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| COMPULSORY POOLING APPLICATION CHECKLIST | |
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | |
| Case: 21078-21079 | Applicant's Response |
| Date: August 12, 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 for compulsory pooling, Eddy County, New Mexico OCD Cases 21078-21079 |
| Entries of Appearance/Intervenors | Candace Callahan/Apache Corporation Darin Savage/EOG Resources, Inc. |
| Well Family | Big Burro 27 State Com |
| Formation/Pool | |
| Formation Name(s) or Verticle Extent | Winchester-Bone Spring |
| Primary Product (Oil or Gas) | oil |
| Pooling this verticle extent | Bone Spring Formation |
| Pool Name and Pool Code | Winchester-Bone Spring, Pool Code 65010 |
| Well Location Setback Rules | Standard |
| Spacing Unit Size | 320 |
| Spacing Unit | |
| Type (Horizontal/Verticle) | Horizontal |
| Size (acres) | 320 |
| Building Blocks | quarter-quarter sections |
| Orientation | East to West |
| Description: TRS/County | N/2 S/2 of Section 27 & N/2 S/2 of Section 28, Eddy County, NM |
| Description: TRS/County | S/2 S/2 of Section 27 & S/2 S/2 of Section 28, Eddy County, NM |
| 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 | Ex. A Ex. 9 pgs 128-129 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location | |
| footages, completion target, orientation, completion status | |
| (standard or non-standard) | |
| | <p>Big Burro 27 State Com 123H Well is horizontal well with a surface location in the NE/4 SE/4 (Unit I) of Section 27, Township 19 South, Range 28 East, NMPM, Eddy County, and an intended bottom hole location in the NW/4 SW/4 (Unit L) of Section 28, Township 19 South, Range 28 East, NMPM, Eddy County. This well is proposed to be drilled vertically to a depth of approximately 7,500' to the Bone Spring formation.</p> <p>Big Burro 27 State Com 133H Well is a horizontal well with a surface location in the NE/4 SE/4 (Unit I) of Section 27, Township 19 South, Range 28 East, NMPM, Eddy County, and an intended bottom hole location in the NW/4 SW/4 (Unit L) of Section 28, Township 19 South, Range 28 East, NMPM, Eddy County. This well is proposed to be drilled vertically to a depth of approximately 8,600' to the Bone Spring formation.</p> <p>Big Burro 27 State Com 124H Well is a horizontal well with a surface location in the SE/4 SE/4 (Unit P) of Section 27, Township 19 South, Range 28 East, NMPM, Eddy County, and intended bottom hole location in the SW/4 SW/4 (Unit M) of Section 28, Township 19 South, Range 28 East, NMPM, Eddy County. This well is proposed to be drilled vertically to a depth of approximately 7,500' to the Bone Spring formation.</p> <p>Big Burro 27 State Com 134H Well is a horizontal well with a surface location in the SE/4 SE/4 (Unit P) of Section 27, Township 19 South, Range 28 East, NMPM, Eddy County, and an intended bottom hole location in the SW/4 SW/4 (Unit M) of Section 28, Township 19 South, Range 28 East, NMPM, Eddy County. This well is proposed to be drilled vertically to a depth of approximately 8,600' to the Bone Spring formation.</p> |
| Horizontal Well First and Last Take Points | |
| Completion Target (Formation, TVD and MD) | Exhibit A AFE's pgs. 147-150 |
| | Identify the Exhibit and Page for Information below this line |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$8000/\$800 |
| Production Supervision/Month \$ | Exhibit A AFE's pgs. 147-150 |
| Justification for Supervision Costs | Exhibit A AFE's pgs. 147-150 |
| Request Risk Charge | 200% plus a portion of well costs Exhibit A AFE's pgs. 147-150 |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit C pgs. 2-3 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C pgs. 9-11 |

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| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit C pg. 12 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit A Ex. 10 pgs. 130-131 |
| Tract List (Including lease numbers and owners) | Exhibit A Ex. 10 pgs. 130-131 |
| Pooled Parties (Including ownership type) | Exhibit A Ex. 10 pgs. 130-131 |
| Unlocatable Parties to be Pooled | Exhibit C Ex. 1 pgs. 9-11 |
| Ownership Depth Severance (including percentage above & below) | None |
| Joinder | |
| Sample Copy of Proposed Letter | Exhibit A Ex. 13 pgs. 134-140 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A Ex. 10 pgs. 130-131 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit A Ex. 12 pg. 133 |
| Overhead Rates In Proposal Letter | Exhibit A Ex. 13 pgs. 134-140 |
| Cost Estimates to Drill and Complete | Exhibit A Ex. 15 pgs. 147-150 |
| Cost Estimate to Equip Well | Exhibit A Ex. 15 pgs. 147-150 |
| Cost Estimate for Production Facilities | Exhibit A Ex. 15 pgs. 147-150 |
| Geology | |
| Summary (Including special considerations) | Exhibit B Pgs. 1-5 |
| Spacing Unit Schematic | None |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit B pg. 7 |
| Well Orientation (with rationale) | none |
| Target Formation | Exhibit B pg. 14 |
| HSU Cross Section | Exhibit B pg. 15 |
| Depth Severance Discussion | none |
| Forms, Figures and Tables | none |
| C-102 | see above |
| Tracts | Exhibit B pgs. 9, 10, 11, 12, 13 |
| Summary of Interests, Unit Recapitulation (Tracts) | none |
| General Location Map (including basin) | Exhibit B pg. 8 |
| Well Orientation (with rationale) | Exhibit B pg. 6, 7 and C-102's |
| Structure Contour Map - Subsea Depth | Exhibit B pg. 10 |
| Cross Section Location Map (including wells) | Exhibit B pgs. 14, 15, 16 |
| Cross Section (including Landing Zone) | Exhibit B pgs. 14, 15, 16 |
| 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 - Colgate Operating, LLC |
| Signed Name: (Attorney or Party Representative): |  |
| Date | Wednesday, August 12, 2020 |