

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

APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21406,
EDDY COUNTY, NEW MEXICO

CASE NO. 21942
ORDER NO. R-21406
(Re-Open)

APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21461,
EDDY COUNTY, NEW MEXICO

CASE NO. 21944
ORDER NO. R-21461
(Re-Open)

Examiner Docket: June 3, 2021

COLGATE EXHIBITS

**Toro 22 Fed State Com 121H
Toro 22 Fed State Com 131H
Toro 22 Fed State Com 122H
Toro 22 Fed State Com 132H**



Earl E. DeBrine, Jr.
Lance D. Hough

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**Toro 22 Fed State Com 121H
Toro 22 Fed State Com 131H
Toro 22 Fed State Com 122H
Toro 22 Fed State Com 132H**

Exhibit A	Self-Affirmed Declaration of Mark Hajdik
A-1	Application for Case No. 21942
A-2	Application for Case No. 21944
A-3	Order No. R-21406
A-4	Order No. R-21461
Exhibit B	Affidavit of Lance D. Hough
B-1	Hearing Notice
B-2	Certified Mail Log / Notice May 13, 2021 Certified Mail Log / Report June 1, 2021
B-3	Affidavit of Publication

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Lance D. Hough

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SELF-AFFIRMED DECLARATION OF MARK HAJDIK

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Mark Hajdik declares and affirms, under penalty of perjury, as follows:

1. I am a landman for Colgate Operating, LLC (“Colgate”), over the age of 18 and have personal knowledge of the matters stated herein. I have previously been qualified to testify by the New Mexico Oil Conservation Division as an expert in petroleum land matters and my credentials were accepted and made part of the record in those proceedings.

2. I am familiar with the applications filed by Colgate in the above-referenced cases and the land matters involved. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the above referenced compulsory pooling applications filed by Colgate, which are attached hereto as **Exhibits A.1 through A.2**.

3. In Case No. 21942, Colgate seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21406 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21406 on July 29, 2020, which designated Colgate as the operator of the unit and the **Toro 22 Fed State Com 121H** and **Toro 22 Fed State Com 131H** wells; and pooled uncommitted interest owners in a 160-acre,

more or less, Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Order No. R-21406 is attached hereto as **Exhibit A.3**.

4. In Case No. 21944, Colgate seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21461 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21461 on September 25, 2020, which designated Colgate as the operator of the unit and the **Toro 22 Fed State Com 122H** and **Toro 22 Fed State Com 132H** wells; and pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Order No. R-21461 is attached hereto as **Exhibit A.4**.

5. Good cause exists for Colgate's requests for extensions of time because, due to recent market conditions and limitations from the COVID-19 pandemic, Colgate has had to adjust its drilling schedule for this development.

6. Colgate requests that the deadline to commence drilling the wells under the Orders be extended for a year as follows:

Order R-21406: from July 29, 2021 to July 29, 2022

Order R-21461: from September 25, 2021 to September 25, 2022

7. No opposition is expected. Colgate, through its counsel, provided all working interest owners, any unleased mineral owners, and overriding royalty owners with notice of these applications. No parties have entered an appearance in opposition to these cases.

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

9. Based upon my knowledge of the land matters involved in these cases, education and training, it is my expert opinion that the granting of Colgate's application in these cases is in the interests of conservation and the prevention of waste.

10. The attachments to my declaration were prepared by me or compiled from company business records.

11. Pursuant to Rules 1-011 and 23-115 NMRA, I declare and affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct to the best of my knowledge and belief.

Date: 5/25/21



Mark Hajdik

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

**APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21406,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21942
ORDER NO. R-21406
(Re-Open)**

APPLICATION

Colgate Operating LLC (“Colgate”), OGRID Number 371449, through its undersigned attorney, files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21406 (“the Order”) to allow for an extension of time for drilling the well under the Order. In support of this application, Colgate states as follows:

1. The Division heard Case No. 21339 on July 21, 2020 and entered the Order on July 29, 2020.
2. The Order designated Colgate as the operator of the unit and the **Toro 22 Fed State Com 121H** and **Toro 22 Fed State Com 131H** wells; and pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico.
3. Paragraph 19 of the Order states: “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.” Paragraph 20 of the Order states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.”
4. Under the Order, Colgate would be required to commence drilling the well July 29, 2021.
5. Colgate requests that the Order be re-opened and amended to allow Colgate an additional year to commence drilling the well under the Order.



