

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

APPLICATION OF COLGATE OPERATING,  
LLC TO POOL THE UNCOMMITTED INTERESTS  
OF RECORD TITLE OWNERS UNDER THE  
TERMS OF ORDER NO. R-21446,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 22566  
ORDER NO. R-21446 (Re-  
Open)

EXHIBIT INDEX

- |           |   |
|-----------|---|
| Exhibit A | Self-Affirmed Statement of Mark Hadjik  |
| A-1       | Application & Proposed Notice of Hearing  |
| A-2       | Order No. R-21446   |
| A-3       | Plat of Tracts, Ownership Interests, Additional Uncommitted Interests to be Pooled under the Terms of Order No. R-21446 |
| A-4       | Summary of Communications   |
| A-5       | Hearing Notice Letter and Return Receipts   |
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SELF-AFFIRMED STATEMENT  
OF MARK HADJIK

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am a landman for Colgate Operating, LLC ("Colgate"). I am familiar with Colgate's application in this case and with the status of the lands in the subject area. A copy of Colgate's application and proposed notice are attached as **Exhibit A-1**.

3. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted.

4. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

5. On September 9, 2020, the Division entered Order No. R-21446 ("Order") in Case No. 21317, which pooled all uncommitted interests in the Scanlon Draw; Bone Spring Pool (Pool Code 55510) within the Bone Spring formation in a 233-acre, more or less, standard horizontal spacing unit ("HSU") comprised of the S/2NW/4 equivalent of irregular Section 18, Township 19 South, Range 29 East and the S/2N/2 of Section 13, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Order further dedicated the Unit to the Atlas 18 State Fed Com

122H and Atlas 18 State Fed Com 132H wells (“Wells”) and designated Applicant as operator of the Unit and Wells.

6. A copy of Order No. R-21446 is attached as **Exhibit A-2**.

7. The interests of certain record title owners were not pooled under the terms of the Order nor have the record title owners agreed to pool their interests into the unit.

8. Additionally, since the entry of the Order, the record title owners have failed or refused to sign a communitization agreement.

9. **Exhibit A-3** provides a plat of the tracts included in the HSU, identifies the interests in each tract included in the HSU, and identifies the additional uncommitted interests to be pooled under the terms of Order No. R-21446.

10. In my opinion, Colgate has made a good-faith effort to reach voluntary joinder of the record title owners as indicated by the chronology of contact described in **Exhibit A-4**.

11. Notice of Colgate’s application and the Division hearing was provided to the additional parties more than 20 days prior to the hearing date. The notice letter and associated receipts are attached as **Exhibit A-5**.

12. Notice of Colgate’s 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-6**.

13. Colgate requests the record title owners be pooled under the terms of Order No. R-21446.

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

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

16. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 15 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.



\_\_\_\_\_  
Mark Hadjik

2/22/22

\_\_\_\_\_  
Date

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

APPLICATION OF COLGATE OPERATING,  
LLC TO POOL THE UNCOMMITTED INTERESTS  
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TERMS OF ORDER NO. R-21446,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 22566  
ORDER NO. R-21446 (Re-Open)

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC ("Applicant") (OGRID No. 371449) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling the uncommitted interests of record title owners under the terms of Division Order No. R-21446. Applicant states the following in support of its application.

1. On September 9, 2020, the Division entered Order No. R-21446 ("Order") in Case No. 21317, which pooled all uncommitted interests in the Scanlon Draw; Bone Spring Pool (Pool Code 55510) within the Bone Spring formation in a 233-acre, more or less, standard horizontal spacing unit comprised of the S/2NW/4 equivalent of irregular Section 18, Township 19 South, Range 29 East and the S/2N/2 of Section 13, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Order further dedicated the Unit to the Atlas 18 State Fed Com 122H and Atlas 18 State Fed Com 132H wells ("Wells") and designated Applicant as operator of the Unit and Wells.

2. The interests of certain record title owners were not pooled under the terms of the Order nor have the record title owners agreed to pool their interests into the unit.

3. Additionally, since the entry of the Order, the record title owners have failed or refused to sign a communitization agreement.

