

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. 21076

Examiner Docket: February 6, 2020

COLGATE'S EXHIBITS

Silver Bar 35 Fed State Com 133H



Earl E. DeBrine, Jr.
Lance D. Hough

 MODRALL SPERLING

500 Fourth Street NW, Suite 1000
P. O. Box 2168 / Albuquerque, NM 87103
Telephone 505.848.1800
edebrine@modrall.com
ldh@modrall.com

**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. 21076

COLGATE'S EXHIBITS

Silver Bar 35 Fed State Com 133H

- Exhibit A Compulsory Pooling Application Checklist
- Exhibit B Affidavit of Mark Hajdik
 B-1 Resume of Mark Hajdik
 B-2 Application
 B-3 C102
 B-4 Tract Map with WIs and ORRIs
 B-5 Well Proposal Letter
 B-6 Authorization for Expenditure
 B-7 Communication Timeline
-
- Exhibit C Affidavit of Sergio Rivero Ojeda
 C-1 Resume of Sergio R. Ojeda
 C-2 Gun Barrel Diagram
 C-3 Regional Locator Map
 C-4 Cross-Section Locator Map
 C-5 Deep Structure Map
 C-6 Lower Wolfcamp Isopach Map
 C-7 Stratigraphic Cross Section
 C-8 Target Zone within Stratigraphic Cross Section
- Exhibit D Affidavit of Lance D. Hough
 D-1 Hearing Notice
 D-2 Certified Mail Log / Notice January 19, 2020
 D-3 Certified Mail Log / Report February 4, 2020
 D-4 Affidavit of Publication

Earl E. DeBrine, Jr.
Lance D. Hough



MODRALL SPERLING

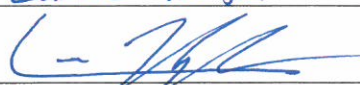
500 Fourth Street NW, Suite 1000
P. O. Box 2168 / Albuquerque, NM 87103
Telephone 505.848.1800
edebrine@modrall.com
ldh@modrall.com

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

| Case: 21076 | APPLICANT'S RESPONSE |
|--|--|
| Date 2/6/20 | |
| Applicant | Colgate Operating LLC |
| Designated Operator & OGRID (affiliation if applicable) | Colgate Operating, LLC (OGRID 14744) |
| Applicant's Counsel: | Modrall Sperling |
| Case Title: | APPLICATION OF COLGATE OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, CASE NO. 21076 |
| Entries of Appearance/Intervenors: | None |
| Well Family | Silver Bar |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Bone Spring Formation |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Bone Spring Formation |
| Pool Name and Pool Code: | Parkway; Bone Spring (Pool Code: 49622) |
| Well Location Setback Rules: | Latest Statewide Horizontal Rules Apply |
| Spacing Unit Size: | 320 Acres |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320 Acres |
| Building Blocks: | Quarter Quarter Sections |
| Orientation: | West to East |
| Description: TRS/County | N/2 S/2 of Section 35, and the N/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| Proximity Tracts: If yes, description | No |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | Exhibit B.3 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | See Exhibit B.2 and Exhibit B.3 |
| Well #1 | <p>Silver Bar 35 Fed State Com 133 H</p> <p>SHL: 1300 feet from the South line and 400 feet from the East line, (Unit P/I) of Section 34, Township 19 South, Range 29 East, NMPM.</p> <p>BHL: 1790 feet from the South line and 100 feet from the East line, (Unit I) of Section 36, Township 19 South, Range 29 East, NMPM.</p> <p>Completion Target: 3rd Bone Spring Sand at approx 9200 feet TVD.</p> <p>Well Orientation: West to East</p> <p>Completion Location expected to be: standard</p> |
| Horizontal Well First and Last Take Points | Exhibit B.3 |
| Completion Target (Formation, TVD and MD) | Exhibit B.2; Exhibit B.3; Exhibit B.7; Exhibit C.6, Exhibit C.7; Exhibit C.8 |
| | |
| AFE Capex and Operating Costs | |



| | |
|--|--|
| Drilling Supervision/Month \$ | 8,000 |
| Production Supervision/Month \$ | 800 |
| Justification for Supervision Costs | Exhibit B.6 for AFEs |
| Requested Risk Charge | 200%; see Exhibit B |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit D.1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibits D.2 and D.3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit D.4 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit B; Exhibit B.4 |
| Tract List (including lease numbers and owners) | Exhibit B.4 |
| Pooled Parties (including ownership type) | Exhibit B.4 |
| Unlocatable Parties to be Pooled | Exhibit B.4; Exhibit D.3 |
| Ownership Depth Severance (including percentage above & below) | None |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit B.5 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B.4 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B.7 |
| Overhead Rates In Proposal Letter | Exhibit B.5 |
| Cost Estimate to Drill and Complete | Exhibit B.6 for AFEs |
| Cost Estimate to Equip Well | Exhibit B.6 for AFEs |
| Cost Estimate for Production Facilities | Exhibit B.6 for AFEs |
| Geology | |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibits C.2, C.3, and C.4 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C.2 |
| Well Orientation (with rationale) | Exhibit C |
| Target Formation | Exhibits C.2, C.3, and C.4 |
| HSU Cross Section | Exhibits C.6 and C.7 |
| Depth Severance Discussion | Exhibit B |
| Forms, Figures and Tables | |
| C-102 | Exhibit C.3 |
| Tracts | Exhibit B.4 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit B.4 |
| General Location Map (including basin) | Exhibit C.2 |
| Well Bore Location Map | Exhibits C.5 through C.8 |
| Structure Contour Map - Subsea Depth | Exhibit C.5 |
| Cross Section Location Map (including wells) | Exhibits C.4 |
| Cross Section (including Landing Zone) | Exhibits C.7 and C.8 |
| Additional Information | |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Lance Hough |
| Signed Name (Attorney or Party Representative): |  |
| Date: | 2/5/20 |

**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. 21076

AFFIDAVIT OF MARK HAJDIK

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Mark Hajdik, being duly sworn, deposes and states:

1. I am a landman for Colgate Operating, LLC ("Colgate"), over the age of 18 and have personal knowledge of the matters stated herein.
2. I have not been previously testified before the Oil Conservation Division ("Division") as an expert in petroleum land matters.
3. I attended St. Edward's University where I received a Finance Degree. I graduated in the spring of 2008. Following undergraduate graduation, I attended South Texas College of Law where I graduated with a Law Degree in the fall of 2011.
4. I have worked as a landman since May of 2008, excluding the years spent attending law school or working as a title attorney. I worked for Tex Brit Corporation as a field landman from May 2008 - January 2009 and then again from March 2012 to June 2012. I worked for Anadarko Petroleum Corporation from September 2013 to May 2018. I began working for Colgate Energy in May 2018 to present. My work for Colgate involves Eddy County. **Exhibit B.1** is my resume.



5. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the above referenced compulsory pooling applications filed by Colgate.

6. This case involves a request for an order from the Division for compulsory pooling of interest owners who have refused to voluntarily pool their interests for the proposed Wolfcamp horizontal spacing unit described below, and in the well to be drilled in the horizontal spacing unit.

7. Prior to filing its application, Colgate made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well. Colgate identified all of the working interest, unleased mineral interests, and overriding royalty interest owners from a title opinion. To locate interest owners, Colgate conducted a diligent search of the public records in the county where the well will be located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification. Colgate mailed all working interest owners well proposals and an Authorization for Expenditure, and a form of Operating Agreement upon request.

8. No opposition is expected. Prior to filing its applications Colgate contacted the interest owners being pooled regarding the proposed well; the pooled working interest owners have failed or refused to voluntarily commit their interests in the well. Colgate provided all of the working interest owners, any unleased mineral owners, and overriding royalty owners with notice of this application, and none have entered an appearance in opposition to Colgate's application.

9. In its Application, Colgate seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 S/2 of Section 35, and the N/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Silver Bar**

35 Fed State Com 133H wells, to be horizontally drilled. The Application is attached hereto as **Exhibit B.2**.

10. Attached as **Exhibit B.3** is the C-102 for the proposed well. This well will develop the Parkway; Bone Spring Pool (Pool code 49622). The producing interval for the wells will be orthodox and will comply with the Division's statewide set back requirements, as the first and last take points will be no closer than 100' from the proposed unit boundary and the completed lateral will be no closer than 330' from the proposed unit boundary.

11. A lease tract map outlining the unit to be pooled is attached hereto as **Exhibit B.4**. The working interest owners being pooled and the percent of their interest, as well as a list of overriding royal interest owners being pooled, are also included as part of **Exhibit B.4**. Colgate owns an interest in the proposed unit and has a right to drill a well thereon.

12. There are no depth severances within the proposed spacing unit.

13. **Exhibit B.5** is a sample well proposal letter sent to each of the working interest owners seeking their voluntary participation in the well, which provides overhead and administrative rates of \$8,000/month during drilling and \$800/month while producing.

14. **Exhibit B.6** is the Authorization for Expenditure for the proposed well. The estimated cost of the well, set forth therein, of \$10,354,886 is fair and reasonable, and is comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

15. **Exhibit B.7** is a summary of communications with the non-joined working interest.

16. Colgate requests overhead and administrative rates of \$8,000/month during drilling and \$800/month while producing. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico and consistent with

the rates awarded by the Division in recent compulsory pooling orders. Colgate requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

17. Colgate requests the maximum cost plus 200% risk charge be assessed against non-consenting pooled working interest owners.

18. Colgate requests that it be designated operator of the well.

19. Colgate requests that it be allowed a period of one (1) year between when the wells are drilled and when the first well is completed under the order.

20. The parties Colgate is seeking to pool were notified of this hearing.

21. Colgate requests that overriding royalty interest owners be pooled.

22. Based upon my knowledge of the land matters involved in this case, education and training, it is my expert opinion that the granting of Colgate's applications in this case is in the interests of conservation and the prevention of waste.

23. The attachments to my Affidavit were prepared by me or compiled from company business records.

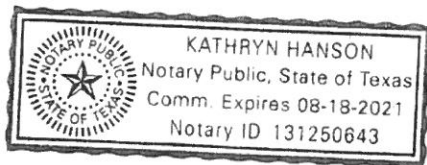
24. I attest that the information provided herein is true, correct and complete to the best of my knowledge and belief.




Mark Hajdik

SUBSCRIBED AND SWORN to before me this 4th day of February 2020 by Mark Hajdik.

SEAL





Notary Public
My commission expires: 8/18/21

MARK HAJDIK

6051 Golden Forest Dr. • Houston, Texas 77092 • 832-904-6006 • mark.hajdik@gmail.com

EXPERIENCE

COLGATE ENERGY

Senior Landman, May 2017 - Present

- Managed the day-to-day land responsibilities of a multi rig drilling program
- Negotiated, wrote, amended, and reviewed leases, operating agreements, assignments, and farmouts
- Manage the day to day land activities to prepare Colgate owned acreage for development in New Mexico

ANADARKO PETROLEUM CORPORATION

Senior Landman, September 2013 – May 2017

- Managed the day-to-day land responsibilities of a multi rig drilling program in the Delaware Basin
- Developed and implemented the procedures and techniques to effectively and efficiently manage a 100,000 plus acre, multi rig, non-operated drilling program
- Negotiated, wrote, amended, and reviewed leases, operating agreements, assignments, and farmouts
- Managed multiple field landmen crews and title attorneys to ensure timely leasing, title review, and curative for an accelerated drilling program
- Coordinated with engineering, geology, and regulatory to ensure optimal field development, drilling efficiencies, and appropriate drill site inventory
- Calculated and approved working interests and net revenue interests for operated and non-operated wells
- Mentored and trained analysts and new hire landmen to assume roles within the non-operated group
- Negotiated drafted unit agreements and leases with State of Texas entities and landowners
- Identified A&D opportunities to monetize non-core acreage positions and secure partnerships with strategic third parties to maximize long lateral drilling opportunities and consolidate acreage positions

R. R. Murphy & Associates, P.C.

Attorney, May 2013 – September 2013

- Drafted title opinions to identify title defects and ownership of surface and mineral right
- Researched complex oil and gas, probate and real estate legal issues
- Prepared various real estate and probate documents

FOSTER & HARVEY, P.C.

