

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Colgate Operating, LLC  
OPERATOR ADDRESS: 300 North Marienfeld Street, Suite 1000 Midland, Texas 79701  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Please see attached					

- (2) Are any wells producing at top allowables?  Yes  No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
 (4) Measurement type:  Metering  Other (Specify)  
 (5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code. [97569] WINCHESTER; BONE SPRING, WEST  
 (2) Is all production from same source of supply?  Yes  No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
 (4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply?  Yes  No  
 (2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
 (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
 (3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Sr. Regulatory Analyst DATE: 05.05.2022  
 TYPE OR PRINT NAME Mikah Thomas TELEPHONE NO.: 432-695-4272  
 E-MAIL ADDRESS: mthomas@colgateenergy.com



## APPLICATION FOR SURFACE POOL/LEASE COMMINGLING

Colgate Operating, LLC respectfully requests approval to surface pool lease commingle oil and gas from all existing and future wells in Section 32 and Section 31 in Township 19 South, Range 28 East, within the Bone Spring pool listed in the application.

This Commingle and Allocation Approval (CAA) will not negatively affect the royalty of the federal government. Any allocation meters (non-FMPs) will meet API measurement standard 14.1. The location of the FMP is on lease. There is no new surface disturbance included as part of the proposed CAA. These spacing units are initially dedicated to the following wells:

	API	WELL NAME	WELL #	LOCATION	POOL CODE/ NAME	STATUS	Oil BPD	Gravities	MCFPD	BTU
1	30-015-47739	Dakota 32 State Fed Com	123H	I-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Permitted	*2100	*43	*3400	*1250
2	30-015-47740	Dakota 32 State Fed Com	124H	P-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Producing	*2100	*43	*3400	*1250
3	30-015-47742	Dakota 32 State Fed Com	133H	P-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*1800	*43	*3800	*1250
4	30-015-47744	Dakota 32 State Fed Com	134H	I-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*1800	*43	*3800	*1250
5	30-015-47732	Bolander 32 State Fed Com	121H	A-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*2100	*43	*3400	*1250
6	30-015-47734	Bolander 32 State Fed Com	122H	H-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*2100	*43	*3400	*1250
7	30-015-47774	Bolander 32 State Fed Com	131H	A-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*1800	*43	*3800	*1250
8	30-015-47736	Bolander 32 State Fed Com	132H	H-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*1800	*43	*3800	*1250

### General Information:

The Tank Battery to service the subject wells is located in the NESE of Section 32 in Township 19 South Range 28 East, Eddy County, New Mexico.

Application to commingle production from the subject wells has been submitted to the Bureau of Land Management, SLO and NMOCD.

### Future Information:

Colgate Operating, LLC respectfully requests authority to add additional wells contained within the spacing units identified and approved in this application by filing a Subsequent Sundry Report to the BLM for Federal and filing a C-103Z and C-102 with the NMOCD. Notice to owners shall not be required when amending the application to add wells contained within spacing units previously approve for commingling authority.

Pursuant to Statewide rule 19.15.12.10 (C)(4)(g) Colgate Operating, LLC respectfully requests the option to include additional pools or lessees within this spacing unit.

300 N. Marienfeld Street, Suite 1000, Midland, Texas 79701  
 P: (432) 695-4222 | F: (432) 695-4063  
[www.ColgateEnergy.com](http://www.ColgateEnergy.com)

## Allocation Methodology

### PRORATED ALLOCATION

#### GAS ALLOCATION

Each well has a Wellhead (WH) meter and a Gas Lift (GL) meter. The CTB has a FC Meter that measures the volume of gas that leaves the CTB, this FC meter is considered an FMP. The INJ BB meter that measures off-lease gas coming on lease used for gas lift from the gathering line is considered an FMP.

1. Buyback FM is the volume of off-lease gas used for gas lift and to run the compressor, it is calculated by Buyback – Comp Fuel,
2. Net Well Production is base amount of production not used for gas lift and is calculated by subtracting Gas Lift (GL) volume from the wellhead (WH) meter reading.
3. Lease use is the volume of gas used by the equipment on the CTB allocated to the wells by Lease Use volume/total hours produced by all wells on CTB \* each wells Hours On.
4. Theoretical % used for the allocation of production/sales is calculated by dividing the Net Well Production volume for each well into the sum of the Net Well Production.
5. CTB FC-INJ BB (Net CTB Gas) is volume of gas for royalty purposes, off lease gas is netted out of FMP meter volume.  $FC\ Meter - (INJ\ BB\ Meter - GL\ Compressor)$ . This gives you the volume of gas for royalty purposes that was produced/sold from the CTB.
6. Theoretical % for each well is multiplied by the Net CTB Gas.
7. HP Flare is volume of gas flared from the CTB, allocated to wells by Theoretical % for each well \* HP FL volume.
8. VRU measures the gas from the oil tanks, is allocated based on allocated oil production for each well. VRU is an FMP.  $VRU\ measured\ volume * theoretical\ \%\ of\ oil\ produced$ . Each well's oil measured volume/by sum of all oil measured volumes on CTB = theoretical oil volume.
9. Total Net FMP Volumes is total sold from the CTB to the gathering line and is calculated by Net CTB Gas + VRU.
10. Allocated Production is all gas produced by CTB and is calculated by adding Total Net FMP Volumes+ HP Flare + Lease Use.
11. Total Net FMP Volumes is total sold from the CTB to the gathering line and is calculated by Net CTB

## OIL ALLOCATION

Each well has an oil meter measuring the volume of oil produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Sales Volume (FMP) back to each well.

1. Allocated production is volume of oil produced by the CTB and is calculated by Ending Tank Inventory + Pipeline LACT (FMP) – Beginning Tank Inventory.
2. Available oil for sale is calculated by Pipeline Lact (FMP) – Beginning Tank Inventory.
3. Theoretical % is calculated by dividing each oil meter volume into the sum of oil meters.
4. The Theoretical % for each well is multiplied by the Allocated Production and the Available Sales.
5. Total Sales Volume is the volume of oil sold through the FMP meter. It is calculated by adding available for sale to the beginning inventory for each well.
6. Beginning Inventory comes from previous accounting period's Ending Inventory for each well.
7. Ending Inventory for each well is calculated by adding Beginning Inventory + Allocated Production – Total Sales Volume.

## WATER ALLOCATION

Each well has a water meter measuring the volume of water produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Transferred Volume back to each well.

1. Allocated production is volume of water produced by the CTB and is calculated by Ending Tank Inventory + Water Transfer – Beginning Tank Inventory.
2. Available Water to Transfer is calculated by Water Transfer – Beginning Tank Inventory.
3. Theoretical % is calculated by dividing each water meter volume into the sum of the water meters.
4. The Theoretical % for each well is multiplied by the Allocated Production and the Available Sales.
5. Total Transfer Volume is the volume of water transferred off the CTB. It is calculated by adding Available to Transfer to the beginning inventory for each well.
6. Beginning Inventory comes from previous accounting period's allocated Ending Inventory for each well.
7. Ending Inventory for each well is calculated by adding beginning inventory + Allocated Production – Total Transfer Volume.

**Applied Allocation Spreadsheet Examples (Oil Stream)**

**Definition of Factors, Formulas, and Assets**

Oil Allocation Factor	Daily meter reading from a testing vessel (shared or designated by well) for an individual well used as the basis for prorating produced sellable volumes from the OMT.
Well Test Hours	Total hours that well test was conducted for. Used to adjust Oil Allocation Factor to a 24 hour rate. Well test hours can be more than or less than 24 hours but greater than 0.
Hours Flowed	Total hours that well was flowing produced fluids. Used to adjust Oil Allocation Factor to compensate for Oil Allocation Factor being adjusted to a 24 hour rate.
Oil Allocation Factor Basis	The Oil Allocation Factor adjusted to 24 hour basis and corrected for any downtime incurred for the well. Reporting volume to the OGOR.
Theoretical % of Production	Calculated by dividing the Oil Allocation Factor Basis for the individual well into the sum of all Basis' at the OMT. Not visualized in the production accounting program.
Allocated Oil Production	Volume of sold or stored volume produced in the time period ready to sell from the OMT allocated to each well. Reporting Volume to the OGOR.
Oil Master Tank (OMT)	Relative terminology synonymous with Central Tank Battery.
Beginning Oil	Inventory in bbls from the previous accounting periods calculated ending inventories. In the case of a new OMT, during any accounting period, Open inventory would be = 0.
Ending Oil	Inventory in bbls as measure for the date of accounting. Ending inventory can be positive, negative or neutral each day, but cannot sum to < 0.
Dispositions	A measured volume removed from a tank or moved through a LACT. Recorded from a ticket or direct meter read.
Oil Production	Total volume sold or available for sell for each asset at the OMT for accounting period. Calculated by subtracting Ending Oil from Beginning Oil and summing with Dispositions
OMT Totals	Formula to calculate the total volumes sold or available for sale at the OMT for the accounting period. Reporting Volume to the OGOR.
LACT	Measures in bbls the volume transferred at the LACT meter to custody of the midstream gatherer or direct to purchaser.
Oil Tank #	Physical tank count at the OMT. Tanks can vary in size by battery and volume requirements. BBL/Inch factors are calculated and applied at the asset level.

**Individual Well Factors and Allocated Production**

Well Name	Oil Allocation Factor	Well Test Hours	Hours Flowed	Oil Allocation Factor Basis	Theoretical % of Production	Allocated Oil Production
xxxxx	817.59	24.00	24.00	817.59	0.62374	821.11
xxxxx	493.20	24.00	24.00	493.20	0.37626	495.33
Totals	1310.79	-	-	1310.79	1.00000	1316.44

**Oil Master Tank (OMT)**

Asset	Beginning Oil	Ending Oil	Dispositions	Oil Production
Oil Tank 1 (OT1)	166.80	161.24		-5.56
Oil Tank 2 (OT2)	88.96	88.96		0.00
Oil Tank 3 (OT3)	63.94	63.94		0.00
LACT			1322.00	1322.00
OMT Totals	319.70	314.14		1316.44

**Applied Allocation Spreadsheet Examples (Gas Stream)**

<b>Definition of Factors, Formulas, and Assets</b>	
Gas Out	Daily meter reading from a testing vessel (shared or designated by well) for an individual well used as the basis for prorating total produced volumes.
Gas In	Daily meter reading from a designated meter for an individual well for measuring the amount of gas injected into a well for gas lift purposes.
Formation Gas	The total gas produced from the formation. Calculated by subtracting Gas In from Gas Out.
Theoretical % of Production	Calculated by dividing the Formation Gas for the individual well into the sum of all Formation Gas. Not visualized in the production accounting program.
Allocated Gas Production	Total volume of gas sold, flared, utilized for lease operations, or utilized as fuel for compression equipment and less the gas metered through the Gas Buy Back. Reporting Volume to the OGOR.
Allocated Gas Sales	Total volume sold from the CTB less the gas metered through the Gas Buy Back Meter. Reporting Volume to the OGOR.
Allocated Flared Volume	Total volume flared from the CTB. Reporting Volume to the OGOR.
Gas Flare Meter	Metered volume of gas sent to combustion or flare for the CTB
Gas Lease Use Meter	Metered volume of gas utilized for lease operations for pneumatics, power generation, or other necessary operations to operate the CTB.
Gas Sales Meter	Metered volume of gas transferred at a custody exchange point to a midstream gatherer or direct purchaser.
Gas Compressor Factor	Total gas burned as fuel for operation of gas lift compression for purposes of injection for gas lift purposes. An hourly rate factored by the total Hours On of the compressor daily.
Hours On	Total hours the compressor was ran for the allocation period.
Gas Buy Back Meter	Metered volume of gas transferred from a custody exchange point to the operator for use as lease use, compression fuel, or injection volume.
Total Gas Basis	Sum of all gas utilized in the operation of the lease.

**Individual Well Factors and Allocated Production**

Well Name	Gas Out	Gas In	Formation Gas	Theoretical % of Production	Allocated Gas Production	Allocated Gas Sales	Allocated Flared Volume
xxxxx	2370.00	765.80	1604.20	0.61553	1817.67	1556.07	221.59
xxxxx	1763.00	761.00	1002.00	0.38447	1135.33	971.93	138.41
Totals	4133.00	1526.80	2606.20	1.00000	2953.00	2528.00	360.00

**Total Gas Metered Out of CTB**

Asset	Gas Production	Hours On
Gas Flare Meter	360.00	
Gas Lease Use Meter	0.00	
Gas Sales Meter	2528.00	
GL Compressor Factor	65.00	24.00
Gas Buy Back Meter	0.00	
Total Gas Basis	2953.00	

**Applied Allocation Spreadsheet Examples (Water Stream)**

<b>Definition of Factors, Formulas, and Assets</b>	
Water Allocation Factor	Daily meter reading from a testing vessel (shared or designated by well) for an individual well used as the basis for prorating produced volumes from the WMT.
Well Test Hours	Total hours that well test was conducted for. Used to adjust Water Allocation Factor to a 24 hour rate. Well test hours can be more than or less than 24 hours but greater than 0.
Hours Flowed	Total hours that well was flowing produced fluids. Used to adjust Water Allocation Factor to compensate for Water Allocation Factor being adjusted to a 24 hour rate.
Water Allocation Factor Basis	The Water Allocation Factor adjusted to 24 hour basis and corrected for any downtime incurred for the well. Reporting volume to the OGOR.
Theoretical % of Production	Calculated by dividing the Water Allocation Factor Basis for the individual well into the sum of all Basis' at the WMT. Not visualized in the production accounting program.
Allocated Water Production	Volume of sold or stored volume produced in the time period ready to sell from the WMT allocated to each well. Reporting Volume to the OGOR.
Water Master Tank (WMT)	Relative terminology synonymous with Central Tank Battery.
Beginning Water	Inventory in bbls from the previous accounting periods calculated ending inventories. In the case of a new WMT, during any accounting period, Open inventory would be = 0.
Ending Water	Inventory in bbls as measure for the date of accounting. Ending inventory can be positive, negative or neutral each day, but cannot sum to < 0.
Dispositions	A measured volume removed from a tank or moved through a Water Transfer Meter. Recorded from a ticket or direct meter read.
Water Production	Total volume moved or available for me for each asset at the WMT for accounting period. Calculated by subtracting Ending Water from Beginning Water and summing with Dispositions
WMT Totals	Formula to calculate the total volumes sold or available for sale at the WMT for the accounting period . Reporting Volume to the OGOR.
Water Transfer Meter	Measures in bbls the volume transferred at the Water Transfer meter to custody of the midstream gatherer or direct to disposal.
Water Tank #	Physical tank count at the WMT. Tanks can vary in size by battery and volume requirements. BBL/Inch factors are calculated and applied at the asset level.

