

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

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

Case No. 23107

HEARING EXHIBITS

Compulsory Pooling Checklist

- | | |
|-----------|---|
| Exhibit A | Self-Affirmed Statement of Travis Macha |
| A-1 | Application & Proposed Notice of Hearing |
| A-2 | C-102s |
| A-3 | Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation |
| A-4 | Sample Well Proposal Letter & AFEs |
| A-5 | Chronology of Contact |
| Exhibit B | Self-Affirmed Statement of David DaGian |
| B-1 | Regional Locator Map |
| B-2 | Cross-Section Location Map |
| B-3 | Second Bone Spring Structure Map |
| B-4 | Third Bone Spring Structure Map |
| B-5 | Structural Cross-Section |
| B-6 | Stratigraphic Cross-Section |
| B-7 | Gunbarrel Diagram |
| Exhibit C | Self-Affirmed Statement of Dana S. Hardy |
| C-1 | Sample Notice Letter to All Interested Parties |
| C-2 | Chart of Notice to All Interested Parties and Certified Mail Receipts |
| C-3 | Copies of Certified Mail Receipts and Returns |
| C-4 | Affidavit of Publication for October 16, 2022 |

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	23107
Hearing Date:	11/3/2022
Applicant	Colgate Operating, LLC
Designated Operator & OGRID	OGRID # 371449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors	None.
Well Family	Dingo
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring
Pool Name and Pool Code	Old Millman Ranch; BS Pool (Code 48035)
Well Location Setback Rules	Statewide
Spacing Unit Size	320-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre
Building Blocks	quarter-quarter
Orientation	East/West
Description: TRS/County	N/2 N/2 of Sections 16 and 17, Township 20 South, Range 28 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Dingo 17 Federal Com 121H (API # pending) SHL: 1502' FNL & 210' FEL (Unit H), Section 18, T20S-R28E BHL: 660' FNL & 10' FEL (Unit A), Section 16, T20S-R28E Completion Target: Second Bone Spring (Approx. 7180' TVD)
Well #2	Dingo 17 Federal Com 131H (API # pending) SHL: 1502' FNL & 270' FEL (Unit H), Section 18, T20S-R28E BHL: 990' FNL & 10' FEL (Unit A), Section 16, T20S-R28E Completion Target: Third Bone Spring (Approx. 8430' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	

Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	None.
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-7
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3; Exhibit B-4
Cross Section Location Map (including wells)	B-2
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	10/28/2022

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

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

CASE NO. 23107

SELF-AFFIRMED STATEMENT
OF TRAVIS MACHA

1. I am a Senior Landman at Colgate Operating, LLC (“Colgate”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Colgate’s application and proposed hearing notice are attached as **Exhibit A-1**.

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

4. Colgate seeks an order pooling all uncommitted interests in the Old Millman Ranch; BS Pool (Code 48035) within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 16 and 17, Township 20 South, Range 28 East, Eddy County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Dingo 17 Federal Com 121H** and **Dingo Federal Com 131H** wells (“Wells”), which will be horizontally drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 18, Township 20 South, Range, 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 16, Township 20 South, Range 28 East.

6. The completed interval of the Wells will be orthodox.

Colgate Operating, LLC
Case No. 23107
Exhibit A

7. **Exhibit A-2** contains the C-102 for the Wells.

8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Colgate seeks to pool highlighted in yellow. All of the interest owners Colgate seeks to pool are locatable.

9. Colgate has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches to locate interest owners it seeks to pool.

10. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

11. In my opinion, Colgate made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.

12. Colgate requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Colgate and other operators in the vicinity.

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

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

15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury

under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.



Travis Macha

10-20-22

Date

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

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

CASE NO. 23107

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Operating, LLC (OGRID No. 371449) (“Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N2/N2 of Sections 16 and 17, Township 20 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of its application, Colgate states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the following wells:
 - a. The **Dingo 17 Federal Com 121H** well, to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 18, Township 20 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 16, Township 20 South, Range 28 East; and
 - b. The **Dingo 17 Federal Com 131H** well, to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 18, Township 20 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 16, Township 20 South, Range 28 East.
3. The completed interval of the Wells will be orthodox.

**Colgate Operating, LLC
Case No. 23107
Exhibit A-1**

4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

Application of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Bone Spring Formation underlying a 320-acre, more or less standard horizontal spacing unit comprised of the N/2 N/2 of Sections 16 and 17, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Dingo 17 Federal Com 121H** and the **Dingo 17 Federal Com 131H** wells, which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 18, Township 20 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 16, Township 20 South, Range 28 East. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 9.1 miles North of Carlsbad, New Mexico.

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

Revised August 1, 2011
 Submit one copy to appropriate
 District Office

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 48035		3 Pool Name Old Millman Ranch; BS Pool	
4 Property Code		5 Property Name DINGO 17 FEDERAL COM			6 Well Number 121H
7 OGRID No. 371449		8 Operator Name COLGATE OPERATING, LLC			9 Elevation 3281.66'

10 Surface Location

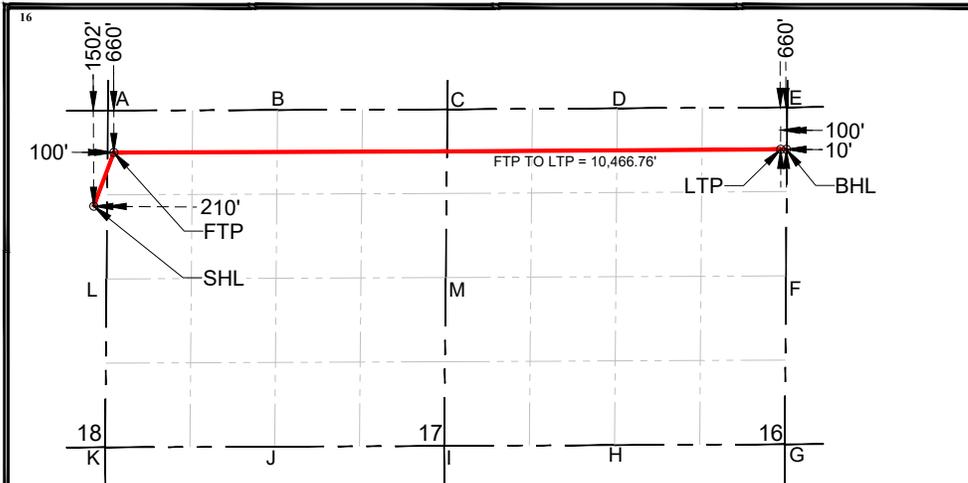
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	18	20-S	28-E		1502'	NORTH	210'	EAST	EDDY

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
A	16	20-S	28-E		660'	NORTH	10'	EAST	EDDY

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

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



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 _____ Date _____
 Printed Name _____
 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 06/14/2022
 Signature and Seal of Professional Surveyor:
 Certificate Number _____

<p>SURFACE HOLE LOCATION (SHL) NEW MEXICO EAST - NAD 83 X=579547.54 LAT.= 32.57666054° N Y=573542.07 LONG.= 104.20928779° W NEW MEXICO EAST - NAD 27 X=538367.32 LAT.= 32.57654343° N Y=573480.77 LONG.= 104.20878006° W 1502' FNL, 210' FEL - SECTION 18</p>	<p>FIRST TAKE POINT (FTP) NEW MEXICO EAST - NAD 83 X=579864.09 LAT.= 32.57897793° N Y=574385.51 LONG.= 104.20825694° W NEW MEXICO EAST - NAD 27 X=538683.88 LAT.= 32.57886083° N Y=574324.19 LONG.= 104.20774917° W 660' FNL, 100' FWL - SECTION 17</p>
<p>LAST TAKE POINT (LTP) NEW MEXICO EAST - NAD 83 X=590330.71 LAT.= 32.57907951° N Y=574436.44 LONG.= 104.17427694° W NEW MEXICO EAST - NAD 27 X=549150.47 LAT.= 32.57896204° N Y=574375.03 LONG.= 104.17377007° W 660' FNL, 100' FEL - SECTION 16</p>	<p>BOTTOM HOLE LOCATION (BHL) NEW MEXICO EAST - NAD 83 X=590420.72 LAT.= 32.57908066° N Y=574436.99 LONG.= 104.17398473° W NEW MEXICO EAST - NAD 27 X=549240.48 LAT.= 32.57896318° N Y=574375.58 LONG.= 104.17347787° W 660' FNL, 10' FEL - SECTION 16</p>

