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

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

CASE NO. 22398

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Mark Hajdik
A-1	Application & Proposed Notice of Hearing
A-2	C-102(s)
A-3	Plat of Tracts, Ownership Interests, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE(s)
A-5	Summary of Communications
A-6	Hearing Notice Letter and Return Receipts
A-7	Affidavit of Publication
Exhibit B	Self-Affirmed Statement of David DaGian
Exhibit B B-1	Self-Affirmed Statement of David DaGian Location Map
B-1	Location Map
B-1 B-2	Location Map Cross Section Location Map
B-1 B-2 B-3	Location Map Cross Section Location Map Structure Map
B-1 B-2 B-3 B-4	Location Map Cross Section Location Map Structure Map Structure Map

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case No.: 22398 **Hearing Date:** 3/3/2022 Applicant Colgate Operating, LLC

Designated Operator & OGRID 371449 **Applicant's Counsel** Hinkle Shanor LLP Case Title Application of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico

Entries of Appearance/Intervenors Apache Corporation; EOG Resources, Inc.; MRC Permian Company Well Family Blackhawk Formation/Pool

Formation Name(s) or Vertical Extent **Bone Spring** Primary Product (Oil or Gas) Oil

Pooling this vertical extent **Bone Spring** Pool Name and Pool Code Winchester, Bone Spring, West Pool (Pool Code 97569)

Well Location Setback Rules Statewide Spacing Unit Size

320-acre **Spacing Unit**

Type (Horizontal/Vertical) Horizontal Size (Acres) 320-acre

Building Blocks quarter-quarter Orientation Laydown

Description: TRS/County N/2N/2 of Sections 16 and 17, Township 19 South, Range 28 East, Eddy County, New Mexico

Standard Horizontal Well Spacing Unit (Y/N), If No.

describe **Other Situations**

Depth Severance: Y/N. If yes, description No Proximity Tracts: If yes, description No Proximity Defining Well: if yes, description N/A

Well(s) Name & API (if assigned), surface and bottom hole

location, footages, completion target, orientation, completion status (standard or non-standard) Well #1

Well #2

equested Risk Charge

Add wells as needed

Black Cat 16 State Com 121H (API # pending) SHL: 947 FNL & 353 FEL (Unit A) of Section 16, T19S-R28E BHL: 690 FNL & 10 FWL (Unit D) of Section 17, T19S-R28E Completion Target: Bone Spring (Approximately 7450' TVD)

Completion status: Standard

Black Cat 16 State Com 131H (API # pending)

SHL: 976 FNL & 353 FEL (Unit A) of Section 16, T19S-R28E BHL: 860 FNL & 10 FWL (Unit D) of Section 17, T19S-R28E Completion Target: Bone Spring (Approximately 8600' TVD)

Completion status: Standard

Horizontal Well First and Last Take Points Exhibit A-2 Completion Target (Formation, TVD and MD) Exhibit A-4 **AFE Capex and Operating Costs**

Drilling Supervision/Month \$ 8,000

roduction Supervision/Month \$ 800 ustification for Supervision Costs Exhibit A

Notice of Hearing roposed Notice of Hearing

Exhibit A-1

200%

Proof of Mailed Notice of Hearing (20 days before hearing)	Evhibit A C
Proof of Published Notice of Hearing (10 days before	EXHIBIT A-0
hearing)	Exhibit A-7
Ownership Determination	EXHIBIT A-7
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
[.0	EXHIBIT A 5
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	EXHIBIT A T
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-7
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibits B-5, B-6
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-1
Structure Contour Map - Subsea Depth	Exhibits B-3, B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibits B-5, B-6
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
	Varia S. Housey
Date:	2/15/2022

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

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

CASE NO. 22398

SELF-AFFIRMED STATEMENT OF MARK HAJDIK

- 1. I am the land manager at Colgate Operating, LLC ("Colgate") and am over 18 years of age. I 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 qualifications 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 case. Copies of the application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
- 4. In this case, Colgate seeks an order pooling all uncommitted interests in the Winchester, Bone Spring, West Pool (Pool Code 97569) within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2N/2 of Sections 16 and 17, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit").
- 5. The Unit will be dedicated to the **Black Cat 16 State Com 121H** and **Black Cat 16 State Com 131H** wells ("Wells") to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 16 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 17.

COLGATE OPERATING, LLC Case No. 22398 Exhibit A

- 6. The completed intervals of the Wells will be orthodox.
- 7. **Exhibit A-2** contains the C-102s for the Wells.
- 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 Colgate seeks to pool highlighted in yellow.
- 9. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 10. Colgate has conducted a diligent search of all county public records including phone directories and computer databases.
 - 11. All interest owners Colgate seeks to pool are locatable.
- 12. In my opinion, Colgate made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit** A-5.
- 13. Colgate requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Colgate and other operators in the vicinity.
- 14. Notice of this application and the Division hearing was timely provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letters and associated green cards are attached as **Exhibit A-6**.
- 15. Notice of this application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as **Exhibit A-7**.

16. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

17. In my opinion, the granting of Colgate's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 17 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Maktley	lik				
				2/12/21	
Mark Hajdik	_		Date	<u> 2/12/21</u>	

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

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

CASE NO. 22398

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (OGRID No. 371449) ("Applicant") applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2N/2 of Sections 16 and 17, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states:

- 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 Black Cat 16 State Com 121H and Black Cat 16 State Com 131H wells ("Wells") to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 16 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 17.
 - 3. The completed intervals of the Wells will be orthodox.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all of the 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 mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

COLGATE OPERATING, LLC Case No. 22398 Released to Imaging: 2/16/2022 8:10:16 AM

Exhibit A-1

WHEREFORE, Applicant requests this application be set for hearing on January 6, 2022, and that after notice and hearing, the Division enter an order:

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

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Michael Rodriguez

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

mrodriguez@hinklelawfirm.com

Counsel for Colgate Operating, LLC

Application of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2N/2 of Sections 16 and 17, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Black Cat 16 State Com 121H and Black Cat 16 State Com 131H wells ("Wells") to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 16 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 17. The completed intervals of the Wells will be orthodox. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 18 miles northeast of Carlsbad.