Attorney, June 2012 – April 2013

- Examined abstracts of title, leases, contracts and other legal documents to identify title defects and ownership of land and oil and gas rights
- Rendered title opinions to identify gaps, defects and other deficiencies in the chain of title under examination and recommended action for curative
- Drafted and revised curative instruments at the direction of the client

TEX-BRIT CORPORATION

Landman, May 2008 - January 2009; March 2012 - June 2012

- Conducted comprehensive title examination of real property and public records for oil and gas prospects
- Built detailed title abstracts and ownership reports for drilling title opinions and leasing opportunities

EDUCATION

SOUTH TEXAS COLLEGE OF LAW – J.D., DECEMBER 2011

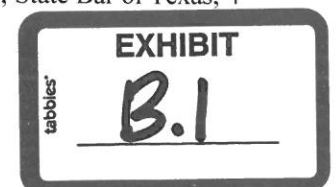
Honors: *South Texas Law Review*, Assistant Note & Comment Editor, Dean's Honor List

ST. EDWARD'S UNIVERSITY – B.B.A. Finance & Management, May 2008, *cum laude*

Honors: Academic Honorable Mention, Spring 2006-2008, Dean's List: Fall 2007, Fall 2008

PROFESSIONAL MEMBERSHIPS & COMMUNITY INVOLVEMENT

Permian Basin Landmen's Association, Houston Association of Professional Landmen, AAPL, State Bar of Texas, 4-H: Gold Star Award, Eagle Scout, Ironman Athlete



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. _____

APPLICATION

Colgate Operating, LLC ("Colgate"), OGRID Number 14744, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 S/2 of Section 35, and the N/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of this application, Colgate states as follows:

1. Colgate is an interest owner in the subject lands and has a right to drill a well thereon.
2. Colgate seeks to dedicate the N/2 S/2 of Section 35, and the N/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, Bone Spring horizontal spacing unit.
3. Colgate plans to drill the **Silver Bar 35 Fed State Com 133H** well to a depth sufficient to test the Bone Spring formation. This is a horizontal well with a surface location in the SE/4 SE/4 (Unit P) of Section 34, Township 19 South, Range 29 East, NMPM, Eddy County, and an intended bottom hole location in the NE/4 SE/4 (Unit I) of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County.



4. This well is proposed to be drilled vertically to a depth of approximately 9,200' to the Bone Spring formation and laterally in a northerly direction within the formation to the referenced bottom hole location.

5. These wells will be located within the Parkway; Bone Spring Pool (Pool code 49622) and will comply with the Division's setback requirements.

6. Colgate sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The creation of a horizontal spacing unit and the pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Colgate requests that this case is set for hearing before an Examiner of the Oil Conservation Division on February 6, 2020, and after notice and hearing as required by law, the Division enter its order:

A. Creating an approximately 320-acre horizontal spacing unit in the Bone Spring formation comprised of N/2 S/2 of Section 35, and the N/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the N/2 S/2 of Section 35, and the N/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico;

C. Designating Colgate as operator of this unit and the wells to be drilled thereon;

D. Authorizing Colgate to recover its costs of drilling, completing and equipping the wells;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.
Lance D. Hough
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
ldh@modrall.com
Attorneys for Applicant

W3624129.DOCX

CASE NO. ____: **Application of Colgate Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 S/2 of Section 35, and the N/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Silver Bar 35 Fed State Com 133H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.

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

| | | |
|----------------------------------|---|----------------------------------|
| ¹ API Number | ² Pool Code | ³ Pool Name |
| ⁴ Property Code | ⁵ Property Name SILVER BAR 35 FED STATE COM | ⁶ Well Number 133H |
| ⁷ OGRID No. 371449 | ⁸ Operator Name COLGATE ENERGY LLC | ⁹ Elevation 3335.4 |

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 | 34 | 19 S | 29 E | | 1480 | SOUTH | 360 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G | 36 | 19 S | 29 E | | 1730 | SOUTH | 100 | WEST | EDDY |

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

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

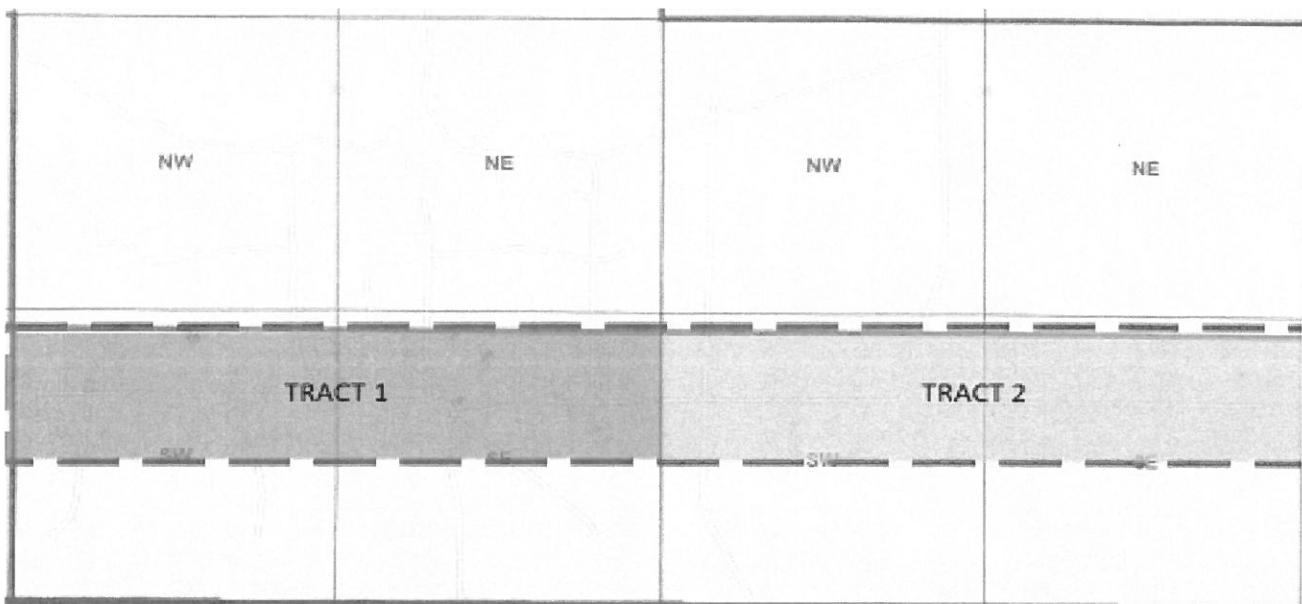
| | | | | | | | | | | | |
|--|--|--|---|--|--|--|--|--|--|--|--|
| SILVER BAR 35 FED STATE COM 133H ELEV. = 3335.4' LAT. = 32.6139755°N (NAD83) LONG. = 104.0553209°W N = 587207.01 E = 626938.96 | | | FIRST TAKE POINT 1730' FSL, 100' FWL LAT. = 32.6144573°N LONG. = 104.0538249°W | | | LAST TAKE POINT 1730' FSL, 100' FWL LAT. = 32.6144429°N LONG. = 104.0201565°W N = 587407.16' E = 637786.12' | | | BOTTOM OF HOLE LAT. = 32.6144414°N LONG. = 104.0198632°W N = 587408.88' E = 637856.09' | | |
| SECTION CORNER LAT. = 32.6244740°N LONG. = 104.0713099°W N = 591013.90 E = 622006.42 | | | NE CORNER SEC. 34 NW CORNER SEC. 35 LAT. = 32.6244132°N LONG. = 104.0541300°W N = 591005.28 E = 627295.67 | | | NE CORNER SEC. 35 NW CORNER SEC. 36 LAT. = 32.6243020°N LONG. = 104.0369912°W N = 590979.10 E = 632572.30 | | | NE CORNER SEC. 36 LAT. = 32.6241925°N LONG. = 104.0198186°W N = 590954.43 E = 637859.36 | | |
| N/4 CORNER SEC. 34 SCALED | | | N/4 CORNER SEC. 35 LAT. = 32.6243074°N LONG. = 104.0458635°W N = 590991.98 E = 629933.07 | | | N/4 CORNER SEC. 36 LAT. = 32.6242385°N LONG. = 104.0284031°W N = 590983.51 E = 636216.39 | | | | | |
| SEC. 34 W/4 CORNER SEC. 34 LAT. = 32.6172152°N LONG. = 104.0713121°W N = 588373.15 E = 622012.27 | | | E/4 CORNER SEC. 34 W/4 CORNER SEC. 35 LAT. = 32.6171584°N LONG. = 104.0541410°W N = 588366.29 E = 627299.22 | | | SEC. 35 E/4 CORNER SEC. 35 W/4 CORNER SEC. 36 LAT. = 32.6170453°N LONG. = 104.0370046°W N = 588339.04 E = 632575.50 | | | SEC. 36 E/4 CORNER SEC. 36 LAT. = 32.6169433°N LONG. = 104.0198276°W N = 588317.12 E = 637864.37 | | |
| S/4 CORNER SEC. 34 LAT. = 32.6099227°N LONG. = 104.0627379°W N = 585726.69 E = 624858.98 | | | FTP 360' 1480' SURFACE LOCATION | | | S/4 CORNER SEC. 35 LAT. = 32.6098276°N LONG. = 104.0455921°W N = 585705.95 E = 629938.59 | | | BOTTOM OF HOLE 10' LTP | | |
| SECTION CORNER LAT. = 32.6099573°N LONG. = 104.0713064°W N = 585732.67 E = 622020.53 | | | SE CORNER SEC. 34 SW CORNER SEC. 35 LAT. = 32.6099060°N LONG. = 104.0541655°W N = 585727.43 E = 627298.48 | | | SE CORNER SEC. 35 SW CORNER SEC. 36 LAT. = 32.6097817°N LONG. = 104.0370128°W N = 585696.50 E = 632580.37 | | | SE CORNER SEC. 36 LAT. = 32.6096871°N LONG. = 104.0198367°W N = 585677.24 E = 637869.36 | | |

EXHIBIT
B.3

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.
JANUARY 8, 2020
Date of Survey _____
Signature and Seal of Professional Surveyor _____
Certificate Number: FRED MONTEFARME, PLS 12797
SURVEY NO. 7735

| WI OWNER | TRACT | NET | WI | FORCE POOL INTEREST |
|---|-------|--------|--------|---------------------|
| Colgate Production, LLC | 1 & 2 | 226.42 | 70.76% | Operator |
| | | | | |
| Borica Oil, Inc | 1 | 0.96 | 0.30% | Yes |
| | | | | |
| Byron Bachschmid | 1 | 0.96 | 0.30% | Yes |
| | | | | |
| Chisos, Ltd. | 2 | 11.35 | 3.55% | Yes |
| | | | | |
| Ciezinski Trust | 1 | 0.24 | 0.08% | Yes |
| | | | | |
| Jose E Rodriguez | 1 | 0.72 | 0.23% | Yes |
| | | | | |
| Foundation Energy Fund V-A, LP & Foundation Energy Fund V-B, LP | 1 & 2 | 62 | 19.38% | Yes |
| | | | | |
| Frances Gallatin Tracy, III | 1 | 0.96 | 0.30% | Yes |
| | | | | |
| Hanson Operating Company | 1 | 12 | 3.75% | Yes |
| | | | | |
| Jon Ciezinski | 1 | 0.24 | 0.08% | Yes |
| | | | | |
| Patrick Morello | 1 | 0.96 | 0.30% | Yes |
| | | | | |
| Long, LLC | 1 | 0.48 | 0.15% | Yes |
| | | | | |
| Robert L. & Patricia J. Dale | 1 | 0.96 | 0.30% | Yes |
| | | | | |
| Rockport Oil & Gas, LLC | 2 | 1.26 | 0.39% | Yes |
| | | | | |
| Tim Jennings | 1 | 0.48 | 0.15% | Yes |



