# 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. 21185** 

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

**CASE NO. 21186** 

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

**CASE NO. 21187** 

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

**CASE NO. 21188** 

Examiner Docket: April 30, 2020

### **COLGATE'S EXHIBITS**

Black Diamond 34 Fed Com 122H and 132H Black Diamond 34 Fed Com 131H Black Diamond 34 Fed Com 133H Black Diamond 34 Fed Com 134H



Earl E. DeBrine, Jr. Lance D. Hough

500 Fourth Street NW, Suite 1000 P. O. Box 2168 / Albuquerque, NM 87103 Telephone 505.848.1800

MODRALL SPERLING

edebrine@modrall.com ldh@modrall.com

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#### **COLGATE'S EXHIBITS**

Black Diamond 34 Fed Com 122H and 132H Black Diamond 34 Fed Com 131H Black Diamond 34 Fed Com 133H Black Diamond 34 Fed Com 134H

Exhibit A Compulsory Pooling Application Checklists (4 Checklists)

Exhibit B Affidavit of Mark Hajdik

B-1 Well Proposal LetterB-2 Communication Timeline

No. 21185

**B.3-85** Applications

B.4-85 C102s

B.5-85 Tract Map with WIs and ORRIS B.6-85 Authorizations for Expenditures

No. 21186

B.3-86 Application

B.4-86 C102

Earl E. DeBrine, Jr. Lance D. Hough

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edebrine@modrall.com ldh@modrall.com B.5-86 Tract Map with WIs and ORRIS B.6-86 Authorization for Expenditure

#### No. 21187

**B.3-87** Application

B.4-87 C102

B.5-87 Tract Map with WIs and ORRIs

B.6-87 Authorization for Expenditure

#### No. 21188

B.3-88 Application

B.4-88 C102

B.5-88 Tract Map with WIs and ORRIs

B.6-88 Authorization for Expenditure

#### Exhibit C Affidavit of Sergio Ojeda

- C-1 Regional Locator Map
- C-2 Cross-Section Locator Map
- C-3 Gun Barrel Diagram
- C-4 Second Bone Spring Structure Map
- C-5 Second Bone Spring Isopach Map
- C-6 Third Bone Spring Structure Map
- C-7 Third Bone Spring Isopach Map
- C-8 Stratigraphic Cross Section
- C-9 Second Bone Spring Target Zone within Stratigraphic Cross Section
- C-10 Third Bone Spring Target Zone within Stratigraphic Cross Section

#### Exhibit D Affidavit of Lance D. Hough

D-1 Hearing Notice March 12, 2020

D-2 Certified Mail Log / Notice March 12, 2020 Certified Mail Log / Report April 27, 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

Case: 21185	APPLICANT'S RESPONSE
Date	April 30, 2020
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. 21185
Entries of Appearance/Intervenors:	None
Well Family	Black Diamond
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:	240 Acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 Acres
Building Blocks:	Quarter Quarter Sections
Orientation:	East to West
Description: TRS/County	S/2 N/2 of Section 34, and the S/2 N/2 of the E/2 of Section 33, 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.5-85
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B.3-85 and Exhibit B.4-85  EXHIBIT

Well #1	Black Diamond 34 Fed Com 122H
Well #1	SHL: 1898 feet from the North line and 170 feet from the
	East line,
	(Unit H) of Section 34, Township 19 South, Range 29 East,
	NMPM. BHL: 1896 feet from the North line and 2650 feet from the
	West line,
	(Unit G) of Section 33, Township 19 South, Range 29 East, NMPM.
	Completion Target: 2nd Bone Spring at approx 7,967 feet TVD.
	Well Orientation: East to West
	Completion Location expected to be: standard
Well #2	Black Diamond 34 Fed Com 132H
	SHL: 1940 feet from the North line and 170 feet from the East line,
	(Unit H) of Section 34, Township 19 South, Range 29 East, NMPM.
	BHL: 2230 feet from the North line and 2625 feet from the West line,
	(Unit G) of Section 33, Township 19 South, Range 29 East,
	NMPM.
	Completion Target: 3rd Bone Spring at approx 8,992 feet TVD.
	Well Orientation: East to West
	Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit B.4-85
Completion Target (Formation, TVD and MD)	Exhibit B; Exhibit B.1; Exhibit B.3-85; Exhibit B.4-85; Exhibit C.3 through C.10
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit B.6-85 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)	Exhibit D.2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.5-85
Tract List (including lease numbers and owners)	Exhibit B.5-85