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

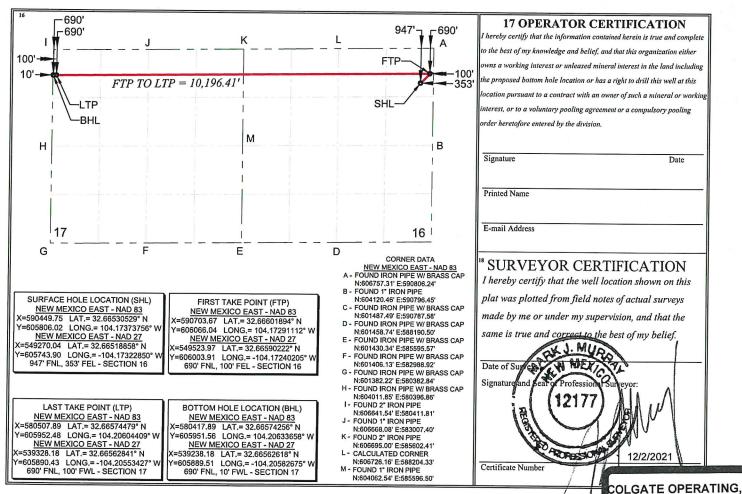
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number	r		2 Pool Code 3 Pool Name			ame		
4 Property	Code		5 Property Name BLACK CAT 16 STATE COM						6 Well Number 121H
7 OGRID 371449		8 Operator Name COLGATE OPERATING, LLC						9 Elevation 3525'	
***	□ Surface Location								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

19-S NORTH 353' EAST EDDY " Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 19-5 28-E 690' NORTH WEST EDDY 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.

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



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Case No. 22398 Fyhihit A-2

LLC

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 1 API Number

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

AMENDED REPORT

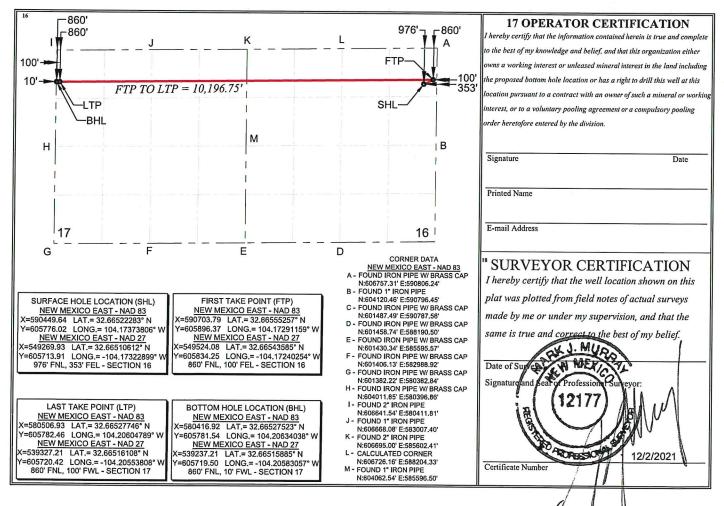
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WELL LOCATION AND ACREAGE DEDICATION PLAT

-		•		2 1 001 C00		3 Pool Name				
4 Property	Code		_	5 Property Name BLACK CAT 16 STATE COM					6	Well Number 131H
7 OGRID 371449				8 Operator Name COLGATE OPERATING, LLC					9 Elevation 3525'	
					¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County
Α	16	19-S	28-E		976'	NORTH	353'	EAS	T	EDDY
	" Bottom Hole Location If Different From Surface									

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 19-S 28-E 860 NORTH 10' WEST **EDDY** 12 Dedicated Acres | 13 Joint or Infill 14 Consolidation Code 15 Order No.

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



N2N2 CASE NO. 22398							
WI OWNER	TRACT	NET	WI	FORCE POOL INTERES			
Colgate Production, LLC*	1, 2, 3, 5	219.222	68.51%	Operator			
EOG Resources	2, 5	18	5.63%	Yes			
Apache Corporation	2, 3	42.7778	13.37%	Yes			
Petrogulf Corporation*	4	40	12.50%	Yes			

^{*}NMSLO Record Title & WI Owner

NMSLO Record Title Owners (Own no WI in above case) WPX Permian, LLC Contango Resources, Inc.

ORRI Owners Marathon Oil Permian, LLC Yates Brothers, et al Gahr Energy Co. Fuel Products, Inc. V-F Petroleum, Inc. Lodge Exploration Co., LLC

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COLGATE OPERATING, LLC Case Nos. 22398

Exhibit A-3

	N 5	3,	4.7	3 E	MM (W)	2,	MWME COS	7000 NENE
	59/NW	SENVY	SWNE	SÉNE	SWINW	SENW	SWNE	SENE
	(E)	VEV	(G)	(H)	(E)	(F)	(G)	(H)
	NWSW	NESVY	NWSE	nese	NWVSM	NESW	NIVISE	NESE
	(1-1	V K Y	(1)	(1)	UCI	(H)	(J)	(1)
8	SMSW LMY	SESW (NY)	SWSE (-0)	5021260006 5534 5ADEA SESE (P1	WAY RYDSE SWSW (M)	SES(W (N.)	VCOVENTOOO	ŞESE (P)





Petrogulf Corporation 600 Grant Street Suite 850 Denver, Colorado 80203

RE: Black Cat 16 State Com Well Proposals

N/2 of Sec. 16 & N/2 Sec. 17, T19S-28E, Bone Spring Formation

Eddy County, New Mexico

To whom it may concern:

Colgate Production, LLC ("Colgate"), hereby proposes the drilling of four (4) wells, the Black Cat 16 State Com 121H, 122H, 131H, and 132H at the following approximate locations:

Black Cat 16 State Com 121H

SHL: To be located at a legal location in Units A/H of Section 16-19S-28E

BHL: To be located at a legal location in Unit D Section 17-19S-28E

TVD: ~7,450'