LIST OF OVERRIDING ROYALTY INTEREST HOLDERS

BYRON A BACHSCHMID
THE DALE M MUELLER REVOCABLE TRUST
DELMAR HUDSON LEWIS LIVING TRUST
FROST BANK C/O JOSEPHINE T. HUDSON TESTAMENTARY TRUST
MOUNTAIN LION OIL & GAS, LLC
ROBERT & MAXINE HANNIFIN TST
3SD INTERESTS, LLC
BORICA OIL INC
CENTENNIAL LLC
CHEROKEE LEGACY MINERALS LTD
CIESZINSKI TST AGREEMENT DTD 2007
JON CIESZINSKI
ASHLEY CROW
DEVARGAS STREET LLC
FOUNDATION ENERGY FUND V-B HOLDING, LLC
FOUNDATION ENERGY FUND V-A, LP
HANSON OPERATING COMPANY INC
ALAN R HANNIFIN
FROST BANK C/O JOSEPHINE T. HUDSON TESTAMENTARY TRUST
JAVELINA PARTNERS
TIMOTHY Z JENNINGS
CHARLES JAY KINSOLVING
LINDYS LIVING TRUST
LIVINGSTON COUNTY COMMUNITY FOUNDATION
LONG, LLC
SUE HANSON MCBRIDE
JULIE SCOTT MCBRIDE
DOUGLAS LADSON MCBRIDE III
MONTY D & KAREN R MCLANE
ONRR
ROBERT L DALE & PATRICIA J DALE
RODERICK AND MARIAN DAVIS REV TR
JOSE E RODRIGUEZ
MICHELLE R SANDOVAL
STATES ROYALTY LIMITED PARTNERSHIP
STACIE J MAY NON-EXEMPT FARM TRUST
FRANCIS TRACY III
ZORRO PARTNERS, LTD.
CHISOS LTD
NORTON LLC
ROCKPORT OIL & GAS LLC
ARD ENERGY GROUP LTD
BABE DEVELOPMENT LLC
HANNIFIN FAMILY TRUST DTD 2/1/1994
HINKLE OIL AND GAS INC
ALAN JOCHIMSEN
JOYCO INVESTMENTS LLC
KAGAN FAMILY TRUST
K B LIMITED PARTNERSHIP
KENE BREW MINERALS LP
PENROC OIL CORPORATION



Via Certified Mail

November 5, 2019

Whiting Oil & Gas Corporation
1700 Broadway, Suite 2300
Denver, Colorado 80290

RE: Silver Bar 35 Fed State Com Well Proposals
The S/2 of Sec. 35 and the S/2 of Section 36 T19S-29E, Bone Spring Formation
Eddy County, New Mexico

Colgate Production, LLC ("Colgate"), hereby proposes the drilling of two (2) wells, the Silver Bar 35 Fed State Com 133H and 134H at the following locations:

Silver Bar 35 Fed State Com 133H
SHL: 1000' FSL and 25' FWL of Section 35-19S-29E
BHL: 1790' FSL and 100' FEL of Section 36-19S-29E
TVD: 9,125'
TMD: 18,879'
Targeted Interval: 3rd Bone Spring
Total Cost: See AFE

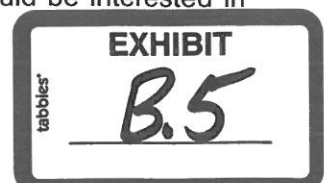
Silver Bar 35 Fed State Com 134H
SHL: 1000' FSL and 25' FWL of Section 35-19S-29E
BHL: 430' FSL and 100' FEL of Section 36-19S-39E
TVD: 9,155'
TMD: 18,909'
Targeted Interval: 3rd Bone Spring
Total Cost: See AFE

The locations and targets are approximate and subject to change depending on surface or subsurface issues encountered. Colgate is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement will be forwarded to you following your receipt of this proposal. The Operating Agreement will have 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 enclosed AFE, and your geologic well requirements.

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



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

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark Hajdik".

Mark Hajdik
Senior Landman

MH
Enclosures

Well Elections

_____ I/We hereby elect to participate in the Silver Bar 35 Fed State Com 133H.

_____ I/We hereby elect NOT to participate in the Silver Bar 35 Fed State Com 133H.

_____ I/We hereby elect to participate in the Silver Bar 35 Fed State Com 134H.

_____ I/We hereby elect NOT to participate in the Silver Bar 35 Fed State Com 134H.

Colgate Energy

303 W. Wall St., Midland TX 79701
Phone (432) 695-4257 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| | | | |
|------------------|-----------------------------|------------------|--------------|
| DATE: | 11/5/2019 | AFE NO.: | 0 |
| WELL NAME: | Silver Bar 35 Fed Com 13311 | FIELD: | 0 |
| LOCATION: | NM | MD/TVD: | 18879 / 9125 |
| COUNTY/STATE: | Eddy | LATERAL LENGTH: | 9,427 |
| Colgate WI: | | DRILLING DAYS: | 31 |
| GEOLOGIC TARGET: | 3rd Bone Spring | COMPLETION DAYS: | 17 |

REMARKS: Drill and Complete 63 stages in the 3rd Bone Spring formation. AFE includes D&C, flowback & initial FSP install.

| | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | TOTAL COSTS |
|-------------------------------------|------------------|------------------|------------------|-------------------|
| INTANGIBLE COSTS | | | | |
| 1 Land / Legal / Regulatory | \$ 35,000 | \$ - | \$ - | \$ 35,000 |
| 2 Location, Surveys & Damages | 220,000 | 13,000 | 4,000 | 237,000 |
| 4 Freight / Transportation | 25,000 | 53,750 | - | 78,750 |
| 5 Rental - Surface Equipment | 110,005 | 209,400 | 12,000 | 331,405 |
| 6 Rental - Downhole Equipment | 144,171 | 60,000 | - | 204,171 |
| 7 Rental - Living Quarters | 60,338 | 45,700 | 10,000 | 116,038 |
| 10 Directional Drilling, Surveys | 302,500 | - | - | 302,500 |
| 11 Drilling | 860,113 | - | - | 860,113 |
| 12 Drill Bits | 106,000 | - | - | 106,000 |
| 13 Fuel & Power | 179,025 | 472,500 | - | 651,525 |
| 14 Cementing & Float Equip | 180,000 | - | - | 180,000 |
| 16 Perforating, Wireline, Slickline | - | 459,100 | 20,000 | 479,100 |
| 17 High Pressure Pump Truck | - | 10,000 | - | 10,000 |
| 18 Completion Unit, Swab, CTU | - | 140,000 | 16,500 | 156,500 |
| 20 Mud Circulation System | 91,880 | - | - | 91,880 |
| 21 Mud Logging | 22,900 | - | - | 22,900 |
| 22 Logging / Formation Evaluation | 12,750 | 8,000 | - | 20,750 |
| 23 Mud & Chemicals | 282,547 | 464,100 | - | 746,647 |
| 24 Water | 25,500 | 804,744 | - | 830,244 |
| 25 Stimulation | - | 2,079,000 | - | 2,079,000 |
| 26 Stimulation Flowback & Disp | - | 152,000 | - | 152,000 |
| 28 Mud / Wastewater Disposal | 104,375 | 221,000 | - | 325,375 |
| 30 Rig Supervision / Engineering | 157,330 | 88,000 | 8,000 | 233,330 |
| 32 Drig & Completion Overhead | 11,625 | - | - | 11,625 |
| 35 Labor | 141,000 | 12,500 | 10,000 | 163,500 |
| 95 Insurance | 33,982 | - | - | 33,982 |
| 97 Contingency | 308,604 | 425,329 | 8,050 | 741,983 |
| 99 Plugging & Abandonment | - | - | - | - |
| TOTAL INTANGIBLES > | 3,394,644 | 5,718,123 | 88,550 | 9,201,318 |
| TANGIBLE COSTS | | | | |
| 60 Surface Casing | \$ 15,034 | \$ - | \$ - | \$ 15,034 |
| 61 Intermediate Casing | 225,348 | - | - | 225,348 |
| 62 Drilling Liner | - | - | - | - |
| 63 Production Casing | 307,539 | - | - | 307,539 |
| 64 Production Liner | - | - | - | - |
| 65 Tubing | - | - | 60,648 | 60,648 |
| 66 Wellhead | 77,000 | - | 75,000 | 152,000 |
| 67 Packers, Liner Hangers | 26,000 | - | - | 26,000 |
| 68 Tanks | - | - | 80,000 | 80,000 |
| 69 Production Vessels | - | - | 125,000 | 125,000 |
| 70 Flow Lines | - | - | - | - |
| 71 Rod string | - | - | - | - |
| 72 Artificial Lift Equipment | - | - | 95,000 | 95,000 |
| 73 Compressor | - | - | - | - |
| 74 Installation Costs | - | - | 67,000 | 67,000 |
| 75 Surface Pumps | - | - | - | - |
| 76 Downhole Pumps | - | - | - | - |
| 77 Measurement & Meter Installation | - | - | - | - |
| 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 | - | - | - | - |
| 85 Communications / SCADA | - | - | - | - |
| 86 Instrumentation / Safety | - | - | - | - |
| TOTAL TANGIBLES > | 650,920 | 0 | 502,648 | 1,153,568 |
| TOTAL COSTS > | 4,045,565 | 5,718,123 | 591,198 | 10,354,886 |

PREPARED BY Colgate Energy:

| | | |
|-----------------------|---------------|-----|
| Drilling Engineer: | Rafael Madrid | CRM |
| Completions Engineer: | Brady Adams | |
| Production Engineer: | Brady Adams | |

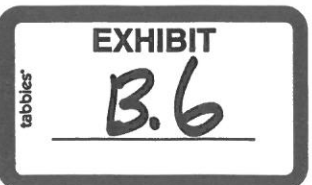
Colgate Energy APPROVAL:

| | | | | | |
|-------------------|-----|------------------|----|-----------------|-----|
| Co-CEO | W11 | Co-CEO | JW | VP - Operations | CRM |
| VP - Land & Legal | BC | VP - Geosciences | 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 considered as obligations on any specific item or the total cost of the project. Telling 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, creative, 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 held 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 sign.



Communication Timeline

November 5, 2019 – Proposals sent for the Silver Bar 35 Fed State Com 133H and 134H

November/December, 2019 – A number of proposals were returned undeliverable. Researched and updated address delivery list

December 5, 2019 – Resent all proposals marked undeliverable or returned

December 12, 2019 – All corrected addresses have either been successfully delivered or refused delivery and marked unclaimed by recipient

January 2020 – Multiple email and telephone communications with Jose Rodriguez, Hanson Operating, Chisos about participating. Provided form JOA to the parties. Have not executed as of the date of hearing.

February 3, 2020 – Provided offer to purchase Morello's interest, have not received final approval from owner to date.

February 3, 2020 – Various communications with Byron Bachschmid, agreed upon sale price, finalizing sale to be concluded on or around hearing date

February 4, 2020 – As of this date a number of the parties have not responded to the notices or have provided follow up decisions regarding their intent to sell or participate



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. 21076

AFFIDAVIT OF Sergio Rivero Ojeda

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Sergio Rivero Ojeda, being duly sworn, deposes and states:

1. I am over the age of 18, I am a geologist for Colgate Operating, LLC ("Colgate"), and have personal knowledge of the matters stated herein.

2. I have not been previously testified before the Oil Conservation Division ("Division") as an expert in petroleum geology matters.

3. I attended Texas Tech University where I received a Bachelor of Arts in Geoscience: Geology. I graduated in the spring of 2009. I attended Texas Tech University where I received a Master of Science in Geosciences. I graduated in the spring of 2011.

4. I have worked as a geologist since June of 2011. I have worked as a Geologist at: Concho Resources for 3 years, True Oil Company for 3 years, and Colgate Energy for 3 years. My work for Colgate involves Eddy County. **Exhibit C.1** is my resume.

5. I conducted a geological study of the area that encompasses the horizontal spacing unit that is the subject of Colgate's application in this case and am familiar with the geological matters involved in this case.



6. As part of my study, I have prepared the following geological exhibits with respect to the horizontal spacing unit that are attached hereto:

- a. **Exhibit C.2** is a Gunbarrel/Lateral Trajectory Diagram. This diagram identifies the Silver Bar 35 development plan, which includes the **Silver bar 35 Fed State Com 133H** well (*hereinafter* "Proposed Well") that is located within the Bone Spring horizontal spacing unit that is the subject of this application, in addition to **Silver Bar 35 Fed State Com 134H** well.
- b. **Exhibit C.3** is a Locator Map identifying the Silver Bar 35 project area, in proximity to the Capitan Reef, for the Bone Spring horizontal spacing unit that is the subject of this application.
- c. **Exhibit C.4** is a Cross-Section Locator Map. This map identifies the cross-section running from A-A' with the cross-section well names and a blue dotted line in proximity to the Proposed Well. It also identifies the sections in which the cross-section wells are located.
- d. **Exhibit C.5** is a Structure Map on the top of the 3rd Bone Spring formation. This map identifies the Proposed Well with a red line. It also identifies the location of the cross-section running from A-A' with a blue dotted line. This map shows that the structure dips to the east.
- e. **Exhibit C.6** is a 3rd Bone Spring Isopach Map. It shows that the formation is relatively uniform across the proposed unit. It also shows the location of cross-section A-A' in proximity to the Proposed Well.
- f. **Exhibit C.7** is a Stratigraphic Cross Section hung on the top of the 3rd Bone Spring formation. The well logs on the cross-section give a representative sample of the

Bone Spring formation in the area. The target zone for the well is the 3rd Bone Spring sand, and that zone is consistent across the unit. The planned well-path for this well is indicated by a blue dashed line, and the letters 'LZ'.