- CORNER DATA**
 NEW MEXICO EAST - NAD 83
- A - FOUND 1" IRON PIPE
N:575045.49° E:579769.23'
 - B - FOUND IRON PIPE W/ BRASS CAP
N:575054.32° E:582433.73'
 - C - FOUND IRON PIPE W/ BRASS CAP
N:575063.99° E:585099.23'
 - D - FOUND 1 1/4" IRON PIPE
N:575080.69° E:587767.05'
 - E - FOUND 2" IRON PIPE
N:575097.10° E:590435.59'
 - F - FOUND 1" IRON PIPE BENT
N:572448.86° E:590416.05'
 - G - FOUND 2" IRON PIPE
N:569801.89° E:590396.54'
 - H - FOUND 1 1/2" IRON PIPE
N:569789.21° E:587723.84'
 - I - FOUND 2" IRON PIPE
N:589776.45° E:585049.04'
 - J - FOUND 2" IRON PIPE
N:569765.20° E:582388.47'
 - K - FOUND 2 1/2" IRON PIPE
N:569753.88° E:579727.92'
 - L - FOUND 1 1/4" IRON PIPE
N:572400.16° E:579748.59'
 - M - FOUND 1" IRON PIPE
N:572421.84° E:585074.34'

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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1220 S. St. Francis Dr., Santa Fe, NM 87505
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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

1 API Number		2 Pool Code 48035		3 Pool Name Old Millman Ranch; BS Pool	
4 Property Code		5 Property Name DINGO 17 FEDERAL COM			6 Well Number 131H
7 OGRID No. 371449		8 Operator Name COLGATE OPERATING, LLC			9 Elevation 3281.74'

10 Surface Location

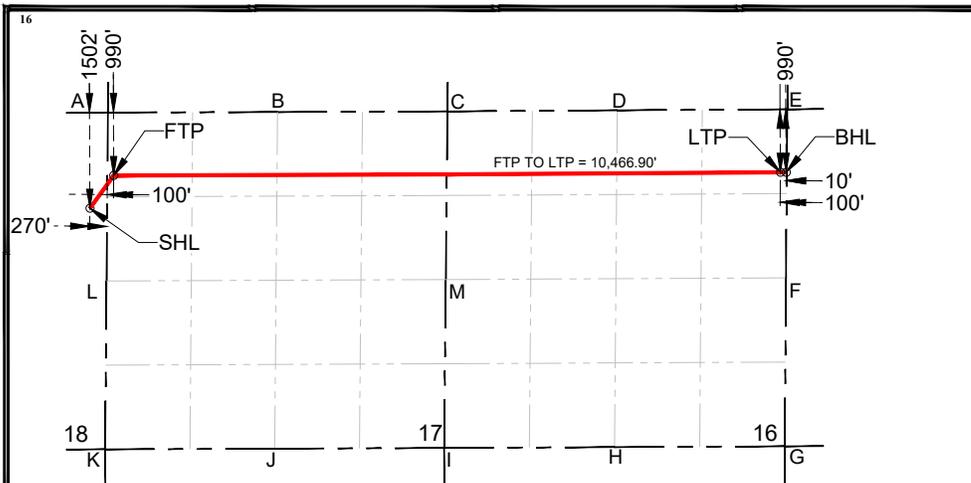
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	18	20-S	28-E		1502'	NORTH	270'	EAST	EDDY

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
A	16	20-S	28-E		990'	NORTH	10'	EAST	EDDY

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

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



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 _____ Date _____
Printed Name _____
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.

CHARLES L. BURICA
NEW MEXICO
25490
PROFESSIONAL SURVEYOR
Date of Survey: 06/14/2022
Signature and Seal of Professional Surveyor: _____
Certificate Number _____

SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=579487.50 LAT.= 32.57666012° N
Y=573541.84 LONG.= 104.20948272° W
NEW MEXICO EAST - NAD 27
X=538307.28 LAT.= 32.57654301° N
Y=573480.54 LONG.= 104.20897498° W
1502' FNL, 990' FEL - SECTION 18

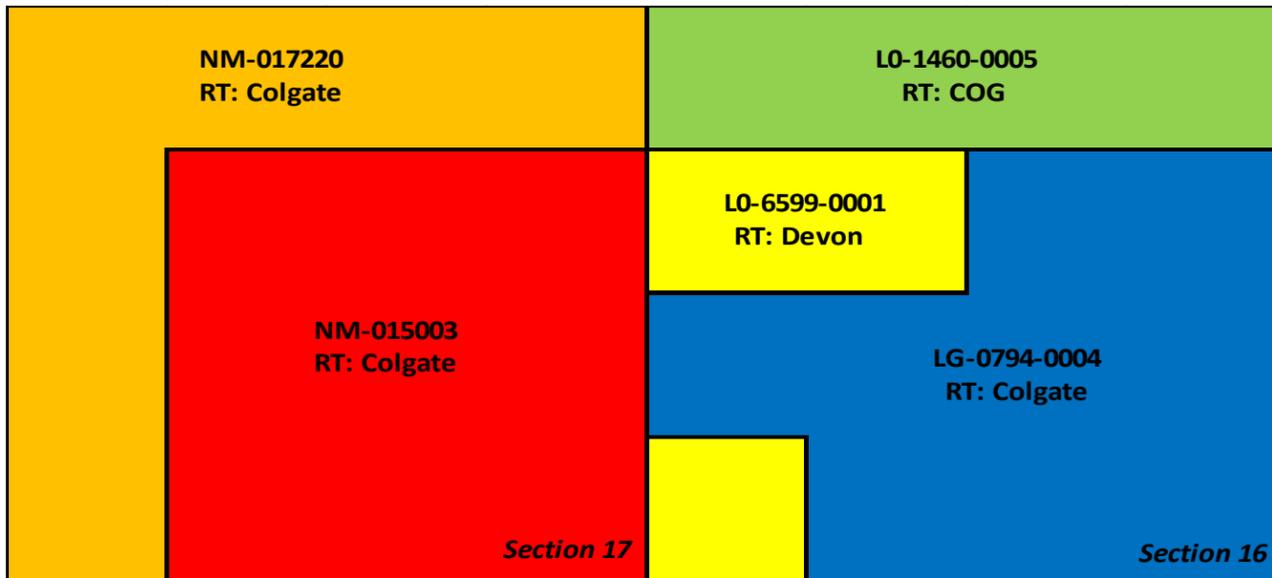
FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=579861.51 LAT.= 32.57807083° N
Y=574055.50 LONG.= 104.20826655° W
NEW MEXICO EAST - NAD 27
X=538681.30 LAT.= 32.57795372° N
Y=573994.19 LONG.= 104.20775881° W
990' FNL, 100' FWL - SECTION 17

CORNER DATA
NEW MEXICO EAST - NAD 83
A - CALCULATED CORNER
N:575045.19° E:579769.23'
B - FOUND IRON PIPE W/ BRASS CAP
N:575054.32° E:582433.73'
C - FOUND IRON PIPE W/ BRASS CAP
N:575063.99° E:585099.23'
D - FOUND 1 1/4" IRON PIPE
N:575080.69° E:587767.05'
E - FOUND 2" IRON PIPE
N:575097.10° E:590435.59'
F - FOUND 1" IRON PIPE BENT
N:572448.86° E:590416.05'
G - FOUND 2" IRON PIPE
N:569801.89° E:590396.54'
H - FOUND 1 1/2" IRON PIPE
N:569789.21° E:587723.84'
I - FOUND 2" IRON PIPE
N:589776.45° E:585049.04'
J - FOUND 2" IRON PIPE
N:569765.20° E:582388.47'
K - FOUND 2 1/2" IRON PIPE
N:569753.88° E:579727.92'
L - FOUND 1 1/4" IRON PIPE
N:572400.16° E:579748.59'
M - FOUND 1" IRON PIPE
N:572421.84° E:585074.34'

LAST TAKE POINT (LTP)
NEW MEXICO EAST - NAD 83
X=590328.28 LAT.= 32.57817238° N
Y=574106.42 LONG.= 104.17428645° W
NEW MEXICO EAST - NAD 27
X=549148.03 LAT.= 32.57805490° N
Y=574045.02 LONG.= 104.17377959° W
990' FNL, 100' FEL - SECTION 16

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=590418.28 LAT.= 32.57817353° N
Y=574106.97 LONG.= 104.17399424° W
NEW MEXICO EAST - NAD 27
X=549238.03 LAT.= 32.57805604° N
Y=574045.57 LONG.= 104.17348740° W
990' FNL, 10' FEL - SECTION 16

Land Exhibit: N2N2 - BONE SPRING - Dingo Fed Com 121H & 131H
N2N2 of Sections 16 & 17, T20S-R28E, Eddy Co., NM



Owner	Pooling?	Documents Sent			Notes
		Proposal	JOA	Com Agmt	
Colgate Production, LLC	N/A	N/A	N/A	N/A	
Devon Energy Production, LP	Y	Y	Y	Y	
Diamondhead Properties, LP	Y	Y	Y	Y	In process of executing docs
Dugan Production Corp.	Y	Y	Y	Y	
COG Operating, LLC	N	Y	Y	Y	Executed All Docs

*Please Note Oxy USA, Inc. has assigned all rights and interest unto Colgate Production, LLC. Record title transfers are processing with the BLM