TMD: Approximately 18,100' Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

Black Cat 16 State Com 122H

SHL: To be located at a legal location in Units I/P of Section 16-19S-28E BHL: To be located at a legal location in Unit E of Section 17-19S-28E

TVD: ~7,450'

TMD: Approximately 18,100' Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

Black Cat 16 State Com 131H

SHL: To be located at a legal location in Units A/H of Section 16-19S-28E BHL: To be located at a legal location in Unit D of Section 17-19S-28E

TVD: ~8,600'

TMD: Approximately 19,300' Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

Black Cat 16 State Com 132H

SHL: To be located at a legal location in Units I/P of Section 16-19S-28E BHL: To be located at a legal location in Unit E of Section 17-19S-28E

TVD: ~8,600'

TMD: Approximately 19,300' Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

> COLGATE OPERATING. LLC Case No. 22398

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Exhibit A-4

The locations, TVD's, and targets are approximate and subject to change depending on surface or subsurface issues encountered. Colgate is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement will be forwarded to you following your receipt of your election to participate. The Operating Agreement will have the following general provisions:

- -100%/200%/200% non-consent provisions
- \$8,000/\$800 drilling and producing rates
- Colgate Operating, LLC named as Operator

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

Colgate will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well, should we not reach an agreement within 30 days of the date of this letter. If you do not wish to participate Colgate would be interested in acquiring your interest in the subject lands.

If you have any questions regarding this matter, please give me a call at 432-257-3886 or via email at mhajdik@colgateenergy.com.

Sincerely.

Mullajelik

Mark Hajdik Senior Landman

Colgate Energy 300 N. Marienfeld St. **Suite 1000** Midland, TX 79701

Enclosures

Well Elections

- 1	_I/We hereby elect to participate in the Black Cat 16 State Com 121H. _I/We hereby elect NOT to participate in the Black Cat 16 State Com 121H.
_	_l/We hereby elect to participate in the Black Cat 16 State Com 122H. _l/We hereby elect NOT to participate in the Black Cat 16 State Com 122H.
	_l/We hereby elect to participate in the Black Cat 16 State Com 131H. _l/We hereby elect NOT to participate in the Black Cat 16 State Com 131H.
	_l/We hereby elect to participate in the Black Cat 16 State Com 132H. _l/We hereby elect NOT to participate in the Black Cat 16 State Com 132H.

Working Interest Owner:	
Printed Name:	

Date:

Colgate Energy 303 W. Wall St., Midland TX 79701 Phone (432) 695-4257 • Fax (432) 695-4063 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	12/3/2020			AFE NO.:	0
WELL NAME:	Black Cat 16 State Con	121H		FIELD: Wi	nchester; Bone Spring
LOCATION:	Parkway			MD/TVD:	18129 / 7442
COUNTY/STATE:	Eddy			LATERAL LENGTH:	10,360
Colgate WI:	0.00%			DRILLING DAYS:	20.6
GEOLOGIC TARGET:	2nd Bone Spring			COMPLETION DAYS:	16
REMARKS:	Drill and Complete 60	stages in the 2nd Bone	Spring formation. AFE in	icludes D&C, flowback & i	nitial ESP install.
INTANGIBLE O	COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land/Legal/Regulatory		\$ 35,000	\$	\$	\$ 35,000
2 Location, Surveys & Damag	es	150,000	13,000	10,000	173,000
4 Freight / Transportation 5 Rental - Surface Equipment		55,500	36,750		92,250
6 Rental - Downhole Equipm		55,800 68,799	150,450 56,000	4,640	210,890 124,799
7 Rental - Living Quarters		35,546	45,700	5,200	86,446
10 Directional Drilling, Surve	ys	188,350			188,350
11 Drilling 12 Drill Bits		475,824 81,000			475,824
13 Fuel & Power		67,053	210,000		81,000 277,053
14 Cementing & Float Equip		155,000			155,000
16 Perforating, Wireline, Slick			260,750	8,000	268,750
17 High Pressure Pump Truck 18 Completion Unit, Swab, C.			10,000	12.040	10,000
20 Mud Circulation System		83,144	150,000	12,040	162,040 83,144
21 Mud Logging		19,499			19,499
22 Logging / Formation Evaluation	ation	6,494	8,000		14,494
23 Mud & Chemicals 24 Water		98,516 28,193	308,000 505,932		406,516
25 Stimulation		- 20,173	720,000		534,125 720,000
26 Stimulation Flowback & D			94,000		94,000
28 Mud/Wastewater Disposa		96,938	63,000		159,938
30 Rig Supervision / Engineer 32 Drlg & Completion Overhe	ing ad	95,975 7,725	79,600	9,800	185,375
35 Labor		108,500	30,500	10,000	7,725
54 Proppant			436,156	10,000	436,156
95 Insurance 97 Contingency		32,632			32,632
99 Plugging & Abandonment		97,274	154,242	5,968	257,484
	TOTAL INTANGIBLES	2,042,761	3,332,080	65,648	5,440,489
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE CO	STS	COSTS	COSTS	COSTS	COSTS
61 Intermediate Casing	,	9,590	\$	\$	9,590
62 Drilling Liner					69,726
63 Production Casing		238,396			238,396
64 Production Liner 65 Tubing		•			-
66 Wellhead		64,000		30,911 48,900	30,911
67 Packers, Liner Hangers		22,000	-	3,500	112,900 25,500
68 Tanks				-	-
69 Production Vessels 70 Flow Lines					1. •
71 Rod string			-		
72 Artificial Lift Equipment			-	80,000	80,000
73 Compressor		-		<u> </u>	-
74 Installation Costs 75 Surface Pumps		<u>:</u>		35,000	35,000
76 Downhole Pumps				4,950	5,000 4,950
77 Measurement & Meter Insta					
78 Gas Conditioning / Dehydra					-
79 Interconnecting Facility Pip 80 Gathering / Bulk Lines	ing				-
81 Valves, Dumps, Controllers				-	•
82 Tank / Facility Containment				-	
				-	
83 Flare Stack					
84 Electrical / Grounding				60,000	60,000
84 Electrical / Grounding 85 Communications / SCADA	TOTAL TANGIBLES >	403,712		60,000	
84 Electrical / Grounding 85 Communications / SCADA		403,712 2,446,473	0 3,332,080	60,000	60,000
84 Electrical / Grounding 85 Communications / SCADA	TOTAL TANGIBLES >			60,000	60,000
84 Electrical/ Grounding 85 Communications/SCADA 86 Instrumentation/Safety PARED BY Colgate Energy	TOTAL TANGIBLES > TOTAL COSTS >			60,000	60,000
84 Electrical/Grounding 85 Communications/SCADA 86 Instrumentation/Safety EPARED BY Colgate Energy Drilling Engineer:	TOTAL TANGIBLES > TOTAL COSTS > : Steven Segrest		3,332,080	60,000	60,000
84 Electrical/Grounding 85 Communications/SCADA 86 Instrumentation/Safety EPARED BY Colgate Energy Drilling Engineer: Completions Engineer:	TOTAL TANGIBLES > TOTAL COSTS > : Steven Segrest Brady Adams			60,000	60,000
84 Electrical/Grounding 85 Communications/SCADA 86 Instrumentation/Safety EPARED BY Colgate Energy Drilling Engineer:	TOTAL TANGIBLES > TOTAL COSTS > : Steven Segrest		3,332,080	60,000	60,000
84 Electrical/Grounding 85 Communications/SCADA 86 Instrumentation/Safety EPARED BY Colgate Energy Drilling Engineer: Completions Engineer:	TOTAL TANGIBLES > TOTAL COSTS > : Steven Segrest Brady Adams		3,332,080	60,000	60,000
94 Electrical/ Grounding 85 Communications/SCADA 86 Instrumentation/Safety PARED BY Colgate Energy Drilling Engineer: Completions Engineer: Production Engineer:	TOTAL TANGIBLES > TOTAL COSTS > : Steven Segrest Brady Adams Levi Harris		3,332,080 CRM	60,000	60,000
94 Electrical/Grounding 85 Communications/SCADA 86 Instrumentation/Safety EPARED BY Colgate Energy Drilling Engineer: Completions Engineer: Production Engineer: Sate Energy APPROVAL:	TOTAL TANGIBLES > TOTAL COSTS > : Steven Segrest Brady Adams	2,446,473 Co-C	3,332,080 CRM EO	60,000 	
84 Electrical/ Grounding 85 Communications/SCADA 86 Instrumentation/Safety PARED BY Colgate Energy Drilling Engineer: Completions Engineer: Production Engineer:	TOTAL TANGIBLES > TOTAL COSTS > : Steven Segrest Brady Adams Levi Harris	2,446,473	3,332,080 CRM EO	60,000 	60,000
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Approval: Yes