Pooled Parties (including ownership type)	Exhibit B.5-85
Unlocatable Parties to be Pooled	Exhibit B.5-85; Exhibit D.2
Ownership Depth Severance (including percentage above & below)	None
Joinder	Notice
Sample Copy of Proposal Letter	Exhibit B.1
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.5-85
	Exhibit B.2
Chronology of Contact with Non-Joined Working Interests	
Overhead Rates In Proposal Letter	Exhibit B.5-85
Cost Estimate to Drill and Complete	Exhibit B.6-85 for AFEs
Cost Estimate to Equip Well	Exhibit B.6-85 for AFEs
Cost Estimate for Production Facilities	Exhibit B.6-85 for AFEs
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits B.4-85, C.2, and C.3
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.3
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits C.3 through C.10
HSU Cross Section	Exhibits C.7 through C.10
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibitc B.4-85
Tracts	Exhibit B.5-85
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.5-85
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibits C.2 through C.10
Structure Contour Map - Subsea Depth	Exhibits C.4 and C.6
Cross Section Location Map (including wells)	Exhibit C.2
Cross Section (including Landing Zone)	Exhibits C.7 through C.10
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provi	ded in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Lance Hough
Signed Name (Attorney or Party Representative):	C-1/1/
Date:	4/28/2020

Case: 21186	APPLICANT'S RESPONSE
Date	April 30, 2020
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. 21186
Entries of Appearance/Intervenors:	None
Well Family	Black Diamond
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:	240 Acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 Acres
Building Blocks:	Quarter Quarter Sections
Orientation:	East to West
Description: TRS/County	N/2 N/2 of Section 34, and the N/2 N/2 of the E/2 of Section 33, 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.5-86
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B.3-86 and Exhibit B.4-86

Well #1	Black Diamond 34 Fed Com 131H
	SHL: 990 feet from the North line and 170 feet from the
	East line,
	(Unit A) of Section 34, Township 19 South, Range 29 East, NMPM.
	BHL: 910 feet from the North line and 2650 feet from the
	West line,
	(Unit B) of Section 33, Township 19 South, Range 29 East,
	NMPM.
	Completion Target: 3rd Bone Spring at approx 8,995 feet
	TVD.
	Well Orientation: East to West
Horizontal Well First and Last Take Points	Completion Location expected to be: standard  Exhibit B.4-86
Completion Target (Formation, TVD and MD)	Exhibit B; Exhibit B.1; Exhibit B.3-86; Exhibit B.4-86; Exhibit C.3 through C.10
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit B.6-86 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)	Exhibit D.2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.5-86
Tract List (including lease numbers and owners)	Exhibit B.5-86
Pooled Parties (including ownership type)	Exhibit B.5-86
Unlocatable Parties to be Pooled	Exhibit B.5-86; Exhibit D.2
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit B.1
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.5-86
Chronology of Contact with Non-Joined Working Interests	Exhibit B.2
Overhead Rates In Proposal Letter	Exhibit B.5-86
Cost Estimate to Drill and Complete	Exhibit B.6-86 for AFEs
Cost Estimate to Equip Well	Exhibit B.6-86 for AFEs
Cost Estimate for Production Facilities	Exhibit B.6-86 for AFEs
Geology	
Summary (including special considerations)	Exhibit C

Spacing Unit Schematic	Exhibits B.4-86, C.2, and C.3
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.3
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits C.3 through C.10
HSU Cross Section	Exhibits C.7 through C.10
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibitc B.4-86
Tracts	Exhibit B.5-86
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.5-86
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibits C.2 through C.10
Structure Contour Map - Subsea Depth	Exhibits C.4 and C.6
Cross Section Location Map (including wells)	Exhibit C.2
Cross Section (including Landing Zone)	Exhibits C.7 through C.10
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information pro	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Lance Hough
Signed Name (Attorney or Party Representative):	L-7//C
Date:	4/28/2020

Case: 21187	APPLICANT'S RESPONSE
Date	April 30, 2020
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. 21187
Entries of Appearance/Intervenors:	None
Well Family	Black Diamond
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:	240 Acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 Acres
Building Blocks:	Quarter Quarter Sections
Orientation:	East to West
Description: TRS/County	N/2 S/2 of Section 34, and the N/2 S/2 of the E/2 of Section 33, 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.5-87
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B.3-87 and Exhibit B.4-87