6. Colgate requests this extension because there have been changes in Colgate's drilling schedule due to the COVID-19 pandemic and recent market conditions.

7. Good cause exists for Colgate's request for an extension of time.

8. Colgate asks that the deadline to commence drilling the well be extended for a year from July 29, 2021 to July 29, 2022.

WHEREFORE, Colgate requests this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21406 to extend the time for Colgate to commence drilling the well under the Order for a year, through July 29, 2022.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

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Attorneys for Applicant

(Re-Open) Application of Colgate Operating LLC to Amend Order No. R-21406, Eddy County, New Mexico. Applicant seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21406 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21406 on July 29, 2020, which designated Colgate as the operator of the unit and the **Toro 22 Fed State Com 121H** and **Toro 22 Fed State Com 131H** wells; and pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Colgate's request for an extension of time due to limitations from the pandemic and recent market conditions.

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

**APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21461,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21994
ORDER NO. R-21461
(Re-Open)**

APPLICATION

Colgate Operating LLC (“Colgate”), OGRID Number 371449, through its undersigned attorney, files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21461 (“the Order”) to allow for an extension of time for drilling the well under the Order. In support of this application, Colgate states as follows:

1. The Division heard Case No. 21395 on September 10, 2020 and entered the Order on September 25, 2020.
2. The Order designated Colgate as the operator of the unit and the **Toro 22 Fed State Com 122H** and **Toro 22 Fed State Com 132H** wells; and pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico.
3. Paragraph 19 of the Order states: “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.” Paragraph 20 of the Order states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.”
4. Under the Order, Colgate would be required to commence drilling the well September 25, 2021.
5. Colgate requests that the Order be re-opened and amended to allow Colgate an additional year to commence drilling the well under the Order.



6. Colgate requests this extension because there have been changes in Colgate's drilling schedule due to the COVID-19 pandemic and recent market conditions.

7. Good cause exists for Colgate's request for an extension of time.

8. Colgate asks that the deadline to commence drilling the well be extended for a year from September 25, 2021 to September 25, 2022.

WHEREFORE, Colgate requests this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21461 to extend the time for Colgate to commence drilling the well under the Order for a year, through September 25, 2022.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

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Attorneys for Applicant

(Re-Open) Application of Colgate Operating LLC to Amend Order No. R-21461, Eddy County, New Mexico. Applicant seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21461 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21461 on September 25, 2020, which designated Colgate as the operator of the unit and the **Toro 22 Fed State Com 122H** and **Toro 22 Fed State Com 132H** wells; and pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Colgate's request for an extension of time due to limitations from the pandemic and recent market conditions.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COLGATE OPERATING, LLC**

**CASE NO. 21339
ORDER NO. R-21406**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on July 21, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Colgate Operating, LLC (“Operator”), submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.