<b>Individual Well Factors and Allocated Production</b>						
Well Name	Water Allocation Factor	Well Test Hours	Hours Flowed	Water Allocation Factor Basis	Theoretical % of Production	Allocated Water
xxxxx	1571.00	24.00	24.00	1571.00	0.55512	1577.66
xxxxx	1259.00	24.00	24.00	1259.00	0.44488	1264.34
Totals	2830.00	-	-	2830.00	1.00000	2842.00

<b>Water Master Tank (WMT)</b>				
Asset	Beginning Water	Ending Water	Dispositions	Water Production
Water Tank 1 (WT1)	36.14	36.14		0.00
Water Tank 2 (WT2)	30.58	30.58		0.00
Water Tank 3 (WT3)	33.96	33.96		0.00
Water Transfer Meter			2842.00	2842.00
WMT Totals	100.68	100.68		2842.00

### Colgate Operating, LLC

Dakota 32 State Fed Com & Bolander 32 State Fed Com  
Commingle Overview Map

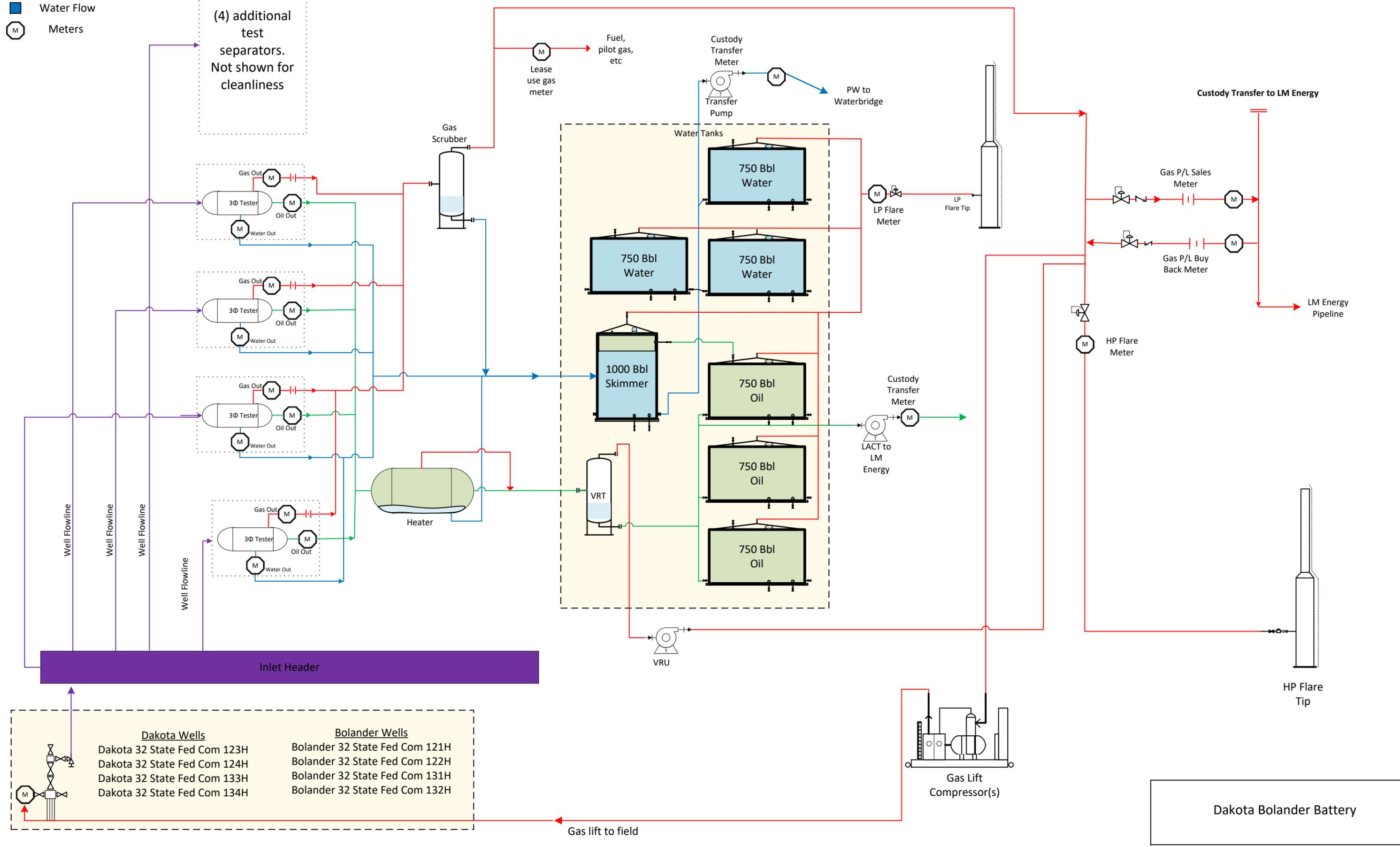
Section 32, T19S, 28E  
Eddy County, New Mexico

-  Section 31  
Federal Land
-  Section 32  
State Land
-  White boundary  
Tank Battery
-  Wellbore



- Well Flow
- Gas Flow
- Oil Flow
- Water Flow
- M Meters

(4) additional test separators. Not shown for cleanliness



- | Dakota Wells                 | Bolander Wells                 |
|------------------------------|--------------------------------|
| Dakota 32 State Fed Com 123H | Bolander 32 State Fed Com 121H |
| Dakota 32 State Fed Com 124H | Bolander 32 State Fed Com 122H |
| Dakota 32 State Fed Com 133H | Bolander 32 State Fed Com 131H |
| Dakota 32 State Fed Com 134H | Bolander 32 State Fed Com 132H |



### APPLICATION FOR SURFACE POOL/LEASE COMMINGLING

Colgate Operating, LLC respectfully requests approval to surface pool lease commingle oil and gas from all existing and future wells in Section 32 and Section 31 in Township 19 South, Range 28 East, within the Bone Spring pool listed in the application.

This Commingle and Allocation Approval (CAA) will not negatively affect the royalty of the federal government. Any allocation meters (non-FMPs) will meet API measurement standard 14.1. The location of the FMP is on lease. There is no new surface disturbance included as part of the proposed CAA. These spacing units are initially dedicated to the following wells:

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4	30-015-47744	Dakota 32 State Fed Com	134H	I-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*1800	*43	*3800	*1250
5	30-015-47732	Bolander 32 State Fed Com	121H	A-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*2100	*43	*3400	*1250
6	30-015-47734	Bolander 32 State Fed Com	122H	H-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*2100	*43	*3400	*1250
7	30-015-47774	Bolander 32 State Fed Com	131H	A-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*1800	*43	*3800	*1250
8	30-015-47736	Bolander 32 State Fed Com	132H	H-32-19S-28E	[97569] WINCHESTER; BONE SPRING, WEST	Drilled	*1800	*43	*3800	*1250

#### General Information:

The Tank Battery to service the subject wells is located in the NESE of Section 32 in Township 19 South Range 28 East, Eddy County, New Mexico.

Application to commingle production from the subject wells has been submitted to the Bureau of Land Management, SLO and NMOCD.

#### Future Information:

Colgate Operating, LLC respectfully requests authority to add additional wells contained within the spacing units identified and approved in this application by filing a Subsequent Sundry Report to the BLM for Federal and filing a C-103Z and C-102 with the NMOCD. Notice to owners shall not be required when amending the application to add wells contained within spacing units previously approve for commingling authority.

Pursuant to Statewide rule 19.15.12.10 (C)(4)(g) Colgate Operating, LLC respectfully requests the option to include additional pools or lessees within this spacing unit.

300 N. Marienfeld Street, Suite 1000, Midland, Texas 79701  
 P: (432) 695-4222 | F: (432) 695-4063  
[www.ColgateEnergy.com](http://www.ColgateEnergy.com)

# Affidavit of Publication

Released to Imaging: 10/5/2022 11:27:39 AM

No. 26137 Publisher, \_\_\_\_\_

State of New Mexico \_\_\_\_\_

County of Eddy: \_\_\_\_\_

**Lenny Scott**

being duly sworn says that he is the **Publisher**

of the Artesia Daily Press, a daily newspaper of General

publication, published in English at Artesia, said county

of the state, and that the hereto attached

### Legal Ad

published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication May 12, 2022

Second Publication \_\_\_\_\_

Third Publication \_\_\_\_\_

Fourth Publication \_\_\_\_\_

Fifth Publication \_\_\_\_\_

Sixth Publication \_\_\_\_\_

Seventh Publication \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_\_

16th day of June 2022

STATE OF NEW MEXICO  
 NOTARY PUBLIC  
 Latisha Romine  
 Commission Number 1076338  
 My Commission Expires May 12, 2023

*Latisha Romine*

Latisha Romine  
 Notary Public, Eddy County, New Mexico

# Copy of Publication:

### Legal Notice

Notice of Application for Surface Commingling: Colgate Operating, LLC located at 300 N Marienfeld Street, Suite 1000, Midland TX 79701 is applying to the NMOCD to commingle oil and gas production from their Dakota 32 State Fed wells and Bolander 32 State Fed Com wells producing from leases located in Eddy County, Sections 31 & 32 T19S-R28E. Commingling will take place at the Dawson/Shamrock/Ujuru Battery located in NESE of Section 32, T19S-R28E. All wells involved in the proposed commingling will be producing from the Winchester; Bone Spring, WEST.

Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the divisions Santa Fe office within 20 days after publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Mikah Thomas (432-695-4272).

Published in the Artesia Daily Press, Artesia, N.M., May 12, 2022 Legal No. 26137.