4. Pooling the uncommitted interest of the record title owners under the terms of the Order will prevent waste, protect correlative rights, and promote administrative efficiency.

Colgate Operating,  
LLC  
Case No. 22566  
Exhibit A-1

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the uncommitted interests of the record title owners should be pooled into the Unit pursuant to terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on March 3, 2022, and after notice and hearing, the Division pool the uncommitted interests of the record title owner into the Unit pursuant to the terms of Division Order No. R-21446.

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  
Facsimile: (505) 982-8623  
dhardy@hinklelawfirm.com  
mrodriguez@hinklelawfirm.com  
Counsel for Colgate Operating, LLC

**Application of Colgate Operating, LLC to Pool the Uncommitted Interests of Record Title Owners Under Order No. R-21446, Eddy County, New Mexico.** Applicant seeks an order pooling the uncommitted interests of record title owners under the terms of Division Order No. R-21446. On September 9, 2020, the Division entered Order No. R-21446 ("Order") in Case No. 21317, which pooled all uncommitted interests in the Scanlon Draw; Bone Spring Pool (Pool Code 55510) within the Bone Spring formation in a 233-acre, more or less, standard horizontal spacing unit comprised of the S/2NW/4 equivalent of irregular Section 18, Township 19 South, Range 29 East and the S/2N/2 of Section 13, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Order further dedicated the Unit to the Atlas 18 State Fed Com 122H and Atlas 18 State Fed Com 132H wells ("Wells") and designated Applicant as operator of the Unit and Wells. The interests of certain record title owners were not pooled under the terms of the Order nor have the record title owners agreed to pool their interests into the unit. Additionally, since the entry of the Order, the record title owners have failed or refused to sign a communitization agreement. The Wells are located approximately 16.5 miles northeast of Carlsbad, New Mexico.

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

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

CASE NO. 21317  
ORDER NO. R-21446

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on August 20, 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.

Colgate Operating, LLC  
Case No. 22566  
Exhibit A-2

- Page 9 of 21
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").

- Page 10 of 21
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.

- Page 11 of 21
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



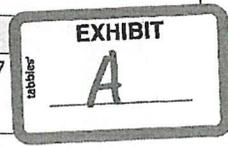
ADRIENNE SANDOVAL  
DIRECTOR  
AES/kms

Date: 9/09/2020

CASE NO. 21317  
ORDER NO. R-21446

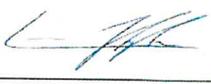
Exhibit "A"

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 21317</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	August 20, 2020
<b>Applicant</b>	Colgate Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Colgate Operating, LLC (OGRID 371449)
<b>Applicant's Counsel:</b>	Modrall Sperling
<b>Case Title:</b>	APPLICATION OF COLGATE OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, CASE NO. 21317
<b>Entries of Appearance/Intervenors:</b>	MRC Permian Company; Cimarex Energy Company on behalf of Magnum Hunter
<b>Well Family</b>	Atlas
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring Formation
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Bone Spring Formation
<b>Pool Name and Pool Code:</b>	Scanlon Draw; Bone Spring Pool (Pool Code 55510)
<b>Well Location Setback Rules:</b>	Latest Statewide Horizontal Rules Apply
<b>Spacing Unit Size:</b>	233 Acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	233 Acres
<b>Building Blocks:</b>	Quarter Quarter Sections
<b>Orientation:</b>	East to West
<b>Description: TRS/County</b>	S/2 NW/4 equivalent of irregular Section 18, Township 19 South, Range 29 East and the S/2 N/2 of Section 13, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico
<b>Standard Horizontal Well Spacing Unit (Y/N), if No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	No
<b>Proximity Defining Well: if yes, description</b>	N/A
<b>Applicant's Ownership in Each Tract</b>	Exhibit B.4-17
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	See Exhibit B.2-17 and Exhibit B.3-17

