          | <del>-</del> -426'      | 1652.                |
|---------------------------------|---|-------------------------|--|--------------------------|--------------------|---------------------|-------------------------------|--------------------|-------------------------|----------------------|
|                                 | See De                                    | (From LPP               | 2* - 5328.54'<br>#2 to LTP)<br>NMNM<br>0553789 | O' FEL                   | 1332' FWL          | (Fro                | 270.02* - 389<br>m FTP to LPP | 96.62' L4-         | 건<br><del>-</del> -100' | 100'                 |
| N00'08'51"W<br>2644.06' (Meas.) | LOT 3<br>42.44<br>Acres                   | LOT 2<br>42.48<br>Acres | NMNM<br>017098                                 | )'42'15"E<br>03' (Meas.) |                    |                     |                               | NMNM<br>015003     | 17'22"E<br>5' (Meas.)   | Detail "A"  No Scale |
| N00°C<br>2644.06                | LOT 4<br>42.41<br>Acres                   |                         |  | NOC<br>2647.             |                    |                     |                               |                    | N00°47<br>2645.65       |                      |
| _                               |   | 56'54"W<br>5' (Meas.)   | N89*56<br>2659.53'                             |                          | S89*59<br>2661.47  | 9'35"W<br>" (Meas.) | S89°59<br>2661.24             | '56"W<br>' (Meas.) | _                       |                      |

- section lines are perpendicular.
- Basis of Bearings is a Transverse

| NAD 83 (LPP #1)                           | NAD 83 (LPP #2)                           | NAD 83 (LAST TAKE POINT)                  | NAD 83 (BOTTOM HOLE LOCATION)             |
|---|---|---|---|
| LATITUDE = 32°34'34.53" (32.576257°)      | LATITUDE = 32°34'34.49" (32.576247°)      | LATITUDE = 32°34'34.34" (32.576206°)      | LATITUDE = 32°34'34.34" (32.576206°)      |
| LONGITUDE = -104°12'15.43" (-104.204287°) | LONGITUDE = -104°12'30.99" (-104.208609°) | LONGITUDE = -104°13'33.25" (-104.225903°) | LONGITUDE = -104°13'34.30" (-104.226196°) |
| NAD 27 (LPP #1)                           | NAD 27 (LPP #2)                           | NAD 27 (LAST TAKE POINT)                  | NAD 27 (BOTTOM HOLE LOCATION)             |
| LATITUDE = 32°34'34.10" (32.576140°)      | LATITUDE = 32°34'34.07" (32.576130°)      | LATITUDE = 32°34'33.92" (32.576089°)      | LATITUDE = 32°34'33.92" (32.576089°)      |
| LONGITUDE = -104°12'13.60" (-104.203779°) | LONGITUDE = -104°12'29.16" (-104.208101°) | LONGITUDE = -104°13'31.42" (-104.225395°) | LONGITUDE = -104°13'32.47" (-104.225687°) |
| STATE PLANE NAD 83 (N.M. EAST)            |
| N: 573397.22' E: 581088.20'               | N: 573392.03' E: 579756.81'               | N: 573371.26' E: 574429.55'               | N: 573370.89' E: 574339.55'               |

NAD 27 (SURFACE HOLE LOCATION) NAD 27 (FIRST TAKE POINT) FOM HOLE LOCATION) NAD LATITUDE = 32°34'38.15" (32.577264°) LATITUDE = 32°34'34.21" (32.576168° LATI 32°34'33.92" (32.576089°) LONGITUDE = -104°11'31.83" (-104.192176' LONGITUDE = -104°11'28.08" (-104.191132° LONG -104°13'32.47" (-104.225687° STATE PLANE NAD 83 (N.M. EAST) STATE PLANE NAD 83 (N.M. EAST) STAT E NAD 83 (N.M. EAST) N: 573810 53' E: 584662 03' N: 573412 42' E: 584983 89' . 574339 55 STATE PLANE NAD 27 (N.M. EAST) N: 573749.18' E: 543481.80' N: 573335.91' E: 539907.98' N: 573351.07' E: 543803.65'

NAD 83 (SURFACE HOLE LOCATION)

LONGITUDE = -104°11'33.66" (-104.192683'

LATITUDE = 32°34'38.57" (32.577381°

## Colgate Production, LLC Esky 17 Fed Com 202H

Township 20 South - Range 28 East, N.M.P.M.

Section 17: S/2N/2 Section 18: S/2N/2

Eddy County, New Mexico

Limited in Depth to the Wolfcamp Formation

322.48 Acres, more or less

Section 18, T20S-R28E

Section 17, T20S-R28E

Tract 1: BLM NMNM-15003

Tract 2: BLM NMNM-17220

Tract 3: BLM NMNM-553789

Tract 4: BLM NMNM-553789

Tract 1: Section 17: S/2NE/4, SE/4NW/4 (120.00 Acres more or less)

 Colgate Production, LLC
 100.00000%

 Total
 100.000000%

Tract 2: Section 17: SW/4NW/4 (40.00 Acres more or less)

 Colgate Production, LLC
 100.000000%

 Total
 100.000000%

Colgate Production, LLC Case No. 24511 Exhibit A-3

### Tract 3: Section 18: S/2NE/4 (80.00 Acres more or less)

| EOG Resources Inc.                | 71.884958%  |
|-----------------------------------|-------------|
| North Central Casing Pullers Inc. | 4.835127%   |
| Red River Energy Partners, LLC    | 4.685475%   |
| Javelina Partners                 | 4.163467%   |
| Ard Energy Group, Ltd.            | 4.163467%   |
| Zorro Partners, Ltd.              | 4.163467%   |
| Oxy Y-1 Company                   | 3.123893%   |
| RNE, LLC                          | 1.561825%   |
| Alba Production, Inc.             | 1.418323%   |
| Total                             | 100.000000% |