No (mark one)

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NON OPERATING PARTNER APPROVAL:

Colgate Energy 303 W. Wall St. , Midland TX 79701						
	ESTIMAT	Phone (432) 695-425	Midiand 13 79701 7 • Fax (432) 695-4063 HORIZATION FOR EXPENI	אַ אַן דרוכ		
DATE:	12/3/2020	E 01 C0015 . E.D	HORIZATION FOR EAL LIVE			
WELL NAME:	Black Cat 16 State Con	121H		AFE NO.:	0 inchester; Bone Spring	
LOCATION:	Parkway	. 10111				
COUNTY/STATE:	Eddy			MD/TVD:	19339 / 8652	
Colgate WI:	0.00%			DRILLING DAYS:	10,360	
GEOLOGIC TARGET:	3rd Bone Spring				23.25	
				COMPLETION DAYS:	16	
REMARKS:	Drill and Complete 60		Spring formation. AFE inc		nitial ESP install.	
INTANGIBLE O	COSTS	DRILLING COSTS \$ 35,000	COMPLETION	PRODUCTION	TOTAL COSTS	
2 Location, Surveys & Damag	es	150,000	13,000	10,000	\$ 35,000	
4 Freight / Transportation		55,500	36,750	10,000	173,000 92,250	
5 Rental - Surface Equipment		62,354	150,450	4,640	217,444	
6 Rental - Downhole Equipm	ent	68,799	56,000	(C)	124,799	
7 Rental - Living Quarters 10 Directional Drilling, Surve		38,583	45,700	5,200	89,483	
11 Drilling	ys	237,200			237,200	
12 Drill Bits		112,500			521,597	
13 Fuel & Power		75,679	210,000		112,500 285,679	
14 Cementing & Float Equip		155,000			155,000	
16 Perforating, Wireline, Slick		-	260,750	8,000	268,750	
17 High Pressure Pump Truck		•	10,000		10,000	
18 Completion Unit, Swab, C. 20 Mud Circulation System	IU	01.700	150,000	12,040	162,040	
21 Mud Logging		91,730 21,725			91,730	
22 Logging / Formation Evalua	ation	8,296	0.000		21,725	
23 Mud & Chemicals		106,356	308,000		16,296	
24 Water		28,426	543,228		414,356 571,654	
25 Stimulation			720,000		720,000	
26 Stimulation Flowback & D		-	94,000		94,000	
28 Mud/Wastewater Disposa		96,938	73,000		169,938	
30 Rig Supervision / Engineer		108,322	79,600	9,800	197,722	
32 Drlg & Completion Overhe 35 Labor	ad	8,719	·		8,719	
54 Proppant		108,500	30,500	10,000	149,000	
95 Insurance		34,810	490,676		490,676	
97 Contingency		106,302	159,333	5,968	34,810 271,602	
99 Plugging & Abandonment	TOTAL INTANGIBLES :				•	
		DRILLING	3,438,986 COMPLETION	65,648 PRODUCTION	5,736,968 TOTAL	
TANGIBLE CO	STS	COSTS	COSTS	COSTS	COSTS	
60 Surface Casing			\$	\$	\$ 9,590	
61 Intermediate Casing 62 Drilling Liner		69,726			69,726	
63 Production Casing		254,308			-	
64 Production Liner		234,300			254,308	
65 Tubing				36,356	36,356	
66 Wellhead		64,000		48,900	112,900	
67 Packers, Liner Hangers		22,000	-	3,500	25,500	
68 Tanks		-				
69 Production Vessels		-			-	
70 Flow Lines		-		-	-	
71 Rod string 72 Artificial Lift Equipment				-		
72 Additional Lift Equipment 73 Compressor				80,000	80,000	
74 Installation Costs				35,000	45.000	
75 Surface Pumps				5,000	35,000 5,000	
76 Downhole Pumps				4,950	4,950	
77 Measurement & Meter Insta	llation	-		-		
78 Gas Conditioning/Dehydra	ition			-	-	
79 Interconnecting Facility Pipi	ing				-	
80 Gathering/Bulk Lines				-		
81 Valves, Dumps, Controllers						
82 Tank / Facility Containment 83 Flare Stack				-	-	
84 Electrical / Grounding				- (0.000	-	
85 Communications / SCADA				60,000	60,000	
86 Instrumentation / Safety						
	TOTAL TANGIBLES >	419,623	0	273,706	693,329	
					6,430,297	
	TOTAL COSTS >	2,651,957	3,438,986	339,354		
PARED BY Colgate Energy	TOTAL COSTS >	2,651,957	3,438,986	339,354		
	TOTAL COSTS >	2,651,957	3,438,986	339,354		
Drilling Engineer:	TOTAL COSTS > Steven Segrest	2,651,957		339,354		
	TOTAL COSTS >	2,651,957	3,838,986	339,354		
Drilling Engineer: Completions Engineer: Production Engineer:	TOTAL COSTS > Steven Segrest Brady Adams	2,651,957		339,354		
Drilling Engineer: Completions Engineer: Production Engineer:	TOTAL COSTS > Steven Segrest Brady Adams Levi Harris	2,651,957 Co-Cl	CRM EO	339,354 VP - Operation	15	
Drilling Engineer: Completions Engineer: Production Engineer: sate Energy APPROVAL:	TOTAL COSTS > Steven Segrest Brady Adams	Co-Cl	CRM EO			
Completions Engineer: Production Engineer: gate Energy APPROVAL:	TOTAL COSTS > Steven Segrest Brady Adams Levi Harris		CRM EO		15	