- g. **Exhibit C.8** is a detailed view of the Target Zone within Stratigraphic Cross Section hung on the top of the Bone Spring formation. The target zone for the well is the 3rd Bone Spring sand and is identified in bright teal, and that zone is consistent across the unit.

7. Based upon my study as illustrated in these exhibits, knowledge of the geology in this area, and education and training, it is my expert opinion that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter section in the unit will contribute more or less equally to production.

8. The preferred well orientation in this area is E-W. This is due to the fact that regional max horizontal stress orientation in this area is approximately N-S.

9. The producing interval for each of these wells will be orthodox and will comply with the Division's set back requirements.

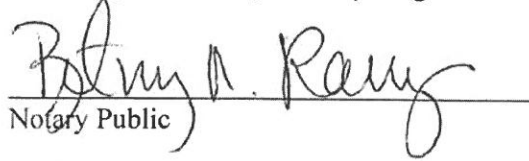
10. I attest that the information provided herein is true, correct and complete to the best of my knowledge and belief.



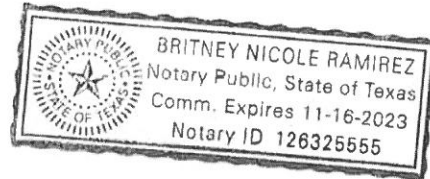
Sergio R Ojeda (Feb 4, 2020)

Sergio Rivero Ojeda

SUBSCRIBED AND SWORN to before me this 3rd day of February 2020 by Sergio Rivero Ojeda, on behalf of Colgate Operating, LLC.


Notary Public

My commission expires: 11/16/2023



Sergio R. Ojeda

3818 ECR 57 | Midland, TX 79705
(806) 445-4219 | sergio7374@att.net

WORK EXPERIENCE:

Colgate Energy
VP of Geosciences

Midland, TX
05/2016 – present

Acquisitions/Divestitures

- Lead Geologic evaluations with bids totaling over \$3 Billion to date
- Lead Play Fairway Maps that include: Tier Mapping, Geologic Models, Prospect Risking, Total Resource Estimation, and merged with Engineering Analysis
- Lead Geologic deck for investor presentations

Development

- Lead Geology team in a \$300MM Asset Development that included drilling of 20+ new drill horizontal Wolfcamp/Bone Spring wells in Reeves County with a current cum to date of > 3.2 MMBO
- Lead Geology team in acquiring 200 Sq Miles of 3-D seismic and through interpretation process
- Currently pushing eastern Extent of DLWR Basin WFMP A/B Benches

True Oil Company
Senior Geoscientist

Midland, TX
08/2013 – present

Evaluation/Acquisitions

- Worked on technical team that made formal bids totaling over \$2 Billion
- Led Geologic Evaluations in over 5+ basins/plays including: Permian Basin, Fort Worth Basin, Maverick Basin, Eagle Ford Trend, Eaglebine, and Santa Maria Basin (Diatomite)
- Developed Geologic and Petrophysical models to help evaluate acreage positions
- Generated Regional Mapping and Play Fairway Maps that included: Regional Log Correlation, Petrophysical Evaluation, Facies Mapping, Structure Mapping, Isopach Mapping, Prospect Risking, Total Resource Estimation, and merged with Engineering Analysis
- Generated over 50+ power points for quarterly investor presentations and internal technical reviews

Development

- Geologic lead in a \$50MM Asset Development that included drilling of 26 new drill vertical Wolfberry wells in Upton County with a current cum to date of 800 MBO
- Outperformed offset competitors production by ~50% by adding newly identified pay zones, perf placement, and enhanced frac design
- Picked locations, created geoprogs, and ran day to day geologic operations
- Developed leadership qualities by serving as Geologic Supervisor for Geologic Technician

Concho Resources
Geoscientist

Midland, TX
05/2011 – 08/2013



TX Basins Team (Wolfbone)**04/2012-08/2013**

- Led Geologic Operations on \$200MM Asset Development that included drilling over 20 Horizontal Wolfcamp wells in Southern Delaware Basin with current cum to date of over 5MMBO
- Generated Play Fairway Maps in Southern Delaware Basin that led to various acquisitions, Concho's current acreage position includes over 200K gross acres with average 30-Day IP of 1200 BOEPD
- Utilized Production Data, Petrophysical Analysis, 2D/3D Seismic, Geochemical Data, and Core Data in order to hi-grade geologic maps and pick optimal drilling locations
- Used Geographix Smart-Section tool in order to geosteer and monitor horizontal well paths
- Worked with asset team members to develop capital budget plans
- Served on college new hire recruitment team and mentored summer geologic/engineering interns

Wolfberry Team**05/2011-08/2012**

- Made geologic prognoses and logging program for over 150 vertical wells
- Worked alongside Geophysicist to interpret 3D seismic and pick locations
- Updated structural and isopach maps for Midland Basin
- Picked perforation intervals based off of cased and open hole logs
- Collaborated with drilling and well site mud loggers on a daily basis

Amtex Energy, Inc.**Midland, TX****Geology Intern/Company Representative****Summers 2008-2010**

- Performed well site supervision that includes: daily operations with completion and work over rigs
- Learned basics of petroleum geology and prospect generation from 30 year geoscientist

EDUCATION:

| | | |
|------------------------------|---|-----------------|
| Texas Tech University | <i>Master of Science in Geosciences</i> | May 2011 |
| Texas Tech University | <i>Bachelor of Arts in Geosciences</i> | May 2009 |
| Texas Tech University | <i>Bachelor of Arts in Music</i> | May 2009 |

Master's Thesis Spring 2011

*"Stratigraphic analysis of the lower Grayburg Formation in Last Chance Canyon, New Mexico:
Utilization of high-precision geospatial mapping and surveying technologies"*

SOFTWARE

- ☐ Proficient in both Geographix and HIS/Petra databases

Professional Memberships:

| | | |
|--------|--------|--------------------------|
| • AAPG | member | Fall 2008-present |
| • WTGS | member | Fall 2007-present |
| • SEPM | member | Fall 2008-present |

Community Service:

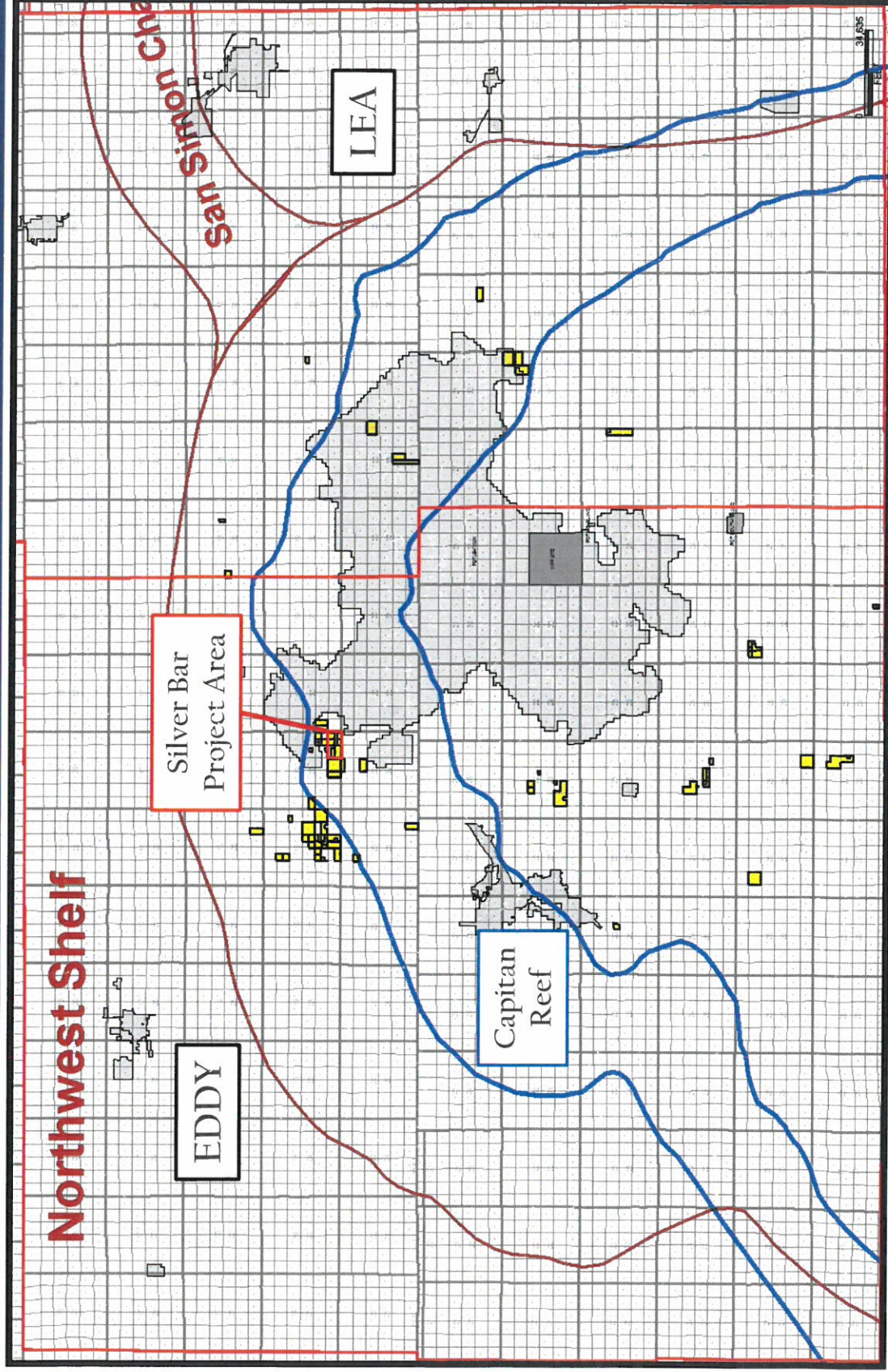
- Generations Graduate Class of 2015
- Board Member for Big Brother
- SEPM Annual New Hire Field Trip Mentor
- Bill Gates Millennium Scholarship Alumni/Mentor