9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION




ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 7/29/2020

Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21339	Applicant's Response
Date: July 21, 2020	
Applicant	Colgate Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	371449
Applicant's Counsel	Ernest L. Padilla
Case Title:	Application of Colgate Operating, LLC Case No. 21339 for compulsory pooling in Eddy County, New Mexico
Entries of Appearance/Intervenor	EDG Resources, Inc. - Michael H. Feldewert
Well Family	Toro 22 Fed State Com
Formation/Pool	
Formation Name(s) or Verticle Extent	Palmillo; Bone Spring Formation
Primary Product (Oil or Gas)	Oil
Pooling this verticle extent	Bone Spring Formation
Pool Name and Pool Code	Palmillo; Bone Spring Formation (Pool Code 96413)
Well Location Setback Rules	Standard
Spacing Unit Size	160 ac
Spacing Unit	
Type (Horizontal/Verticle)	Horizontal
Size (acres)	160 ac
Building Blocks	quarter-quarter sections
Orientation	West to East
Description: TRS/County	N/2 N/2 of Section 22
Description: TRS/County	N/2 N/2 of Section 22
Standard Horizontal Well Spacing Unit	Yes
Other Situations	
Depth Severance: No	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: If yes, description	No
Applicant's Ownership in Each Tract	
Well(s)	
Name & API (if assigned), surface and bottom hole location footages, completion target, orientation, completion status (standard or non-standard)	<p>Toro 22 Fed State Com 121H SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD Well Orientation: West to East Completion Location: standard</p> <p>Toro 22 Fed State Com 131H SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM Completion Target: 3rd Bone Sprmg Sand at approx 8700 feet TVD Well Orientation: West to East Completion Location: standard</p>
Horizontal Well First and Last Take Points	Exhibit A pages 9, 10, 17, 18, 20 and 21
Completion Target (Formation, TVD and MD)	Exhibit A pages 9, 10, 17, 18, 20 and 21
	Identify the Exhibit and Page for Information below this line
APE Costs and Operating Costs	
Drilling Supervision/Month \$	\$8000/\$800
Production Supervision/Month \$	Exhibit A pages 20 and 21
Justification for Supervision Costs	Exhibit A pages 20 and 21
Request Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C page 2
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C pages 20 through 40
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C pages 41 through 43
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A pages 11 and 12
Tract List (including lease numbers and owners)	Exhibit A pages 11 and 12
Pooled Parties (including ownership type)	Exhibit A pages 11 and 12
Unlocatable Parties to be Pooled	Exhibit C pages 33 through 40
Ownership Depth Severance (including percentage above & below)	None
Joiner	
Sample Copy of Proposed Letter	Exhibit A pages 17 through 19
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A page 11
Chronology of Contact with Non-Joined Working Interests	Exhibit A page 15
Overhead Rates in Proposal Letter	Exhibit A pages 17 through 19
Cost Estimates to Drill and Complete	Exhibit A pages 20 and 21
Cost Estimate to Equip Well	Exhibit A pages 20 and 21
Cost Estimate for Production Facilities	Exhibit A pages 20 and 21
Geology	

Summary (including special considerations)	Exhibit B pages 1 and 2
Spacing Unit Schematic	None
Gunbarrel/Lateral Trajectory Schematic	Exhibit B page 5
Well Orientation (with rationale)	None
Target Formation	Exhibit B pages 12, 13 and 14
HSU Cross Section	Exhibit B pages 12, 13 and 14
Depth Severance Discussion	None
Forms, Figures and Tables	None
C-102	Exhibit A pages 9 and 10
Tracts	Exhibit A page 11
Summary of Interests, Unit Recapitulation (Tracts)	none
General Location Map (including basin)	Exhibit B page 6
Well Orientation (with rationale)	east west, prevailing in area
Structure Contour Map - Subsea Depth	Exhibit B page 10
Cross Section Location Map (including wells)	Exhibit B pages 7, 12, 13 and 14
Cross Section (including Landring Zone)	Exhibit B pages 7, 12, 13 and 14
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name: (Attorney or Party Representative):	Ernest L. Padilla
Signed Name: (Attorney or Party Representative):	
Date: July 28, 2020	

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COLGATE OPERATING, LLC**

**CASE NO. 21395
ORDER NO. R-21461**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 10, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Colgate Operating, LLC (“Operator”), submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.