Owner	Leasehold Ownership					
	Sec 16: S2NW, SWSW - 2nd Bone Spring	Sec 16: S2NW, SWSW - All Depths, SAE 2nd Bone Spring	Sec 16: N2N2	Sec 16: S2NE, N2SW, SESW, SE	Sec 17: N2N2, SWNW, W2SW	Sec 17: E2SW, SW, SENW, S2NE
Colgate Production, LLC	53.202240%	5.000000%	0.000000%	100.000000%	100.000000%	100.000000%
Devon Energy Production, LP	0.000000%	48.202240%	0.000000%	0.000000%	0.000000%	0.000000%
Diamondhead Properties, LP	23.398880%	23.398880%	0.000000%	0.000000%	0.000000%	0.000000%
Dugan Production Corp.	23.398880%	23.398880%	0.000000%	0.000000%	0.000000%	0.000000%
COG Operating, LLC	0.000000%	0.000000%	100.000000%	0.000000%	0.000000%	0.000000%

*Contractual interest already spread in Section 16 via 1976 JOA, new 2022 uperceding JOA has been proposed

Unit Capitulation - N2N2	
Owner	Working Interest
Colgate Production, LLC	78.5937500%
Devon Energy Production, LP	4.518960%
Diamondhead Properties, LP	2.193645%
Dugan Production Corp.	2.193645%
COG Operating, LLC	12.500000%
Total	100.0000000%

Colgate Operating, LLC
Case No. 23107
Exhibit A-3



August 2, 2022

Via Certified Mail

ConocoPhillips Company (COG Operating, LLC)
600 W Illinois Ave.
Midland, TX 79701

RE: Dingo 17 Federal Com – Well Proposals
Section 16: All, Section 17: All, T20S-28E, Bone Spring and Wolfcamp Formations
Eddy County, New Mexico

To Whom It May Concern:

Colgate Operating, LLC, as operator for Colgate Production, LLC (“Colgate”), hereby proposes the drilling and completion of the following twelve (12) wells, the Dingo 17 Federal Com 121H, 122H, 123H, 124H, 131H, 132H, 133H, 134H, 201H, 202H, 203H, and 204H from two well pads at the following approximate locations within Township 20 South, Range 28 East:

- 1. Dingo 17 Federal Com 121H – North Pad**
SHL: 1,502’ FNL & 210’ FEL or at a legal location within Unit H of Section 18
BHL: 660’ FNL & 10’ FEL of Section 16
FTP: 660’ FNL & 100’ FWL of Section 17
LTP: 660’ FNL & 100’ FEL of Section 16
TVD: 7,180’
TMD: Approximately 17,465’
Proration Unit: N2N2 of Sections 16 & 17
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

- 2. Dingo 17 Federal Com 122H – North Pad**
SHL: 1,502’ FNL & 180’ FEL or at a legal location within Unit H of Section 18
BHL: 2,310’ FNL & 10’ FEL of Section 17
FTP: 2,310’ FNL & 100’ FWL of Section 17
LTP: 2,310’ FNL & 100’ FEL of Section 17
TVD: 7,180’
TMD: Approximately 12,365’
Proration Unit: S2N2 of Section 17
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

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Case No. 23107
Exhibit A-4

Dingo 17 Federal Com Well Proposal

- 3. Dingo 17 Federal Com 123H – South Pad**
SHL: 964' FSL & 230' FEL or at a legal location within Unit P of Section 18
BHL: 1,650' FSL & 10' FEL of Section 16
FTP: 1,650' FSL & 100' FWL of Section 17
LTP: 1,650' FSL & 100' FEL of Section 16
TVD: 7,150'
TMD: Approximately 17,435'
Proration Unit: N2S2 of Sections 16 & 17
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE
- 4. Dingo 17 Federal Com 124H – South Pad**
SHL: 964' FSL & 200' FEL or at a legal location within Unit P of Section 18
BHL: 330' FSL & 10' FEL of Section 16
FTP: 330' FSL & 100' FWL of Section 17
LTP: 330' FSL & 100' FEL of Section 16
TVD: 7,150'
TMD: Approximately 17,435'
Proration Unit: S2S2 of Sections 16 & 17
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE
- 5. Dingo 17 Federal Com 131H – North Pad**
SHL: 1,502' FNL & 270' FEL or at a legal location within Unit H of Section 18
BHL: 990' FNL & 10' FEL of Section 16
FTP: 990' FNL & 100' FWL of Section 17
LTP: 990' FNL & 100' FEL of Section 16
TVD: 8,430'
TMD: Approximately 18,715'
Proration Unit: N2N2 of Sections 16 & 17
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE
- 6. Dingo 17 Federal Com 132H – North Pad**
SHL: 1,502' FNL & 240' FEL or at a legal location within Unit H of Section 18
BHL: 2,310' FNL & 10' FEL of Section 16
FTP: 2,310' FNL & 100' FWL of Section 17
LTP: 2,310' FNL & 100' FEL of Section 16
TVD: 8,430'
TMD: Approximately 18,715'
Proration Unit: S2N2 of Sections 16 & 17
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE
- 7. Dingo 17 Federal Com 133H – South Pad**
SHL: 964' FSL & 290' FEL or at a legal location within Unit P of Section 18
BHL: 1,650' FSL & 10' FEL of Section 16
FTP: 1,650' FSL & 100' FWL of Section 17
LTP: 1,650' FSL & 100' FEL of Section 16
TVD: 8,420'
TMD: Approximately 18,705'
Proration Unit: N2S2 of Sections 16 & 17
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

Dingo 17 Federal Com Well Proposal

- 8. Dingo 17 Federal Com 134H – South Pad**
SHL: 964' FSL & 260' FEL or at a legal location within Unit P of Section 18
BHL: 330' FSL & 10' FEL of Section 16
FTP: 330' FSL & 100' FWL of Section 17
LTP: 330' FSL & 100' FEL of Section 16
TVD: 8,420'
TMD: Approximately 18,705'
Proration Unit: S2S2 of Sections 16 & 17
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE
- 9. Dingo 17 Federal Com 201H – North Pad**
SHL: 1,502' FNL & 330' FEL or at a legal location within Unit H of Section 18
BHL: 330' FNL & 10' FEL of Section 16
FTP: 330' FNL & 100' FWL of Section 17
LTP: 330' FNL & 100' FEL of Section 16
TVD: 8,765'
TMD: Approximately 19,050'
Proration Unit: N2N2 of Sections 16 & 17
Targeted Interval: Wolfcamp XY
Total Cost: See attached AFE
- 10. Dingo 17 Federal Com 202H – North Pad**
SHL: 1,502' FNL & 300' FEL or at a legal location within Unit H of Section 18
BHL: 1,650' FNL & 10' FEL of Section 16
FTP: 1,650' FNL & 100' FWL of Section 17
LTP: 1,650' FNL & 100' FEL of Section 16
TVD: 8,765'
TMD: Approximately 19,050'
Proration Unit: S2N2 of Sections 16 & 17
Targeted Interval: Wolfcamp XY
Total Cost: See attached AFE
- 11. Dingo 17 Federal Com 203H – South Pad**
SHL: 964' FSL & 350' FEL or at a legal location within Unit P of Section 18
BHL: 2,310' FSL & 10' FEL of Section 16
FTP: 2,310' FSL & 100' FWL of Section 17
LTP: 2,310' FSL & 100' FEL of Section 16
TVD: 8,735'
TMD: Approximately 19,020'
Proration Unit: N2S2 of Sections 16 & 17
Targeted Interval: Wolfcamp XY
Total Cost: See attached AFE

Continued on next page

Dingo 17 Federal Com Well Proposal

12. Dingo 17 Federal Com 204H – South Pad

SHL: 964' FSL & 320' FEL or at a legal location within Unit P of Section 18

BHL: 990' FSL & 10' FEL of Section 16

FTP: 990' FSL & 100' FWL of Section 17

LTP: 990' FSL & 100' FEL of Section 16

TVD: 8,735'

TMD: Approximately 19,020'

Proration Unit: S2S2 of Sections 16 & 17

Targeted Interval: Wolfcamp XY

Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Colgate is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is enclosed. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$8,000/\$800 drilling and producing rates
- Colgate Operating, LLC named as Operator

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

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

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at tmacha@colgateenergy.com.