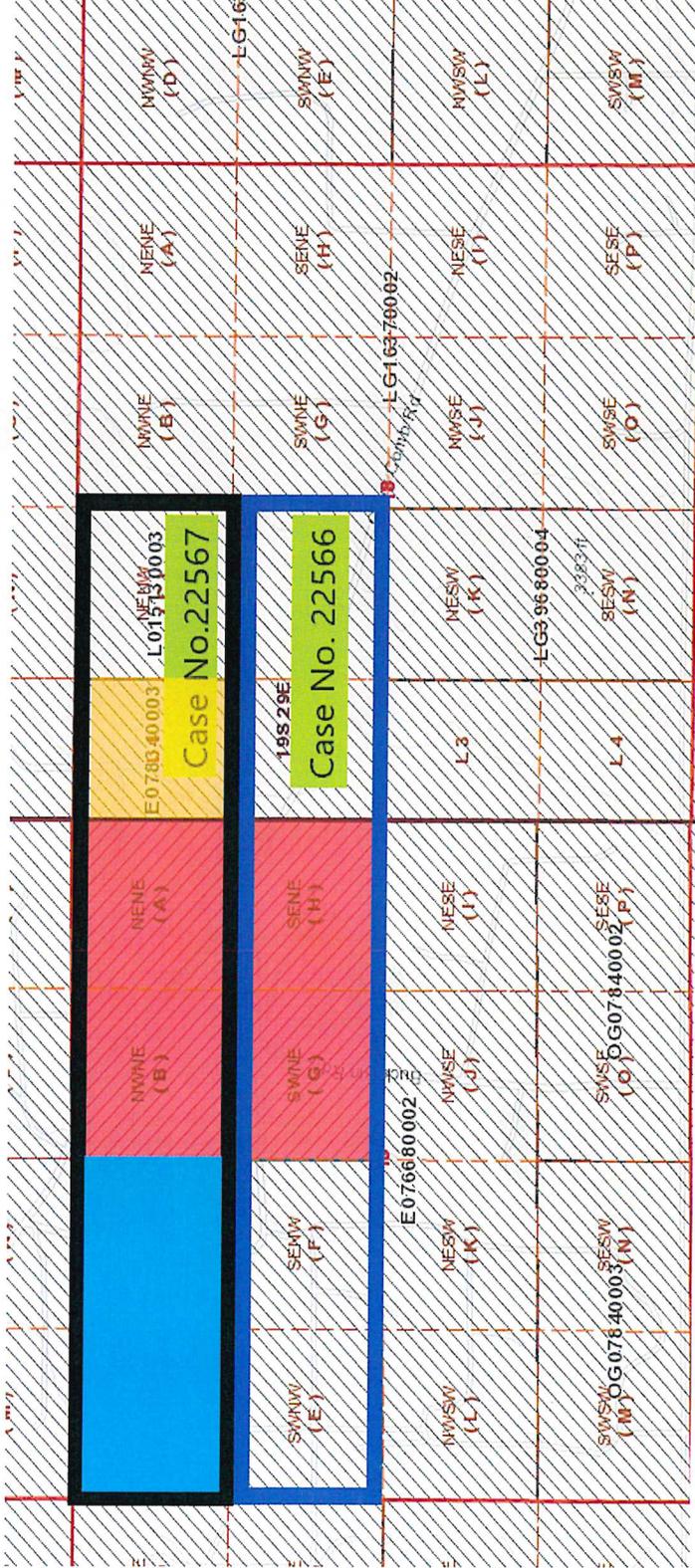


CASE NO. 21317  
 ORDER NO. R-21446

Well #1	<p>Atlas 18 State Fed Com 122H                      SHL: 1072 feet from the North line and 2197 feet from the West line, NE/4 NW/4 (Unit C) of irregular Section 18, Township 19 South, Range 29 East, NMPM, Eddy County.                      BHL: 1960 feet from the North line and 10 feet from the West line, SW/4 NW/4 (Unit E) of Section 13, Township 19 South, Range 28 East, NMPM, Eddy County.</p> <p>Completion Target: 2rd Bone Spring at approx 7,600 feet TVD.                      Well Orientation: East to West                      Completion Location expected to be: standard</p>
Well #2	<p>Atlas 18 State Fed Com 132H                      SHL: 1117 feet from the North line and 2196 feet from the West line, NE/4 NW/4 (Unit C) of irregular Section 18, Township 19 South, Range 29 East, NMPM, Eddy County.                      BHL: 1960 feet from the North line and 10 feet from the West line, SW/4 NW/4 (Unit E) of Section 13, Township 19 South, Range 28 East, NMPM, Eddy County, Range 28 East, NMPM, Eddy County.</p> <p>Completion Target: 3rd Bone Spring at approx 8,600 feet TVD.                      Well Orientation: East to West                      Completion Location expected to be: standard</p>
Horizontal Well First and Last Take Points	Exhibit B.3-17
Completion Target (Formation, TVD and MD)	Exhibit B; Exhibit B.5-17; Exhibit B.2-17; Exhibit C.3 through C.10
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit B.6-17 for AFEs
Requested Risk Charge	200%; see Exhibit B
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.4-17
Tract List (including lease numbers and owners)	Exhibit B.4-17
Pooled Parties (including ownership type)	Exhibit B.4-17
Unlocatable Parties to be Pooled	Exhibit B.4-17; Exhibit D.2

Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B.5-17
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.4-17
Chronology of Contact with Non-Joined Working Interests	Exhibit B.1
Overhead Rates In Proposal Letter	Exhibit B.5-17
Cost Estimate to Drill and Complete	Exhibit B.6-17 for AFEs
Cost Estimate to Equip Well	Exhibit B.6-17 for AFEs
Cost Estimate for Production Facilities	Exhibit B.6-17 for AFEs
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits B.3-17, C.2, and C.3
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.3
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits C.3 through C.10
HSU Cross Section	Exhibits C.7 through C.10
Depth Severance Discussion	Exhibit B