ADDY_1	ADDY_4	ADDY_5	CM_TrackingNumber
The Board of Regents of The University of Texas System,	P.O Box 551	Midland, TX 79702	92071902956265901601333069
Presbyterian Healthcare Foundation	8440 Walnut Hill Lane Suite 800	Dallas, TX 75231	92071902956265901601333076
Presbyterian Village North Foundation	8600 Skyline Drive 1212	Dallas, TX 75243	92071902956265901601333083
Mountain Lion Oil and Gas	7941 Katy Freeway 117	Houston, TX 77024	92071902956265901601333090
Trinity Royalty Holdings I LP	218 North Main Street, Suite A	Midland, TX 79701	92071902956265901601333106
BriLi, LLC	2135 Sedona Hills Parkway	Las Cruces, NM 88011	92071902956265901601333113
Tim Lilley and wife, Tashina Lilley	4873 Raintree Circle	Parker, CO 80134	92071902956265901601333120
Escondido Oil and Gas, LLC	P.O. Box 51390	Midland, TX 79710	92071902956265901601333137
Oxy USA, Inc.	5 Greenway Plaza Suite 110	Houston, TX 77046	92071902956265901601333144
Sabinal Energy Operating, LLC	1780 Hughes Blvd. Suite 1200	The Woodlands, TX 77380	92071902956265901601333151
PBEX, LLC	223 W Wall St	Midland, TX 79701	92071902956265901601333168
Estate of Paul R. Buckridge	PO Box 1401	Claypool, AZ 85532	92071902956265901601333175
Estate of Dorothy Buckridge	PO Box 1401	Claypool, AZ 85532	92071902956265901601333182
Mark Wilson Family Partnership, LP	P.O. Box 2415	Midland, TX 79702-2415	92071902956265901601333199
Valorie F. Walker, Trustee	P.O. Box 102256	Anchorage, AK 99510	92071902956265901601333205
Shogoil & Gas Co. II, LLC & Shogoil & Gas Co., LLC	4614 590th Rd	Hay Springs, NE 69347	92071902956265901601333212
Peter Balog, Trustee	25812 S. Darford Dr	Sun Lakes, AZ 85248	92071902956265901601333229
Gayle Martin & Richard Lantz	P.O. Box 1880	Block Canyon City, AZ 85324	92071902956265901601333236
Richard Lantz	P.O. Box 1880	Block Canyon City, AZ 85324	92071902956265901601333243
Medema Properties, L.L.C.	2800 Kempton Hills Dr.	Anchorage, AK 99516	92071902956265901601333250
John B. Bridges	124 E. 3rd Ave, Apt 503	Anchorage, AK 99501	92071902956265901601333267
E. Noreen Johnson	PO Box 88238	Seattle, WA 98138	92071902956265901601333274
Geraldine A. Roseta	9005 NE Juanita Lane	Kirkland, WA 98034	92071902956265901601333281
Donald P. McAtee	8311 Oak Front Ln	Citrus Heights, CA 95610	92071902956265901601333298
Mexco Energy Corporation	P.O. Box 10502	Midland, TX 79702	92071902956265901601333304
Penroc Oil Corporation	1515 West Calle Sur Street	Hobbs, NM 88240	92071902956265901601333311
Northern Oil & Gas, Inc.	4350 Baker Road, Suite 400	Minnertonka, MN 55343	92071902956265901601333328
Ergodic Resources, LLC	P.O. Box 2021	Roswell, NM 88202	92071902956265901601333335
Abuelo, LLC	21 Cook Drive	Artesia, NM 88210	92071902956265901601333342
Silverhair, LLC	1301 Lewis Road	Artesia, NM 88210	92071902956265901601333359
Loco Hills Production Company LLC	P.O. Box 779	Artesia, NM 88211	92071902956265901601333366
Nilo Operating Company	5509 Champions Dr	Midland, TX 79706	92071902956265901601333373
Marathon Oil Permian LLC	990 Town and Country Boulevard	Houston, TX 77024	92071902956265901601333380
Mayhill Oil Corporation	507 N. Marienfeld Suite 100	Midland, TX 79701	92071902956265901601333397
Tay-Mor Enterprises, Inc.	P.O. Box 4723	Midland, TX 79704	92071902956265901601333403
Norma M. R. Zakroff	1302 Waugh Drive 910	Houston, TX 77019	92071902956265901601333410
Palmer Exploration Ltd.	3433 E. Kentucky Ave	Denver, CO 80209	92071902956265901601333427
William C. Hamilton et ux, Debra	5803 TRENNON PL	MIDLAND, TX 79707	92071902956265901601333434
William S. Montgomery, Jr.	23432 FM 1253	Mineola, TX 75773	92071902956265901601333441
Fred C. Corey	2602 Terrace Ave.	Midland, TX 79705	92071902956265901601333458
BNM, Inc.	609 MEADOWPARK DR	MIDLAND, TX 79705-2952	92071902956265901601333465
Legacy Oil and Gas LLC	1105 Noble Way	Flower Mound, TX 75022	92071902956265901601333472
TSAR Energy, LLC	2406 IRVING BLVD	DALLAS, TX 75207	92071902956265901601333489
Eram Ali	P.O. Box 81052	Midland, TX 79708	92071902956265901601333496
Ramsey Petroleum, LP	306 W. WALL STREET, STE. 1010	Midland, TX 79701	92071902956265901601333502
Foundation Minerals, LLC	4000 N Big Spring St 300	Midland, TX 79705	92071902956265901601333519
Mavros Minerals II, LLC	4000 N Big Spring St 300	Midland, TX 79705	92071902956265901601333526
Oak Valley Mineral and Land, LP	4000 N Big Spring St 300	Midland, TX 79705	92071902956265901601333533
TrueNorth Exploration	507 N. Marienfeld St. Suite 100	Midland, TX 79701	92071902956265901601333540

[EXTERNAL] Well Name: Batch Sundry, Sundry Id: 2677600, Notification of Batch Sundry Received



AFMSS <blm-afmss-notifications@blm.gov>

To Mikah Thomas

Reply

Reply All

Forward



Fri 6/17/2022 5:18 PM

If there are problems with how this message is displayed, click here to view it in a web browser.

**\*\*\* Attention: This is an external email, use caution. \*\*\***

## The Bureau of Land Management

### Notice Of Intent Receipt

- Operator Name: COLGATE OPERATING LLC
- Well Name: Batch Sundry
- Well Number: Batch Sundry
- US Well Number: Batch Sundry
- Sundry ID: 2677600

The BLM received your Notice Of Intent, Commingling (Surface) sundry on 06/17/2022. This is to notify you that we are processing your sundry.

You may contact the field office if you have any questions.

If we need more information we will contact you. Thank you.

This notification is automatically generated. Please do not reply to this message as this account is not monitored.



**Stephanie Garcia Richard**  
COMMISSIONER

*State of New Mexico*  
**Commissioner of Public Lands**

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

September 27, 2022

Colgate Operating, LLC  
ATTN: Mikah Thomas  
300 North Marienfeld Street, Suite 1000  
Midland, TX 79701

Re: Application for Commingling and Off-Lease Storage  
Dakota 32 State Federal Com #123H and others  
**APPROVED WELLS ARE ON THE ATTACHED LIST**  
Eddy County, New Mexico

Dear Ms. Thomas,

We have received your \$150 application fee and request for surface commingling for the above-captioned wells.

Since it appears that all the rules and regulations for the New Mexico Oil Conservation Division and the State Land Office have been compiled with and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved.

Our approval

- is subject to approval from all relevant agencies,
- does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

If you have any questions or if we may be if further assistance, please contact Commingling Manager Scott Dawson at 505.827.5791 or sdawson@slo.state.nm.us.

Respectfully,

Stephanie Garcia Richard  
Commissioner of Public Lands

SGR/sd

cc: OCD-Attn: Mr. Leonard Lowe  
OGMD and Units Reader Files

API	Well Name	Well Number	Type	Mineral Owner	Surface Owner	Status	Unit Letter	Section	Township	Range	OCD Unit Letter	Last Production	Spud Date
30-015-47739	DAKOTA 32 STATE FEDERAL COM	#123H	Oil	Federal	State	New	I	32 19S		28E	I		
30-015-47740	DAKOTA 32 STATE FEDERAL COM	#124H	Oil	Federal	State	Active	P	32 19S		28E	P	Jul-22	5/22/2021
30-015-47742	DAKOTA 32 STATE FEDERAL COM	#133H	Oil	Federal	State	New	I	32 19S		28E	I		
30-015-47744	DAKOTA 32 STATE FEDERAL COM	#134H	Oil	Federal	State	Active	P	32 19S		28E	P	Jul-22	4/29/2021
30-015-47732	BOLANDER 32 STATE FEDERAL COM	#121H	Oil	Federal	State	New	A	32 19S		28E	A		
30-015-47734	BOLANDER 32 STATE FEDERAL COM	#122H	Oil	Federal	State	New	H	32 19S		28E	H		
30-015-47774	BOLANDER 32 STATE FEDERAL COM	#131H	Oil	Federal	State	New	A	32 19S		28E	A		
30-015-47736	BOLANDER 32 STATE FEDERAL COM	#132H	Oil	Federal	State	New	H	32 19S		28E	H		

POOL:  
 [97569] Winchester; Bone Spring,  
 West

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
BOLANDER 32	132H	3001547736	NMNM04986	NMNM04986	COLGATE
DAKOTA 32	123H	3001547739	NMNM4986	NMNM4986	COLGATE
BOLANDER 32	121H	3001547732	NMNM4986	NMNM4986	COLGATE
BOLANDER 32	131H	3001547774	NMNM4986	NMNM4986	COLGATE
DAKOTA 32	134H	3001547744	NMNM04986	NMNM04986	COLGATE
DAKOTA 32	133H	3001547742	NMNM04986	NMNM04986	COLGATE
BOLANDER 32	122H	3001547734	NMNM004986	NMNM004986	COLGATE
DAKOTA 32	124H	3001547740	NMNM04986	NMNM04986	COLGATE

**Notice of Intent**

**Sundry ID:** 2677600

**Type of Submission:** Notice of Intent

**Type of Action:** Commingling (Surface)

**Date Sundry Submitted:** 06/17/2022

**Time Sundry Submitted:** 04:17

**Date proposed operation will begin:** 09/01/2021

**Procedure Description:** Colgate Operating, LLC would like to request approval to surface commingle the Dakota and Bolander wells. Please let me know if you need anything further.

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

- Dakota\_Bolander\_Plat\_C\_102\_All\_20220617161721.pdf
- Dakota\_Bolander\_Commingling\_Well\_List\_20220617161715.pdf
- Dakota\_Bolander\_C\_107\_B\_Signed\_20220617161709.pdf
- Dakota\_Bolander\_Commingling\_Map\_Overview\_20220617161703.pdf
- Dakota\_Bolander\_8\_Well\_Plot\_Plan\_20220617161657.pdf
- Dakota\_Bolander\_Battery\_Diagram\_20220617161651.pdf
- Administrative\_App\_Checklist\_Dakota\_Bolander\_Signed\_20220617161646.pdf
- Allocation\_Methodology\_and\_Supporting\_Docs\_20220617161631.pdf

**Operator**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

**Operator Electronic Signature:**

**Signed on:**

**Name:** COLGATE OPERATING LLC

**Title:** Operations Tech

**Street Address:** 300 N. Marienfeld Street, Suite 1000

**City:** Midland **State:** TX

**Phone:** (432) 695-4272

**Email address:** mthomas@colgateenergy.com

**Field**

**Representative Name:**

**Street Address:**

**City:** **State:** **Zip:**

**Phone:**

**Email address:**

**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

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**

<b>1 API Number</b> 30-015-47739	<b>2 Pool Code</b> 97569	<b>3 Pool Name</b> WINCHESTER; BONE SPRING, WEST
<b>4 Property Code</b> 329864	<b>5 Property Name</b> DAKOTA 32 STATE FED COM	
<b>6 Well Number</b> 123H	<b>7 OGRID No.</b> 371449	
<b>8 Operator Name</b> COLGATE OPERATING, LLC		<b>9 Elevation</b> 3341'

**10 Surface Location**

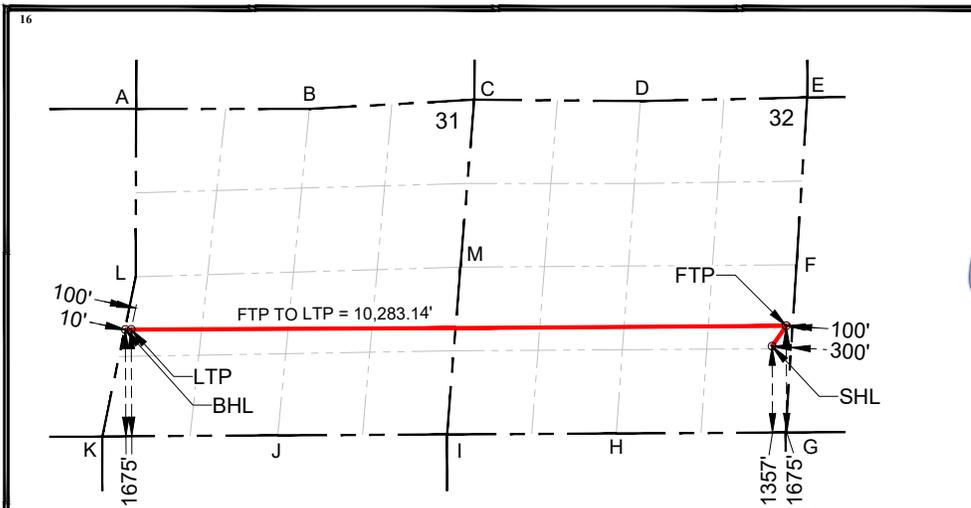
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	32	19-S	28-E		1357'	SOUTH	300'	EAST	EDDY

**11 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
LOT 3	31	19-S	28-E		1675'	SOUTH	10'	WEST	EDDY

<b>12 Dedicated Acres</b> 320	<b>13 Joint or Infill</b>	<b>14 Consolidation Code</b>	<b>15 Order No.</b>
----------------------------------	---------------------------	------------------------------	---------------------

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.



**SURFACE HOLE LOCATION (SHL)**  
NEW MEXICO EAST - NAD 83  
X=584988.87 LAT.= 32.61362938° N  
Y=586998.26 LONG.= 104.19156481° W  
NEW MEXICO EAST - NAD 27  
X=543808.85 LAT.= 32.61351240° N  
Y=586936.61 LONG.= 104.19105662° W  
1357' FSL, 300' FEL - SECTION 32

**FIRST TAKE POINT (FTP)**  
NEW MEXICO EAST - NAD 83  
X=585209.95 LAT.= 32.61450482° N  
Y=587317.04 LONG.= 104.19084541° W  
NEW MEXICO EAST - NAD 27  
X=544029.93 LAT.= 32.61438783° N  
Y=587255.38 LONG.= 104.19033722° W  
1675' FSL, 100' FEL - SECTION 32

**LAST TAKE POINT (LTP)**  
NEW MEXICO EAST - NAD 83  
X=574926.97 LAT.= 32.61437954° N  
Y=587259.30 LONG.= 104.22424236° W  
NEW MEXICO EAST - NAD 27  
X=533746.98 LAT.= 32.61426291° N  
Y=587197.72 LONG.= 104.22373334° W  
1675' FSL, 100' FWL - SECTION 31

**BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST - NAD 83  
X=574834.92 LAT.= 32.61437839° N  
Y=587258.78 LONG.= 104.22454134° W  
NEW MEXICO EAST - NAD 27  
X=533654.92 LAT.= 32.61426176° N  
Y=587197.20 LONG.= 104.22403231° W  
1675' FSL, 10' FWL - SECTION 31

**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*[Signature]* 04.07.2022  
Signature Date

Mikah Thomas

Printed Name

mthomas@colgateenergy.com

E-mail Address

**18 SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey  
Signature and Seal of Professional Surveyor



4/6/2022

Certificate Number

**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

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**

<b>1 API Number</b> 30-015-47740		<b>2 Pool Code</b> 97569		<b>3 Pool Name</b> WINCHESTER; BONE SPRING, WEST	
<b>4 Property Code</b> 329864		<b>5 Property Name</b> DAKOTA 32 STATE FED COM			<b>6 Well Number</b> 124H
<b>7 OGRID No.</b> 371449		<b>8 Operator Name</b> COLGATE OPERATING, LLC			<b>9 Elevation</b> 3341'