Respectfully,



Travis Macha
Senior Landman

Enclosures

Dingo 17 Federal Com Well Proposal

Well Elections: <i>(Please indicate your responses in the spaces below)</i>		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Dingo 24 Federal Com 121H		
Dingo 24 Federal Com 122H		
Dingo 24 Federal Com 123H		
Dingo 24 Federal Com 124H		
Dingo 24 Federal Com 131H		
Dingo 24 Federal Com 132H		
Dingo 24 Federal Com 133H		
Dingo 24 Federal Com 134H		
Dingo 24 Federal Com 201H		
Dingo 24 Federal Com 202H		
Dingo 24 Federal Com 203H		
Dingo 24 Federal Com 204H		

Company Name (If Applicable):

By: _____

Printed Name: _____

Date: _____

Colgate Energy

300 N. Mariefeld St., Ste. 1000 Midland, TX 79701
 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	7/28/2022	AFE NO.:	0
WELL NAME:	Dingo 17 Federal Com 121H	FIELD:	Avalon; BONE SPRING
LOCATION:	Section 18, Block T20S-R28E	MD/TVD:	17465 TMD / 7180 TVD
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,467
Colgate WI:		DRILLING DAYS:	19.5
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	19
REMARKS:	Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 42,500	\$	\$	\$ 42,500
2 Location, Surveys & Damages	207,283	13,000	10,000	230,283
4 Freight / Transportation	32,330	30,250		62,580
5 Rental - Surface Equipment	84,757	153,700	6,120	244,577
6 Rental - Downhole Equipment	137,058	35,613		172,671
7 Rental - Living Quarters	33,154	43,450		76,604
10 Directional Drilling, Surveys	280,308			280,308
11 Drilling	545,357			545,357
12 Drill Bits	82,680			82,680
13 Fuel & Power	135,945	538,248		674,193
14 Cementing & Float Equip	188,192			188,192
15 Completion Unit, Swab, CTU			12,000	12,000
16 Perforating, Wireline, Slickline	-	301,525	18,000	319,525
17 High Pressure Pump Truck	-	88,700		88,700
18 Completion Unit, Swab, CTU	-	92,225		92,225
20 Mud Circulation System	75,291			75,291
21 Mud Logging	13,354			13,354
22 Logging / Formation Evaluation	5,190	6,000		11,190
23 Mud & Chemicals	249,257	302,604		551,861
24 Water	42,400	490,773		533,173
25 Stimulation	-	588,558		588,558
26 Stimulation Flowback & Disp	-	102,125		102,125
28 Mud / Wastewater Disposal	156,986	44,000		200,986
30 Rig Supervision / Engineering	86,660	102,075	4,800	193,535
32 Drlg & Completion Overhead	7,500	-		7,500
35 Labor	117,766	50,000	20,000	187,766
54 Proppant		888,905		888,905
95 Insurance	8,968			8,968
97 Contingency	-	17,657	7,092	24,749
99 Plugging & Abandonment	-			-
TOTAL INTANGIBLES >	2,532,937	3,889,408	78,012	6,500,357
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 34,403	\$	\$	\$ 34,403
61 Intermediate Casing	65,402			65,402
62 Drilling Liner	116,403			116,403
63 Production Casing	446,005			446,005
64 Production Liner	-			-
65 Tubing	-		55,000	55,000
66 Wellhead	68,900		51,200	120,100
67 Packers, Liner Hangers	10,600	-	7,500	18,100
68 Tanks	-		16,500	16,500
69 Production Vessels	-			-
70 Flow Lines	-		12,500	12,500
71 Rod string	-			-
72 Artificial Lift Equipment	-		40,000	40,000
73 Compressor	-		42,500	42,500
74 Installation Costs	-			-
75 Surface Pumps	-		5,000	5,000
76 Downhole Pumps	-			-
77 Measurement & Meter Installation	-		21,000	21,000
78 Gas Conditioning / Dehydration	-			-
79 Interconnecting Facility Piping	-			-
80 Gathering / Bulk Lines	-			-
81 Valves, Dumps, Controllers	-			-
82 Tank / Facility Containment	-			-
83 Flare Stack	-			-
84 Electrical / Grounding	-		55,000	55,000
85 Communications / SCADA	-			-
86 Instrumentation / Safety	-			-
TOTAL TANGIBLES >	741,713	0	306,200	1,047,913
TOTAL COSTS >	3,274,650	3,889,408	384,212	7,548,270

PREPARED BY Colgate Energy:

Drilling Engineer:	SS/RM/PS
Completions Engineer:	Miles Landry
Production Engineer:	Levi Harris

Colgate Energy APPROVAL:

Co-CEO	_____	Co-CEO	_____	VP - Operations	_____
	WH		JW		CRM
VP - Land & Legal	_____	VP - Geosciences	_____		
	BG		SO		

NON OPERATING PARTNER APPROVAL:

Company Name:	_____	Working Interest (%):	_____	Tax ID:	_____
Signed by:	_____	Date:	_____		
Title:	_____	Approval:	<input type="checkbox"/> Yes <input type="checkbox"/> No (mark one)		

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

Colgate Energy

300 N. Mariefeld St., Ste. 1000 Midland, TX 79701
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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	7/28/2022	AFE NO.:	0
WELL NAME:	Dingo 17 Federal Com 131H	FIELD:	Avalon; BONE SPRING
LOCATION:	Section 18, Block T20S-R28E	MD/TVD:	18715 TMD / 8430 TVD
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,467
Colgate WI:		DRILLING DAYS:	26.7
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	19
REMARKS:	Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 42,500	\$	\$	\$ 42,500
2 Location, Surveys & Damages	209,509	13,000	10,000	232,509
4 Freight / Transportation	32,330	30,250		62,580
5 Rental - Surface Equipment	109,738	153,700	6,120	269,558
6 Rental - Downhole Equipment	139,443	35,613		175,056
7 Rental - Living Quarters	40,452	43,450		83,902
10 Directional Drilling, Surveys	350,443			350,443
11 Drilling	705,811			705,811
12 Drill Bits	82,680			82,680
13 Fuel & Power	183,526	538,248		721,774
14 Cementing & Float Equip	188,192			188,192
15 Completion Unit, Swab, CTU			12,000	12,000
16 Perforating, Wireline, Slickline	-	301,525	18,000	319,525
17 High Pressure Pump Truck	-	88,700		88,700
18 Completion Unit, Swab, CTU	-	92,225		92,225
20 Mud Circulation System	96,318			96,318
21 Mud Logging	20,254			20,254
22 Logging / Formation Evaluation	9,133	6,000		15,133
23 Mud & Chemicals	312,210	330,967		643,177
24 Water	46,110	540,596		586,706
25 Stimulation	-	637,310		637,310
26 Stimulation Flowback & Disp	-	102,125		102,125
28 Mud / Wastewater Disposal	156,986	44,000		200,986
30 Rig Supervision / Engineering	118,419	102,075	4,800	225,294
32 Drlg & Completion Overhead	10,125	-		10,125
35 Labor	117,766	50,000	20,000	187,766
54 Proppant		973,254		973,254
95 Insurance	9,603			9,603
97 Contingency	-	19,119	7,092	26,211
99 Plugging & Abandonment	-			-
TOTAL INTANGIBLES >	2,981,549	4,102,157	78,012	7,161,718

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 34,403	\$	\$	\$ 34,403
61 Intermediate Casing	65,402			65,402
62 Drilling Liner	116,403			116,403
63 Production Casing	477,237			477,237
64 Production Liner	-			-
65 Tubing	-		55,000	55,000
66 Wellhead	68,900		51,200	120,100
67 Packers, Liner Hangers	10,600	-	7,500	18,100
68 Tanks	-		16,500	16,500
69 Production Vessels	-			-
70 Flow Lines	-		12,500	12,500
71 Rod string	-			-
72 Artificial Lift Equipment	-		40,000	40,000
73 Compressor	-		42,500	42,500
74 Installation Costs	-			-
75 Surface Pumps	-		5,000	5,000
76 Downhole Pumps	-			-
77 Measurement & Meter Installation	-		21,000	21,000
78 Gas Conditioning / Dehydration	-			-
79 Interconnecting Facility Piping	-			-
80 Gathering / Bulk Lines	-			-
81 Valves, Dumps, Controllers	-			-
82 Tank / Facility Containment	-			-
83 Flare Stack	-			-
84 Electrical / Grounding	-		55,000	55,000
85 Communications / SCADA	-			-
86 Instrumentation / Safety	-			-
TOTAL TANGIBLES >	772,945	0	306,200	1,079,145
TOTAL COSTS >	3,754,494	4,102,157	384,212	8,240,863

PREPARED BY Colgate Energy:

Drilling Engineer:	SS/RM/PS
Completions Engineer:	ML/BA
Production Engineer:	Levi Harris

Colgate Energy APPROVAL:

Co-CEO	_____	Co-CEO	_____	VP - Operations	_____
	WH		JW		CRM
VP - Land & Legal	_____	VP - Geosciences	_____		
	BG		SO		

NON OPERATING PARTNER APPROVAL:

Company Name:	_____	Working Interest (%):	_____	Tax ID:	_____
Signed by:	_____	Date:	_____		
Title:	_____	Approval:	<input type="checkbox"/> Yes <input type="checkbox"/> No (mark one)		

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.



Dingo – Chronology of Communication

July 28, 2022 – Proposal to all parties sent

August 2022 – Devon and Colgate agree on trade proposal for Devon to exit unit, close is pending

August 4, 2022 – Initial conversation with Dugan, informing of interest and development plans

August 11, 2022 – JOA negotiations with COG Operating (ConocoPhillips)

August 23, 2022 – COG Operating signs JOA and Com Agreements

October 19, 2022 – final conversation with Dugan, they indicated their intent to participate in wellbores

Colgate Operating, LLC
Case No. 23107
Exhibit A-5

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

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

CASE NO. 23107

**SELF-AFFIRMED STATEMENT
OF DAVID DAGIAN**

1. I am a geologist with Colgate Operating, LLC (“Colgate”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record am familiar with the geological matters that pertain to the above-referenced case.