SHL: 1135 feet from the South line and 360 feet from the East line, (Unit P) of Section 34, Township 19 South, Range 29 East, NMFM. BHL: 1730 feet from the South line and 2650 feet from the West line, (Unit P) of Section 33, Township 19 South, Range 29 East, NMFM. Completion Target: 3rd Bone Spring at approx 9,005 feet TVD. Well Orientation: East to West Completion Location expected to be: standard Eshibit B.4-87 Eshibit B.5-87 Eshibit B.5-87, Exhibit B.3-87; Exhibit B.4-87, Exhibit B.3-87 for AFES Equested Risk Charge  200%; see Exhibit B. Bolitice of Hearing Froof of Mailed Notice of Hearing (20 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Mailed Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published Notice of Hearing (10 days before hearing) Froof of Published	Well #1	Black Diamond 34 Fed Com 133H
(Unit P) of Section 34, Township 19 South, Range 29 East, NMPM.  BHL: 1730 feet from the South line and 2650 feet from the West line, (Unit I) of Section 33, Township 19 South, Range 29 East, NMPM.  Completion Target: 3rd Bone Spring at approx 9,005 feet TVD.  Well Orientation: East to West Completion Location expected to be: standard  Arrivable II First and Last Take Points  Exhibit B.4-87  Exhibit B.4-87  Exhibit B.1; Exhibit B.3-87, Exhibit B.4-87; Exhibit B.1; Exhibit B.3-87, Exhibit B.4-87; Exhibit B.3-87, Exhibit B	Well #1	
NMPM. BHL: 1730 feet from the South line and 2650 feet from the West line, (Unit I) of Section 33, Township 19 South, Range 29 East, NMPM.  Completion Target: 3rd Bone Spring at approx 9,005 feet TVD. Well Orientation: East to West Completion Location expected to be: standard  Forizontal Well First and Last Take Points Exhibit 8.4-87  Exhibit 8.4-87  Exhibit 8.5-87; Exhibit 8.3-87; Exhibit 8.4-87; Exhibit 8.4-8		
BHL: 1730 feet from the South line and 2650 feet from the West line, (Unit I) of Section 33, Township 19 South, Range 29 East, NMPM.  Completion Target: 3rd Bone Spring at approx 9,005 feet TVD. Well Orientation: East to West Completion Location expected to be: standard Exhibit B.4-87  Exhibit B.4-87  Exhibit B.4-87  Exhibit B.4: 87  Exhibit B.1; Exhibit B.3-87; Exhibit B.4-87; E		
(Unit.) of Section 33, Township 19 South, Range 29 East, NMPM.  Completion Target: 3rd Bone Spring at approx 9,005 feet TVD. Well Orientation: East to West Completion Location expected to be: standard Exhibit B.4-87  Exhibit B.4-87  Exhibit B.1; Exhibit B.3-87; Exhibit B.4-87; Exhibit B.5-87; Exhibit		BHL: 1730 feet from the South line and 2650 feet from the
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TVD. Well Orientation: East to West Completion Location expected to be: standard  Brizontal Well First and Last Take Points  Exhibit B.4-87  Exhibit B.5-87; Exhibit B.4-87; Exhibit B.4-87; Exhibit B.4-87; Exhibit B.5-87  Exhibit B.5-87; Exhibit B.5-87  Exhibit B.5-87 for AFES  Exhibit B.5-87 for AFES  Exhibit B.5-87		
Well Orientation: East to West Completion Location expected to be: standard  Forizontal Well First and Last Take Points  Exhibit B.4-87  Exhibit B.5-87; Exhibit B.4-87; Exhibit B.5-87; Exhibit B.6-87 for AFES		
Exhibit B; Exhibit B.1; Exhibit B.3-87; Exhibit B.4-87; Exhibi		Well Orientation: East to West
C.3 through C.10  AFE Capex and Operating Costs  Drilling Supervision/Month \$ 8,000  Production Supervision/Month \$ 800  Sustification for Supervision Costs  Exhibit B.6-87 for AFEs  Requested Risk Charge  Arotice of Hearing  Proposed Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proposed Notice of Hearing (10 days before hearing)  Exhibit D.1  Exhibit D.2  Exhibit D.3  Demorship Determination  and Ownership Schematic of the Spacing Unit  Fract List (including lease numbers and owners)  Exhibit B.5-87  Fract List (including ownership type)  Exhibit B.5-87  Fract List (including ownership type)  Exhibit B.5-87; Exhibit D.2  Inlocatable Parties to be Pooled  Exhibit B.5-87; Exhibit D.2  Inlocatable Portoposal Letter  Exhibit B.5-87  Exhibit B.5-87	Horizontal Well First and Last Take Points	Exhibit B.4-87