### Tract 4: Section 18: S/2NW/4 (82.48 Acres more or less)

| EOG Resources Inc. | 96.876108%  |
|--------------------|-------------|
| OXY Y-1 Company    | 3.123892%   |
| Total              | 100.000000% |

#### **Unit Working Interest**

| Colgate Production, LLC           | 49.615480%  |
|-----------------------------------|-------------|
| EOG Resources Inc.                | 42.610822%  |
| North Central Casing Pullers Inc. | 1.199486%   |
| Red River Energy Partners, LLC    | 1.162360%   |
| Javelina Partners                 | 1.032862%   |
| Ard Energy Group, Ltd.            | 1.032862%   |
| Zorro Partners, Ltd.              | 1.032862%   |
| Oxy Y-1 Company                   | 1.573958%   |
| RNE, LLC                          | 0.387453%   |
| Alba Production, Inc.             | 0.351854%   |
| Total                             | 100.000000% |
| Total Committed to Unit           | 51.681204%  |
| Total Seeking to Pool             | 48.318796%  |
| Parties Seeking to Pool           |             |



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

**OFFICE** 432.695.4222 **FAX** 432.695.4063

March 15, 2024 Via Certified Mail

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706

RE: Well Proposals – Esky 17 Fed Com

All of Section 17 and 18, T20S-R28E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator for Colgate Production, LLC, hereby proposes the drilling and completion of the following twelve (12) wells, the Esky 17 Fed Com at the following approximate locations within Township 20 South, Range 28 East, Eddy Co., NM. The purpose of this letter is to give notice of some corrections to the footage calls on the below captioned wells:

#### 1. Esky 17 Fed Com 121H

SHL: 1119' FNL & 447' FEL (or at a legal location within Unit A) of Section 17

BHL: 990' FNL & 10' FWL of Section 18 FTP: 990' FNL & 100' FEL of Section 17 LTP: 990' FNL & 100' FWL of Section 18

TVD: Approximately 7,335

TMD: Approximately 17,890°

Proration Unit: N/2N/2 of Section 17 & N/2N/2 of Section 18

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

#### 2. Esky 17 Fed Com 122H

SHL: 1242' FNL & 524' FEL (or at a legal location within Unit A) of Section 17

BHL: 2,310' FNL & 10' FWL of Section 18 FTP: 2,310' FNL & 100' FEL of Section 17 LTP: 2,310' FNL & 100' FWL of Section 18

TVD: Approximately 7,335' TMD: Approximately 17,890'

Proration Unit: S/2N/2 of Section 17 & S/2N/2 of Section 18

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

#### 3. Esky 17 Fed Com 123H

SHL: 1979' FSL & 230' FWL (or at a legal location within Unit L) of Section 16

BHL: 1,650' FSL & 10' FWL of Section 18 FTP: 1,650' FSL & 100' FEL of Section 17 LTP: 1,650' FSL & 100' FWL of Section 18

TVD: Approximately 7,367' TMD: Approximately 17,922'

Proration Unit: N/2S/2 of Section 17 & N/2S/2 of Section 18

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

Colgate Production, LLC Case No. 24511 Exhibit A-4

#### 4. Esky 17 Fed Com 124H

SHL: 934' FSL & 225' FWL (or at a legal location within Unit M) of Section 16

BHL: 330' FSL & 10' FWL of Section 18

FTP: 330' FSL & 100' FEL of Section 17

LTP: 330' FSL & 100' FWL of Section 18

TVD: Approximately 7,353' TMD: Approximately 17, 908'

Proration Unit: S/2S/2 of Section 17 & S/2S/2 of Section 18

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

#### 5. Esky 17 Fed Com 131H

SHL: 1123' FNL & 414' FEL (or at a legal location within Unit A) of Section 17

BHL: 990' FNL & 10' FWL of Section 18 FTP: 990' FNL & 100' FEL of Section 17

LTP: 990' FNL & 100' FWL of Section 18 TVD: Approximately 8,525'

TMD: Approximately 8,525° TMD: Approximately 19,080°

Proration Unit: N/2N/2 of Section 17 & N/2N/2 of Section 18

Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

#### 6. Esky 17 Fed Com 132H

SHL: 1245' FNL & 492' FEL (or at a legal location within Unit A) of Section 17

BHL: 2,310' FNL & 10' FWL of Section 18 FTP: 2,310' FNL & 100' FEL of Section 17 LTP: 2,310' FNL & 100' FWL of Section 18

TVD: Approximately 8,525' TMD: Approximately 19,080'

Proration Unit: S/2N/2 of Section 17 & S/2N/2 of Section 18

Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

#### 7. Esky 17 Fed Com 133H

SHL: 1946' FSL & 230' FWL (or at a legal location within Unit L) of Section 16

BHL: 1,650' FSL & 10' FWL of Section 18 FTP: 1,650' FSL & 100' FEL of Section 17 LTP: 1,650' FSL & 100' FWL of Section 18

TVD: Approximately 8,517' TMD: Approximately 19,072'

Proration Unit: N/2S/2 of Section 17 & N/2S/2 of Section 18

Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

#### 8. Esky 17 Fed Com 134H

SHL: 901' FSL & 225' FWL (or at a legal location within Unit M) of Section 16

BHL: 330' FSL & 10' FWL of Section 18 FTP: 330' FSL & 100' FEL of Section 17 LTP: 330' FSL & 100' FWL of Section 18

TVD: Approximately 8,503' TMD: Approximately 19,058'

Proration Unit: S/2S/2 of Section 17 & S/2S/2 of Section 18

Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

#### 9. Esky 17 Fed Com 201H

SHL: 1112' FNL & 512' FEL (or at a legal location within Unit A) of Section 17

BHL: 330' FNL & 10' FWL of Section 18 FTP: 330' FNL & 100' FEL of Section 17

LTP: 330' FNL & 100' FWL of Section 18

TVD: Approximately 8,875' TMD: Approximately 19, 430'