***References upon request**

COLGATE
ENERGY



Silver Bar: Regional Locator Map



Colgate Energy



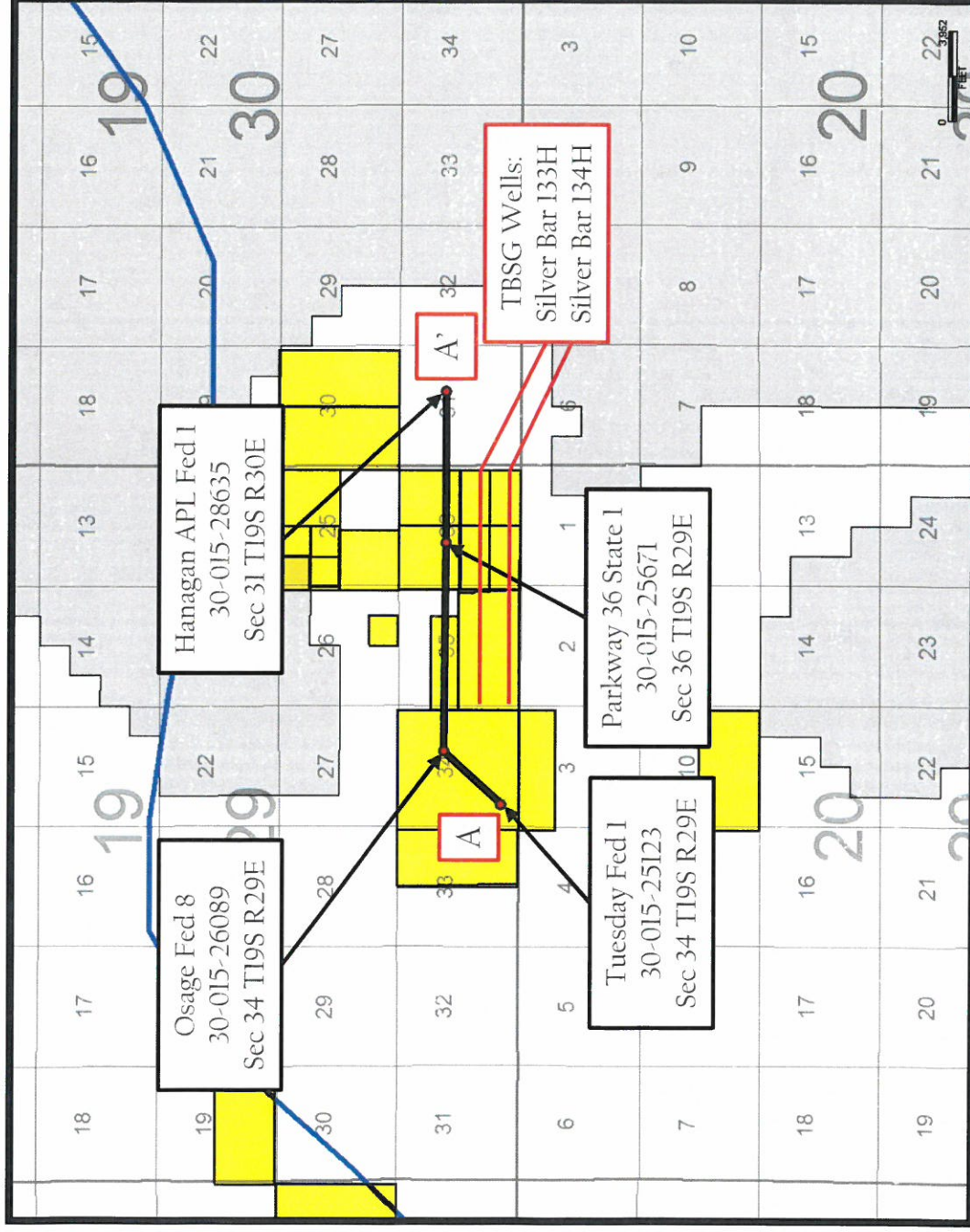
EXHIBIT

C.3

Tables

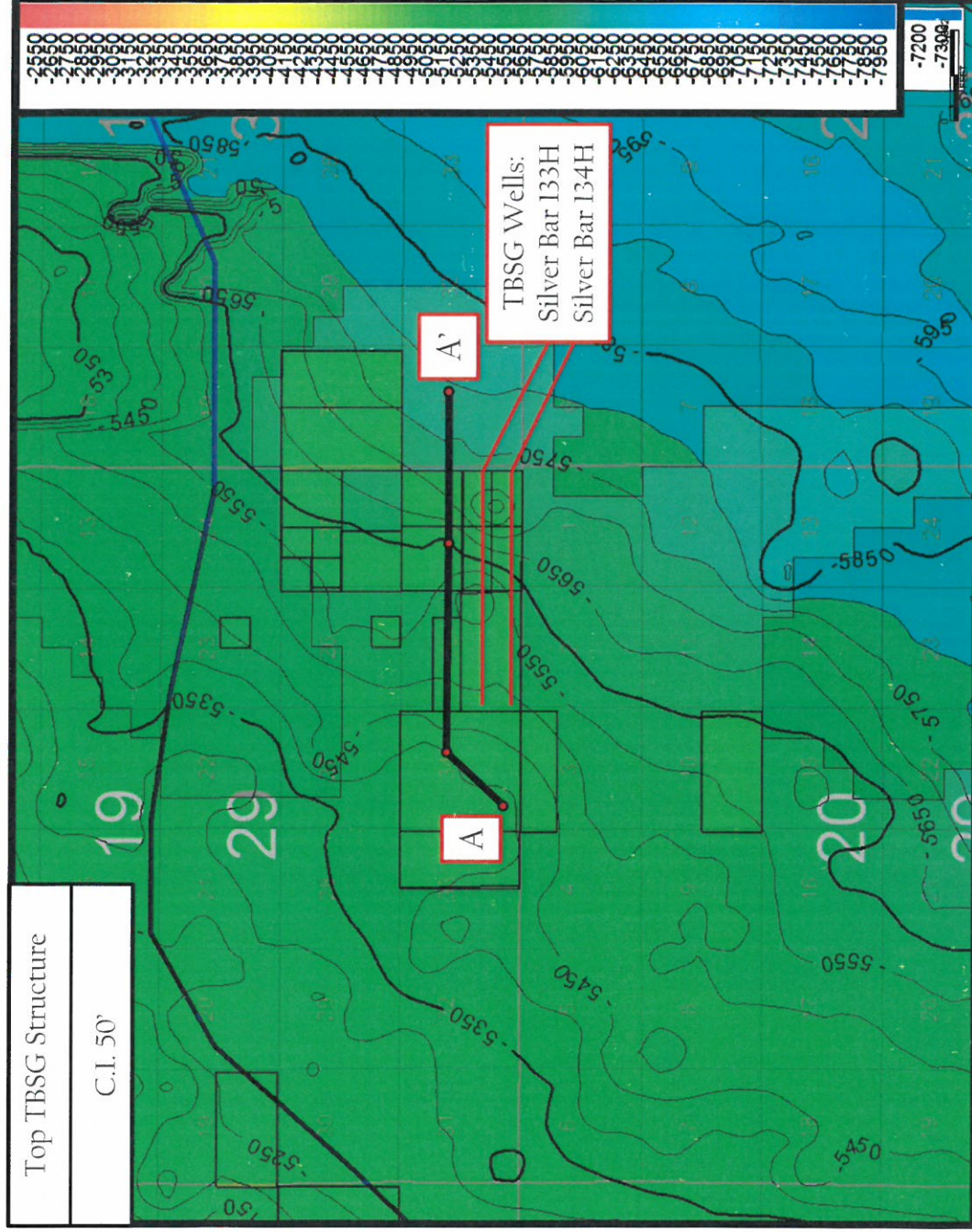
CONFIDENTIAL

Silver Bar: Cross-Section Locator Map



Colgate Energy

Silver Bar: TBSG Structure Map

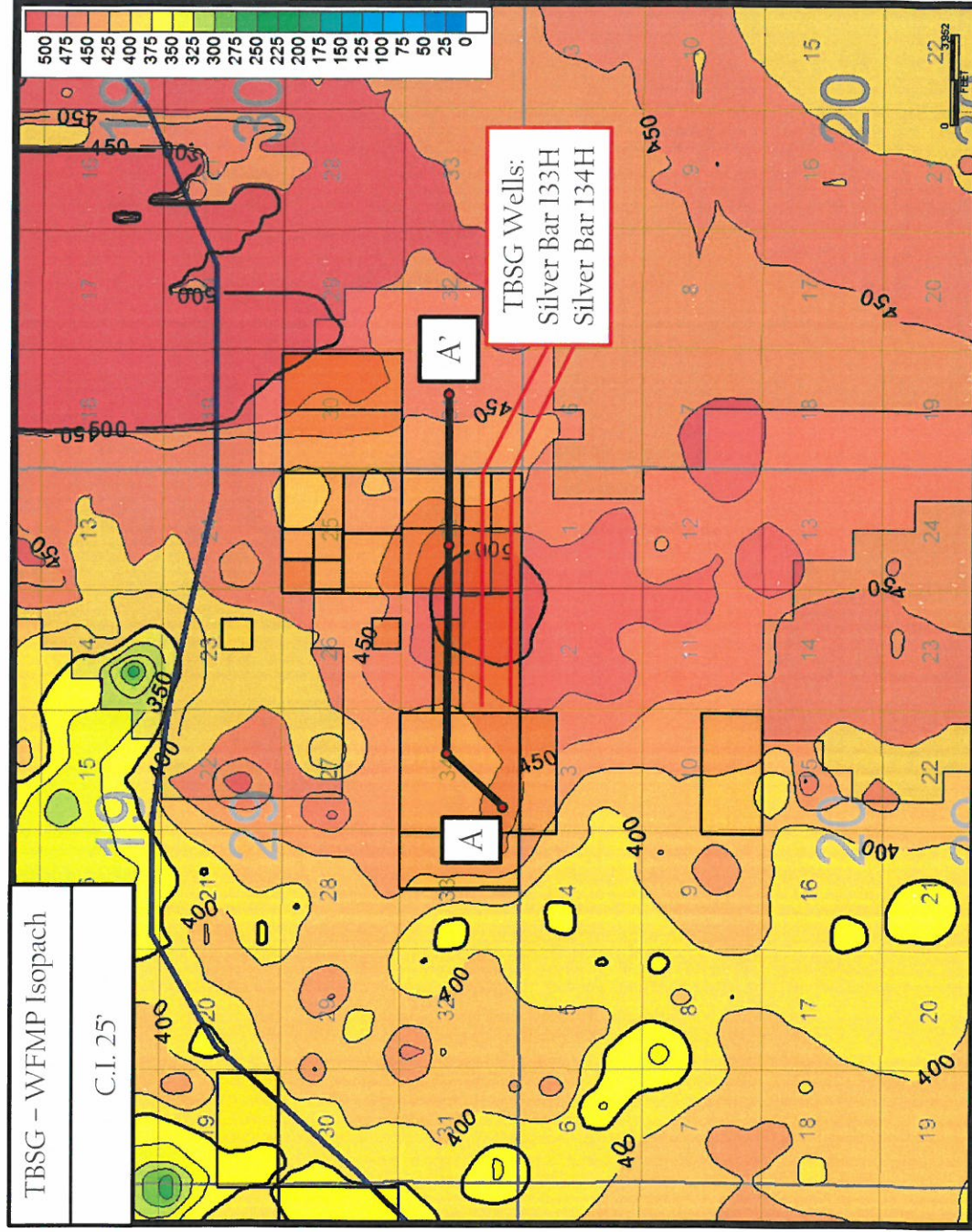


Colgate Energy



EXHIBIT
C.5
Tables

Silver Bar: TBSG Isopach Map



Colgate Energy



EXHIBIT

C.6

tables

Silver Bar: Cross-Section A-A'