Aprilling Supervision/Month \$ 8,000  Aproduction Supervision/Month \$ 800  Austification for Supervision Costs  Exhibit B.6-87 for AFES  Aproposed Notice of Hearing  Aproposed Notice of Hearing (20 days before hearing)  Aprof of Mailed Notice of Hearing (20 days before hearing)  Aprof of Published Notice of Hearing (10 days before hearing)  Approach Determination  And Ownership Determination  And Ownership Schematic of the Spacing Unit  First List (including lease numbers and owners)  April (10 days before hearing)  Exhibit B.5-87  Exhibit B.5-87  Fooled Parties (including ownership type)  Exhibit B.5-87  April (10 days before hearing)  Exhibit B.5-87  Exhibit B.5-87  April (10 days before hearing)  April (10 days before hearing)  Exhibit B.5-87  Exhibit B.5-87; Exhibit D.2  April (10 days before hearing)  Exhibit B.1  Exhibit B.1  Exhibit B.1  Exhibit B.1  Exhibit B.1  Exhibit B.5-87  Exhibit B.6-87 for AFES	Completion Target (Formation, TVD and MD)	Exhibit B; Exhibit B.1; Exhibit B.3-87; Exhibit B.4-87; Exhibit C.3 through C.10
Production Supervision/Month \$  ustification for Supervision Costs  Exhibit B.6-87 for AFES  Requested Risk Charge  Robice of Hearing  Proposed Notice of Hearing  Proof of Mailed Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit D.2  Exhibit D.3  Exhibit D.3  Exhibit B.5-87  Exhibit B, Exhibit B.5-87  Fract List (including lease numbers and owners)  Exhibit B, Exhibit B, Exhibit B.5-87  Frooled Parties (including ownership type)  Exhibit B, Exhibit B, Exhibit D.2  Exhibit B, Exhibit B, Exhibit D, Exhibit B, Exhibit	AFE Capex and Operating Costs	
ustification for Supervision Costs  Exhibit B.6-87 for AFES  Requested Risk Charge  Rootice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proof of Mailed Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (10 days before hearing)  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit D.3  Pownership Determination  and Ownership Schematic of the Spacing Unit  Fract List (including lease numbers and owners)  Frooled Parties (including ownership type)  Exhibit B.5-87  Fooled Parties to be Pooled  Exhibit B.5-87; Exhibit D.2  Exhibit B.5-87; Exhibit D.2  Exhibit B.5-87; Exhibit D.2  Exhibit B.1  Eist of Interest Owners (ie Exhibit A of JOA)  Exhibit B.1  Exhibit B.1  Exhibit B.5-87  Exhibit B.1  Exhibit B.5-87  Exhibit B.6-87 for AFES	Drilling Supervision/Month \$	8,000
Active of Hearing Aroposed Notice of Hearing Aroposed Notice of Hearing Aroposed Notice of Hearing (20 days before hearing) Aroposed Published Notice of Hearing (10 days before hearing) Aroposed Published Notice of Hearing (10 days before hearing) Aroposed Published Notice of Hearing (10 days before hearing) Aroposed Published Notice of Hearing (10 days before hearing) Aroposed Published Notice of Hearing (10 days before hearing) Aroposed Published Notice of Hearing (10 days before hearing) Aroposed Published Notice of Hearing (10 days before hearing) Aroposed Published Notice of Hearing (10 days before hearing) Aroposed Notice of Hearing Exhibit B.5-87 Exhibit B.6-87 for AFES	Production Supervision/Month \$	800
Notice of Hearing Proposed Notice of Hearing Proposed Notice of Hearing (20 days before hearing) Proof of Mailed Notice of Hearing (10 days before hearing) Proof of Published Notice of Hearing (10 days before hearing) Proof of Published Notice of Hearing (10 days before hearing) Proof of Published Notice of Hearing (10 days before hearing) Proof of Published Notice of Hearing (10 days before hearing) Proof of Published Notice of Hearing (10 days before hearing) Exhibit D.3  Demonship Determination Exhibit B; Exhibit B.5-87 Exhibit B.5-87 Exhibit B.5-87 Exhibit B.5-87 Exhibit B.5-87 Exhibit B.5-87 Exhibit B.5-87; Exhibit D.2  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship Depth Severance (including percentage above & Polecow) None  Demonship D	Justification for Supervision Costs	Exhibit B.6-87 for AFEs
Proposed Notice of Hearing Exhibit D.1  Proof of Mailed Notice of Hearing (20 days before hearing) Exhibit D.2  Proof of Published Notice of Hearing (10 days before hearing) Exhibit D.3  Demonship Determination  and Ownership Schematic of the Spacing Unit Exhibit B; Exhibit B.5-87  Proof of Published Notice of Hearing (10 days before hearing) Exhibit B.5-87  Proof of Published Notice of Hearing (10 days before hearing) Exhibit B.5-87  Pownership Determination  and Ownership Schematic of the Spacing Unit Exhibit B.5-87  Proof of Parties (including lease numbers and owners) Exhibit B.5-87  Proof of Parties (including ownership type) Exhibit B.5-87  Proof of Parties (including ownership type) Exhibit B.5-87; Exhibit D.2  Pownership Depth Severance (including percentage above & None  Pownership Depth Severance (including percentage above & N	Requested Risk Charge	200%; see Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing) Proof of Published Notice of Hearing (10 days before hearing) Proof of Published Notice of Hearing (10 days before hearing) Exhibit D.3  Downership Determination  and Ownership