2. **Exhibit B-1** is a regional locator map that identifies the Dingo project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of these applications.

3. **Exhibit B-2** is a cross section location map for the proposed horizontal spacing unit (“Unit”) within the Bone Spring formation. The approximate wellbore paths for the proposed Dingo 17 Federal Com 121H and Dingo 17 Federal Com 131H wells (“Wells”) are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A’ with the cross-section well names and a black line in proximity to the proposed wells.

4. **Exhibit B-3** is a Second Bone Spring (SBSG) Structure map on the base of the Second Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies

the approximate wellbore path for the Dingo 17 Federal Com 121H proposed Well with an orange dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

5. **Exhibit B-4** is a Third Bone Spring (TBSG) Structure map on the top of the Third Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore path for the Dingo 17 Federal Com 131H proposed Well with a red dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-5** identifies three wells penetrating the targeted interval I used to construct a structural cross-section from A to A'. The structural cross section from west to east shows the regional dip to the East-Southeast for both the Bone Spring Wells. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. The target zones for the proposed Wells is the Bone Spring formation, which is consistent across the units. The approximate well-path for the proposed Wells are indicated by dashed lines to be drilled from west to east across the units.

7. **Exhibit B-6** is a stratigraphic cross-section from A to A' using the representative wells identified on **Exhibit B-5**. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from west to east and is hung on the top of the Wolfcamp formation. The proposed landing zone for the Wells is labeled on the exhibit. The approximate well-path for the

proposed well is indicated by dashed lines to be drilled from west to east across the units. This cross-section demonstrates the target interval is continuous across the Unit.

8. **Exhibit B-7** is a gun barrel diagram that shows the Dingo 17 Federal Com 121H and Dingo 17 Federal Com 131H Wells in the Bone Spring formation.

9. In my opinion, a laydown orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend.

10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.

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

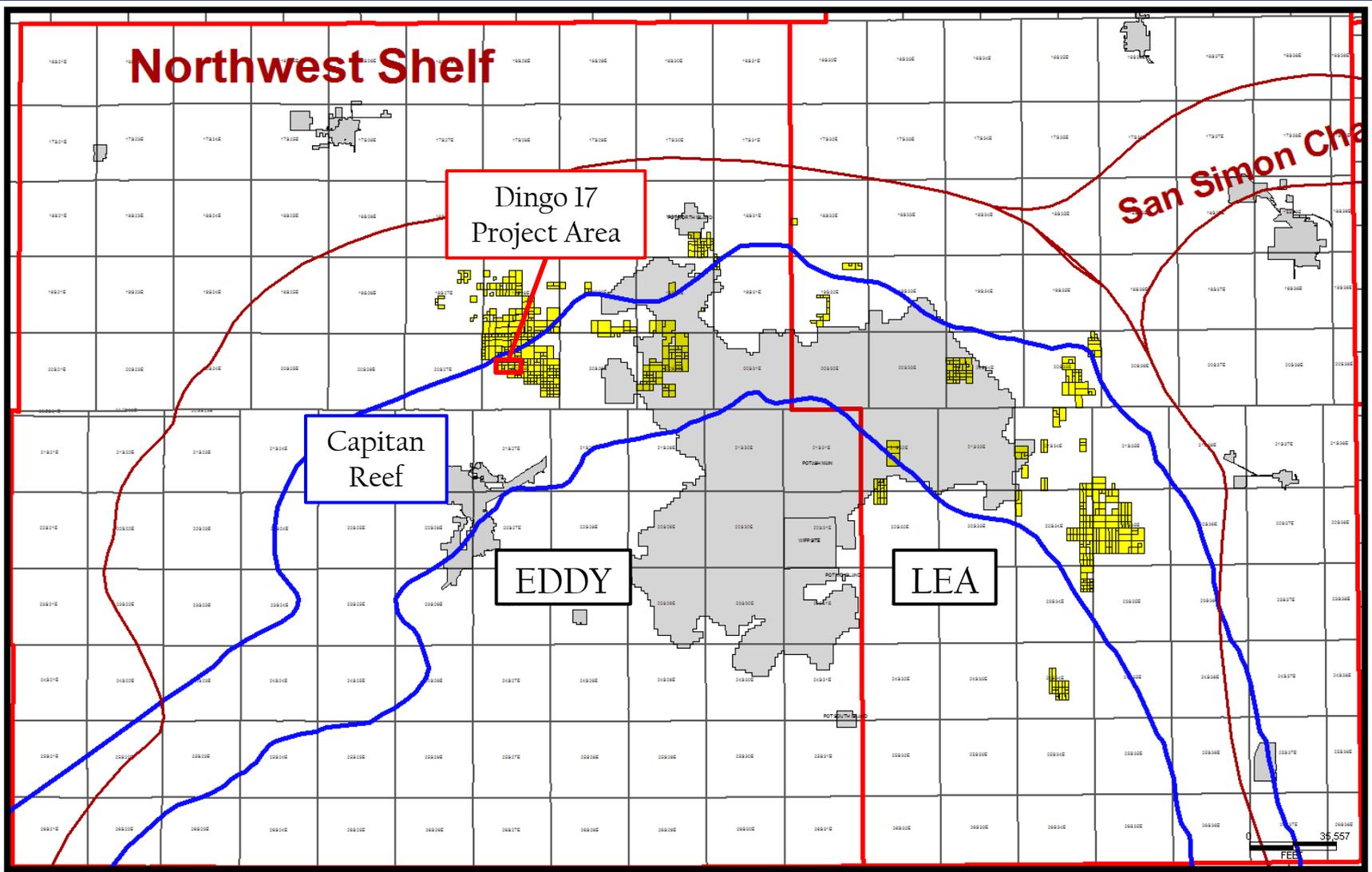
12. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

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



David DaGian

10/26/22
Date

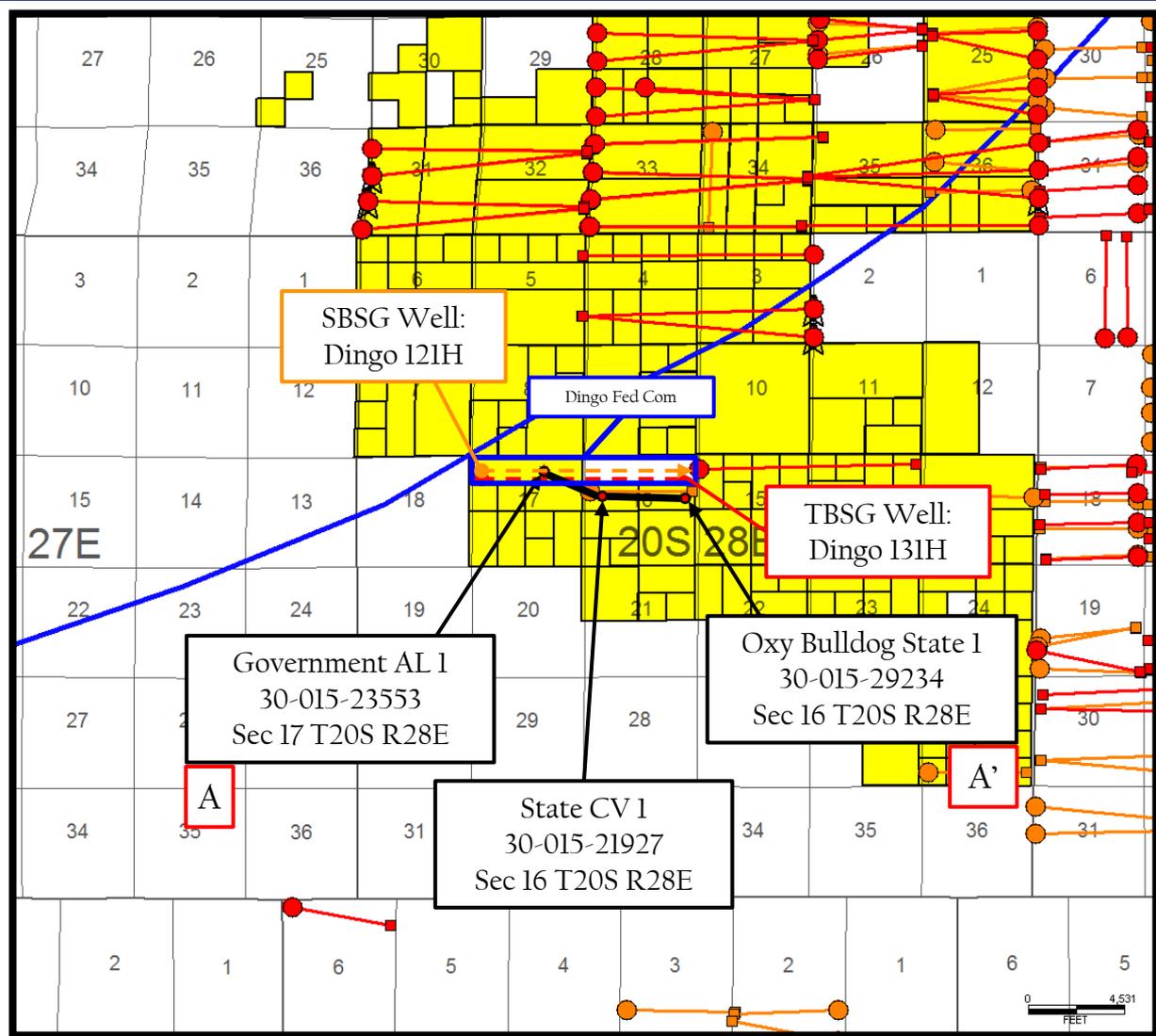


 Colgate Energy

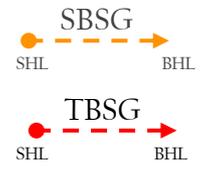
Cross Section Locator Map

Dingo 17 Fed Com 121H, 131H

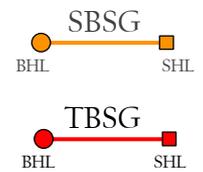
Colgate Operating, LLC
Case No. 23107
Exhibit B-2