**10 Surface Location**

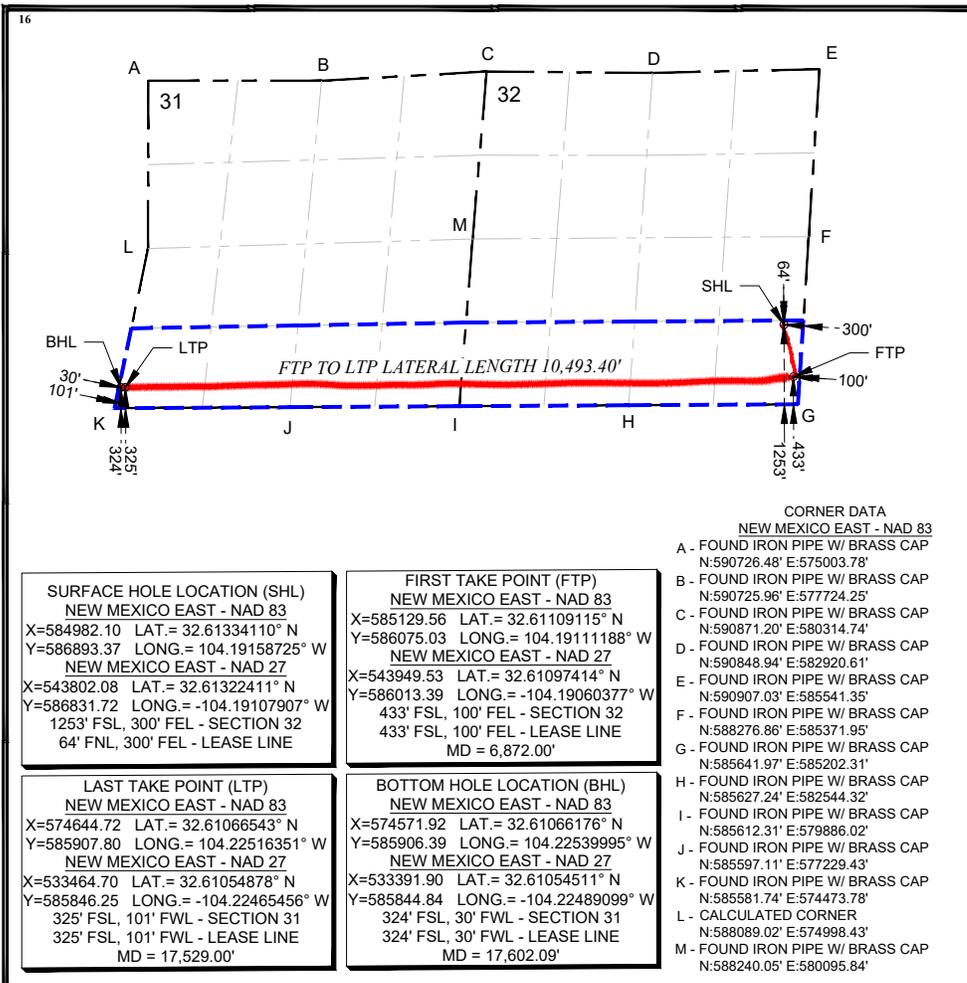
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	19-S	28-E		1253'	SOUTH	300'	EAST	EDDY

**11 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
M	31	19-S	28-E		324'	SOUTH	30'	WEST	EDDY

<b>12 Dedicated Acres</b> 322.98	<b>13 Joint or Infill</b>	<b>14 Consolidation Code</b>	<b>15 Order No.</b>
-------------------------------------	---------------------------	------------------------------	---------------------

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.



**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*[Signature]* 09.10.2021  
Signature Date

Mikah Thomas  
Printed Name

mthomas@colgateenergy.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 6/17/2021  
Signature and Seal of Professional Surveyor:  
*[Signature]*  
12177  
REGISTERED PROFESSIONAL SURVEYOR  
6/17/2021

Certificate Number

**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

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**

<b>1 API Number</b> 30-015-47742		<b>2 Pool Code</b> 97569		<b>3 Pool Name</b> WINCHESTER; BONE SPRING, WEST	
<b>4 Property Code</b> 329864		<b>5 Property Name</b> DAKOTA 32 STATE FED COM			<b>6 Well Number</b> 133H
<b>7 OGRID No.</b> 371449		<b>8 Operator Name</b> COLGATE OPERATING, LLC			<b>9 Elevation</b> 3341'

**10 Surface Location**

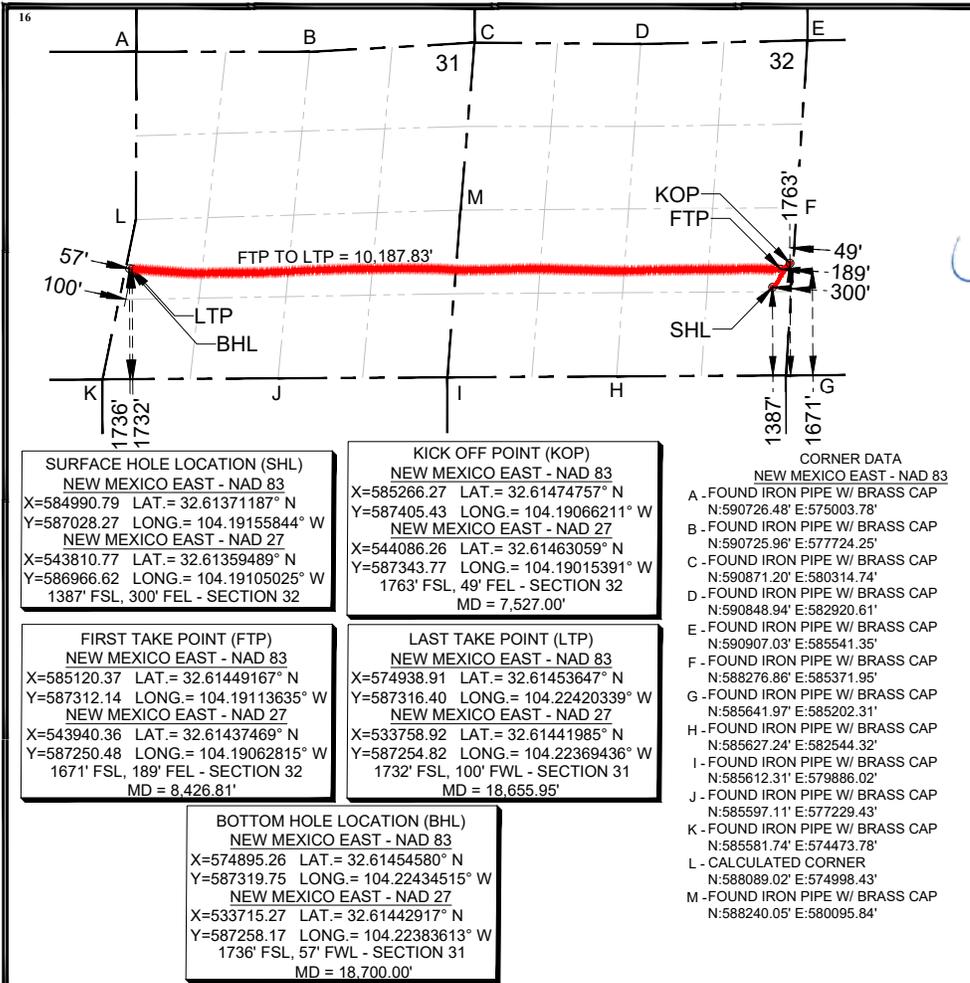
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	32	19-S	28-E		1387'	SOUTH	300'	EAST	EDDY

**11 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
LOT 3	31	19-S	28-E		1736'	SOUTH	57'	WEST	EDDY

<b>12 Dedicated Acres</b> 320	<b>13 Joint or Infill</b>	<b>14 Consolidation Code</b>	<b>15 Order No.</b>
----------------------------------	---------------------------	------------------------------	---------------------

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.



**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Mikah Thomas* 06.16.2022  
Signature Date

Mikah Thomas  
Printed Name

mthomas@colgateenergy.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

06/16/2022  
Date of Survey

Signature and Seal of Professional Surveyor

**CHARLES L. JURICA**  
NEW MEXICO  
25490  
PROFESSIONAL SURVEYOR

Certificate Number

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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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**

<b>1 API Number</b> 30-015-47744		<b>2 Pool Code</b> 97569		<b>3 Pool Name</b> WINCHESTER; BONE SPRING, WEST	
<b>4 Property Code</b> 329864		<b>5 Property Name</b> DAKOTA 32 STATE FED COM			<b>6 Well Number</b> 134H
<b>7 OGRID No.</b> 371449		<b>8 Operator Name</b> COLGATE OPERATING, LLC			<b>9 Elevation</b> 3341'

**10 Surface Location**

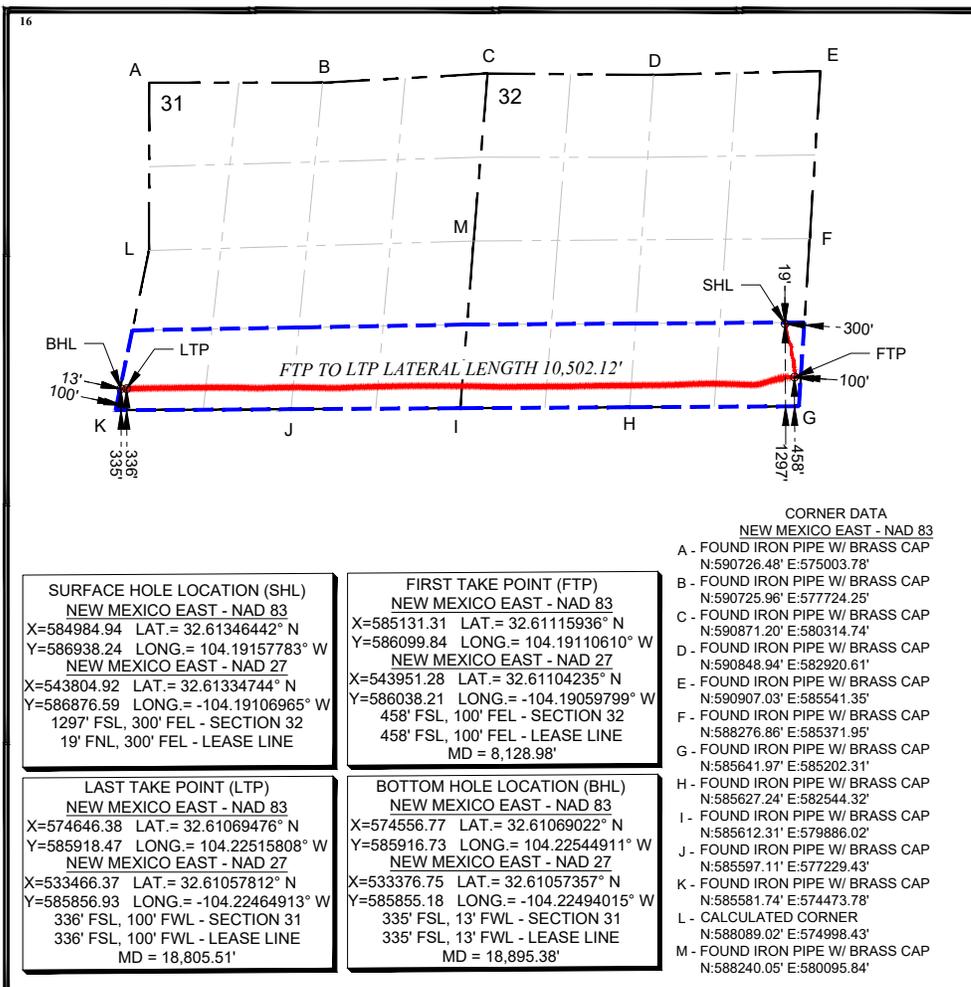
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	19-S	28-E		1297'	SOUTH	300'	EAST	EDDY

**11 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
M	31	19-S	28-E		335'	SOUTH	13'	WEST	EDDY

<b>12 Dedicated Acres</b> 322.98	<b>13 Joint or Infill</b>	<b>14 Consolidation Code</b>	<b>15 Order No.</b>
-------------------------------------	---------------------------	------------------------------	---------------------

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.