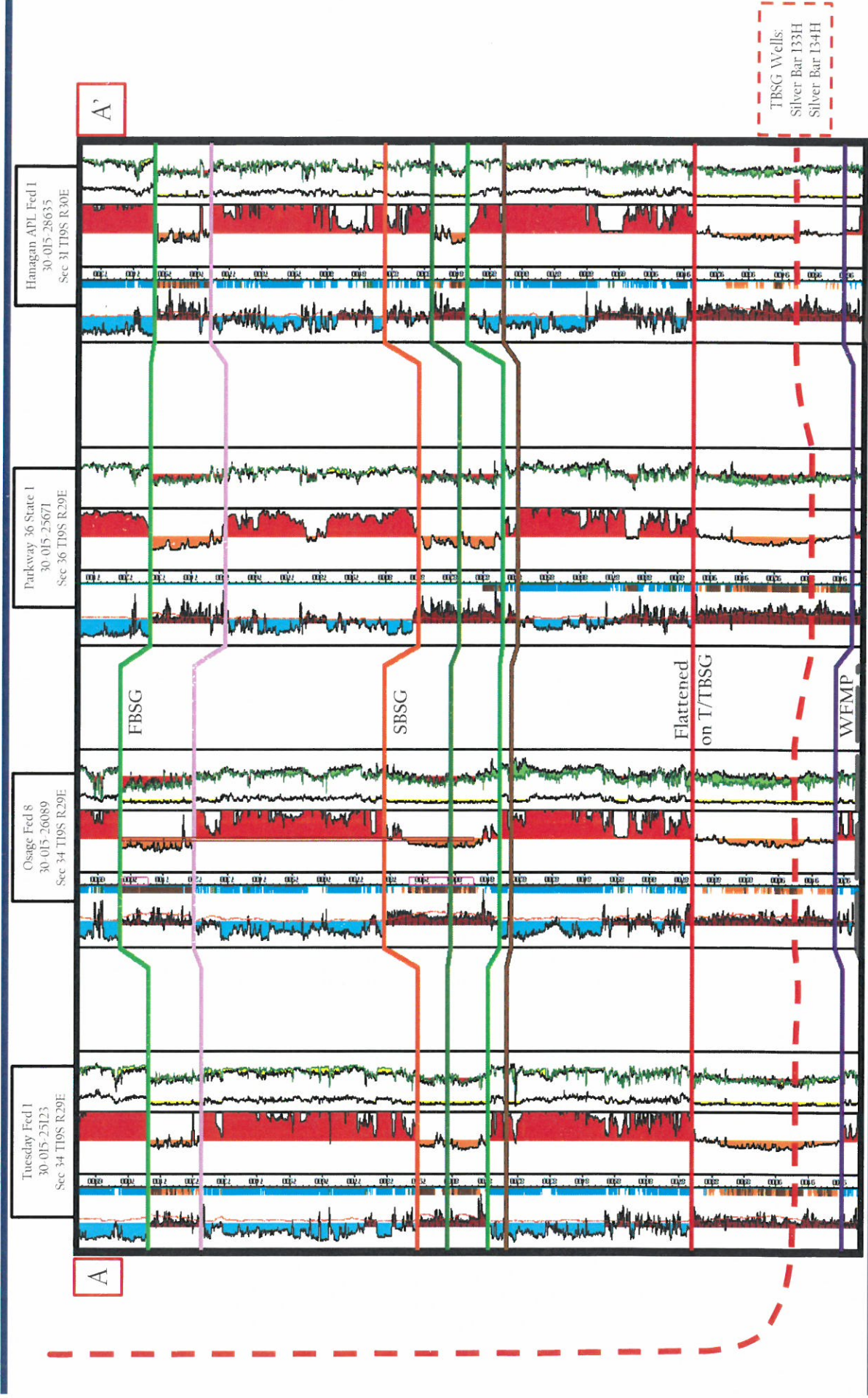
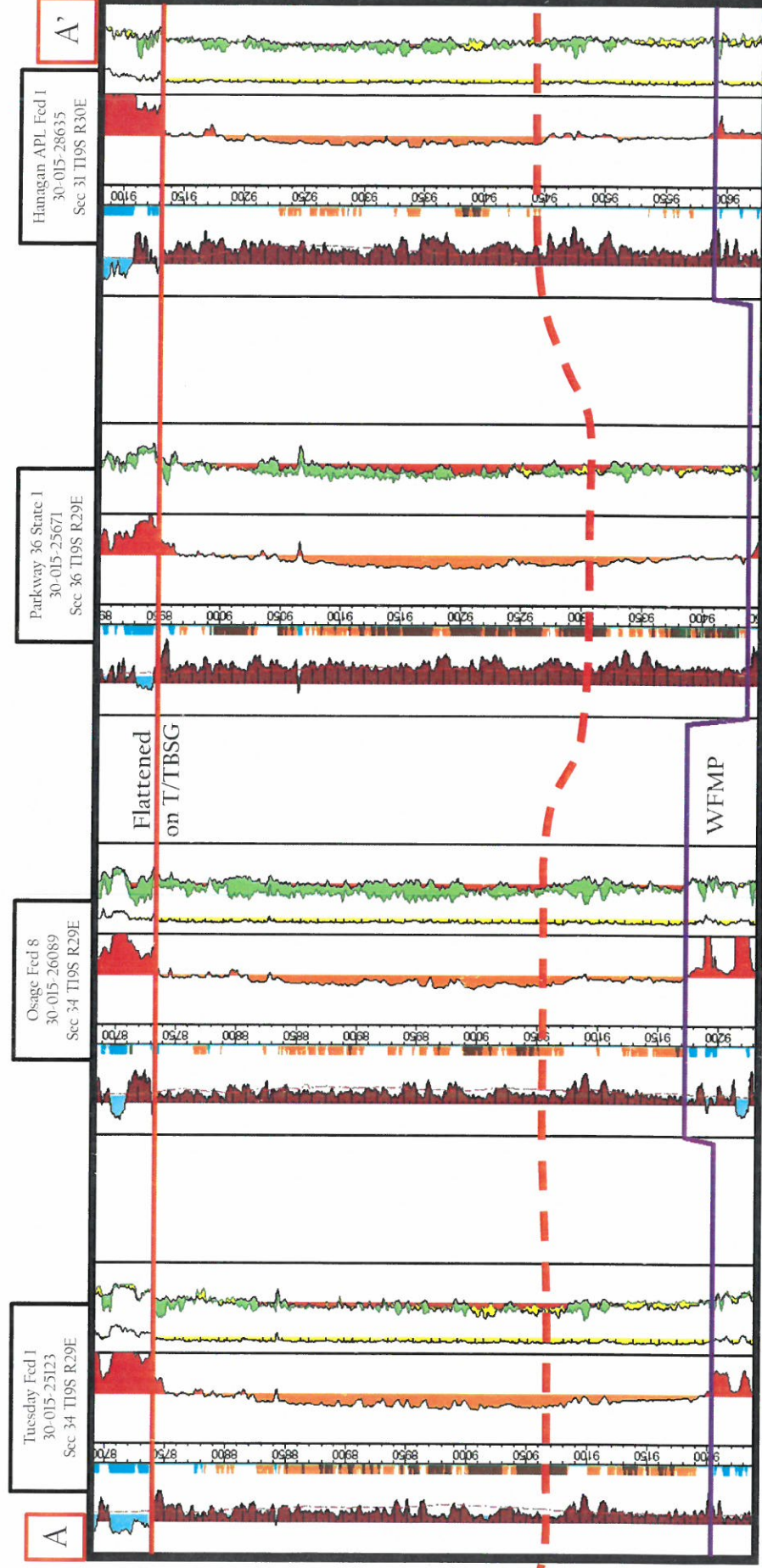


EXHIBIT
C.7
Tables

Silver Bar: TBSG Cross-Section A-A'



TBSG Wells:
Silver Bar 133H
Silver Bar 134H

EXHIBIT
C.8
Tables

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

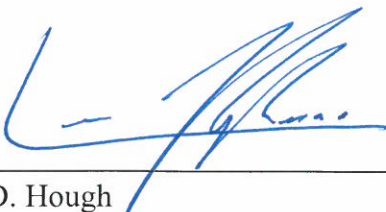
**APPLICATION OF COLGATE OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 21076

AFFIDAVIT

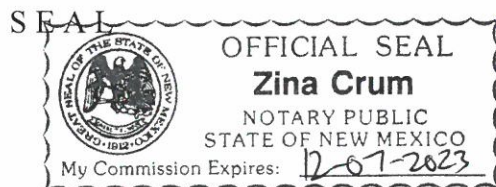
STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)

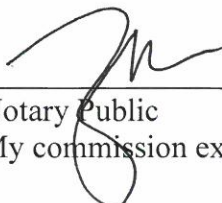
Lance D. Hough, attorney in fact and authorized representative of Colgate Operating, LLC ("Colgate"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under notices of hearing to parties entitled to notice; and that the following are attached hereto: a sample of said notice of hearing, a mailing list for notice of hearing, proof of mailed notice of hearing, and proof of published notice of hearing. As noted in the Affidavit of Mark Hajdik, Colgate has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the application filed herein.



Lance D. Hough

SUBSCRIBED AND SWORN to before me this 4th day of February 2020 by Lance D. Hough.





Notary Public
My commission expires: 12-07-2023





MODRALL SPERLING

L A W Y E R S

January 16, 2020

Lance D. Hough
Tel: 505.848.1826
Fax: 505.848.9710
Lance.Hough@modrall.com

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

This letter is to advise you that Colgate Operating LLC has filed the enclosed applications with the New Mexico Oil Conservation Division:

Case No. 21076: Application of Colgate Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 S/2 of Section 35, and the N/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Silver Bar 35 Fed State Com 133H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.

Case No. 21077: Application of Colgate Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 S/2 of Section 35, and the S/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Silver Bar 35 Fed State Com 134H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com



AFFECTED PARTIES

Colgate / Silver Bar 35 Fed State Com 133H and 134H

January 16, 2020

Page 2

These applications have been set for hearing before a Division Examiner at **8:15 a.m. on February 6, 2020**. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lance D. Hough', with a stylized flourish at the end.

Lance D. Hough
Attorney for Applicant

EED/ldh/w3635120.DOCX

Enclosures: as stated

Zina Crum
Modrall Sperlberg
500 4th Street NW
Suite 1000
Albuquerque NM 87102

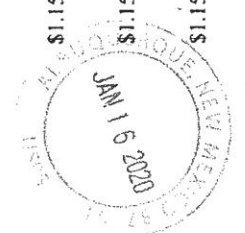
PS Form 3877

Type of Mailing: CERTIFIED MAIL
01/16/2020



Firm Mailing Book ID: 182816

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|---|---------|-------------|--------|--------------|------------------------------|
| 1 | 9314 8699 0430 0067 7559 78 | 3SD INTERESTS, LLC 221 DORAN ROAD LOVINGTON NM 88260 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 2 | 9314 8699 0430 0067 7559 85 | ALAN JOCHIMSEN 4209 CARDINAL LN MIDLAND TX 79707 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 3 | 9314 8699 0430 0067 7559 92 | ALAN R HANNIFIN PO BOX 8874 DENVER CO 80201 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 4 | 9314 8699 0430 0067 7560 05 | ARD ENERGY GROUP LTD PO BOX 101027 FORT WORTH TX 76185 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 5 | 9314 8699 0430 0067 7560 12 | ASHLEY CROW PO BOX 97 QUANAH TX 79252 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 6 | 9314 8699 0430 0067 7560 29 | BABE DEVELOPMENT LLC PO BOX 758 ROSWELL NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 7 | 9314 8699 0430 0067 7560 36 | BORICA OIL INC PO DRAWER H FT SUMNER NM 88119 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 8 | 9314 8699 0430 0067 7560 43 | Borica Oil, Inc P.O Drawer H Ft. Sumner NM 88119 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 9 | 9314 8699 0430 0067 7560 50 | Byron Bachschmid 1800 Hereford Blvd Midland TX 79707 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 10 | 9314 8699 0430 0067 7560 67 | CENTENNIAL LLC PO BOX 1837 ROSWELL NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 11 | 9314 8699 0430 0067 7560 74 | CHARLES JAY KINSOLVING HC 65 BOX 209 CROSSROADS NM 88114 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 12 | 9314 8699 0430 0067 7560 81 | CHEROKEE LEGACY MINERALS LTD PO BOX 3217 ALBANY TX 76430 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 13 | 9314 8699 0430 0067 7560 98 | CHISOS LTD 1331 LAMAR STREET SUITE 1077 HOUSTON TX 77010 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 14 | 9314 8699 0430 0067 7561 04 | Chisos, Ltd. 1331 Lamar Ste 1077 Houston TX 77010 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 15 | 9314 8699 0430 0067 7561 11 | CIESZINSKI TST AGREEMENT DTD 2007 2737 81ST ST LUBBOCK TX 79423 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |



Zina Crum
Modrall Sperling
500 4th Street NW
Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
01/16/2020



Firm Mailing Book ID: 182816

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|--|---------|-------------|--------|--------------|---------------------------------|
| 16 | 9314 8699 0430 0067 7561 28 | Cieziński Trust 2737 81st St Lubbock TX 79423 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 17 | 9314 8699 0430 0067 7561 35 | DELMAR HUDSON LEWIS LIVING TRUST PO BOX 840738 DALLAS TX 75284 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 18 | 9314 8699 0430 0067 7561 42 | DEVARGAS STREET LLC 4613 LOS POBLANOS CIR NW ALBUQUERQUE NM 87107 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 19 | 9314 8699 0430 0067 7561 59 | DOUGLAS LADSON MCBRIDE III PO BOX 1515 ROSWELL NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 20 | 9314 8699 0430 0067 7561 66 | Foundation Energy Fund V-A, LP 5057 Keller Springs Road, Suite 650 Addison TX 75001 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 21 | 9314 8699 0430 0067 7561 73 | FOUNDATION ENERGY FUND V-B HOLDING, LLC 5057 KELLER SPRINGS RD, SUITE 650 ADDITION TX 75001 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 22 | 9314 8699 0430 0067 7561 80 | Frances Gallatin Tracy, III 1020 North Guadalupe Carlsbad NM 88220 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 23 | 9314 8699 0430 0067 7561 97 | FRANCIS TRACY III PO BOX 868 CARLSBAD NM 88221 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 24 | 9314 8699 0430 0067 7562 03 | FROST BANK C/O JOSEPHINE T. HUDSON TESTAMENTARY TRUST P.O. BOX 1600 SAN ANTONIO TX 78296 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 25 | 9314 8699 0430 0067 7562 10 | HANNIFIN FAMILY TRUST DTD 2/1/1994 PO BOX 218 MIDLAND TX 79702 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 26 | 9314 8699 0430 0067 7562 27 | Hanson Operating Company P.O. Box 1515 Roswell NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 27 | 9314 8699 0430 0067 7562 34 | Hanson Operating Company P.O. Box 50820 Midland TX 79701 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 28 | 9314 8699 0430 0067 7562 41 | HANSON OPERATING COMPANY INC PO BOX 1515 ROSWELL NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 29 | 9314 8699 0430 0067 7562 58 | HINKLE OIL AND GAS INC 5600 N MAY AVE SUITE 295 OKLAHOMA CITY OK 73112 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 30 | 9314 8699 0430 0067 7562 65 | JAVELINA PARTNERS 616 TEXAS ST FORT WORTH TX 76102 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |

Zina Crum
Modrall Sperling
500 4th Street NW
Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
01/16/2020



Firm Mailing Book ID: 182816

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|--|---------|-------------|--------|--------------|------------------------------|
| 31 | 9314 8699 0430 0067 7562 72 | JON CIESZINSKI 2737 81ST ST LUBBOCK TX 79423 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 32 | 9314 8699 0430 0067 7562 89 | Jose E Rodriguez PO Box 691284 Houston TX 77269 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 33 | 9314 8699 0430 0067 7562 96 | JOYCO INVESTMENTS LLC PO BOX 2104 ROSWELL NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 34 | 9314 8699 0430 0067 7563 02 | JULIE SCOTT MCBRIDE PO BOX 1515 ROSWELL NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 35 | 9314 8699 0430 0067 7563 19 | K B LIMITED PARTNERSHIP PO DRAWER 2588 ROSWELL NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 36 | 9314 8699 0430 0067 7563 26 | KAGAN FAMILY TRUST PO BOX 221874 CARMEL CA 93922 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 37 | 9314 8699 0430 0067 7563 33 | KENEBREW MINERALS LP PO BOX 917 IDALOU TX 79329 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 38 | 9314 8699 0430 0067 7563 40 | L. Neil Burcham, et ux Marilyn 665 La Melodia Dr Las Cruces NM 88011 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 39 | 9314 8699 0430 0067 7563 57 | LINDY'S LIVING TRUST 4200 S HULEN SUITE 302 FT WORTH TX 76109 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 40 | 9314 8699 0430 0067 7563 64 | LIVINGSTON COUNTY COMMUNITY FOUNDATION 903 JACKSON ST. CHILLICOTHE MO 64601 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 41 | 9314 8699 0430 0067 7563 71 | LONG, LLC 215 SOUTH STATE ST, SUITE 100 SALT LAKE CITY UT 84111 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 42 | 9314 8699 0430 0067 7563 88 | MICHELLE R SANDOVAL 974 MORGANER LANE CARLSBAD CA 92011 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 43 | 9314 8699 0430 0067 7563 95 | MONTY D & KAREN R MCLANE PO BOX 9451 MIDLAND TX 79708 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 44 | 9314 8699 0430 0067 7564 01 | MOUNTAIN LION OIL & GAS, LLC 7941 KATY FREEWAY #117 HOUSTON TX 77024 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 45 | 9314 8699 0430 0067 7564 18 | NORTON LLC 60 BEACH AVE BAY VIEW SOUTH DARTMOUTH MA 77024 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |

Zina Crum
Modrall Sperling
500 4th Street NW
Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
01/16/2020



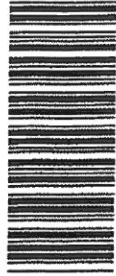
Firm Mailing Book ID: 182816

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|--|---------|-------------|--------|--------------|------------------------------|
| 46 | 9314 8699 0430 0067 7564 25 | ONRR PO BOX 25627 DENVER CO 80225 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 47 | 9314 8699 0430 0067 7564 32 | Patrick Morello 3534 Gettysburg Pl Jefferson City MO 65109 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 48 | 9314 8699 0430 0067 7564 49 | PENROC OIL CORPORATION PO BOX 2769 HOBBS NM 88241 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 49 | 9314 8699 0430 0067 7564 56 | ROBERT & MAXINE HANNIFIN TST PO BOX 218 MIDLAND TX 79702 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 50 | 9314 8699 0430 0067 7564 63 | ROBERT L DALE & PATRICIA J DALE 15419 PEACH HILL RD SARATOGA CA 95070 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 51 | 9314 8699 0430 0067 7564 70 | ROCKPORT OIL & GAS LLC PO BOX 847 HOUSTON TX 77001 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 52 | 9314 8699 0430 0067 7564 87 | RODERICK AND MARIAN DAVIS REV TR 8006 S QUEBEC AVE TULSA OK 74136 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 53 | 9314 8699 0430 0067 7564 94 | STACIE J MAY NON-EXEMPT FARM TRUST 63645 US HWY 36 BYERS CO 80103 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 54 | 9314 8699 0430 0067 7565 00 | STATES ROYALTY LIMITED PARTNERSHIP PO BOX 911 BRECKENRIDGE TX 76424 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 55 | 9314 8699 0430 0067 7565 17 | SUE HANSON MCBRIDE PO BOX 3480 ROSWELL NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 56 | 9314 8699 0430 0067 7565 24 | THE DALE M MUELLER REVOCABLE TRUST 4426 SUGAR MAPLE CRT CONCORD CA 94521 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 57 | 9314 8699 0430 0067 7565 31 | Tim Jennings P.O. Box 1797 Roswell NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 58 | 9314 8699 0430 0067 7565 48 | TIMOTHY Z JENNINGS PO BOX 1797 ROSWELL NM 88202 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 59 | 9314 8699 0430 0067 7565 55 | Whiting Oil & Gas Corporation 1700 Broadway, Suite 2300 Denver CO 80290 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |
| 60 | 9314 8699 0430 0067 7565 62 | ZORRO PARTNERS, LTD. 616 TEXAS STREET FORT WORTH TX 76102 | \$1.15 | \$3.55 | \$1.60 | \$0.00 | 10091.0002 Silver Bar Notice |

Zina Crum
 Modrall Sperling
 500 4th Street NW
 Suite 1000
 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
 01/16/2020



Firm Mailing Book ID: 182816

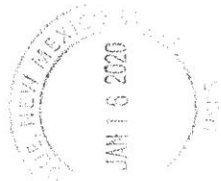
| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|---------|---------------------|--------------------------------|--------------|-------------|----------|--------------|--------------------|
| Totals: | | | \$69.00 | \$213.00 | \$96.00 | \$0.00 | |
| | | | Grand Total: | | \$378.00 | | |

List Number of Pieces
 Listed by Sender

Total Number of Pieces
 Received at Post Office

Postmaster:
 Name of receiving employee

Dated:



Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 182816
Generated: 2/4/2020 4:10:09 PM

| USPS Article Number | Date Created | Name 1 | Address1 | City | State | Zip | Mailing Status | Service Options | Mail Delivery Date |
|------------------------|--------------------|---|-------------------------------------|-----------------|-------|-------|----------------|---|--------------------|
| 9314869904300067756562 | 2020-01-16 2:37 PM | ZORIO PARTNERS, LTD. | 616 TEXAS STREET | FORT WORTH | TX | 76102 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756555 | 2020-01-16 2:37 PM | Whiting Oil & Gas Corporation | 1700 Broadway, Suite 2300 | Denver | CO | 80290 | Delivered | Return Receipt - Electronic, Certified Mail | 02-01-2020 |
| 9314869904300067756548 | 2020-01-16 2:37 PM | TIMOTHY Z JENNINGS | PO BOX 1797 | ROSWELL | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756531 | 2020-01-16 2:37 PM | Tim Jennings | P.O. Box 1797 | Roswell | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756524 | 2020-01-16 2:37 PM | THE DALE M MUELLER REVOCABLE TRUST | 4426 SUGAR MAPLE CRT | CONCORD | CA | 94521 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756517 | 2020-01-16 2:37 PM | SUE HANSON MCBRIDE | PO BOX 3480 | ROSWELL | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756500 | 2020-01-16 2:37 PM | STATES ROYALTY LIMITED PARTNERSHIP | PO BOX 911 | BRECKENRIDGE | TX | 76424 | Delivered | Return Receipt - Electronic, Certified Mail | 01-24-2020 |
| 9314869904300067756494 | 2020-01-16 2:37 PM | STACIE J MAY NON-EXEMPT FARM TRUST | 63645 US HWY 36 | BYERS | CO | 80103 | Undelivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756470 | 2020-01-16 2:37 PM | RODERICK AND MARIAN DAVIS REV TR | 8006 S QUEBEC AVE | TULSA | OK | 74136 | Delivered | Return Receipt - Electronic, Certified Mail | 01-23-2020 |
| 9314869904300067756463 | 2020-01-16 2:37 PM | ROBERT L DALE & PATRICIA J DALE | PO BOX 847 | HOUSTON | TX | 77001 | Delivered | Return Receipt - Electronic, Certified Mail | 01-24-2020 |
| 9314869904300067756456 | 2020-01-16 2:37 PM | ROBERT & MAXINE HANNIFIN TST | 15419 PEACH HILL RD | SARATOGA | CA | 95070 | Delivered | Return Receipt - Electronic, Certified Mail | 01-23-2020 |
| 9314869904300067756449 | 2020-01-16 2:37 PM | PENROC OIL CORPORATION | PO BOX 218 | MIDLAND | TX | 79702 | Mailed | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756425 | 2020-01-16 2:37 PM | Patrick Morello | PO BOX 2769 | HOBBS | NM | 88241 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756418 | 2020-01-16 2:37 PM | NORTON LLC | 3534 Gettysburg Pl | Jefferson City | MO | 65109 | Delivered | Return Receipt - Electronic, Certified Mail | 01-23-2020 |
| 9314869904300067756401 | 2020-01-16 2:37 PM | MOUNTAIN LION OIL & GAS, LLC | PO BOX 25627 | DENVER | CO | 80225 | Delivered | Return Receipt - Electronic, Certified Mail | 01-30-2020 |
| 9314869904300067756395 | 2020-01-16 2:37 PM | MONTY D & KAREN R MCCLANE | 60 BEACH AVE BAY VIEW | SOUTH DARTMOUTH | MA | 77024 | Delivered | Return Receipt - Electronic, Certified Mail | 01-23-2020 |
| 9314869904300067756388 | 2020-01-16 2:37 PM | MICHELLE R SANDOVAL | 7941 KATY FREEWAY #117 | HOUSTON | TX | 77024 | Undelivered | Return Receipt - Electronic, Certified Mail | 01-23-2020 |
| 9314869904300067756371 | 2020-01-16 2:37 PM | LONG, LLC | PO BOX 9451 | MIDLAND | TX | 79708 | Undelivered | Return Receipt - Electronic, Certified Mail | 01-24-2020 |
| 9314869904300067756364 | 2020-01-16 2:37 PM | LIVINGSTON COUNTY COMMUNITY FOUNDATION | 974 MORGANER LANE | CARLSBAD | CA | 92011 | Undelivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756357 | 2020-01-16 2:37 PM | LINDYS LIVING TRUST | 215 SOUTH STATE ST, SUITE 100 | SALT LAKE CITY | UT | 84111 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756340 | 2020-01-16 2:37 PM | L. Neil Burcham, et ux Marilyn | 4203 JACKSON ST. | CHILLICOTHE | MO | 64601 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756333 | 2020-01-16 2:37 PM | KENEBREW MINERALS LP | 900 S HULEN SUITE 302 | FT WORTH | TX | 76109 | Delivered | Return Receipt - Electronic, Certified Mail | 01-18-2020 |
| 9314869904300067756326 | 2020-01-16 2:37 PM | KAGAN FAMILY TRUST | 665 La Melodia Dr | Las Cruces | NM | 88011 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756319 | 2020-01-16 2:37 PM | K B LIMITED PARTNERSHIP | PO BOX 917 | IDALOU | TX | 79329 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756302 | 2020-01-16 2:37 PM | JULIE SCOTT MCBRIDE | PO BOX 221874 | CARMEL | CA | 93922 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756296 | 2020-01-16 2:37 PM | JOYCO INVESTMENTS LLC | PO DRAWER 2588 | ROSWELL | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756289 | 2020-01-16 2:37 PM | Jose E Rodriguez | PO BOX 1515 | ROSWELL | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756272 | 2020-01-16 2:37 PM | JON CIESZINSKI | PO BOX 2104 | ROSWELL | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-27-2020 |
| 9314869904300067756265 | 2020-01-16 2:37 PM | JAVELINA PARTNERS | PO Box 691284 | Houston | TX | 77269 | Delivered | Return Receipt - Electronic, Certified Mail | 01-23-2020 |
| 9314869904300067756258 | 2020-01-16 2:37 PM | HINKLE OIL AND GAS INC | 2737 81ST ST | LUBBOCK | TX | 79423 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756241 | 2020-01-16 2:37 PM | HANSON OPERATING COMPANY INC | 616 TEXAS ST | FORT WORTH | TX | 76102 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756227 | 2020-01-16 2:37 PM | Hanson Operating Company | 5600 N MAY AVE SUITE 295 | OKLAHOMA CITY | OK | 73112 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756210 | 2020-01-16 2:37 PM | Hanson Operating Company | PO BOX 1515 | Midland | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756203 | 2020-01-16 2:37 PM | HANNIFIN FAMILY TRUST DTD 2/1/1994 | P.O. Box 50820 | Roswell | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756197 | 2020-01-16 2:37 PM | FRANCIS TRACY III | PO BOX 1515 | MIDLAND | TX | 79702 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756180 | 2020-01-16 2:37 PM | Frances Gallatin Tracy, III | PO BOX 1600 | SAN ANTONIO | TX | 78296 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756173 | 2020-01-16 2:37 PM | FOUNDATION ENERGY FUND V-B HOLDING, LLC | PO BOX 868 | CARLSBAD | NM | 88221 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756166 | 2020-01-16 2:37 PM | Foundation Energy Fund V-A, LP | 1020 North Guadalupe | Carlsbad | NM | 88220 | To be Returned | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756159 | 2020-01-16 2:37 PM | DOUGLAS LADSON MCBRIDE III | 5057 KELLER SPRINGS RD, SUITE 650 | ADDISON | TX | 75001 | To be Mailed | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756142 | 2020-01-16 2:37 PM | DEVARGAS STREET LLC | 5057 Keller Springs Road, Suite 650 | Addison | TX | 75001 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756135 | 2020-01-16 2:37 PM | DELMAR HUDSON LEWIS LIVING TRUST | 4613 LOS POBLANOS CIR NW | ROSWELL | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-17-2020 |
| 9314869904300067756128 | 2020-01-16 2:37 PM | Ciezinski Trust | PO BOX 840738 | DALLAS | TX | 75284 | Delivered | Return Receipt - Electronic, Certified Mail | 01-23-2020 |
| 9314869904300067756111 | 2020-01-16 2:37 PM | CIESZINSKI TST AGREEMENT DTD 2007 | 2737 81st St | Lubbock | TX | 79423 | Delivered | Return Receipt - Electronic, Certified Mail | 01-23-2020 |
| 9314869904300067756104 | 2020-01-16 2:37 PM | Chisos, Ltd. | 2737 81ST ST | LUBBOCK | TX | 79423 | Delivered | Return Receipt - Electronic, Certified Mail | 01-24-2020 |
| 9314869904300067756098 | 2020-01-16 2:37 PM | CHISOS LTD | 1331 Lamar Ste 1077 | Houston | TX | 77010 | Delivered | Return Receipt - Electronic, Certified Mail | 01-24-2020 |
| 9314869904300067756081 | 2020-01-16 2:37 PM | CHEROKEE LEGACY MINERALS LTD | 1331 LAMAR STREET SUITE 1077 | HOUSTON | TX | 77010 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756074 | 2020-01-16 2:37 PM | CHARLES JAY KINSOLVING | PO BOX 3217 | ALBANY | TX | 76430 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| | | | HC 65 BOX 209 | CROSSROADS | NM | 88114 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |

| | | | | | | | | |
|------------------------|---|--------------------|------------|----|-------|-----------|---|------------|
| 9314869904300067756067 | 2020-01-16 2:37 PM CENTENNIAL LLC | PO BOX 1837 | ROSWELL | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756050 | 2020-01-16 2:37 PM Byron Bachschmid | 1800 Hereford Blvd | Midland | TX | 79707 | Forwarded | Return Receipt - Electronic, Certified Mail | |
| 9314869904300067756043 | 2020-01-16 2:37 PM Borica Oil, Inc | P.O Drawer H | Ft. Sumner | NM | 88119 | Delivered | Return Receipt - Electronic, Certified Mail | 01-28-2020 |
| 9314869904300067756036 | 2020-01-16 2:37 PM BORICA OIL INC | PO DRAWER H | FT SUMNER | NM | 88119 | Delivered | Return Receipt - Electronic, Certified Mail | 01-28-2020 |
| 9314869904300067756029 | 2020-01-16 2:37 PM BABE DEVELOPMENT LLC | PO BOX 758 | ROSWELL | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067756012 | 2020-01-16 2:37 PM ASHLEY CROW | PO BOX 97 | QUANAH | TX | 79252 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |
| 9314869904300067756005 | 2020-01-16 2:37 PM ARD ENERGY GROUP LTD | PO BOX 101027 | FORT WORTH | TX | 76185 | Delivered | Return Receipt - Electronic, Certified Mail | 01-23-2020 |
| 9314869904300067755992 | 2020-01-16 2:37 PM ALAN R HANNIFIN | PO BOX 8874 | DENVER | CO | 80201 | Mailed | Return Receipt - Electronic, Certified Mail | |
| 9314869904300067755985 | 2020-01-16 2:37 PM ALAN JOCHIMSEN | 4209 CARDINAL LN | MIDLAND | TX | 79707 | Delivered | Return Receipt - Electronic, Certified Mail | 01-22-2020 |
| 9314869904300067755978 | 2020-01-16 2:37 PM 3SD INTERESTS, LLC | 221 DORAN ROAD | LOVINGTON | NM | 88260 | Delivered | Return Receipt - Electronic, Certified Mail | 01-21-2020 |

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004011247

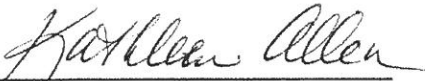
This is not an invoice

MODRALL SPERLING
POBOX 2168

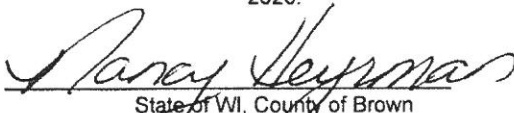
ALBUQUERQUE, NM 87103

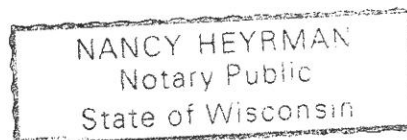
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

January 22, 2020


Legal Clerk

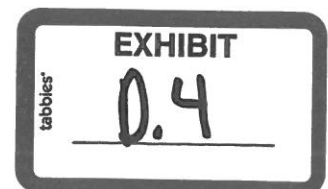
Subscribed and sworn before me this January 22,
2020:


State of WI, County of Brown
NOTARY PUBLIC
5.15.23
My commission expires



Ad # 0004011247
PO #: 21076, 21077
of Affidavits 1

This is not an invoice



CASE NO. 21076: Notice to all affected parties, as well as their heirs and devisees, of Borica Oil, Inc; Byron Bachschmid; Chisos, Ltd.; Ciezinski Trust; Jose E Rodriguez; Foundation Energy Fund V-A, LP; Foundation Energy Fund V-B, LP; Frances Gallatin Tracy, III; Hanson Operating Company; Hanson Operating Company; Jon Ciezinski; L. Neil Burcham, et ux Marilyn; Patrick Morello; Penroc Oil Corporation; Long, LLC; Robert L. & Patricia J. Dale; Rockport Oil & Gas, LLC; Tim Jennings; and Whiting Oil & Gas Corporation; Byron A Bachschmid; The Dale M Mueller Revocable Trust; Delmar Hudson Lewis Living Trust; Frost Bank C/O Josephine T. Hudson Testamentary Trust; Mountain Lion Oil & Gas, LLC; Robert & Maxine Hannifin Tst; 3SD Interests, LLC; Borica Oil Inc; Centennial LLC; Cherokee Legacy Minerals Ltd; Cieszinski Tst Agreement Dtd 2007; Jon Cieszinski; Ashley Crow; Devargas Street LLC; Foundation Energy Fund V-B Holding, LLC; Foundation Energy Fund V-A, LP; Hanson Operating Company Inc; Alan R Hannifin; Frost Bank C/O Josephine T. Hudson Testamentary Trust; Javelina Partners; Timothy Z Jennings; Charles Jay Kinsolving; Lindys Living Trust; Livingston County Community Foundation; Long, LLC; Sue Hanson McBride; Julie Scott McBride; Douglas Ladson McBride III; Monty D & Karen R McLane; ONRR; Robert L Dale & Patricia J Dale; Roderick And Marian Davis Rev Tr; Jose E Rodriguez; Michelle R Sandoval; States Royalty Limited Partnership; Stacie J May Non-Exempt Farm Trust; Francis Tracy III; Zorro Partners, Ltd.; Chisos Ltd; Norton LLC; Rockport Oil & Gas LLC; Ard Energy Group Ltd; Babe Development LLC; Hannifin Family Trust Dtd 2/1/1994; Hinkle Oil And Gas Inc; Alan Jochimsen; Joyco Investments LLC; Kagan Family Trust; K B Limited Partnership; Kenebrew Minerals LP; Penroc Oil Corporation of Colgate Operating LLC's Application for compulsory pooling, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on February 6, 2020 to consider this application. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 S/2 of Section 35, and the N/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Silver Bar 35 Fed State Com 133H wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.

CASE NO. 21077: Notice to all affected parties, as well as their heirs and devisees, of Borica Oil, Inc; Byron Bachschmid; Chisos, Ltd.; Ciezinski Trust; Jose E Rodriguez; Foundation Energy Fund V-A, LP; Foundation Energy Fund V-B, LP; Frances Gallatin Tracy, III; Hanson Operating Company; Hanson Operating Company; Jon Ciezinski; L. Neil Burcham, et ux Marilyn; Patrick Morello; Penroc Oil Corporation; Long, LLC; Robert L. & Patricia J. Dale; Rockport Oil & Gas, LLC; Tim Jennings; and Whiting Oil & Gas Corporation; Byron A Bachschmid; The Dale M Mueller Revocable Trust; Delmar Hudson Lewis Living Trust; Frost Bank C/O Josephine T. Hudson Testamentary Trust; Mountain Lion Oil & Gas, LLC; Robert & Maxine Hannifin Tst; 3SD Interests, LLC; Borica Oil Inc; Centennial LLC; Cherokee Legacy Minerals Ltd; Cieszinski Tst Agreement Dtd 2007; Jon Cieszinski; Ashley Crow; Devargas Street LLC; Foundation Energy Fund V-B Holding, LLC; Foundation Energy Fund V-A, LP; Hanson Operating Company Inc; Alan R Hannifin; Frost Bank C/O Josephine T. Hudson Testamentary Trust; Javelina Partners; Timothy Z Jennings; Charles Jay Kinsolving; Lindys Living Trust; Livingston County Community Foundation; Long, LLC; Sue Hanson McBride; Julie Scott McBride; Douglas Ladson McBride III; Monty D & Karen R McLane; ONRR; Robert L Dale & Patricia J Dale; Roderick And Marian Davis Rev Tr; Jose E Rodriguez; Michelle R Sandoval; States Royalty Limited Partnership; Stacie J May Non-Exempt Farm Trust; Francis Tracy III; Zorro Partners, Ltd.; Chisos Ltd; Norton LLC; Rockport Oil & Gas LLC; Ard Energy Group Ltd; Babe Development LLC; Hannifin Family Trust Dtd 2/1/1994; Hinkle Oil And Gas Inc; Alan Jochimsen; Joyco Investments LLC; Kagan Family Trust; K B Limited Partnership; Kenebrew Minerals LP; Penroc Oil Corporation of Colgate Operating LLC's Application for compulsory pooling, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on February 6, 2020 to

consider this application. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 S/2 of Section 35, and the S/2 S/2 of Section 36, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Silver Bar 35 Fed State Com 134H wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.

January 22, 2020