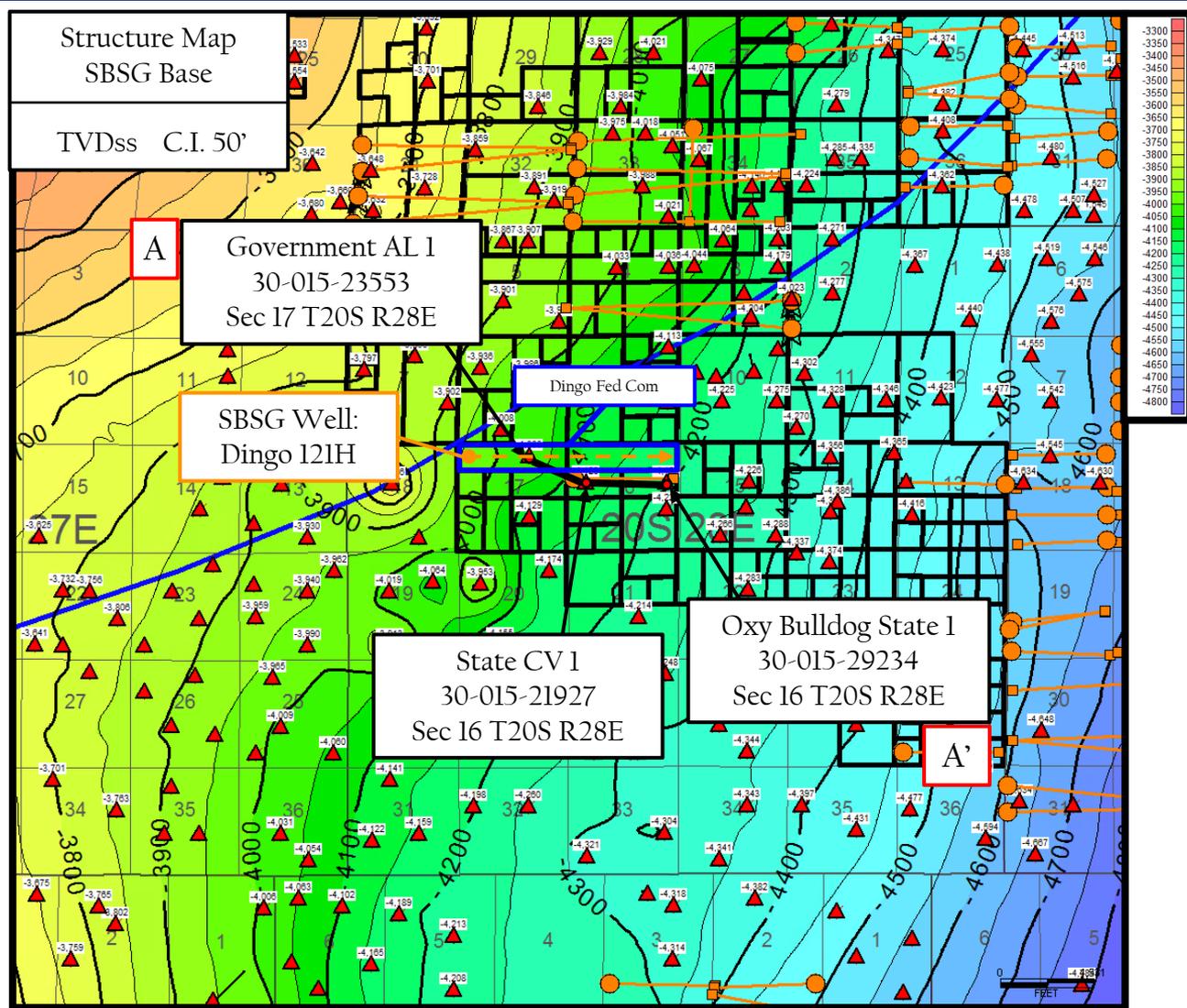
Proposed Wells



Producing Wells

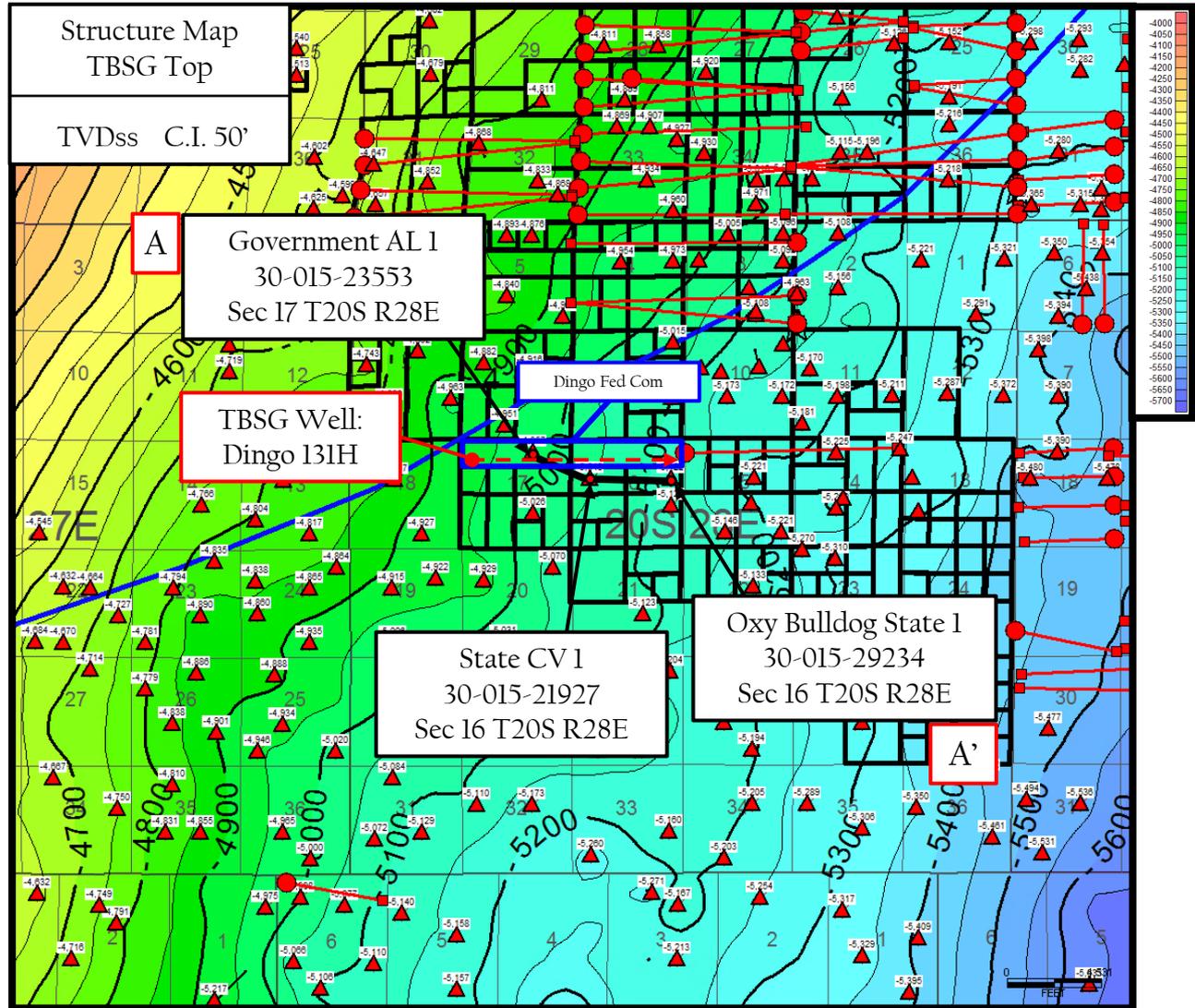


Colgate Energy



Colgate Energy

Dingo 17 Fed Com I31H



Control Point

TVDss
▲

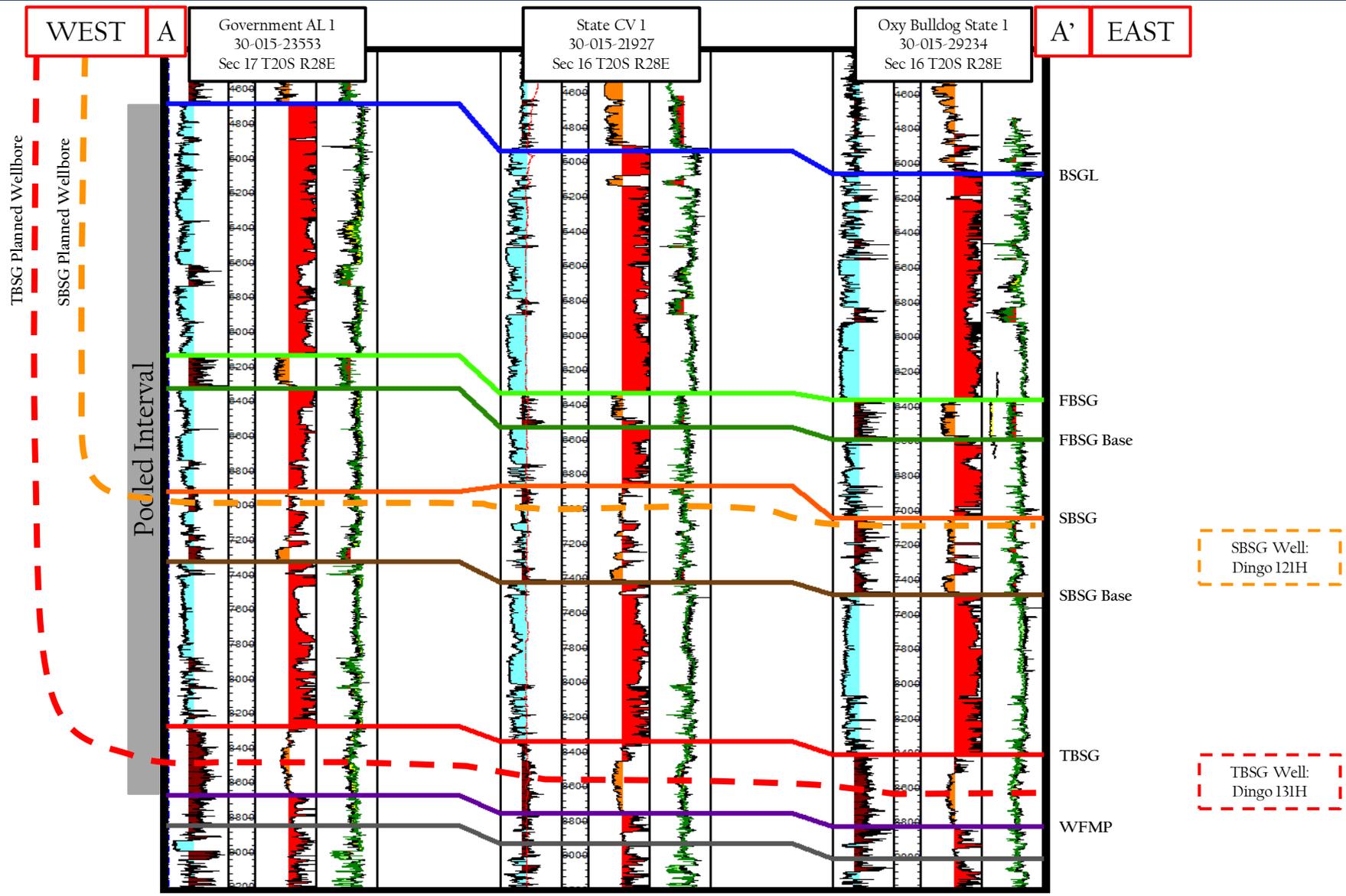
Proposed Wells

TBSG
● ---> SHL
BHL

Producing Wells

TBSG
● ---■ SHL
BHL

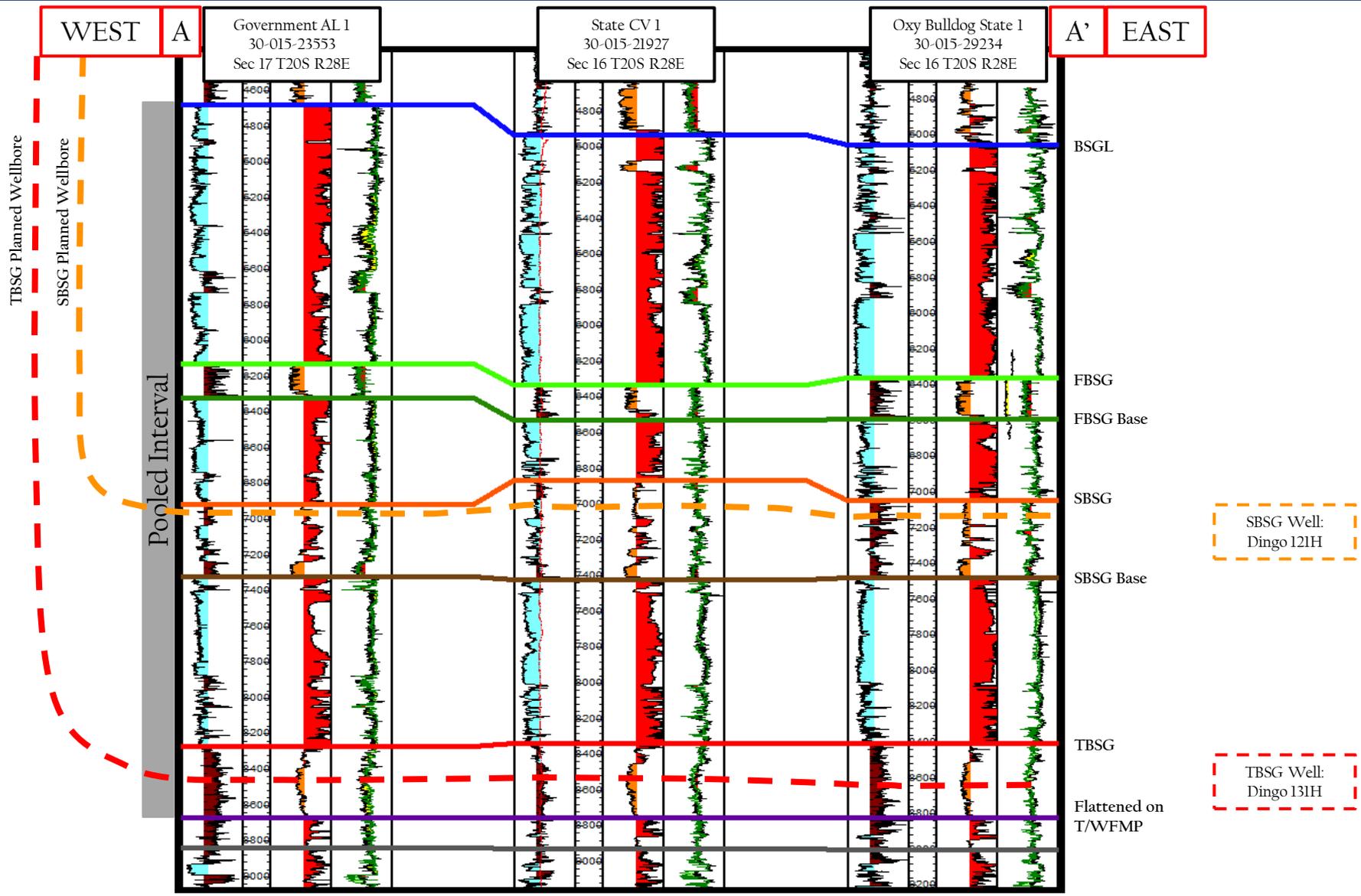
Colgate Energy

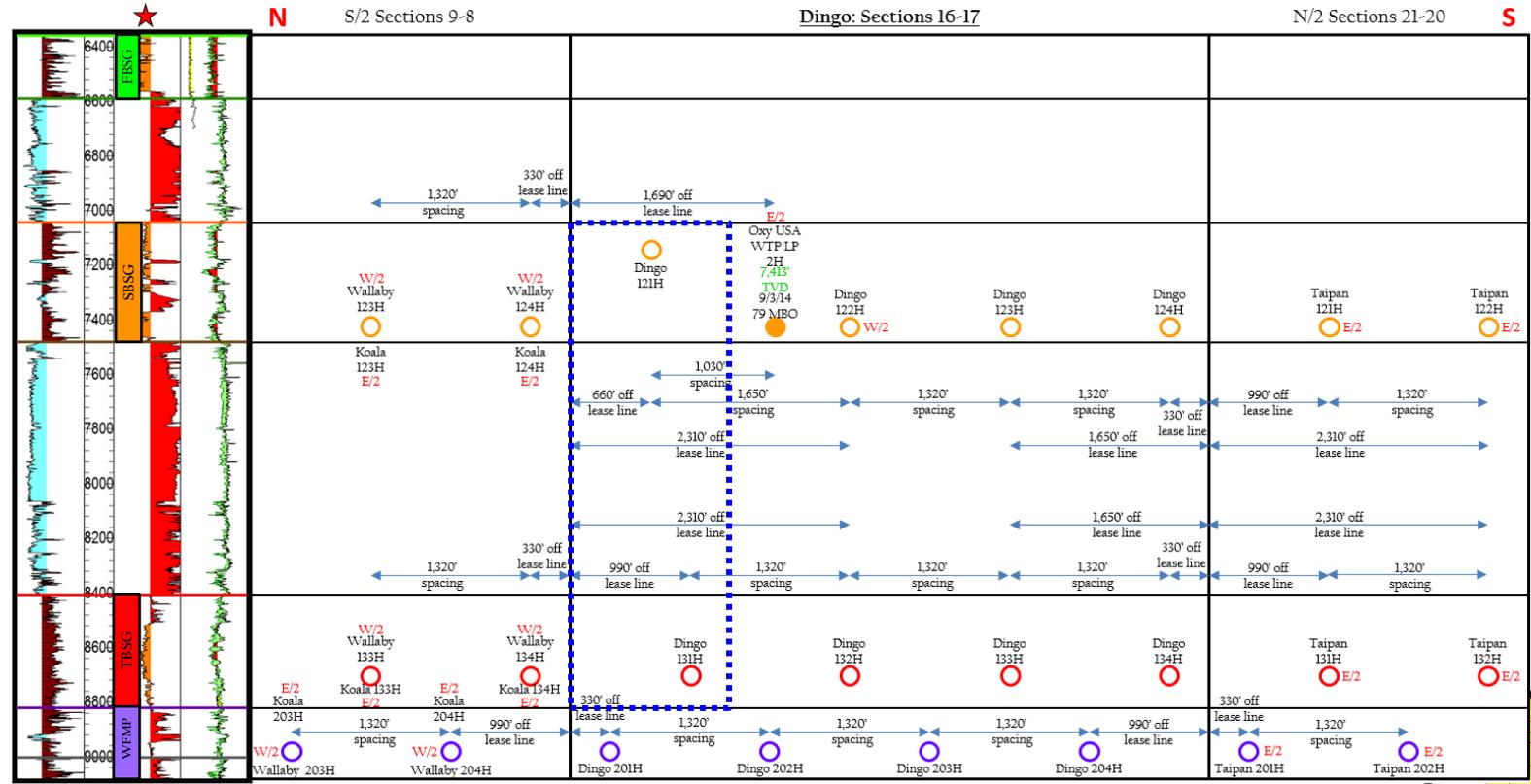


Stratigraphic Cross Section A-A'

Dingo 17 Fed Com 121H, 131H

Colgate Operating, LLC
Case No. 23107
Exhibit B-6

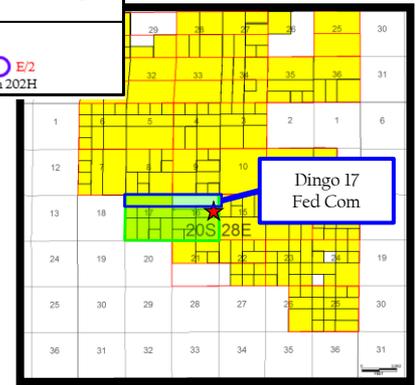




- SBSG Proposed
- SBSG Producing
- TBSG Proposed
- TBSG Producing
- WFMP Proposed
- WFMP Producing

30-015-29234

Proposed Wells



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

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

Case No. 23107

**SELF-AFFIRMED STATEMENT OF
DANA S. HARDY**

1. I am attorney in fact and authorized representative of Colgate Operating, LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit C-2. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

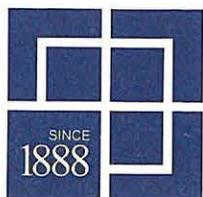
5. On October 16, 2022, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy
Dana S. Hardy

October 28, 2022
Date

**Colgate Operating, LLC
Case No. 23107
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

October 7, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23107 - 23114 - Applications of Colgate Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **November 3, 2022** beginning at 8:15 a.m.

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

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

Please contact Travis Macha at (432) 400-1037 if you have questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Colgate Operating, LLC
Case No. 23107
Exhibit C-1

PO BOX 10
ROSWELL, NEW MEXICO 88202
575-622-6510
(FAX) 575-623-9332

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

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

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

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

CASE NOs. 23107-23114

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Devon Energy Production Company, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	10/07/22	10/17/22
Diamond Head Properties, LP Attn: Rosalind Grover 303 West Wall St, Suite 1900 Midland, TX 79702	10/07/22	10/13/22