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C.3-17
Tracts	Exhibit B.4-17
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.4-17
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibits C.2 through C.10
Structure Contour Map - Subsea Depth	Exhibits C.4 and C.6
Cross Section Location Map (including wells)	Exhibit C.2
Cross Section (including Landing Zone)	Exhibits C.7 through C.10
<b>Additional Information</b>	
Special Provisions/Stipulations	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Lance Hough
Signed Name (Attorney or Party Representative):	
Date:	8/18/2020

BLM Lessee of Record	TRACT	FORCE POOL INTEREST
ELLIOTT INDUSTRIES LTD PTNRSHP	Red Shaded	Yes
PARCELL, CHARLES L	Red Shaded	Yes
ELLIOTT-HALL CO	Red Shaded	Yes
		Yes
NMSLO Lessee of Record	TRACT	FORCE POOL INTEREST
KERR-MCGEE O/G ONSHORE, LP	Blue Shaded	Yes
		Yes
OXY USA INC.	Orange Shaded	Yes



COLGATE OPERATING, LLC

Case No. 22566

Exhibit A-3

### Communication Timeline

**October 18, 2021** – submitted COM to Elliott groups for their review

**October 29, 2021** – initial response from Elliott groups indicating they would send to their attorney for their review

**November 2021** – submitted COMs to Kerr McGee and Oxy

**November 2021 to January 2022** – Colgate sends a number of check in emails to Elliott entities on the status of review and execution. These inquiries are either not answered, or it is indicated that they are still waiting on a response from their attorney. Exchange emails with Oxy/Kerr McGee.

**February 16, 2022** – Scott Morgan reached out on their behalf asking questions regarding the COM.

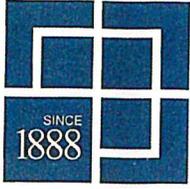
**February 2022 to present** – numerous discussions with Dana Hardy (Colgate Attorney), Colgate and Scott Morgan (Attorney for Elliott)

**February 28, 2022** – No affirmative response or execution from the Elliot groups or Oxy/Kerr McGee. Title research indicates that Charles L. Parcell is deceased. Probate information or transfers of interest with the BLM could not be located at this time.

COLGATE OPERATING, LLC

Case No. 22566

Exhibit A-4



**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

February 7, 2022

VIA CERTIFIED MAIL

**To: Record Title Owners Subject to Pooling**

Re: Colgate Operating, LLC NMOCD Application – Case No. 22566

Enclosed is a copy of an application that Colgate Operating, LLC has filed with the New Mexico Oil Conservation Division (“the Division”). The application (Case No. 22566) seeks to pool record title owners under the terms of Order No. R-21446.