Proration Unit: N/2N/2 of Section 17 & N/2N/2 of Section 18

Targeted Interval: XY

Total Cost: See attached AFE

#### 10. Esky 17 Fed Com 202H

SHL: 1252' FNL & 426' FEL (or at a legal location within Unit A) of Section 17

BHL: 1,650' FNL & 10' FWL of Section 18 FTP: 1,650' FNL & 100' FEL of Section 17 LTP: 1,650' FNL & 100' FWL of Section 18

TVD: Approximately 8,875' TMD: Approximately 19,430'

Proration Unit: S/2N/2 of Section 17 & S/2N/2 of Section 18

Targeted Interval: XY

Total Cost: See attached AFE

#### 11. Esky 17 Fed Com 203H

SHL: 2012' FSL & 230' FWL (or at a legal location within Unit L) of Section 16

BHL: 2,310' FSL & 10' FWL of Section 18 FTP: 2,310' FSL & 100' FEL of Section 17 LTP: 2,310' FSL & 100' FWL of Section 18

TVD: Approximately 8,867' TMD: Approximately 19,422'

Proration Unit: N/2S/2 of Section 17 & N/2S/2 of Section 18

Targeted Interval: XY

Total Cost: See attached AFE

#### 12. Esky 17 Fed Com 204H

SHL: 967' FSL & 225' FWL (or at a legal location within Unit M) of Section 16

BHL: 990' FSL & 10' FWL of Section 18 FTP: 990' FSL & 100' FEL of Section 17 LTP: 990' FSL & 100' FWL of Section 18

TVD: Approximately 8,853' TMD: Approximately 19,408'

Proration Unit: S/2S/2 of Section 17 & S/2S/2 of Section 18

Targeted Interval: XY

Total Cost: See attached AFE

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 available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 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 on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. 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.

Please further note that it is the intention of Colgate Production, LLC to relinquish all interest in this unit unto its parent company, Permian Resources Operating, LLC in the near future.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.0209 or by email at <a href="mailto:ryan.curry@permianres.com">ryan.curry@permianres.com</a>.

Respectfully,

Ryan Curry Senior Landman

Ryan B Cury

**Enclosures** 

ELECTIONS ON PAGE TO FOLLOW

#### **Esky 17 Fed Com Elections:**

| Well Elections: (Please indicate your responses in the spaces below) |                      |                                 |  |  |
|--|----------------------|---------------------------------|--|--|
| Well(s)  | Elect to Participate | Elect to <u>NOT</u> Participate |  |  |
| Esky 17 Fed Com 121H   |                      |                                 |  |  |
| Esky 17 Fed Com 122H   |                      |                                 |  |  |
| Esky 17 Fed Com 123H   |                      |                                 |  |  |
| Esky 17 Fed Com 124H   |                      |                                 |  |  |
| Esky 17 Fed Com 131H   |                      |                                 |  |  |
| Esky 17 Fed Com 132H   |                      |                                 |  |  |
| Esky 17 Fed Com 133H   |                      |                                 |  |  |
| Esky 17 Fed Com 134H   |                      |                                 |  |  |
| Esky 17 Fed Com 201H   |                      |                                 |  |  |
| Esky 17 Fed Com 202H   |                      |                                 |  |  |
| Esky 17 Fed Com 203H   |                      |                                 |  |  |
| Esky 17 Fed Com 204H   |                      |                                 |  |  |

| Company Name (If Applicable): |  |
|-------------------------------|--|
|                               |  |
| зу:                           |  |
| 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.

- □ 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.