Signed by: Date:

Approval: Yes No (mark one)

Title: No (mark one)

Approval: Yes No (mark one)

Approval: Yes No (mark one)

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Working Interest (%):

Tax ID:

Communication Timeline

December 2020 – Initial proposals sent for Black Cat 16 State Com wells

January - April, 2021 - Finalized acquisition of Contango intrest

January - July, 2021 - Ongoing trade discussions with VF, closed in July/August of 2021

January - August, 2021 - Ongoing trade discussions with EOG, closed in Q3 of 2021

May 2021 - Acquired additional tract in NMSLO lease sale that had expired after Colgate sent initial proposals

January - December, 2021 - Ongoing discussions with Apache, and conceptual trade and reciprocal support agreements reached

April 2021 to Present - Ongoing discussions with Petrogulf to acquire or participate, no final resolution to date

February 12, 2022 – As of this date all parties have either been acquired, agreed to support Colgate as Operator with the exception of Petrogulf

COLGATE OPERATING, LLC Case No. 22398 Released to Imaging: 2/16/2022 8:10:16 AM



HINKLE SHANOR LLP

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

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

December 10, 2021

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL INTERESTED PARTIES SUBJECT TO NOTICE

Case No. 22398 - Application of Colgate Operating, LLC for Compulsory Re: Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that COG Operating LLC filed the enclosed application with the New Mexico Oil Conservation Division. The hearing will be conducted on January 6, 2022 beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (https://www.apps.emnrd.state.nm.us/ocd/ocdpermitting/) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 10

575-622-6510

ROSWELL, NEW MEXICO 88202 (FAX) 575-623-9332

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

COLGATE OPERATING. LLC Case No. 22398 Exhibit A-6

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7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321



HINKLE SHANOR LLP

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

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

December 10, 2021

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL OVERRIDING ROYALTY INTEREST OWNERS SUBJECT TO NOTICE

Re: Case No. 22398 - Application of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that COG Operating LLC filed the enclosed application with the New Mexico Oil Conservation Division. The hearing will be conducted on **January 6**, 2022 beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332 PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	Sent To Gahr Energy Co. Street and P.O. Box 1889 Midland, TX 79702 Gify State	Postage \$ Total Postage and Fees \$ USPS	Heturn Receipt (electronic) Refurn Receipt (electronic) Carlifold Mail Restricted Delivery Adult Signature Restricted Delivery Adult Signature Restricted Delivery	Certified Mail Fee S Extra Services & Fees (check box, add fee as appropriate)	CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at twww.usps.com*.

PS Form 3811, July 2020 PSN 7530-02-000-9053	9590 9402 6746 1074 2523 14 2. Article Number (Transfer from service label) 7020 0640 0000 0304 1951	 Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Gahr Energy Co. P.O. Box 1889 Midland, TX 79702 	SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you.	
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Street and A ₁ 203 W. Wall St., Ste. 920
City, State, 2
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions
See neverse for instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Lodge Exploration Co., LLC 203 W. Wall St., Ste. 920 Midland, TX 79701 	A. Signature Agent Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
9590 9402 6746 1074 2522 84 2. Article Number (Transfer from service label) 7020 0640 0000 0304 1920	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ Insured Mail □ Insured Mail Restricted Delivery
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Popo In all cost por more on the cost of the legislations	Sent To Marathon Oil Permian, LLC Street and 2 5555 San Felipe Houston, TX 77056 City, State,	Postage Total Postage and Fees USPS	Heturn Receipt (Idadocby) Postmark Pos	Certified Mail Fee Services & Fees (check box, add fee as pppropriate)	Domestic Mail Only For delivery information, visit our website at www.usps.com*.	CERTIFIED MAII® RECEIPT