Schematic of the Spacing Unit Fract List (including lease numbers and owners) Fract List (including lease numbers and owners) Frooled Parties (including ownership type) Exhibit B.5-87  Frooled Parties to be Pooled Exhibit B.5-87  Frooled Parties to be Pooled Exhibit B.5-87  Frooled Parties (including percentage above & Exhibit B.5-87; Exhibit D.2)  Frooled Parties to be Pooled Exhibit B.5-87; Exhibit B.1  Frooled Parties (including percentage above & Exhibit B.1  Frooled Parties (including percentage above & Exhibit B.1  Frooled Parties (including percentage above & Exhibit B.1  Frooled Parties (including ownership type)  Exhibit B.5-87  Frooled Parties (includi	Notice of Hearing	
Proof of Published Notice of Hearing (10 days before hearing)  Exhibit D.3  Demorship Determination  and Ownership Schematic of the Spacing Unit  Exhibit B, Exhibit B.5-87  Exhibit B.1  Exhibit B.1  Exhibit B.1  Exhibit B.1  Exhibit B.5-87  Exhibit B.6-87 for AFES	Proposed Notice of Hearing	Exhibit D.1
Dwnership Determination and Ownership Schematic of the Spacing Unit Exhibit B; Exhibit B.5-87 Fract List (including lease numbers and owners) Exhibit B.5-87 Frooled Parties (including ownership type) Exhibit B.5-87 Enlocatable Parties to be Pooled Exhibit B.5-87; Exhibit D.2 Exhibit B.5-87; Exhibit D.2 Exhibit B.5-87; Exhibit D.2 Exhibit B.5-87; Exhibit D.2 Exhibit B.1 Exhibit B.1 Exhibit B.1 Exhibit B.5-87 Exhibit B.6-87 for AFES	Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2
and Ownership Schematic of the Spacing Unit  Exhibit B; Exhibit B.5-87  Exhibit B.5-87; Exhibit D.2  Exhibit B.1  Exhibit B.1  Exhibit B.1  Exhibit B.5-87  Exhibit B.6-87 for AFES	Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.3
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Pooled Parties (including ownership type)  Exhibit B.5-87  Unlocatable Parties to be Pooled  Exhibit B.5-87; Exhibit D.2  Exhibit B.5-87; Exhibit D.2  Exhibit B.5-87; Exhibit D.2  None  Poinder  Exhibit B.1  Exhibit B.1  Exhibit B.1  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.2  Exhibit B.5-87  Exhibit B.6-87 for AFES	Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.5-87
Unlocatable Parties to be Pooled  Exhibit B.5-87; Exhibit D.2  Develow)  None  None  Solution  S	Tract List (including lease numbers and owners)	Exhibit B.5-87
Ownership Depth Severance (including percentage above & none  oinder  ample Copy of Proposal Letter  ist of Interest Owners (ie Exhibit A of JOA)  Exhibit B.5-87  Chronology of Contact with Non-Joined Working Interests  Exhibit B.2  Overhead Rates In Proposal Letter  Exhibit B.5-87  Cost Estimate to Drill and Complete  Exhibit B.6-87 for AFEs  Cost Estimate for Production Facilities  Exhibit B.6-87 for AFEs  Exhibit B.6-87 for AFEs	Pooled Parties (including ownership type)	Exhibit B.5-87
None  Soinder  Sample Copy of Proposal Letter  Exhibit B.1  Exhibit B.5-87  Exhibit B.2  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.6-87 for AFEs	Unlocatable Parties to be Pooled	Exhibit B.5-87; Exhibit D.2
ample Copy of Proposal Letter  ist of Interest Owners (ie Exhibit A of JOA)  Exhibit B.5-87  Exhibit B.2  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.6-87 for AFEs	Ownership Depth Severance (including percentage above & below)	None
ist of Interest Owners (ie Exhibit A of JOA)  Exhibit B.5-87  Exhibit B.2  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.5-87  Exhibit B.6-87 for AFEs	Joinder	
Chronology of Contact with Non-Joined Working Interests  Exhibit B.2  Exhibit B.5-87  Exhibit B.6-87 for AFEs	Sample Copy of Proposal Letter	Exhibit B.1
Overhead Rates In Proposal Letter  Exhibit B.5-87  Exhibit B.6-87 for AFEs  Cost Estimate to Equip Well  Exhibit B.6-87 for AFEs  Cost Estimate for Production Facilities  Exhibit B.6-87 for AFEs	List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.5-87
Cost Estimate to Drill and Complete  Exhibit B.6-87 for AFEs  Exhibit B.6-87 for AFEs  Cost Estimate for Production Facilities  Exhibit B.6-87 for AFEs	Chronology of Contact with Non-Joined Working Interests	Exhibit B.2
Cost Estimate to Equip Well Exhibit B.6-87 for AFEs Cost Estimate for Production Facilities Exhibit B.6-87 for AFEs	Overhead Rates In Proposal Letter	Exhibit B.5-87
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	Cost Estimate to Equip Well	Exhibit B.6-87 for AFEs
ieology	Cost Estimate for Production Facilities	Exhibit B.6-87 for AFEs
	Geology	
ummary (including special considerations) Exhibit C	Summary (including special considerations)	Exhibit C