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

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

|   |   | COSTS AND AUTHO     | RIZATION FOR EXPEND      |                             |                       |
|---|---|---------------------|--------------------------|-----------------------------|-----------------------|
| DATE:   | 1.20.2024                               |                     |                          | AFE NO.:                    | 1                     |
| WELL NAME:  | Esky 17 Federal Com 202H                |                     |                          | FIELD:                      | Wolfcamp              |
| LOCATION:   | Section 17, T20S-R28E                   |                     |                          |                             | 30 TMD / 8875 TVD     |
| COUNTY/STATE:   | Eddy County, New Mexico                 |                     |                          | LATERAL LENGTH:             | 10,000'               |
| Permian WI:   |   |                     |                          | DRILLING DAYS:              | 19.6                  |
| GEOLOGIC TARGET:  | WCXY                                    |                     |                          | COMPLETION DAYS:            | 18.6                  |
| REMARKS:  | Drill a horizontal WC well install cost | and complete with 4 | 4 stages. AFE includes d | rilling, completions, flowb | ack and Initial AL    |
|   | mount cost                              | DRILLING            | COMPLETION               | PRODUCTION                  | TOTAL                 |
| INTANGIBLE  | COSTS                                   | COSTS               | COSTS                    | COSTS                       | COSTS                 |
| I Land / Legal / Regulatory<br>2 Location, Surveys & Dama | s                                       | 76,000              | - 16 570                 |                             | \$ 76,000<br>279,752  |
| 2 Location, Surveys & Dama;<br>4 Freight / Transportation | ges                                     | 263,242<br>43,521   | 16,510<br>40,004         | 19,861                      | 103,386               |
| 5 Rental - Surface Equipmen                               |   | 113,608             | 196,845                  | 94,340                      | 404,792               |
| 6 Rental - Downhole Equipn                                |   | 187,713             | 54,649                   | -                           | 242,362               |
| 7 Rental - Living Quarters                                |   | 43,937              | 49,783                   | -                           | 93,720                |
| 10 Directional Drilling, Surv                             | eys                                     | 392,510             | -                        | -                           | 392,510               |
| 11 Drilling<br>12 Drill Bits                              | _                                       | 688,829<br>91,539   | -                        | <del></del>                 | 688,829<br>91,539     |
| 13 Fuel & Power   | _                                       | 172,645             | 662,549                  |                             | 835,194               |
| 14 Cementing & Float Equip                                | _                                       | 222,320             | -                        | -                           | 222,320               |
| 15 Completion Unit, Swab, C                               |   | -                   | -                        | 14,896                      | 14,896                |
| 16 Perforating, Wireline, Slic                            |   | -                   | 359,241                  | -                           | 359,241               |
| 17 High Pressure Pump Truc<br>18 Completion Unit, Swab, C |   | -                   | 112,646<br>133,854       | <del></del>                 | 112,646               |
| 20 Mud Circulation System                                 | _                                       | 96,138              | 133,634                  | <del></del>                 | 133,854<br>96,138     |
| 21 Mud Logging  | _                                       | 16,018              |                          |                             | 16,018                |
| 22 Logging / Formation Eval                               | uation                                  | 6,643               | 7,620                    |                             | 14,263                |
| 23 Mud & Chemicals  | _                                       | 330,639             | 400,406                  | 9,931                       | 740,976               |
| 24 Water  | =                                       | 39,712              | 604,582                  | 248,264                     | 892,557               |
| 25 Stimulation<br>26 Stimulation Flowback & I             | Disp                                    | <del></del> _       | 743,850<br>111,122       | 148,958                     | 743,850<br>260,080    |
| 28 Mud / Wastewater Dispos                                |   | 176,455             | 55,878                   | -                           | 232,334               |
| 30 Rig Supervision / Enginee                              | ering                                   | 110,747             | 121,917                  | 14,896                      | 247,559               |
| 32 Drlg & Completion Overh                                | nead                                    | 9,525               | -                        | -                           | 9,525                 |
| 35 Labor<br>54 Proppant                                   | _                                       | 140,136             | 63,498<br>1,147,006      | 14,896                      | 218,530<br>1,147,006  |
| 54 Proppant<br>95 Insurance                               | _                                       | 13,396              | 1,147,006                |                             | 1,147,006             |
| 97 Contingency  | _                                       | -                   | 22,316                   |                             | 22,316                |
| 99 Plugging & Abandonmen                                  | -t                                      | -                   | -                        | -                           | <del></del>           |
|   | TOTAL INTANGIBLES >                     | 3,235,272           | 4,904,276                | 566,041                     | 8,705,588             |
|   |   | DRILLING            | COMPLETION               | PRODUCTION                  | TOTAL                 |
| TANGIBLE C  | COSTS                                   | COSTS               | COSTS                    | COSTS                       | COSTS                 |
| 60 Surface Casing<br>61 Intermediate Casing               | \$                                      | 111,696<br>332,907  | -                        | -                           | \$ 111,696<br>332,907 |
| 62 Drilling Liner   |   | -                   | <del></del>              |                             | - 332,707             |
| 63 Production Casing                                      | _                                       | 627,805             | -                        |                             | 627,805               |
| 64 Production Liner                                       | _                                       | -                   | -                        | -                           | -                     |
| 65 Tubing   | _                                       | -                   | -                        | 139,028                     | 139,028               |
| 66 Wellhead   | _                                       | 59,231              | -                        | 39,722                      | 98,953                |
| 67 Packers, Liner Hangers<br>68 Tanks                     | _                                       | 13,462              |                          | 19,861                      | 33,323                |
| 69 Production Vessels                                     | _                                       |                     |                          |                             |                       |
| 70 Flow Lines   | _                                       | -                   |                          | -                           | -                     |
| 71 Rod string   | _                                       | -                   | -                        | -                           | -                     |
| 72 Artificial Lift Equipment                              | _                                       | -                   | -                        | 89,375                      | 89,375                |
| 73 Compressor<br>74 Installation Costs                    | _                                       |                     |                          | 55,170                      | 55,170                |
| 75 Surface Pumps  | _                                       |                     |                          |                             |                       |
| 76 Downhole Pumps   | _                                       | -                   | -                        | -                           | -                     |
| 77 Measurement & Meter Ins                                | stallation                              | -                   | -                        | 29,792                      | 29,792                |
| 78 Gas Conditioning / Dehyo                               |   | -                   | -                        | -                           | -                     |
| 79 Interconnecting Facility P.                            | iping                                   |                     | <del>_</del>             | 19,861                      | 19,861                |
| 80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controlle  | ers                                     | <del>-</del>        | <del>-</del>             | <del></del>                 |                       |
| 82 Tank / Facility Containme                              |   | -                   | -                        | -                           | -                     |
| 83 Flare Stack  | _                                       | -                   | -                        | 16,551                      | 16,551                |
| 84 Electrical / Grounding                                 | . =                                     | =                   | -                        | 38,619                      | 38,619                |
| 85 Communications / SCAD                                  | A                                       |                     |                          | 11,034                      | 11,034                |
| 86 Instrumentation / Safety                               | TOTAL TANCIPLES                         | 1 145 101           | - 0                      | 5,517<br>464,529            | 5,517                 |
|   | TOTAL COSTS >                           | 1,145,101           |                          |                             | 1,609,629             |
|   | TOTAL COSTS >                           | 4,380,372           | 4,904,276                | 1,030,570                   | 10,315,218            |
| DARED BY B  | 0 4 110                                 |                     |                          |                             |                       |
| PARED BY Permian Reso                                     | ources Operating, LLC:                  |                     |                          |                             |                       |
| Drilling Engineer   | r: PS                                   |                     |                          |                             |                       |
| Completions Engineer                                      |   |                     |                          |                             |                       |
| Production Engineer                                       |   |                     |                          |                             |                       |
|   | -                                       |                     |                          |                             | _                     |
| nian Resources Operating                                  | g, LLC APPROVAL:                        |                     |                          |                             |                       |
| Co-CEC  |   | Co-CI               | EO                       | VP - Operation              | ns                    |
|   | WH                                      |                     | JW                       | 1                           | CRM                   |
| VP - Land & Lega  | al                                      | VP - Geoscieno      | ces                      |                             |                       |
|   | BG                                      |                     | SO                       |                             |                       |
|   |   |                     |                          |                             |                       |
|   |   |                     |                          |                             |                       |
| N OPERATING PARTNE  | ER APPROVAL:                            |                     |                          |                             |                       |
| Company Name  | <u> </u>                                |                     | Working Interest (%):    | Tax l                       | D:                    |
| Signed by   | <i>7</i> :                              |                     | Date:                    |                             | <u></u>               |
| Title   |   |                     | _                        |                             | No (mark one)         |