**SURFACE HOLE LOCATION (SHL)**  
NEW MEXICO EAST - NAD 83  
X=584984.94 LAT.= 32.61346442° N  
Y=586938.24 LONG.= 104.19157783° W  
NEW MEXICO EAST - NAD 27  
X=543804.92 LAT.= 32.61334744° N  
Y=586876.59 LONG.= -104.19106965° W  
1297' FSL, 300' FEL - SECTION 32  
19' FNL, 300' FEL - LEASE LINE

**FIRST TAKE POINT (FTP)**  
NEW MEXICO EAST - NAD 83  
X=585131.31 LAT.= 32.61115936° N  
Y=586099.84 LONG.= 104.19110610° W  
NEW MEXICO EAST - NAD 27  
X=543951.28 LAT.= 32.61104235° N  
Y=586038.21 LONG.= -104.19059799° W  
458' FSL, 100' FEL - SECTION 32  
458' FSL, 100' FEL - LEASE LINE  
MD = 8,128.98'

**LAST TAKE POINT (LTP)**  
NEW MEXICO EAST - NAD 83  
X=574646.38 LAT.= 32.61069476° N  
Y=585918.47 LONG.= 104.22515808° W  
NEW MEXICO EAST - NAD 27  
X=533466.37 LAT.= 32.61057812° N  
Y=585856.93 LONG.= -104.22484913° W  
336' FSL, 100' FWL - SECTION 31  
336' FSL, 100' FWL - LEASE LINE  
MD = 18,805.51'

**BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST - NAD 83  
X=574556.77 LAT.= 32.61069022° N  
Y=585916.73 LONG.= 104.22544911° W  
NEW MEXICO EAST - NAD 27  
X=533376.75 LAT.= 32.61057357° N  
Y=585855.18 LONG.= -104.22494015° W  
335' FSL, 13' FWL - SECTION 31  
335' FSL, 13' FWL - LEASE LINE  
MD = 18,895.38'

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*[Signature]* 09.10.2021  
Signature Date  
**Mikah Thomas**  
Printed Name  
mthomas@colgateenergy.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 6/17/2021  
Signature and Seal of Professional Surveyor:  
*[Signature]*  
12177  
REGISTERED PROFESSIONAL SURVEYOR  
6/17/2021  
Certificate Number

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
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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**

<b>1 API Number</b> 30-015-47732	<b>2 Pool Code</b> 97569	<b>3 Pool Name</b> WINCHESTER; BONE SPRING, WEST
<b>4 Property Code</b> 329862	<b>5 Property Name</b> BOLANDER 32 STATE FED COM	
<b>6 Well Number</b> 121H	<b>7 OGRID No.</b> 371449	
<b>8 Operator Name</b> COLGATE ENERGY LLC		<b>9 Elevation</b> 3370'

**10 Surface Location**

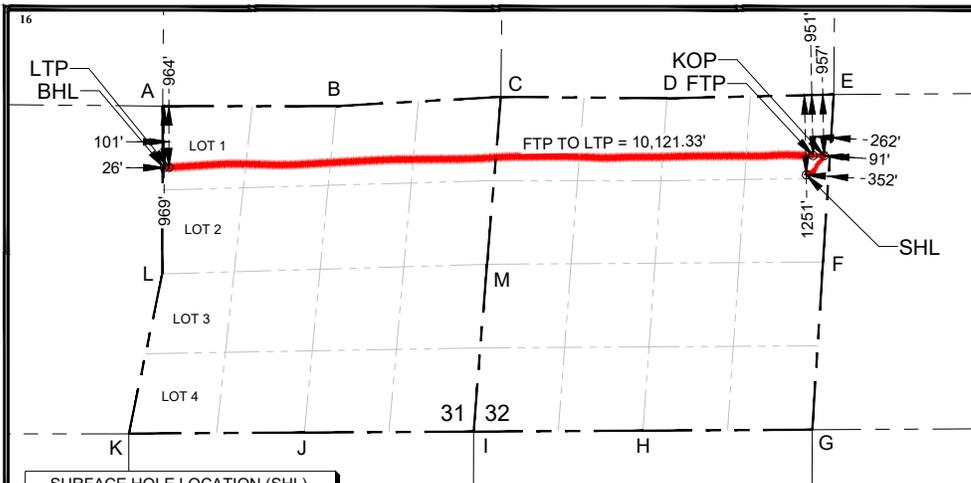
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	19-S	28-E		1251'	NORTH	352'	EAST	EDDY

**11 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
1	31	19-S	28-E		969'	NORTH	26'	WEST	EDDY

<b>12 Dedicated Acres</b> 320	<b>13 Joint or Infill</b>	<b>14 Consolidation Code</b>	<b>15 Order No.</b>
----------------------------------	---------------------------	------------------------------	---------------------

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.



**SURFACE HOLE LOCATION (SHL)**  
NEW MEXICO EAST - NAD 83  
X=585107.19 LAT.= 32.62090650° N  
Y=589645.87 LONG.= 104.19116903° W  
NEW MEXICO EAST - NAD 27  
X=543927.22 LAT.= 32.62078958° N  
Y=589584.16 LONG.= -104.19066067° W  
1251' FNL, 352' FEL - SECTION 32

**KICK OFF POINT (KOP)**  
NEW MEXICO EAST - NAD 83  
X=585388.41 LAT.= 32.62173027° N  
Y=589945.94 LONG.= 104.19025432° W  
NEW MEXICO EAST - NAD 27  
X=544208.44 LAT.= 32.62161335° N  
Y=589884.22 LONG.= -104.18974596° W  
957' FNL, 91' FEL - SECTION 32  
MD = 6.976'

**FIRST TAKE POINT (FTP)**  
NEW MEXICO EAST - NAD 83  
X=585216.92 LAT.= 32.62173932° N  
Y=589949.00 LONG.= 104.19081133° W  
NEW MEXICO EAST - NAD 27  
X=544036.94 LAT.= 32.62162241° N  
Y=589887.28 LONG.= -104.19030296° W  
951' FNL, 262' FEL - SECTION 32  
MD = 7.178'

**LAST TAKE POINT (LTP)**  
NEW MEXICO EAST - NAD 83  
X=575102.42 LAT.= 32.62125964° N  
Y=589762.49 LONG.= 104.22366416° W  
NEW MEXICO EAST - NAD 27  
X=533922.46 LAT.= 32.62114306° N  
Y=589700.85 LONG.= -104.22315499° W  
964' FNL, 101' FWL - SECTION 31  
MD = 17.346'

**BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST - NAD 83  
X=575028.20 LAT.= 32.62124597° N  
Y=589757.44 LONG.= 104.22390523° W  
NEW MEXICO EAST - NAD 27  
X=533848.24 LAT.= 32.62112940° N  
Y=589695.80 LONG.= -104.22339606° W  
969' FNL, 26' FWL - SECTION 31  
MD = 17.420'

- CORNER DATA**  
NEW MEXICO EAST - NAD 83
- A - FOUND IRON PIPE W/ BRASS CAP N:590726.48° E:575003.78'
  - B - FOUND IRON PIPE W/ BRASS CAP N:590725.96° E:577724.25'
  - C - FOUND IRON PIPE W/ BRASS CAP N:590871.20° E:580314.74'
  - D - FOUND IRON PIPE W/ BRASS CAP N:590848.94° E:582920.61'
  - E - FOUND IRON PIPE W/ BRASS CAP N:590907.03° E:585541.17'
  - F - FOUND IRON PIPE W/ BRASS CAP N:588276.86° E:585371.95'
  - G - FOUND IRON PIPE W/ BRASS CAP N:585641.97° E:585202.31'
  - H - FOUND IRON PIPE W/ BRASS CAP N:585627.24° E:582544.32'
  - I - FOUND IRON PIPE W/ BRASS CAP N:585612.31° E:579886.02'
  - J - FOUND IRON PIPE W/ BRASS CAP N:585597.11° E:577229.43'
  - K - FOUND IRON PIPE W/ BRASS CAP N:585581.74° E:574473.78'
  - L - CALCULATED CORNER N:588089.02° E:574998.43'
  - M - FOUND IRON PIPE W/ BRASS CAP N:588240.05° E:580095.84'

**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Mikah Thomas*      06.01.2022  
Signature      Date

Mikah Thomas  
Printed Name

mthomas@colgateenergy.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

05/27/2022  
Date of Signing

*Charles L. Jurica*  
Signature and Seal of Professional Surveyor

Certificate Number

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
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Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<b>1 API Number</b> 30-015-47734		<b>2 Pool Code</b> 97569		<b>3 Pool Name</b> WINCHESTER; BONE SPRING, WEST	
<b>4 Property Code</b> 329862		<b>5 Property Name</b> BOLANDER 32 STATE FED COM			<b>6 Well Number</b> 122H
<b>7 OGRID No.</b> 371449		<b>8 Operator Name</b> COLGATE ENERGY LLC			<b>9 Elevation</b> 3370'

**10 Surface Location**

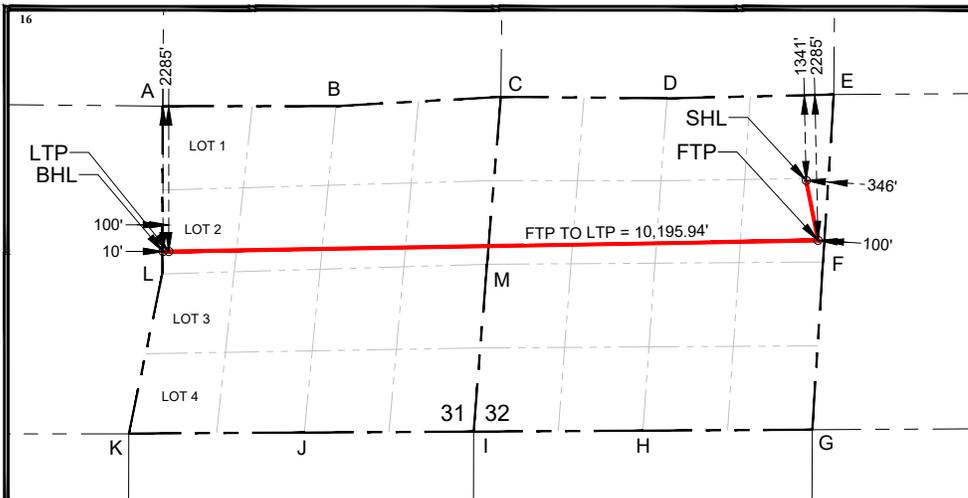
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	19-S	28-E		1341'	NORTH	346'	EAST	EDDY

**11 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
2	31	19-S	28-E		2285'	NORTH	10'	WEST	EDDY

<b>12 Dedicated Acres</b> 320	<b>13 Joint or Infill</b>	<b>14 Consolidation Code</b>	<b>15 Order No.</b>
----------------------------------	---------------------------	------------------------------	---------------------

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.



**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*[Signature]* **04.03.2022**  
Signature Date

**Mikah Thomas**  
Printed Name

**mthomas@colgateenergy.com**  
E-mail Address

**18 SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number

4/1/2022

**SURFACE HOLE LOCATION (SHL)**  
NEW MEXICO EAST - NAD 83  
X=585107.20 LAT.= 32.62065912° N  
Y=589555.87 LONG.= 104.19116939° W  
NEW MEXICO EAST - NAD 27  
X=543927.22 LAT.= 32.62054219° N  
Y=589494.16 LONG.= -104.19066104° W  
1341' FNL, 346' FEL - SECTION 32

**FIRST TAKE POINT (FTP)**  
NEW MEXICO EAST - NAD 83  
X=585293.58 LAT.= 32.61807493° N  
Y=588615.98 LONG.= 104.19056812° W  
NEW MEXICO EAST - NAD 27  
X=544113.59 LAT.= 32.61795798° N  
Y=588554.29 LONG.= -104.19005985° W  
2285' FNL, 100' FEL - SECTION 32

**LAST TAKE POINT (LTP)**  
NEW MEXICO EAST - NAD 83  
X=575099.14 LAT.= 32.61762850° N  
Y=588441.46 LONG.= 104.22367923° W  
NEW MEXICO EAST - NAD 27  
X=533919.16 LAT.= 32.61751189° N  
Y=588379.85 LONG.= -104.22317015° W  
2285' FNL, 100' FWL - SECTION 31

**BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST - NAD 83  
X=575009.14 LAT.= 32.61762880° N  
Y=588441.48 LONG.= 104.22397154° W  
NEW MEXICO EAST - NAD 27  
X=533829.16 LAT.= 32.61751220° N  
Y=588379.87 LONG.= -104.22346245° W  
2285' FNL, 10' FWL - SECTION 31

- CORNER DATA**  
NEW MEXICO EAST - NAD 83  
A - FOUND IRON PIPE W/ BRASS CAP N:590726.48' E:575003.78'  
B - FOUND IRON PIPE W/ BRASS CAP N:590725.96' E:577724.25'  
C - FOUND IRON PIPE W/ BRASS CAP N:590871.20' E:580314.74'  
D - FOUND IRON PIPE W/ BRASS CAP N:590848.94' E:582920.61'  
E - FOUND IRON PIPE W/ BRASS CAP N:590907.03' E:585541.17'  
F - FOUND IRON PIPE W/ BRASS CAP N:588276.86' E:585371.95'  
G - FOUND IRON PIPE W/ BRASS CAP N:585641.97' E:585202.31'  
H - FOUND IRON PIPE W/ BRASS CAP N:585627.24' E:582544.32'  
I - FOUND IRON PIPE W/ BRASS CAP N:585612.31' E:579886.02'  
J - FOUND IRON PIPE W/ BRASS CAP N:585597.11' E:577229.43'  
K - FOUND IRON PIPE W/ BRASS CAP N:585581.74' E:574473.78'  
L - CALCULATED CORNER N:588089.02' E:574998.43'  
M - FOUND IRON PIPE W/ BRASS CAP N:588240.05' E:580095.84'

**DISTRICT J**  
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State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102

Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, N.M. 87505

Submit one copy to appropriate  
 District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-47774		<sup>2</sup> Pool Code 97569		<sup>3</sup> Pool Name WINCHESTER; BONE SPRING, WEST	
<sup>4</sup> Property Code 329862		<sup>5</sup> Property Name <b>Bolander 32 State Fed Com</b>			<sup>6</sup> Well Number <b>131H</b>
<sup>7</sup> GRID No. 371449		<sup>8</sup> Operator Name <b>Colgate Operating, LLC</b>			<sup>9</sup> Elevation <b>3367</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>32</b>	<b>19 S</b>	<b>28 E</b>		<b>1253</b>	<b>North</b>	<b>300</b>	<b>East</b>	<b>Eddy</b>