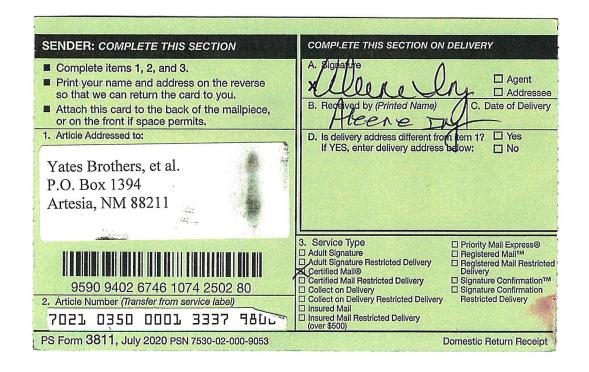
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PS Form 3811, July 2020 PSN 7530-02-000-9053	7021 0350 0001 3337 9817	2. Article Number (Transfer from service label)	9590 9402 6746 1074 2502 97		Houston, TX 77056	5555 San Felipe	Marathon Oil Permian, LLC	1. Article Addressed to:	Attach this card to the back of the mailpiece, or on the front if space permits.	Print your name and address on the reverse so that we can return the card to you.	Complete items 1, 2, and 3.	SENDER: COMPLETE THIS SECTION	
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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	Street and A P.O. Box 1889 Oity, State, 2 Oity, State, 2	Postage S Total Postage and Fees USPS	Return Receipt (tearcloopy) \$	Certified Mall Fee S Extra Services & Fees (chack box, add fee as appropriate)	U.S. POSTAI SETVICE CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com®.

See Reverse for Instructions

FS Form 3611, July 2020 PSN 7530-02-000-9053		Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: V-F Petroleum, Inc. P.O. Box 1889 Midland, TX 79702	SENDER: COMPLETE THIS SECTION
Domestic Return Receipt	S. Service Type □ Adult Signature □ Adult Signature Hestricted Delivery □ Certified Mail Restricted Delivery □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Hestricted Delivery □ Insured Mail □ Insured Mail Restricted Delivery □ Insured Mail Restricted Delivery □ Signature Confirmation □ Restricted Delivery	A. Signature A. Signature A. Signature A. Signature A. Signature A Agent Addressee C. Date of Delivery A Addressee C. Date of Delivery A Addressee A Addressee A Addressee A Addresse A Addressee A	COMPLETE THIS SECTION ON DELIVERY

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	City, State,		.)		
	PS Form 380	00, April 2015 PSA	7530-02-000-9047	See Reverse for Instructions	



Carlsbad Current Argus.

This is to notify all interested parties, including Apache Corp.; Petrogulf Corporation; EOG Re-sources; Marathon Oil Permian, LLC; Yates Brothers, et al.; Gahr

LLC; Yates Brothers, et al.; Gahr Energy Co.; Fuel Products, Inc.; V-F Petroleum, Inc.; Lodge Exploration Co., LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 22398). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on January 6, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on

see the interectronic nearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/ hearings.html. Applicant applies for an order pooling all uncommitted interests within the

Bone Spring formation underlying a 320-acre, more or less,

ing a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2N/2 of Sections 16 and 17, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Black Cat 16 State Com 121H and Black Cat 16 State Com 131H wells ("Wells") to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 16 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 17. The completed intervals of

NW/4NW/4 (Unit D) of Section 17. The completed intervals of the Wells will be orthodox. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 18 miles northeast of Carlsbad. #5047747.Current Argus

#5047747, Current Argus Dec. 17, 2021

Affidavit of Publication Ad # 0005047747 This is not an invoice

HINKLE SHANOR LLP 218 MONTEZUMA

SANTA FE, NM 87501

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

12/17/2021

egal Clerk

Subscribed and sworn before me this December 17, 2021:

> State of WI, County of Brown **NOTARY PUBLIC**

> > My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005047747 PO #: 22398 # of Affidavits 1

This is not an invoice

COLGATE OPERATING, Case No. 22398

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Exhibit A-7

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

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

CASE NO. 22398

SELF-AFFIRMED STATEMENT OF DAVID DAGIAN

- 1. I am a geologist at Colgate Operating, LLC ("Colgate") and am over 18 years of age. I 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 geology matters were accepted and made a matter of record.
 - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. **Exhibit B-1** is a regional locator map that identifies the Black Cat project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring 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 unit ("Unit") within the Bone Spring formation. The approximate wellbore paths for the proposed Black Cat 16 State Com 121H and Black Cat 16 State Com 131H wells ("Wells") are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section well names and a black line in proximity to the proposed wells.
- 5. **Exhibit B-3** is Second Bone Spring (SBSG) Structure map on the base of the Second Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies

COLGATE OPERATING, LLC Case No. 22398 Exhibit B Released to Imaging: 2/16/2022 8:10:16 AM

the approximate wellbore path for the **Black Cat 16 State Com 121H** proposed SBSG well with an orange dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

- 6. Exhibit B-4 is Third Bone Spring (TBSG) Structure map on the top of the Third Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore path for the Black Cat 16 State Com 131H proposed TBSG well with a red dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinchouts, or geologic impediments to developing the targeted intervals with horizontal wells.
- 7. **Exhibit B-5** identifies four wells penetrating the targeted interval I used to construct a structural cross-section from A to A'. The structural cross section from west to east shows the regional dip to the East-Southeast for both the SBSG and the TBSG. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. The target zones for the proposed wells are the Second and Third Bone Spring formations, which are consistent across the units. The approximate well-path for the proposed wells is indicated by dashed lines to be drilled from east to west across the units.
- 8. Exhibit B-6 is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-5. 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 zone for the Wells is labeled on the exhibit. The approximate well-path for the proposed wells is indicated by dashed lines to be drilled from east to west across the units. This cross-section demonstrates the target interval is continuous across the Unit.

9. Exhibit B-7 is a gun barrel diagram that shows the Black Cat 16 State Com 121H well in the Second Bone Spring formation and the Black Cat 16 State Com 131H well in the Third Bone Spring formation.

10. 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.

11. 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.

12. In my opinion, the granting of Colgate's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

13. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

14. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 13 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.