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 March 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the Division’s Hearings docket for that day: <http://www.emnrd.state.nm.us/OCD/hearings.html>. You are not required to attend the hearing, but as an owner of an interest that may be affected by the application, you may appear at the hearing and present testimony. If you do not appear at that time and become a party of record, you will be precluded from contesting the matter at a later date.

A party appearing in a Division case is required by the Division’s Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, February 24, 2022. The Pre-Hearing Statement must be filed with the Division and should include: the name of the party and the party’s attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party’s case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Very truly yours,

/s/ Dana S. Hardy  
Dana S. Hardy

DSH:sm  
Enclosure

Colgate Operating, LLC  
Case No. 22566  
Exhibit A-5

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

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

7021 0950 0002 0365 2257

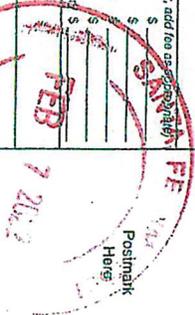
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- Adult Signature Restricted Delivery \$ 0.00



**Total Postage and Fees**

\$ 2.80

**Sent to**

Charles L. Parkell  
 Street and Apt. No. 140 Convent Ct  
 San Rafael, CA 94901  
 City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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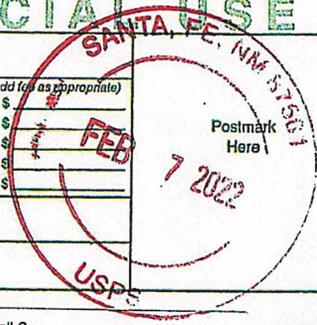
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Street and Apt. No., or P.O. Box \_\_\_\_\_ Elliot-Hall Co.  
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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ Date of Delivery _____</p> <p>C. Is delivery address different from item #1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: _____</p>
<p>1. Article Addressed to:</p> <p>Elliot-Hall Co. Elliott Industries Ltd. Partnership P.O. Box 1328 Santa Fe, NM 87504</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 5760 0003 2700 95</p> <p>7021 0950 0002 0365 2240</p>	<p>87501-9998</p>
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

# Carlsbad Current Argus.

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## Affidavit of Publication

Ad # 0005126097

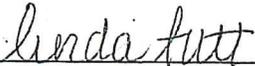
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**HINKLE SHANOR LLP**  
218 MONTEZUMA

**SANTA FE, NM 87501**

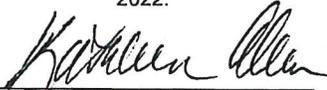
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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:

02/11/2022



Legal Clerk

Subscribed and sworn before me this February 11, 2022:



State of WI, County of Brown  
NOTARY PUBLIC



My commission expires

This is to notify all interested parties, including Elliott-Hall Co.; Elliott Industries Ltd. Partnership; Charles L. Parcell; 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. 22566). 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 March 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OC/CD/hearings.html>. Applicant seeks an order pooling the uncommitted interests of record title owners under the terms of Division Order No. R-21446. On September 9, 2020, the Division entered Order No. R-21446 ("Order") in Case No. 21317, which pooled all uncommitted interests in the Scanlon Draw; Bone Spring Pool (Pool Code 55510) within the Bone Spring formation in a 233-acre, more or less, standard horizontal spacing unit comprised of the S/2NW/4 equivalent of irregular Section 18, Township 19 South, Range 29 East and the S/2N/2 of Section 13, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Order further dedicated the Unit to the Atlas 18 State Fed Com 122H and Atlas 18 State Fed Com 132H wells ("Wells") and designated Applicant as operator of the Unit and Wells. The interests of certain record title owners were not pooled under the terms of the Order nor have the record title owners agreed to pool their interests into the unit. Additionally, since the entry of the Order, the record title owners have failed or refused to sign a communitization agreement. The Wells are located approximately 16.5 miles northeast of Carlsbad, New Mexico. #5126097, Current Argus, Feb 11, 2022

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

Ad # 0005126097  
PO #:  
# of Affidavits 1

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Colgate Operating, LLC  
Case No. 22566  
Exhibit A-6