<sup>11</sup> 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
<b>D</b>	<b>31</b>	<b>19 S</b>	<b>28 E</b>		<b>945</b>	<b>North</b>	<b>10</b>	<b>West</b>	<b>Eddy</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

**16 Legend:**

- = Surface Location
- = Bottom Hole Location
- △ = First Take Point (FTP)
- = Last Take Point (LTP)
- ⊙ = Found 1941 USGLO Brass Cap
- ⊗ = Found Monument

**FIRST TAKE POINT**  
 NAD 83 NMSPC ZONE 3001  
 945' FNL, 100' FEL  
 SEC. 32, T19S, R28E  
 Y= 589957.93 N  
 X= 585380.02 E  
 LAT.= 32.6217633° N  
 LONG.= 104.1902815° W

**17 OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

*Mikah Thomas*      08/26/2020  
 Signature      Date

Mikah Thomas  
 Printed Name

mthomas@colgateenergy.com  
 E-mail Address

**18 SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

**6/16/20**

Date of Survey  
 Plat Revised: 6/20/20  
 Signature and Seal of Professional Surveyor

**17078**

Certificate Number

**BOTTOM HOLE LOCATION**  
 NAD 83 NMSPC ZONE 3001  
 945' FNL, 100' FWL  
 SEC. 31, T19S, R28E  
 Y= 589781.29 N  
 X= 575011.74 E  
 LAT.= 32.6213116° N  
 LONG.= 104.2239586° W

**LAST TAKE POINT**  
 NAD 83 NMSPC ZONE 3001  
 945' FNL, 100' FWL  
 SEC. 31, T19S, R28E  
 Y= 589781.28 N  
 X= 575101.74 E  
 LAT.= 32.6213113° N  
 LONG.= 104.2236663° W

**SURFACE LOCATION**  
 NAD 83 NMSPC ZONE 3001  
 945' FNL, 100' FWL  
 SEC. 32, T19S, R28E  
 Y= 589644.93 N  
 X= 585159.39 E  
 LAT.= 32.6209037° N  
 LONG.= 104.1909995° W

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State of New Mexico  
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Form C-102  
Revised August 1, 2011  
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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<b>1 API Number</b> 30-015-47736	<b>2 Pool Code</b> 97569	<b>3 Pool Name</b> WINCHESTER; BONE SPRING, WEST
<b>4 Property Code</b> 329862	<b>5 Property Name</b> BOLANDER 32 STATE FED COM	
<b>6 Well Number</b> 132H	<b>7 OGRID No.</b> 371449	
<b>8 Operator Name</b> COLGATE OPERATING, LLC		<b>9 Elevation</b> 3370'

**10 Surface Location**

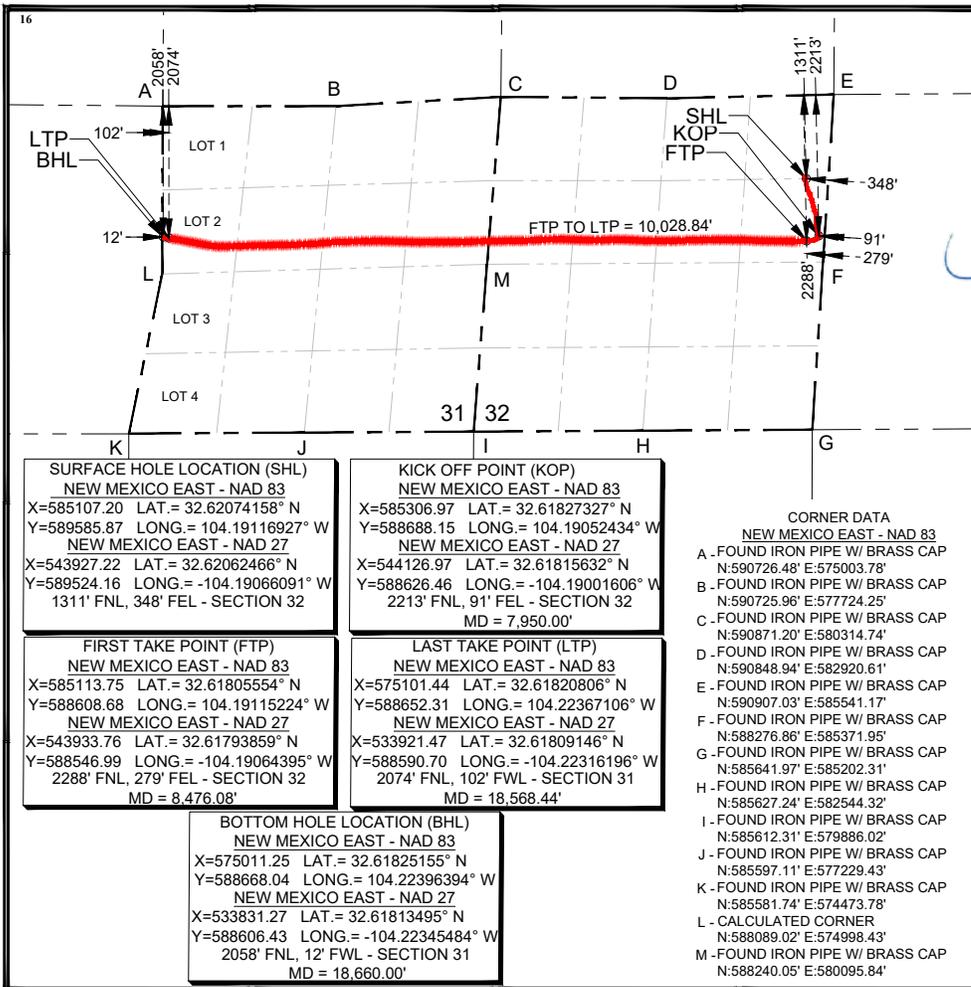
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	19-S	28-E		1311'	NORTH	348'	EAST	EDDY

**11 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
2	31	19-S	28-E		2058'	NORTH	12'	WEST	EDDY

<b>12 Dedicated Acres</b> 320	<b>13 Joint or Infill</b>	<b>14 Consolidation Code</b>	<b>15 Order No.</b>
----------------------------------	---------------------------	------------------------------	---------------------

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.



**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Mikah Thomas* 06.16.2022  
Signature Date

Mikah Thomas  
Printed Name

mthomas@colgateenergy.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

06/16/2022  
Date of Survey

*Charles L. Jurica*  
Signature and Seal of Professional Surveyor

25490  
Professional Surveyor

Certificate Number

Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of June, 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 19 South, Range 28 East:

Section 31: Lot 1 (NW/4NW/4) , NE/4NW/4, and N/2NE/4

Section 32: N/2NE/4 and N/2NW/4

Eddy County, New Mexico

Containing **322.82** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the associated gaseous hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Colgate Operating, LLC, whose address is 300 N. Marienfeld Street, Suite 1000, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of  $1/8^{\text{th}}$  or  $12 \frac{1}{2}$  percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining  $7/8^{\text{th}}$  should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized

area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 1, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

**COLGATE OPERATING, LLC**  
(Operator)

Date: 7-28-2022

By:   
\_\_\_\_\_  
Brandon Gaynor, Senior Vice President *mm*

**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
) ss.  
COUNTY OF MIDLAND )

On this 28<sup>th</sup> day of July 2022, before me, a Notary Public for the State of Texas, personally appeared Brandon Gaynor, known to me to be the Senior Vice President of Colgate Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

  
\_\_\_\_\_  
Notary Public

5-29-2026  
\_\_\_\_\_  
My commission expires

CHEVRON U.S.A. INC.  
(Lessee of Record)

Date: 8/27/22

By: Kelly Coppins

Name: KELLY COPPINS

Attorney-In-Fact

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF Texas )  
 ) ss.  
COUNTY OF Tarrant )

On this 2nd day of August, 2022 before me, a Notary Public for the State of Texas, personally appeared Kelly Coppins known to me to be the Attorney-in-Fact of Chevron U.S.A. Inc, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

Brittany Wesley  
Notary Public



12-22-2024  
My commission expires

**ACKNOWLEDGEMENT**

(Individual capacity)

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My commission expires

COLGATE PRODUCTION, LLC  
(Working Interest Owner)

Date: 7-28-2022

By: [Signature]  
Brandon Gaynor, Senior Vice President

M-H  
for

ACKNOWLEDGEMENT

STATE OF TEXAS )  
 ) ss.  
COUNTY OF MIDLAND )

On this 28<sup>th</sup> day of July 2022, before me, a Notary Public for the State of Texas, personally appeared Brandon Gaynor, known to me to be the Senior Vice President of Colgate Production, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

[Signature]  
Notary Public

5-29-2026  
My commission expires



**PBEX, LLC**  
(Working Interest Owner)

Date: 6-27-22

By: [Signature]

Name: Tom Taccia

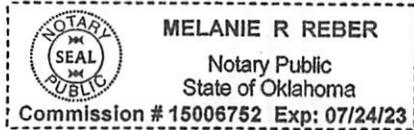
Title: President

**ACKNOWLEDGEMENT**

STATE OF Oklahoma )  
COUNTY OF Oklahoma ) ss.

On this 27 day of June, 2022, before me, a Notary Public for the State of Oklahoma, personally appeared Tom Taccia known to me to be the President of PBEX, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



[Signature]  
Notary Public

7-24-23  
My commission expires

**ACKNOWLEDGEMENT**  
(Individual capacity)

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My commission expires

WPX ENERGY PERMIAN, LLC  
(Lessee of Record)

Date: 7/27/2022

By: \_\_\_\_\_

Name: Lindsey N. Miles

Title: Land Manager

AR

**ACKNOWLEDGEMENT**

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF OKLAHOMA )

On this 27th day of July, 2022, before me, a Notary Public for the State of Oklahoma, personally appeared Lindsey N. Miles known to me to be the Land Manager of WPX Energy Permian, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.



(SEAL)

Taylor J. Peterson  
Notary Public

3-15-25  
My commission expires

**ACKNOWLEDGEMENT**  
(Individual capacity)

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My commission expires

**MARATHON OIL PERMIAN, LLC**  
(Working Interest Owner)

Date: 8/4/2022

By:  

Name: Glen J. Hodge

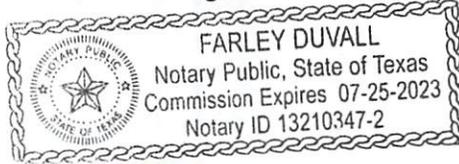
Title: Attorney-in-Fact

**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
 ) ss.  
COUNTY OF HARRIS )

On this 4th day of August, 2022, before me, a Notary Public for the State of Texas, personally appeared Glen J. Hodge known to me to be the Attorney-in-Fact of Marathon Oil Permian, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



  
Notary Public

7/5/2023  
My commission expires

**ACKNOWLEDGEMENT**  
(Individual capacity)

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

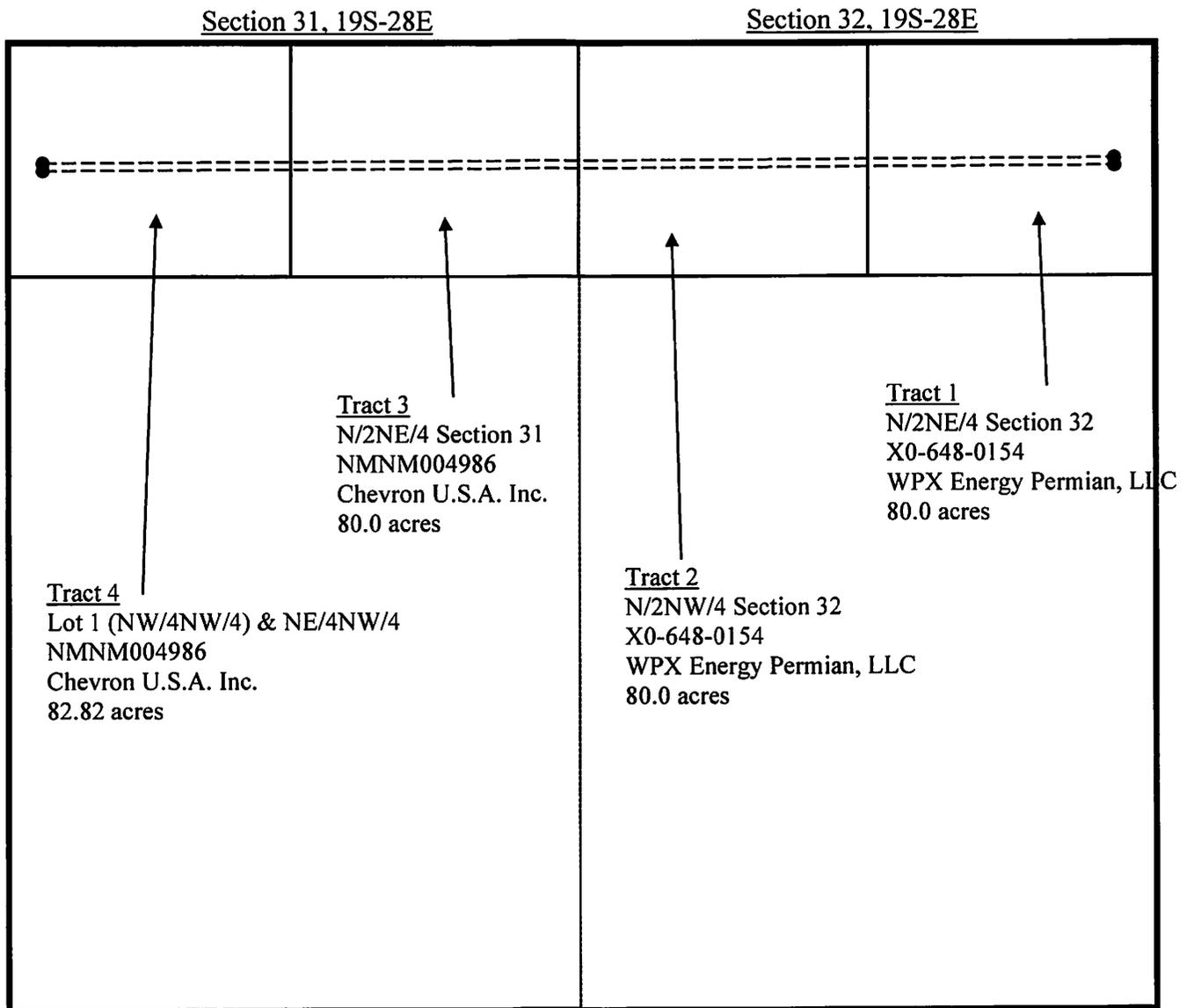
\_\_\_\_\_  
My commission expires

**EXHIBIT "A"**

Plat of communitized area covering **322.82** acres in Township 19 South, Range 28 East, N/2NE/4 and N/2NW/4 Section 32 and Lot 1 (NW/4NW/4), NE/4NW/4, and N/2NE/4 Section 31, Eddy County, New Mexico, as written in Section 1 above.