Released to Imaging: 6/6/2024 3:54:04 PM



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

OFFICE 432.695.4222 FAX 432.695.4063

#### **Esky – Chronology of Communication**

February 7, 2024 – Proposal to all parties sent.

February 12, 2024 – Email received from Javelina Partners and Zorro Partners Ltd. requesting information on their interest.

February 29, 2024 – Email received from Ard Energy Group, Ltd. requesting information on their interest.

March 8, 2024 – Email response to Ard Energy Group, Ltd. regarding requested information.

March 14, 2024 – Correction proposal letters sent out.

March 18, 2024 – Email received from Javelina Partners and Zorro Partners Ltd. requesting information on their interest.

March 18, 2024 – Email response to Javelina Partners & Zorro Partners, Ltd. regarding their interest.

March 19, 2024 – Email correspondence with Ard Energy Group, Ltd regarding interest.

April 15, 2024 – R&E, LLC called regarding questions on their interest.

May 30, 2024 – Emailed Javelina Partners & Zorro Partners, Ltd. a draft JOA for their review.

June 4, 2024 – Received Javelina Partners & Zorro Partners, Ltd. signature pages for the JOA.

Colgate Production, LLC Case No. 24511 Exhibit A-5

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

CASE NOS. 24510, 24511 24513, 24514

## SELF-AFFIRMED STATEMENT OF CHRIS 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 Esky project area, in proximity to the Capitan Reef within the Delaware Basin, for the Wolfcamp horizontal spacing units that are the subject of these applications.
- 4. **Exhibit B-2** is a cross section location map for the proposed horizontal spacing units ("Units") within the Wolfcamp formation. The approximate wellbore paths for the proposed **Esky 17 Fed Com 201H**, **Esky 17 Fed Com 202H**, **Esky 17 Fed Com 203H**, and **Esky 17 Fed Com 204H** wells ("Wells") are represented by purple 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. The pooling units area is defined by blue boxes and are labeled with their respective case numbers.

Colgate Production, LLC Case No. 24511 Exhibit B

- 5. **Exhibit B-3** is a Subsea Structure map on the Wolfcamp formation in TVD subsea with a contour interval of 100ft. The map identifies the approximate wellbore paths for the proposed Wells with a purple 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 stars. 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 stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-3. 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 a dashed line to be drilled from east to west across the units. This cross-section demonstrates the target intervals are continuous across the Unit.
- 7. **Exhibit B-5** is a gun barrel diagram that shows the proposed Wells in the Wolfcamp formation. The spacing units are defined by blue dashed boxes and are labeled with their respective case numbers.
- 8. 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.
- 9. 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.

- 10. In my opinion, granting the application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 12. 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.

Chris Cantin

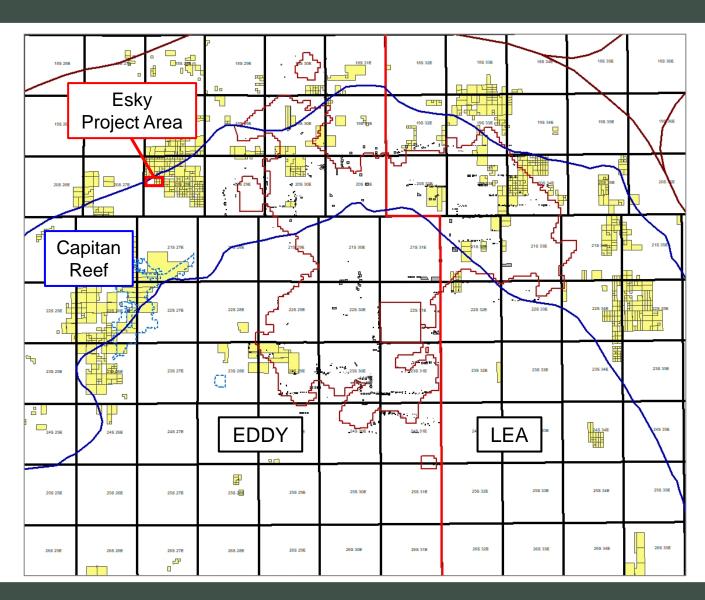
06/03/2

Date

#### Colgate Production, LLC Case No. 24511 Exhibit B-1

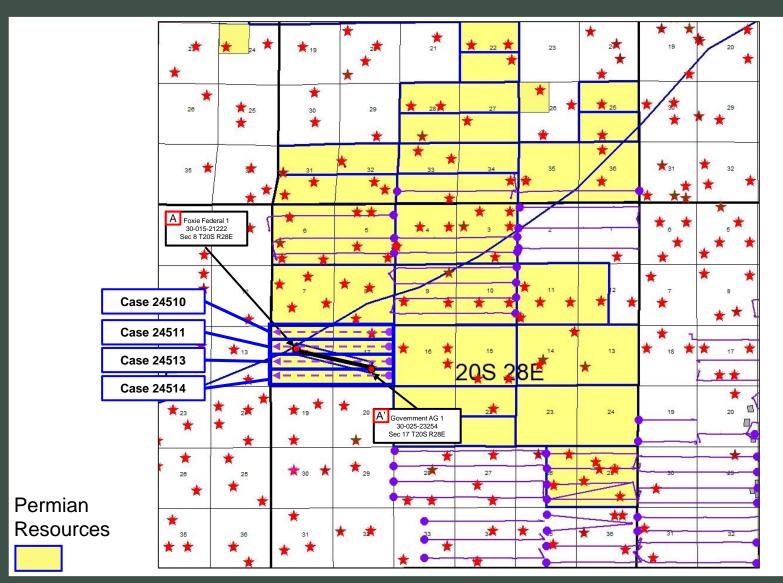
### Regional Locator Map Esky 17 Fed Com