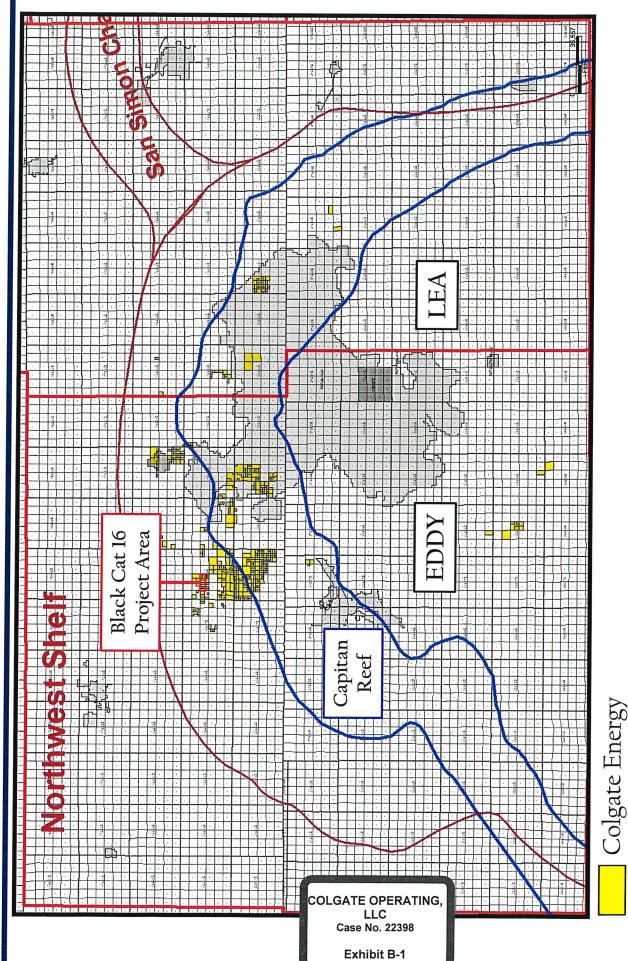
David DaGian

2/10/2022 Date Released to Imaging: 2/16/2022 8:10:16 AM

Regional Locator Map Black Cat 16 State Com

Exhibit B-1



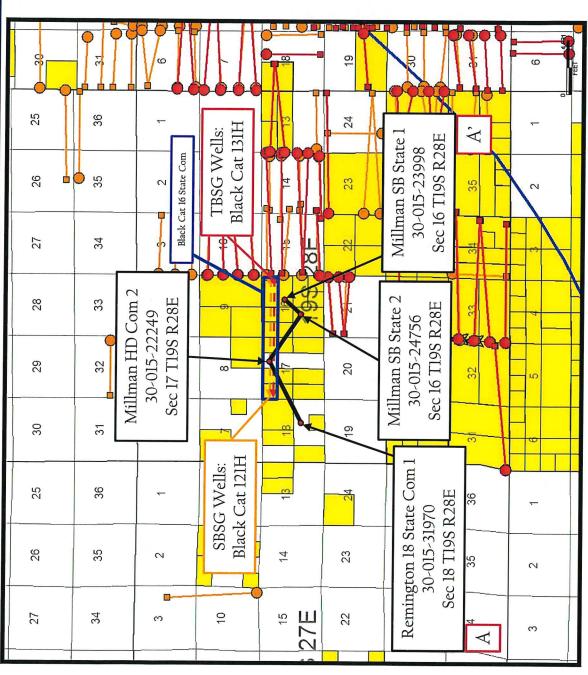


Cross-Section Locator Map Black Cat 16 State Com 121H & 131H

Exhibit B-2







Proposed Wells

SBSG BHL SHL

TBSG BHL SHL

Producing Wells SBSG TBSG

Colgate Energy

COLGATE OPERATING, LLC Case No. 22398

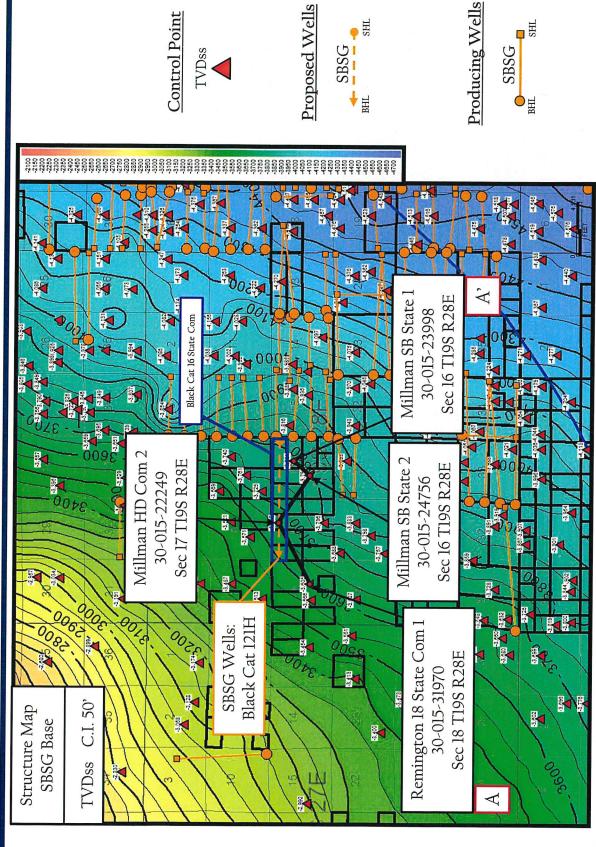
Exhibit B-2

Second Bone Spring – Structure Map

Black Cat 16 State Com

Exhibit B-3





Control Point

TVDss

Colgate Energy