9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR
AES/tgw

Date: 9/25/2020

Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21395	Applicant's Response
Date: September 8, 2020	
Applicant	Colgate Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	371449
Applicant's Counsel	Ernest L. Padilla
Case Title:	Application of Colgate Operating, LLC Case No. 21339 for compulsory pooling in Eddy County, New Mexico
Entries of Appearance/Intervenors	
Well Family	Toro 22 Fed State Com
Formation/Pool	
Formation Name(s) or Verticle Extent	Palmillo: Bone Spring Formation
Primary Product (Oil or Gas)	Oil
Pooling this verticle extent	Bone Spring Formation
Pool Name and Pool Code	Palmillo: Bone Spring Formation (Pool Code 96413)
Well Location Setback Rules	Standard
Spacing Unit Size	160 ac
Spacing Unit	
Type (Horizontal/Verticle)	Horizontal
Size (acres)	160 ac
Building Blocks	quarter-quarter sections
Orientation	West to East
Description: TRS/County	S/2 N/2 of Section 22
Description: TRS/County	S/2 N/2 of Section 22
Standard Horizontal Well Spacing Unit	Yes
Other Situations	
Depth Severance: No	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: If yes, description	No
Applicant's Ownership in Each Tract	
Well(s)	
Name & API (if assigned), surface and bottom hole location footages, completion target, orientation, completion status (standard or non-standard)	<p>Toro 22 Fed State Com 122H SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM BHL: Unit H of Section 22, Township 19 South, Range 28 East, NMPM Completion Target: 2nd Bone Spring Sand at approx 7400 feet TVD Well Orientation: West to East Completion Location: standard</p> <p>Toro 22 Fed State Com 132H SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM BHL: Unit H of Section 22, Township 19 South, Range 28 East, NMPM Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD Well Orientation: West to East Completion Location: standard</p>
Horizontal Well First and Last Take Points	Exhibit A pages 4, 5, 6, 7 and 11
Completion Target (Formation, TVD and MD)	Exhibit A pages 4, 5, 6, 7 and 11
	Identify the Exhibit and Page for information below this line
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	58000/5800
Production Supervision/Month \$	Exhibit A pages 14 and 15
Justification for Supervision Costs	Exhibit A pages 14 and 15
Request Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C page 2
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C pages 8 through 22
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C page 23
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A pages 4, 5, 6, 7, 8 and 9
Tract List (including lease numbers and owners)	Exhibit A pages 8 and 9
Poolled Parties (including ownership type)	Exhibit A pages 8
Unlocatable Parties to be Poolled	Exhibit C pages 19, 20, 21 and 22
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposed Letter	Exhibit A pages 11, 12 and 13
List of Interest Owners (in Exhibit A of JOA)	Exhibit A pages 8 and 9
Chronology of Contact with Non-Joined Working Interests	Exhibit A page 10
Overhead Rates in Proposal Letter	Exhibit A pages 3 and 12
Cost Estimates to Drill and Complete	Exhibit A pages 14 and 15
Cost Estimate to Equip Well	Exhibit A pages 14 and 15
Cost Estimate for Production Facilities	Exhibit A pages 14 and 15
Geology	

Summary (including special considerations)	Exhibit B pages 1 and 2
Spacing Unit Schematic	None
Gunbarrel/Lateral Trajectory Schematic	Exhibit B page 4
Well Orientation (with rationale)	None
Target Formation	Exhibit B pages 11, 12 and 13
NSU Cross Section	Exhibit B pages 11, 12 and 13
Depth Severance Discussion	None
Forms, Figures and Tables	None
C-102	Exhibit A pages 4, 5, 6 and 7
Tracts	Exhibit A page 8
Summary of Interests, Unit Recapitulation (Tracts)	none
General Location Map (including basin)	Exhibit B page 5
Well Orientation (with rationale)	east west, prevailing in area
Structure Contour Map - Subsea Depth	Exhibit B page 7
Cross Section Location Map (including wells)	Exhibit B page 6
Cross Section (including Landing Zone)	Exhibit B pages 11, 12 and 13
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name: (Attorney or Party Representative):	Ernest L. Parilla
Signed Name: (Attorney or Party Representative):	
Date: September 8, 2020	

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

APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21406,
EDDY COUNTY, NEW MEXICO

CASE NO. 21942
ORDER NO. R-21406
(Re-Open)

APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21461,
EDDY COUNTY, NEW MEXICO

CASE NO. 21944
ORDER NO. R-21461
(Re-Open)

AFFIDAVIT OF LANCE D. HOUGH

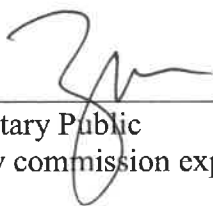
STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)

Lance D. Hough, attorney in fact and authorized representative of Colgate Operating LLC (“Colgate”), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under notices of hearing to parties entitled to notice; and that the following are attached hereto: a sample of said notice of hearing as **Exhibit B.1**, proof of mailed notice of hearing as **Exhibit B.2**, and proof of published notice of hearing as **Exhibit B.3**.