Well Name/No.

**Bolander 32 State Fed Com #121H**  
**Bolander 32 State Fed Com #131H**



**EXHIBIT "B"**

To Communitization Agreement Dated June 1, 2021 embracing the following described land in Township 19 South, Range 28 East, N/2NE/4 and N/2NW/4 Section 32 and Lot 1 (NW/4NW/4), NE/4NW/4, and N/2NE/4 Section 31, Eddy County, New Mexico, as written in Section 1 above.

Operator of Communitized Area:

**COLGATE OPERATING, LLC**

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

<b>Lease Serial Number:</b>	X0-648-154
<b>Lease Date:</b>	November 14, 1922
<b>Lease Term:</b>	10 years
<b>Lessor:</b>	State of New Mexico
<b>Original Lessee:</b>	Martin Yates, Jr.
<b>Current Lessee of Record:</b>	WPX Energy Permian, LLC
<b>Description of Land Committed:</b>	N/2NE/4 Section 32, T19S-R28E, Eddy County, NM
<b>Number of Acres:</b>	80.0
<b>Royalty Rate:</b>	12.5%
<b>Name and Percent ORRI Owners:</b>	TrueNorth Exploration – 0.02515625, Nilo Operating Company – 0.03828125, Colgate Royalties, LP – 0.04593750
<b>Name of Working Interest Owners:</b>	Colgate Production, LLC – 0.8750000, Marathon Oil Permian, LLC – 0.1250000

TRACT NO. 2

<b>Lease Serial Number:</b>	X0-648-154
<b>Lease Date:</b>	November 14, 1922
<b>Lease Term:</b>	10 years
<b>Lessor:</b>	State of New Mexico
<b>Original Lessee:</b>	Martin Yates, Jr.
<b>Current Lessee of Record:</b>	WPX Energy Permian, LLC
<b>Description of Land Committed:</b>	N/2NW/4 Section 32, T19S-R28E, Eddy County, NM
<b>Number of Acres:</b>	80.0
<b>Royalty Rate:</b>	12.5%

**Name and Percent ORRI Owners:** Mayhill Oil Corporation – 0.00518099, Tay-Mor Enterprises, Inc. – 0.00512109, Norma M. R. Zakroff – 0.00353385, Palmer Exploration Ltd. – 0.00353385, William C. Hamilton et ux, Debra – 0.00143750, William S. Montgomery, Jr. – 0.00113802, Fred C. Corey – 0.00065885, BNM, Inc. – 0.00065885, Legacy Oil and Gas LLC – 0.0005690, TSAR Energy, LLC – 0.00056901, Eram Ali – 0.00053906, Ramsey Petroleum, LP – 0.00053906, Richard Jordan – 0.00047917, Nilo Operating Company – 0.03828125, Colgate Royalties, LP – 0.04713542

**Name of Working Interest Owners:** Colgate Production, LLC – 0.8750000, Marathon Oil Permian, LLC – 0.1250000

**TRACT NO. 3**

**Lease Serial Number:** NMNM-4986  
**Lease Date:** April 1, 1968  
**Lease Term:** 10 years  
**Lessor:** United States of America  
**Original Lessee:** Barbara J. Pacheco  
**Current Lessee of Record:** Chevron U.S.A. Inc.  
**Description of Land Committed:** N/2NE/4 Section 31, T19S-R28E, Eddy Co., NM  
**Number of Acres:** 80.0  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** The University of Texas MD Anderson Cancer Center – 0.01041667, Presbyterian Healthcare Foundation – 0.01041667, Presbyterian Village North Foundation – 0.01041667, Mountain Lion Oil & Gas, LLC – 0.00093750, Trinity Royalty Holdings I LP – 0.00868594, BriLi, LLC – 0.00166667, Tim & Tashina Lilley – 0.00166667, Escondido Oil & Gas LLC – 0.00166667, OXY USA, Inc. – 0.07500000, Colgate Royalties, LP – 0.00412656

**Name of Working Interest Owners:** Colgate Production, LLC – 1.0000000

**TRACT NO. 4**

**Lease Serial Number:** NMNM-4986  
**Lease Date:** April 1, 1968  
**Lease Term:** 10 years  
**Lessor:** United States of America  
**Original Lessee:** Barbara J. Pacheco  
**Current Lessee of Record:** Chevron U.S.A. Inc.  
**Description of Land Committed:** Lot 1 (NW/4NW/4) & NE/4NW/4 Section 31, T19S-R28E, Eddy Co., NM  
**Number of Acres:** 82.82  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** The University of Texas MD Anderson Cancer Center – 0.01041667, Presbyterian Healthcare Foundation – 0.01041667, Presbyterian Village North Foundation – 0.01041667, Mountain Lion Oil & Gas, LLC – 0.00093750, Trinity Royalty Holdings I LP – 0.00868594, BriLi, LLC – 0.00166667, Tim & Tashina Lilley – 0.00166667, Escondido Oil & Gas LLC – 0.00166667, PBEX, LLC – 0.03118287, Sabinal Energy Operating LLC – 0.00460805, Colgate Royalties, LP – 0.03413124  
**Name of Working Interest Owners:** Colgate Production, LLC – 0.87727470, PBEX, LLC – 0.12272530

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	24.7816%
2	80.00	24.7816%
3	80.00	24.7816%
4	82.82	25.6552%
Total	322.82	100.0000%

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

I, the undersigned, hereby certify, on behalf of Colgate Operating, LLC, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

7-28-2022  
Date

By: [Signature]  
Title: Brandon Gaynor - Senior Vice President

*R.M.M.*

**ACKNOWLEDGEMENT**

STATE OF Texas )  
COUNTY OF Midland ) ss.

On this 28<sup>th</sup> day of July, 2022, before me, a Notary Public for the State of Texas, personally appeared Brandon Gaynor, known to me to be the Senior Vice President of Colgate Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

5-29-2026  
My Commission Expires



[Signature]  
Notary Public

## Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of June, 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:  
Township 19 South, Range 28 East:  
Section 31: Lot 3 (NW/4SW/4), NE/4SW/4, & N/2SE/4  
Section 32: N/2S/2  
Eddy County, New Mexico  
Containing **322.93** acres, and this agreement shall include only the Bone Spring formation underlying said lands and the associated gaseous hydrocarbons hereafter referred to as "communitized substances," producible from such formation.
2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Colgate Operating, LLC, whose address is 300 N. Marienfeld Street, Suite 1000, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of  $1/8^{\text{th}}$  or  $12 \frac{1}{2}$  percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining  $7/8^{\text{th}}$  should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized

area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 1, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

**COLGATE OPERATING, LLC**  
(Operator)

Date: July 28, 2022 By: [Signature]  
Brandon Gaynor, Senior Vice President *MM*

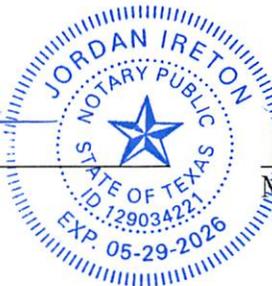
**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
) ss.  
COUNTY OF MIDLAND )

On this 28<sup>th</sup> day of July 2022, before me, a Notary Public for the State of Texas, personally appeared Brandon Gaynor, known to me to be the Senior Vice President of Colgate Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

[Signature]  
Notary Public



5-29-2026  
My commission expires



COLGATE PRODUCTION, LLC  
(Working Interest Owner)

Date: 7-28-2022

By: [Signature]  
Brandon Gaynor, Senior Vice President

MA  
[Signature]

ACKNOWLEDGEMENT

STATE OF TEXAS )  
 ) ss.  
COUNTY OF MIDLAND )

On this 28<sup>th</sup> day of July 2022 before me, a Notary Public for the State of Texas, personally appeared Brandon Gaynor, known to me to be the Senior Vice President of Colgate Production, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

[Signature]  
Notary Public



5-29-2026  
My commission expires

CHEVRON U.S.A. INC.  
(Lessee of Record)

Date: 8/2/22

By: Kelly Coppins

Name: KELLY COPPINS

Title: Attorney-In-Fact

**ACKNOWLEDGEMENT**

STATE OF Texas )  
 ) ss.  
COUNTY OF Tarrant )

On this 2nd day of August, 2022, before me, a Notary Public for the State of Texas, personally appeared Kelly Coppins known to me to be the Attorney-In-Fact of Chevron U.S.A. Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

Brittany Wesley  
Notary Public

12-22-2024  
My commission expires





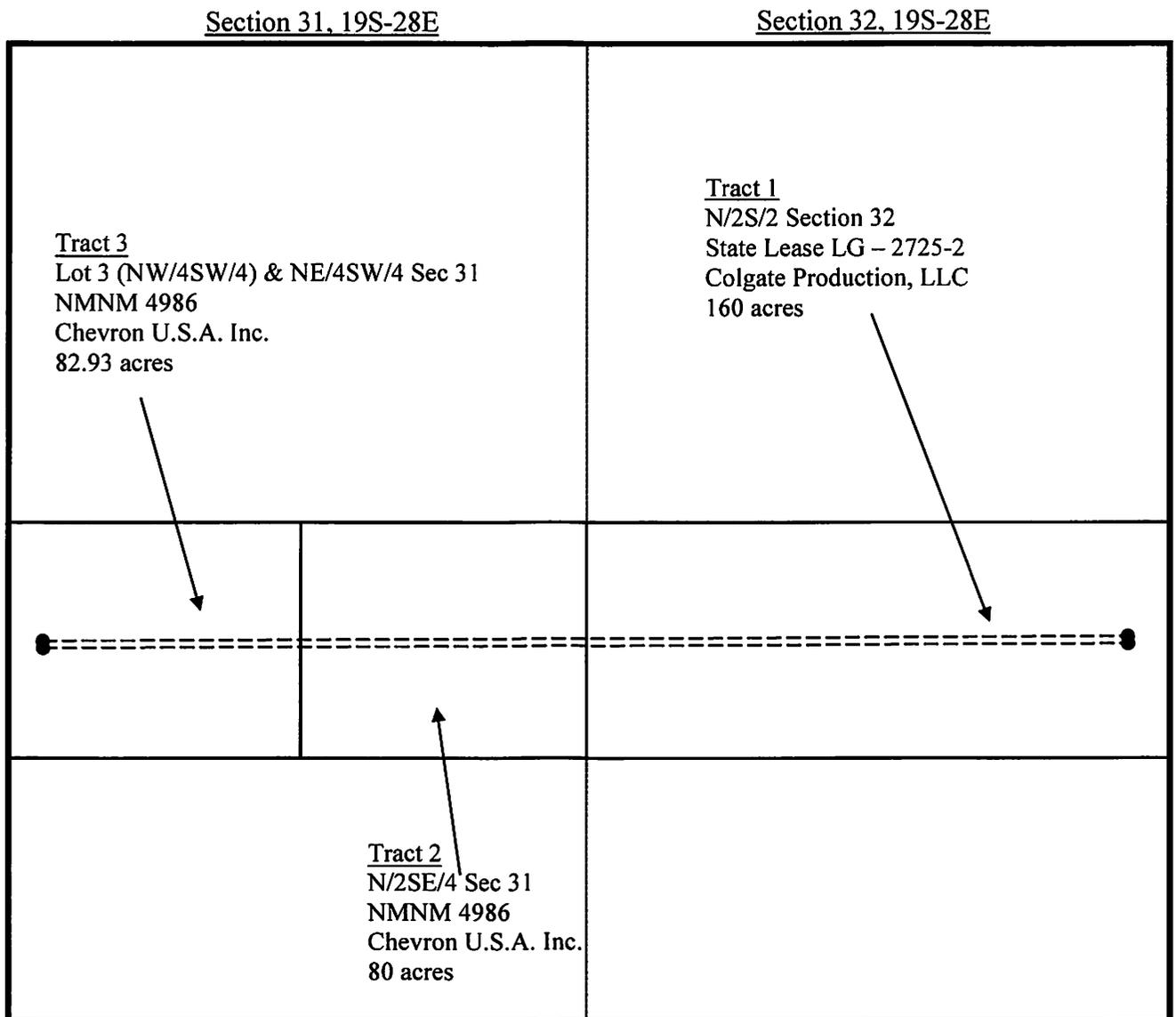


**EXHIBIT "A"**

Plat of communitized area covering **322.93** acres in Township 19 South, Range 28 East, Lot 3 (NW/4SW/4), NE/4SW/4, & N/2SE/4 of Section 31 and the N/2S/2 of Section 32, Eddy County, New Mexico, as written in Section 1 above.