COLGATE OPERATING LLC Case No. 22398

Exhibit B-3

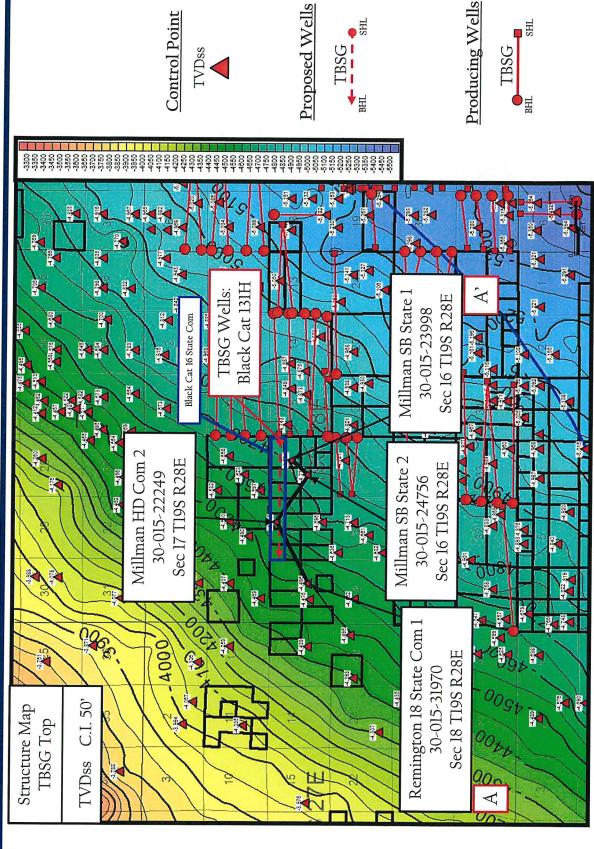
SBSG

Received by OCD: 2/15/2022 4:36:26 PM Third Bone Spring – Structure Map

Black Cat 16 State Com







Colgate Energy

COLGATE OPERATING, LLC Case No. 22398

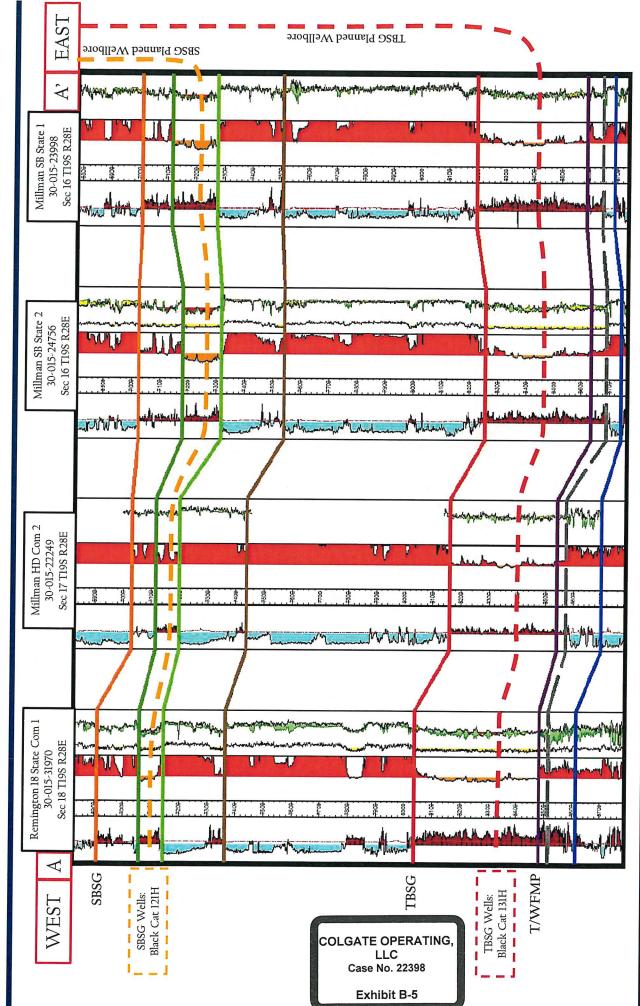
Exhibit B-4

Cross-Section A-A' (SBSG and TBSG) Structural

Black Cat 16 State Com

Exhibit B-5



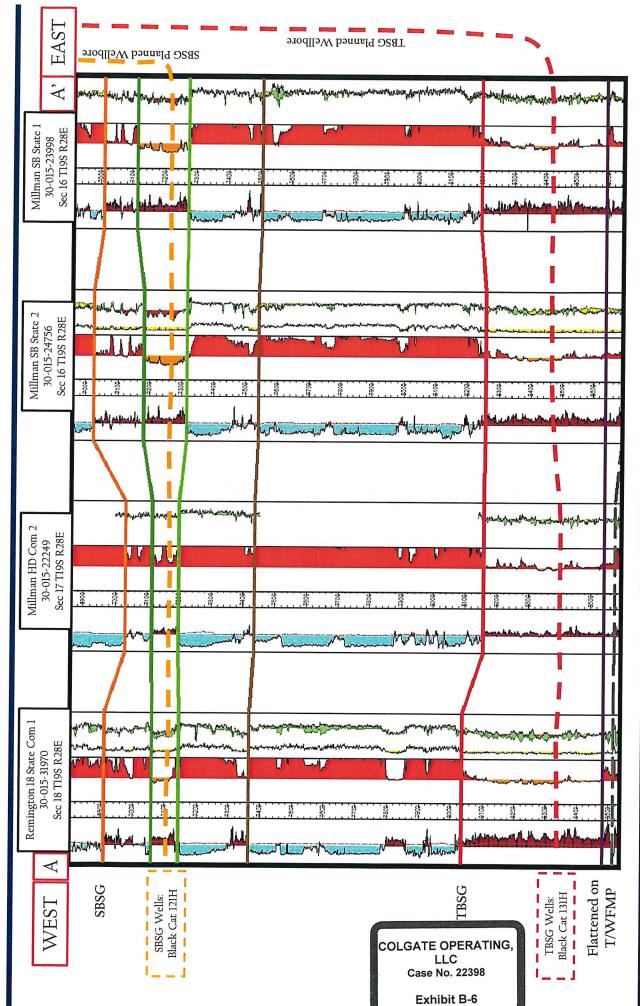


Stratigraphic Cross-Section A-A' (SBSG and TBSG)

Black Cat 16 State Com



Exhibit B-6



Gun Barrel Development Plan (SBSG and TBSG) Black Cat 16 State Com