Spacing Unit Schematic	Exhibits B.4-87, C.2, and C.3
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.3
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits C.3 through C.10
HSU Cross Section	Exhibits C.7 through C.10
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibitc B.4-87
Tracts	Exhibit B.5-87
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.5-87
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibits C.2 through C.10
Structure Contour Map - Subsea Depth	Exhibits C.4 and C.6
Cross Section Location Map (including wells)	Exhibit C.2
Cross Section (including Landing Zone)	Exhibits C.7 through C.10
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
<b>Printed Name</b> (Attorney or Party Representative):	Lance Hough
Signed Name (Attorney or Party Representative):	C-1/1/C
Date:	4/28/2020 /

Case: 21188	APPLICANT'S RESPONSE
Date	April 30, 2020
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. 21188
Entries of Appearance/Intervenors:	None
Well Family	Black Diamond
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:	240 Acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 Acres
Building Blocks:	Quarter Quarter Sections
Orientation:	East to West
Description: TRS/County	S/2 S/2 of Section 34, and the S/2 S/2 of the E/2 of Section 33, 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.5-88
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B.3-88 and Exhibit B.4-88

Well #1	Black Diamond 34 Fed Com 134H
WEII #1	SHL: 1090 feet from the South line and 360 feet from the
	East line,
	(Unit P) of Section 34, Township 19 South, Range 29 East,
	NMPM. BHL: 410 feet from the South line and 2626 feet from the
	East line,
	(Unit O) of Section 33, Township 19 South, Range 29 East, NMPM.
	Completion Target: 3rd Bone Spring at approx 9,025 feet TVD.
	Well Orientation: East to West
	Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit B.4-88
Completion Target (Formation, TVD and MD)	Exhibit B; Exhibit B.1; Exhibit B.3-88; Exhibit B.4-88; Exhibit C.3 through C.10
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit B.6-88 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)	Exhibit D.2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.5-88
Tract List (including lease numbers and owners)	Exhibit B.5-88
Pooled Parties (including ownership type)	Exhibit B.5-88
Unlocatable Parties to be Pooled	Exhibit B.5-88; Exhibit D.2
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit B.1
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.5-88
Chronology of Contact with Non-Joined Working Interests	Exhibit B.2
Overhead Rates In Proposal Letter	Exhibit B.5-88
Cost Estimate to Drill and Complete	Exhibit B.6-88 for AFEs
Cost Estimate to Equip Well	Exhibit B.6-88 for AFEs
Cost Estimate for Production Facilities	Exhibit B.6-88 for AFEs
Geology	
Summary (including special considerations)	Exhibit C