Well Name/No.

**DAKOTA 32 STATE FEDERAL COM #123H**  
**DAKOTA 32 STATE FEDERAL COM #133H**



**EXHIBIT "B"**

To Communitization Agreement Dated June 1, 2021 embracing the following described land in Township 19 South, Range 28 East, Lot 3 (NW/4SW/4), NE/4SW/4, & N/2SE/4 of Section 31 and the N/2S/2 of Section 32, Eddy County, New Mexico, as written in Section 1 above.

Operator of Communitized Area:

**COLGATE OPERATING, LLC**

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

<b>Lease Serial Number:</b>	LG – 2725-2
<b>Lease Date:</b>	April 1, 1975
<b>Lease Term:</b>	5 years
<b>Lessor:</b>	State of New Mexico
<b>Original Lessee:</b>	Southland Royalties Company
<b>Current Lessee of Record:</b>	Colgate Operating, LLC
<b>Description of Land Committed:</b>	Township 19 South, Range 28 East: Section 32: N/2S/2
<b>Number of Acres:</b>	160.00 gross
<b>Royalty Rate:</b>	12.50%
<b>Name and Percent ORRI Owners:</b>	Mark Wilson Family Partnership – 0.03000000; Ergodic Resources, LLC – 0.00800000; Abuelo, LLC – 0.00800000; Silverhair, LLC – 0.00300000; Loco Hills Prod. Co. – 0.00300000; Nilo Operating Company – 0.01500000; Colgate Royalties, LP – 0.04237500; CM Royalties, LP – 0.01562500
<b>Name of Working Interest Owners:</b>	Colgate Production, LLC – 0.68750000; Northern Oil and Gas, Inc. – 0.31250000

TRACT NO. 2

<b>Lease Serial Number:</b>	NMNM 4986
<b>Lease Date:</b>	April 1, 1968
<b>Lease Term:</b>	10 years
<b>Lessor:</b>	United States of America
<b>Original Lessee:</b>	Barbara J. Pacheco
<b>Current Lessee of Record:</b>	Chevron U.S.A. Inc.
<b>Description of Land Committed:</b>	Township 19 South, Range 28 East: Section 31: N/2SE/4
<b>Number of Acres:</b>	80.00 gross

**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** The University of Texas MD Anderson Cancer Center - 0.01041667; Presbyterian Healthcare Foundation - 0.01041667; Presbyterian Village North Foundation - 0.01041667; Mountain Lion Oil & Gas, LLC – 0.00093750; Trinity Royalty Holdings I LP – 0.00868594; BriLi, LLC - 0.00166667; Tim Lilley and wife, Tashina Lilley - 0.00166667; Escondido Oil & Gas LLC - 0.00166666; OXY USA, Inc. – 0.0750000, Colgate Royalties, LP – 0.00412656  
**Name of Working Interest Owners:** Colgate Production, LLC – 1.0000000

**TRACT NO. 3**

**Lease Serial Number:** NMNM 4986  
**Lease Date:** April 1, 1968  
**Lease Term:** 10 years  
**Lessor:** United States of America  
**Original Lessee:** Barbara J. Pacheco  
**Current Lessee of Record:** Chevron U.S.A. Inc.  
**Description of Land Committed:** Township 19 South, Range 28 East: Section 31: Lot 3 (NW/4SW/4) & NE/4SW/4  
**Number of Acres:** 80.00 gross  
**Royalty Rate:** 12.50%  
**Name and Percent ORRI Owners:** The University of Texas MD Anderson Cancer Center - 0.01041667; Presbyterian Healthcare Foundation - 0.01041667; Presbyterian Village North Foundation - 0.01041667; Mountain Lion Oil & Gas, LLC – 0.00093750; Trinity Royalty Holdings I LP – 0.00868594; BriLi, LLC - 0.00166667; Tim Lilley and wife, Tashina Lilley - 0.00166667; Escondido Oil & Gas LLC - 0.00166667; PBEX, LLC – 0.03118287; Sabinal Energy Operating LLC – 0.00460805; Colgate Royalties, LP – 0.00412656  
**Name of Working Interest Owners:** Colgate Production, LLC – 0.87727470; PBEX, LLC – 0.12272530

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	49.5463%
2	80.00	24.7732%
3	82.93	25.6805%
Total	322.93	100.0000%

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Geological & Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** Colgate Operating, LLC **OGRID Number:** 371449  
**Well Name:** Dakota 32 State Fed Com 124H **API:** 30-015-47740  
**Pool:** WINCHESTER; BONE SPRING, WEST **Pool Code:** [97569]

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

<b>FOR OCD ONLY</b>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Mikah Thomas

Print or Type Name

Signature

05/05/2022  
Date

432-695-4272  
Phone Number

mthomas@colgateenergy.com  
e-mail Address

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Sarah Ferreyros](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Paradis, Kyle O](#); [Walls, Christopher](#); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order CTB-1058  
**Date:** Wednesday, October 5, 2022 10:20:15 AM  
**Attachments:** [CTB1058 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1058 which authorizes Colgate Operating, LLC (371449) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-47739	Dakota 32 State Federal Com #123H	N/2 S/2	31-19S-28E	97569
		N/2 S/2	32-19S-28E	
30-015-47740	Dakota 32 State Federal Com #124H	S/2 S/2	31-19S-28E	97569
		S/2 S/2	32-19S-28E	
30-015-47742	Dakota 32 State Federal Com #133H	N/2 S/2	31-19S-28E	97569
		N/2 S/2	32-19S-28E	
30-015-47744	Dakota 32 State Federal Com #134H	S/2 S/2	31-19S-28E	97569
		S/2 S/2	32-19S-28E	
30-015-47732	Bolander 32 State Federal Com #121H	N/2 N/2	31-19S-28E	97569
		N/2 N/2	32-19S-28E	
30-015-47734	Bolander 32 State Federal Com #122H	S/2 N/2	31-19S-28E	97569
		S/2 N/2	32-19S-28E	
30-015-47774	Bolander 32 State Federal Com #131H	N/2 N/2	31-19S-28E	97569
		N/2 N/2	32-19S-28E	
30-015-47736	Bolander 32 State Federal Com #132H	S/2 N/2	31-19S-28E	97569
		S/2 N/2	32-19S-28E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

**From:** [Mikah Thomas](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1058  
**Date:** Tuesday, September 27, 2022 8:55:07 PM  
**Attachments:** [Dakota 32 State Federal Com #123H and others.pdf](#)

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Good evening Dean,

Please see the attached, thank you!

**Mikah Thomas | Colgate Energy**  
[300 N Marienfeld Street | Suite 1000 | Midland, TX 79701](#)  
O: (432) 695-4272 | C: (432) 661-7106  
Email: [mthomas@colgateenergy.com](mailto:mthomas@colgateenergy.com)

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Sent:** Monday, September 26, 2022 2:18 PM  
**To:** Mikah Thomas <[mthomas@colgateenergy.com](mailto:mthomas@colgateenergy.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1058

Mikah,

Please confirm that the NMSLO has received notification of this application.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

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**From:** Mikah Thomas <[mthomas@colgateenergy.com](mailto:mthomas@colgateenergy.com)>  
**Sent:** Wednesday, September 21, 2022 1:49 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1058

For sure, please see attached!

**Mikah Thomas | Colgate Energy**  
[300 N Marienfeld Street | Suite 1000 | Midland, TX 79701](#)  
O: (432) 695-4272 | C: (432) 661-7106  
Email: [mthomas@colgateenergy.com](mailto:mthomas@colgateenergy.com)

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Sent:** Wednesday, September 21, 2022 2:05 PM  
**To:** Mikah Thomas <[mthomas@colgateenergy.com](mailto:mthomas@colgateenergy.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1058

Please provide the affidavit of publication for the public notice.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

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**From:** Mikah Thomas <[mthomas@colgateenergy.com](mailto:mthomas@colgateenergy.com)>  
**Sent:** Wednesday, September 21, 2022 12:30 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Subject:** [EXTERNAL] RE: surface commingling application CTB-1058

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

NMSLO was notified by mail. I do not have receipt of this but will work on getting this.

Regarding the interest owners, we have tried to locate and send notification to the best address we had on file. I also published this in the paper in the event some of these were unreachable.

I think I have attached the Comm agreements you've asked for!

Hope this helps Dean! Thank you!

**Mikah Thomas | Colgate Energy**  
**[300 N Marienfeld Street | Suite 1000 | Midland, TX 79701](#)**  
O: (432) 695-4272 | C: (432) 661-7106  
Email: [mthomas@colgateenergy.com](mailto:mthomas@colgateenergy.com)

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Sent:** Tuesday, September 20, 2022 5:17 PM  
**To:** Mikah Thomas <[mthomas@colgateenergy.com](mailto:mthomas@colgateenergy.com)>  
**Subject:** surface commingling application CTB-1058

Ms. Thomas,

I am reviewing surface commingling application CTB-1058 which involves a commingling project that includes the Dakota Bolander Battery and is operated by Colgate Operating, LLC (371449).

Regarding notice to the BLM, please print off the submittal page which shows the list of wells included in the submittal to the BLM.

Please confirm that the NMSLO was notified of this application.

There are numerous notifications to interest owners which seem to have either been returned or never reached the interest owner. Please confirm that they have received notice of this application.

Please provide the CA packets for the following tracts of land:

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CA Bone Spring BLM	N/2 S/2	31-19S-28E
	N/2 S/2	32-19S-28E
CA Bone Spring BLM	N/2 N/2	31-19S-28E
	N/2 N/2	32-19S-28E

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

**\*\*\* Attention: This is an external email, use caution. \*\*\***

**\*\*\* Attention: This is an external email, use caution. \*\*\***

**\*\*\* Attention: This is an external email, use caution. \*\*\***

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY COLGATE OPERATING, LLC**

**ORDER NO. CTB-1058**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Colgate Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

### **CONCLUSIONS OF LAW**

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later

than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

- 9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



\_\_\_\_\_  
**ADRIENNE E. SANDOVAL  
DIRECTOR**

**DATE:** 10/4/22

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

**Order: CTB-1058**

**Operator: Colgate Operating, LLC (371449)**

**Central Tank Battery: Dakota Bolander Battery**

**Central Tank Battery Location: UL I, Section 32, Township 19 South, Range 28 East**

**Gas Title Transfer Meter Location: UL I, Section 32, Township 19 South, Range 28 East**

### Pools

Pool Name	Pool Code
WINCHESTER; BONE SPRING, WEST	97569

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 004986	All minus M	31-19S-28E
NMNM 025869	M	31-19S-28E
XO 06480154	N/2 minus E H	32-19S-28E
VB 05490002	E H	32-19S-28E
LG 27250002	S/2	32-19S-28E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-47739	Dakota 32 State Federal Com #123H	N/2 S/2	31-19S-28E	97569
		N/2 S/2	32-19S-28E	
30-015-47740	Dakota 32 State Federal Com #124H	S/2 S/2	31-19S-28E	97569
		S/2 S/2	32-19S-28E	
30-015-47742	Dakota 32 State Federal Com #133H	N/2 S/2	31-19S-28E	97569
		N/2 S/2	32-19S-28E	
30-015-47744	Dakota 32 State Federal Com #134H	S/2 S/2	31-19S-28E	97569
		S/2 S/2	32-19S-28E	
30-015-47732	Bolander 32 State Federal Com #121H	N/2 N/2	31-19S-28E	97569
		N/2 N/2	32-19S-28E	
30-015-47734	Bolander 32 State Federal Com #122H	S/2 N/2	31-19S-28E	97569
		S/2 N/2	32-19S-28E	
30-015-47774	Bolander 32 State Federal Com #131H	N/2 N/2	31-19S-28E	97569
		N/2 N/2	32-19S-28E	
30-015-47736	Bolander 32 State Federal Com #132H	S/2 N/2	31-19S-28E	97569
		S/2 N/2	32-19S-28E	

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: CTB-1058  
Operator: Colgate Operating, LLC (371449)

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105780447	S/2 N/2	31-19S-28E	322.87	A
	S/2 N/2	32-19S-28E		
CA Bone Spring NMNM 105728566	S/2 S/2	31-19S-28E	322.98	B
	S/2 S/2	32-19S-28E		
CA Bone Spring BLM	N/2 S/2	31-19S-28E	322.93	C
	N/2 S/2	32-19S-28E		
CA Bone Spring BLM	N/2 N/2	31-19S-28E	322.82	D
	N/2 N/2	32-19S-28E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 004986	S/2 N/2	31-19S-28E	162.87	A
VB 05490002	E H	32-19S-28E	80	A
XO 06480154	F G	32-19S-28E	80	A
NMNM 025869	M	31-19S-28E	42.98	B
NMNM 004986	N O P	31-19S-28E	120	B
LG 27250002	S/2 S/2	32-19S-28E	160	B
NMNM 004986	N/2 S/2	31-19S-28E	162.93	C
LG 27250002	N/2 S/2	32-19S-28E	160	C
NMNM 004986	N/2 N/2	31-19S-28E	162.82	D
XO 06480154	N/2 N/2	32-19S-28E	160	D

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
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**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
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**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 118460

**CONDITIONS**

Operator: COLGATE OPERATING, LLC 300 North Marienfeld Street Midland, TX 79701	OGRID: 371449
	Action Number: 118460
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	10/5/2022