Dugan Production Corporation P.O. Box 420 Farmington, NM 87499	10/07/22	10/19/22

**Colgate Operating, LLC
Case No. 23107
Exhibit C-2**

7020 0090 0000 0865 8841

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL MAIL POST OFFICE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

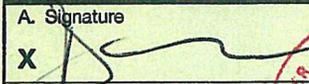
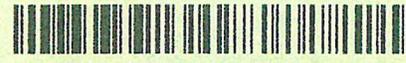
Total Postage and Fees \$ _____

Devon Energy Production Company, LP
 333 West Sheridan Ave.
 Oklahoma City, OK 73102

23107-23114 Colgate - Dingo

PS Form 3800, April 2015 PSN 7580-02-000-9047 See Reverse for Instructions

SANTA FE MAIN POST OFFICE
 OCT 07 2022
 87501-9998

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature </p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: _____</p> <p>RECEIVED OCT 17 2022</p>
<p>1. Article Addressed to:</p> <p>Devon Energy Production Company, LP 333 West Sheridan Ave. Oklahoma City, OK 73102</p> <p>23107-23114 Colgate - Dingo</p> <p></p> <p>9590 9402 6746 1074 3807 03</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p>Hinkle Sharon LLC Santa Fe NM</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 0090 0000 0865 8841</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Colgate Operating, LLC
Case No. 23107
Exhibit C-3

7020 0090 0000 0865 8834

U.S. Postal Service™
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OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Diamond Head Properties, LP
 Attn: Rosalind Grover
 303 West Wall St, Suite 1900
 Midland, TX 79702
 23107-23114 Colgate - Dingo

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



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Flaine Love</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Flaine Love</i> C. Date of Delivery <i>10-11-22</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>RECEIVED OCT 13 2022</p>
<p>1. Article Addressed to:</p> <p>Diamond Head Properties, LP Attn: Rosalind Grover 303 West Wall St, Suite 1900 Midland, TX 79702 23107-23114 Colgate - Dingo</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 0090 0000 0865 8834</p>	
<p>9590 9402 6746 1074 2499 63</p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

7020 0090 0000 0865 8858

U.S. Postal Service™
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OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