Permian Resources





#### **Proposed Wells**



#### **Producing Wells**

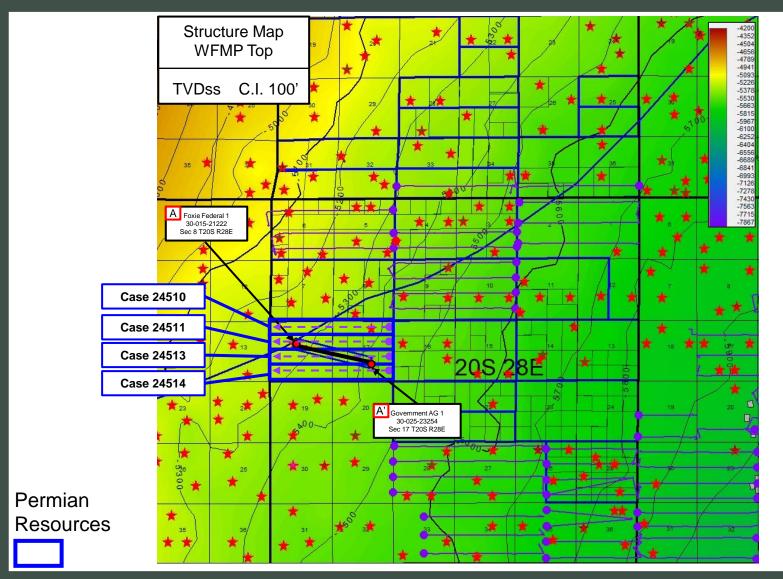


### Wolfcamp – Structure Map Esky 17 Fed Com 201H, 202H, 203H & 204H

Colgate Production, LLC Case No. 24511 Exhibit B-3







Control Point

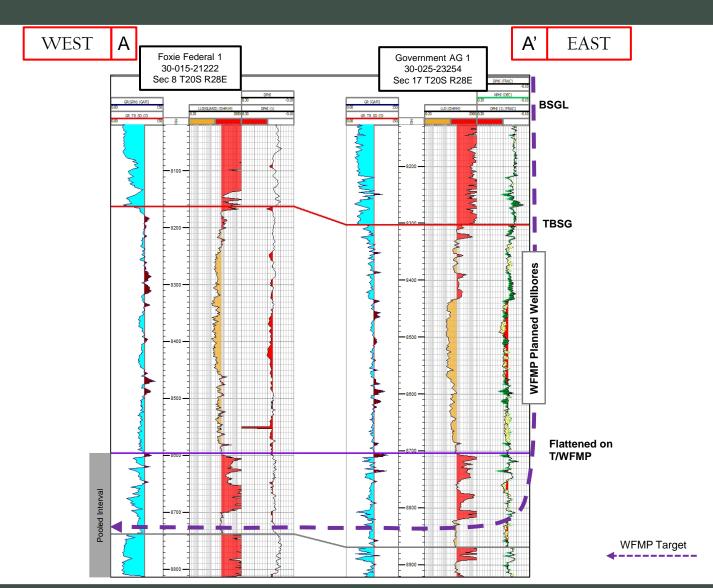


**Proposed Wells** 



**Producing Wells** 

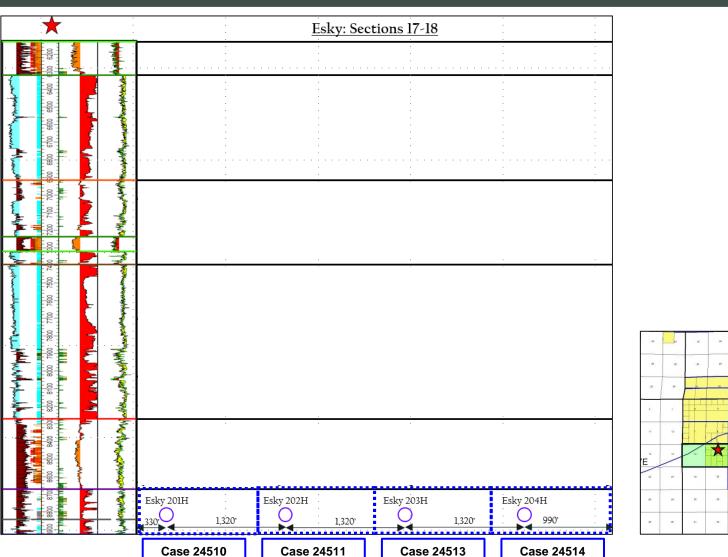




# Colgate Production, LLC Case No. 24511 Exhibit B-5

### Gun Barrel Development Plan Esky 17 Fed Com Wolfcamp









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

**CASE NO. 24511** 

SELF-AFFIRMED STATEMENT
OF DANA S. HARDY

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

Applicant herein and Permian Resources Operating, LLC.

2. I am familiar with the Notice Letter attached as **Exhibit C-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 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 May 24, 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 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 it made under penalty of

perjury under the laws of the State of New Mexico. My testimony is made as of the date

handwritten next to my signature below.