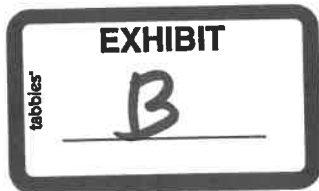
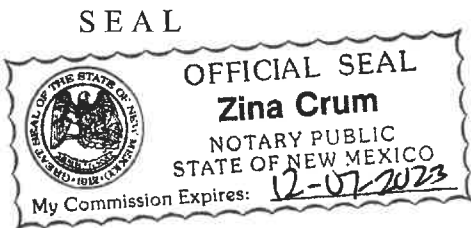


Lance D. Hough

SUBSCRIBED AND SWORN to before me this 1st day of June 2021 by Lance D. Hough.



Notary Public
My commission expires: 12-07-23





MODRALL SPERLING

L A W Y E R S

May 13, 2021

Lance D. Hough
Tel: 505.848.1826
Fax: 505.848.9710
Lance.Hough@modrall.com

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

This letter is to advise you that Colgate Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division:

Case No. 21943: (Re-Open) Application of Colgate Operating LLC to Amend Order No. R-21440, Eddy County, New Mexico.

Applicant seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21440 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21440 on August 24, 2020, which designated Colgate as the operator of and pooled uncommitted interest owners within two 320-acre, more or less, Bone Spring horizontal spacing units comprised of the N/2 N/2 of Section 27 and N/2 N/2 of Section 28, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico (designated to the **Weaver 27 State Com 121H and Weaver 27 State Com 131H** wells) and S/2 N/2 of Section 27 and S/2 N/2 of Section 28, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico (designated to the **Weaver 27 State Com 122H and Weaver 27 State Com 132H** wells). The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Colgate's request for an extension of time due to limitations from the pandemic and recent market conditions.

This application is expected to be set for hearing before a Division Examiner at **8:15 a.m. on June 3, 2021**. During the COVID-19 Public Health Emergency, the hearings will be conducted remotely. Instructions to appear can also be found by accessing <http://www.emnrd.state.nm.us/OCD/hearings.html> and scrolling down to "Hearing Notices" under "OCD Hearings." As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in

Modrall Spierling
Roehl Harris & Sisk P.A.
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102
PO Box 2168
Albuquerque,
New Mexico 87103-2168
Tel: 505.848.1800
www.modrall.com



AFFECTED PARTIES

Colgate / Order Amendments / Weaver 27 State Com 121H-122H, 131H-132H

May 12, 2021

Page 2

support of or in opposition to the application. Failure to appear at the hearings may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Lance D. Hough", written over a horizontal line.

Lance D. Hough
Attorney for Applicant

EED/ldh/w4066355.DOCX

Enclosures: as stated

Zina Crum
 Modrall Sperling
 500 4th Street NW
 Suite 1000
 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
 05/13/2021

Firm Mailing Book ID: 208767

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0082 4800 53	CM Resources, LLC 300 N. Marienfeld St., Suite 1000 Midland TX 79701	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
2	9314 8699 0430 0082 4800 60	Pitch Energy & Marbob Resources PO Box 227 Artesia NM 88211	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
3	9314 8699 0430 0082 4800 77	COG Operating, LLC 600 W. Illinois Avenue Midland TX 79701	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
4	9314 8699 0430 0082 4800 84	RSC Resources, L.P. 6824 Island Circle Midland TX 79707	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
5	9314 8699 0430 0082 4800 91	Consul Properties, LLC 6608 N. Western Ave, PMB 401 Oklahoma City OK 73116	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
6	9314 8699 0430 0082 4801 07	Marathon Oil Company 5555 San Felipe Houston TX 77056	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
7	9314 8699 0430 0082 4801 14	ZPZ Delaware I LLC 303 Veterans Airpark Lane, Suite 1000 Midland TX 79705	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
8	9314 8699 0430 0082 4801 21	Costaplenty Energy Corporation PO Box 1182 Artesia NM 88211	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
9	9314 8699 0430 0082 4801 38	Nestegg Energy Corporation 2308 Sierra Vista Artesia NM 88210	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
10	9314 8699 0430 0082 4801 45	Yates Brothers P. O. Box 1394 Artesia NM 88211	\$1.40	\$3.60	\$1.75	\$0.00	10091.0004 Toro Notice
Totals:			\$14.00	\$36.00	\$17.50	\$0.00	Grand Total: \$67.50

List Number of Pieces Received at Post Office: _____ Dated: _____
 Postmaster: _____ Name of receiving employee: *JKC*