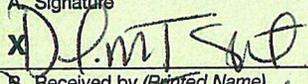
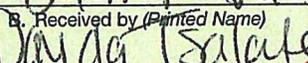
Dugan Production Corporation
 P.O. Box 420
 Farmington, NM 87499

23107-23114 Colgate - Dingo

Postmark Here
 OCT 07 2022

87301-9998

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

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)  <input type="checkbox"/> Date of Delivery</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>RECEIVED OCT 19 2022 FARMINGTON NM 87401 USPS</p>	
<p>1. Article Addressed to:</p> <p>Dugan Production Corporation P.O. Box 420 Farmington, NM 87499</p> <p>23107-23114 Colgate - Dingo</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery Fee <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7020 0090 0000 0865 8858</p>		<p>Hinkle Sh...</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt	

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005448768

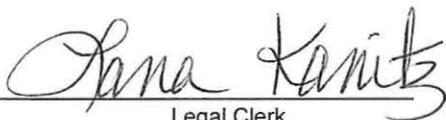
This is not an invoice

HINKLE SHANOR LLP
218 MONTEZUMA

SANTA FE, NM 87501

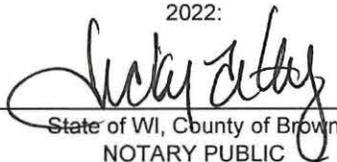
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

10/16/2022



Legal Clerk

Subscribed and sworn before me this October 16, 2022:


State of WI, County of Brown
NOTARY PUBLIC

919.25

My commission expires

This is to notify all interested parties, including Devon Energy Production Company, LP; Diamond Head Properties, LP; Dugan Production Corporation; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Operating, LLC (Case No. 23107). The hearing will be conducted remotely on November 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 16 and 17, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells: Dingo 17 Federal Com 121H and the Dingo 17 Federal Com 131H, which will be horizontally drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 18, Township 20 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 16, Township 20 South, Range 28 East. The completed interval of the Wells will be orthodox. Also to be considered is the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 9.1 miles north of Carlsbad, New Mexico.
#5448768, Current Argus, October 16, 2022

VICKY FELTY
Notary Public
State of Wisconsin

Ad # 0005448768
PO #: 5448768
of Affidavits 1

This is not an invoice

Colgate Operating, LLC
Case No. 23107
Exhibit C-4