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

Dana S. Hardy

June 5, 2024

Date

Colgate Production, LLC Case No. 24511 Exhibit C



#### 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

May 22, 2024

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

#### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24510, 24511, 24513, & 24514 – 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 **June 13**, **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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. 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 (<a href="https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/">https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/</a>) 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 this application, please contact Ryan Curry, Senior Landman at Permian Resources – (432) 400-0209, ryan.curry@permianres.com.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Colgate Production, LLC Case No. 24511 Exhibit C-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

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

CASE NOS. 24510, 24511, 24513 &24514

#### **NOTICE LETTER CHART**

| PARTY                                 | NOTICE LETTER SENT | RETURN RECEIVED            |
|---------------------------------------|--------------------|----------------------------|
| Alba Production, Inc.                 | 05/22/24           | Per USPS Tracking          |
| 2735 Villa Creek Dr., Ste. 165        |                    | (Last Checked 06/05/24):   |
| Dallas, TX 75234                      |                    |                            |
|                                       |                    | 06/04/24 – Item in transit |
|                                       |                    | to next facility.          |
| Ard Energy Group, Ltd.                | 05/22/24           | 06/04/24                   |
| P.O. Box 101027                       |                    |                            |
| Fort Worth, TX 76185                  |                    |                            |
| EOG Resources, Inc.                   | 05/22/24           | Per USPS Tracking          |
| 5509 Champions Drive                  |                    | (Last Checked 06/05/24):   |
| Midland, Texas 79706                  |                    |                            |
|                                       |                    | 05/28/24 – Individual      |
|                                       |                    | picked up at postal        |
|                                       | 0.7/0.0/0.4        | facility.                  |
| Javelina Partners                     | 05/22/24           | 06/05/24                   |
| 616 Texas Street                      |                    |                            |
| Fort Worth, TX 76102                  |                    |                            |
| North Central Casing Pullers, Inc     | 05/22/24           | Per USPS Tracking          |
| 237 W. Industrial Park Blvd.          |                    | (Last Checked 06/05/24):   |
| Graham, TX 76450                      |                    | 05/01/04                   |
|                                       |                    | 05/31/24 – Item being      |
| N. 4.C. + 1.C. ' P.11 I               | 05/22/24           | returned to sender.        |
| North Central Casing Pullers, Inc     | 05/22/24           | Per USPS Tracking          |
| P.O. Box 1444                         |                    | (Last Checked 06/05/24):   |
| Graham, TX 76450                      |                    | 05/30/24 – Delivery        |
|                                       |                    | ,                          |
| OXY Y-1 Company                       | 05/22/24           | attempted. 05/31/24        |
| 6 Greenway Plaza                      | 03/22/24           | 03/31/27                   |
| Houston, TX 77046                     |                    |                            |
| RNE, LLC                              | 05/22/24           | 05/30/24                   |
| , , , , , , , , , , , , , , , , , , , | 03/22/24           | 03/30/24                   |
| c/o Eric P. Enfield, Manager          |                    |                            |
| 612 Old Santa Fe Trail                |                    |                            |
| Santa Fe, NM 87505                    |                    |                            |

Colgate Production, LLC Case No. 24511 Exhibit C-2

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

CASE NOS. 24510, 24511, 24513 &24514

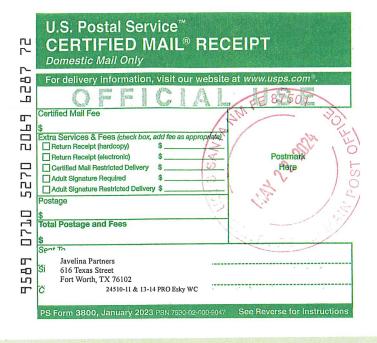
#### **NOTICE LETTER CHART**

| Red River Energy Partners, LLC | 05/22/24 | 06/03/24 |
|--------------------------------|----------|----------|
| P.O. Box 2455                  |          |          |
| Midland, TX 79702              |          |          |
| Zorro Partners, Ltd            | 05/22/24 | 06/03/24 |
| 616 Texas Street               |          |          |
| Fort Worth, TX 76102           |          |          |





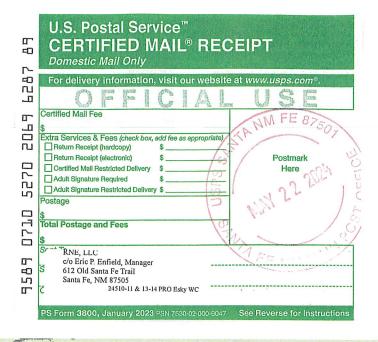
Colgate Production, LLC Case No. 24511 Exhibit C-3





















| <br>           | U.S. Postal Service™<br>CERTIFIED MAIL® RECEIPT<br>Domestic Mail Only   |
|----------------|---|
| 62<br>62<br>63 | For delivery information, visit our website at www.usps.com®.   |
| 5270 2069      | Certified Mail Fee  \$ Extra Services & Fees (check box, add fee as appropriate)   Return Receipt (nardcopy) \$   Return Receipt (electronic) \$   Certified Mail Restricted Delivery \$   Adult Signature Required \$   Adult Signature Restricted Delivery \$   Postage |
| 0770           | \$ Total Postage and Fees \$ Sert To  |
| 9589           | Alba Production, Inc. Str. 2735 Villa Creek Dr., Ste. 165 Dallas, TX 75234 Ch. 24510-11 & 13-14 PRO Esky WC   |
|                | PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions  |

FAQs >

Remove X

#### **Tracking Number:**

## 9589071052702069628826

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

### **Latest Update**

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

#### **Get More Out of USPS Tracking:**

**USPS Tracking Plus®** 

### **Moving Through Network**

In Transit to Next Facility

June 4, 2024

#### Arrived at USPS Regional Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER June 2, 2024, 2:32 pm

#### Addressee Unknown

DALLAS, TX 75234 May 28, 2024, 2:36 pm

#### **Redelivery Scheduled for Next Business Day**

DALLAS, TX 75234 May 25, 2024, 9:48 am

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 May 22, 2024, 9:33 pm

#### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101 May 22, 2024, 9:21 pm

**Hide Tracking History** 

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

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

## **Need More Help?**

Contact USPS Tracking support for further assistance.