10



Transaction Report Details - CertifiedPro.net
 Firm Mail Book ID= 208767
 Generated: 6/1/2021 11:01:49 AM

USPS Article Number	Date Created	Name 1	Address1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300082480145	2021-05-13 9:46 AM	Yates Brothers	P. O. Box 1394	Artesia	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	2021-05-18 10:25 AM
9314869904300082480138	2021-05-13 9:46 AM	Nestegg Energy Corporation	2308 Sierra Vista	Artesia	NM	88210	Delivered	Return Receipt - Electronic, Certified Mail	2021-05-17 12:45 PM
9314869904300082480121	2021-05-13 9:46 AM	Costaplenty Energy Corporation	PO Box 1182	Artesia	NM	88211	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300082480114	2021-05-13 9:46 AM	ZPZ Delaware I LLC	303 Veterans Airpark Lane, Suite 1000	Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	2021-05-17 9:23 AM
9314869904300082480107	2021-05-13 9:46 AM	Marathon Oil Company	5555 San Felipe	Houston	TX	77056	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300082480091	2021-05-13 9:46 AM	Consul Properties, LLC	6608 N. Western Ave. PMB 401	Oklahoma City	OK	73116	Delivered	Return Receipt - Electronic, Certified Mail	2021-05-17 9:49 AM
9314869904300082480084	2021-05-13 9:46 AM	RSC Resources, L.P.	6824 Island Circle	Midland	TX	79707	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300082480077	2021-05-13 9:46 AM	COG Operating, LLC	600 W. Illinois Avenue	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2021-05-17 8:39 AM
9314869904300082480060	2021-05-13 9:46 AM	Pitch Energy & Marbob Resources	PO Box 227	Artesia	NM	88211	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300082480053	2021-05-13 9:46 AM	CM Resources, LLC	300 N. Marienfeld St., Suite 1000	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2021-05-17 1:50 PM

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004740108

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MODRALL SPERLING
POBOX 2168

ALBUQUERQUE, NM 87103

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

05/18/2021



Legal Clerk

Subscribed and sworn before me this May 18, 2021:



State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

CASE NO. 21944: Notice to all affected parties, as well as their heirs and devisees, of CM Resources, LLC; Pitch Energy & Marbob Resources; COG Operating, LLC; RSC Resources, L.P.; Consul Properties, LLC; Marathon Oil Company; ZPZ Delaware I LLC; Costaplenty Energy Corporation; Nestegg Energy Corporation; and Yates Brothers of Colgate Operating, LLC's Application to Amend Order No. R-21461, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on June 3, 2021 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Colgate seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21461 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21461 on September 25, 2020, which designated Colgate as the operator of the unit and the Toro 22 Fed State Com 122H and Toro 22 Fed State Com 132H wells; and pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Colgate's request for an extension of time due to limitations from the pandemic and recent market conditions.

#4740108, Current Argus, May 18, 2021

Ad # 0004740108
PO #: CASE NO. 21944
of Affidavits 1

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Carlsbad Current Argus.

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Affidavit of Publication

Ad # 0004740083

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MODRALL SPERLING
POBOX 2168

ALBUQUERQUE, NM 87103

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

05/18/2021


Legal Clerk

Subscribed and sworn before me this May 18, 2021:


State of WI, County of Brown
NOTARY PUBLIC

1-7-25
My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0004740083
PO #: CASE NO. 21942
of Affidavits 1

This is not an invoice

CASE NO. 21942: Notice to all affected parties, as well as their heirs and devisees, of CM Resources, LLC; Pitch Energy & Marbob Resources; COG Operating, LLC; RSC Resources, LP.; Consul Properties, LLC; Marathon Oil Company; ZPZ Delaware I LLC; Costaplenty Energy Corporation; Nestegg Energy Corporation; and Yates Brothers of Colgate Operating, LLC's Application to Amend Order No. R-21406, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on June 3, 2021 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Colgate seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21406 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21406 on July 29, 2020, which designated Colgate as the operator of the unit and the Toro 22 Fed State Com 121H and Toro 22 Fed State Com 131H wells; and pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Colgate's request for an extension of time due to limitations from the pandemic and recent market conditions.

#4740083, Current Argus, May 18, 2021