FAQs >

Remove X

#### **Tracking Number:**

## 9589071052702069628765

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

### **Latest Update**

Your item was picked up at a postal facility at 8:37 am on May 28, 2024 in MIDLAND, TX 79702.

#### **Get More Out of USPS Tracking:**

**USPS Tracking Plus®** 

#### **Delivered**

**Delivered, Individual Picked Up at Postal Facility** 

MIDLAND, TX 79702 May 28, 2024, 8:37 am

#### Held at Post Office, At Customer Request

MIDLAND, TX 79706 May 25, 2024, 7:13 am

#### **Arrived at USPS Regional Facility**

MIDLAND TX DISTRIBUTION CENTER May 25, 2024, 4:32 am

#### In Transit to Next Facility

May 24, 2024

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 May 22, 2024, 9:33 pm

#### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101

May 22, 2024, 9:21 pm

**Hide Tracking History** 

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/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 >

Remove X

#### **Tracking Number:**

## 9589071052702069628819

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

### **Latest Update**

Your item was returned to the sender on May 31, 2024 at 8:23 am in GRAHAM, TX 76450 because the addressee moved and left no forwarding address.

#### **Get More Out of USPS Tracking:**

USPS Tracking Plus®

#### **Alert**

#### Moved, Left no Address

GRAHAM, TX 76450 May 31, 2024, 8:23 am

#### Arrived at USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER May 30, 2024, 9:39 am

#### **Departed USPS Regional Facility**

OKLAHOMA CITY OK DISTRIBUTION CENTER May 30, 2024, 7:59 am

#### **Arrived at USPS Regional Facility**

OKLAHOMA CITY OK DISTRIBUTION CENTER May 29, 2024, 9:46 am

#### **Forwarded**

GRAHAM, TX May 25, 2024, 8:35 am

#### **Out for Delivery**

GRAHAM, TX 76450 May 25, 2024, 8:31 am

#### **Arrived at Post Office**

GRAHAM, TX 76450 May 25, 2024, 8:20 am

#### **Departed USPS Regional Facility**

FORT WORTH TX DISTRIBUTION CENTER May 24, 2024, 9:40 pm

#### Arrived at USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER May 24, 2024, 2:22 pm

#### In Transit to Next Facility

May 23, 2024

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 May 22, 2024, 9:33 pm

#### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 May 22, 2024, 9:21 pm

**Hide Tracking History** 

#### What Do USPS Tracking Statuses Mean? (https://faq.usps.com/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 >

Remove X

#### **Tracking Number:**

## 9589071052702069628802

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

### **Latest Update**

This is a reminder to pick up your item before June 8, 2024 or your item will be returned on June 9, 2024. Please pick up the item at the GRAHAM, TX 76450 Post Office.

#### **Get More Out of USPS Tracking:**

USPS Tracking Plus®

#### **Delivery Attempt**

Reminder to pick up your item before June 8, 2024

GRAHAM, TX 76450 May 30, 2024

#### Available for Pickup

GRAHAM 100 TENNESSEE ST GRAHAM TX 76450-2243 M-F 0700-1645 May 25, 2024, 2:36 pm

#### **Arrived at Post Office**

GRAHAM, TX 76450 May 25, 2024, 8:20 am

#### **Departed USPS Regional Facility**

FORT WORTH TX DISTRIBUTION CENTER May 24, 2024, 9:40 pm

#### **Arrived at USPS Regional Facility**

FORT WORTH TX DISTRIBUTION CENTER

Feedbac

| May 24, 2024, 2:22 p  | ) |
|-----------------------|---|
| In Transit to Naut Fa |   |

In Transit to Next Facility

May 23, 2024

**Departed USPS Facility** 

ALBUQUERQUE, NM 87101 May 22, 2024, 9:33 pm

**Arrived at USPS Facility** 

ALBUQUERQUE, NM 87101 May 22, 2024, 9:21 pm

**Hide Tracking History** 

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

| Text & Email Updates              | <b>~</b> |
|-----------------------------------|----------|
| USPS Tracking Plus®               | ~        |
| Product Information               | <b>\</b> |
| See Less ^                        |          |
| Track Another Package             |          |
| Enter tracking or barcode numbers |          |

## **Need More Help?**

Contact USPS Tracking support for further assistance.



GANNETT

PO Box 631667 Cincinnati, OH 45263-1667

#### **AFFIDAVIT OF PUBLICATION**

Everett Holmes Hinkle Shanor, Llp Pobox 2068 Santa Fe NM 87504

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:

05/24/2024

and that the fees charged are legal. Sworn to and subscribed before on 05/24/2024

Notary, State of WI, County of Brown

My commission expires

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PO #:

Case No. 24511

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KATHLEEN ALLEN Notary Public State of Wisconsin

This is to notify all interested parties, including Alba Production, Inc.; Ard Energy Group, Ltd.; EOG Resources, Inc.; Javelina Partners; North Central Casing Pullers, Inc.; OXY Y-1 Company; RNE, LLC; Red River Energy Partners, LLC; Zorro Partners, Ltd; 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. 24511). The hearing will be conducted on June 13, 2024, in a hybrid fashion, both inperson at the Energy, Minerals, Natural Resources Department, 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 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/nearing-info/. Colgate Production, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 17 and 18, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be delicated to the Esky 17 Fed Com 202H well ("Well"), which will be drilled from a surface hole location in the NE/4 (Unit A) of Section 17 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 18. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Permian Resources Operating, LLC (OGRID No. 372165) as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 20 miles north of Carlsbad, New Mexico.

> Colgate Production, LLC Case No. 24511 Exhibit C-4