	,	
Spacing Unit Schematic	Exhibits B.4-88, C.2, and C.3	
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.3	
Well Orientation (with rationale)	Exhibit C	
Target Formation	Exhibits C.3 through C.10	
HSU Cross Section	Exhibits C.7 through C.10	
Depth Severance Discussion	Exhibit B	
Forms, Figures and Tables		
C-102	Exhibitc B.4-88	
Tracts	Exhibit B.5-88	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.5-88	
General Location Map (including basin)	Exhibit C.1	
Well Bore Location Map	Exhibits C.2 through C.10	
Structure Contour Map - Subsea Depth	Exhibits C.4 and C.6	
Cross Section Location Map (including wells)	Exhibit C.2	
Cross Section (including Landing Zone)	Exhibits C.7 through C.10	
Additional Information		
Special Provisions/Stipulations	None	
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):	C-1/1/C	
Date:	4/28/2020 //	

# 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. 21185

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

CASE NO. 21186

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

**CASE NO. 21187** 

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

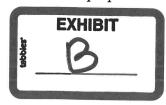
CASE NO. 21188

#### 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. I have previously been qualified to testify by the New Mexico Oil Conservation Division as an expert in petroleum land matters and my credentials were accepted and made part of the record in those proceedings.
- 2. I am familiar with the applications filed by Colgate in the above-referenced cases and the land matters involved. 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.
- 3. These four cases involve requests for orders from the Division for compulsory pooling of interest owners who have refused to voluntarily pool their interests for the proposed



Bone Spring horizontal spacing units described below, and in the wells to be drilled in the horizontal spacing units.

- 4. Prior to filing it applications, 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 wells will be located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification. I mailed all working interest owners well proposals and an Authorization for Expenditure, and a form of Operating Agreement upon request.
- 5. No opposition is expected. Prior to filing its applications, Colgate contacted the interest owners being pooled regarding the proposed wells; the pooled working interest owners have failed or refused to voluntarily commit their interests in the wells. Colgate provided all of the working interest owners, any unleased mineral owners, and overriding royalty owners with notice of these applications, and none have entered an appearance in opposition to Colgate's applications.
- 6. For all four cases, the names of the five (5) wells within the proposed units will be changed to no longer include "Com" because Colgate has since confirmed no communitization agreement is necessary. The NMNM 090807 lease covers all of Section 34 and the E/2 of Section 33 among other lands, and no other state or federal lease covers the 960 gross acres that comprise these units for the 5 wells.
- 7. Below is a description of the facts supporting each of the compulsory pooling applications in the above-referenced cases. For ease of reference, the Exhibits referred to and

attached to my affidavit correspond with the last two numerals in the Case number with the exception of the following 3 exhibits that are common for both cases.

- a. **Exhibit B.1,** which is a sample well proposal letter sent to each of the working interest owners seeking their voluntary participation in the four proposed wells that provides overhead and administrative rates of \$8,000/month during drilling and \$800/month while producing; and
- b. **Exhibit B.2**, which is a summary of communications with the non-joined working interest, with respect to all four proposed wells and corresponding applications.

#### 8. Case No. 21185

- a. In its Application, Colgate seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-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 N/2 of Section 34, and the S/2 N/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 122H and 132H wells, to be horizontally drilled. The Application is attached hereto as Exhibit B.3-85.
- b. Attached as **Exhibit B.4-85** are the C-102 for the proposed wells. The wells will develop the Parkway; Bone Spring Pool (Code: 49622). The producing interval for the wells will be orthodox and comply with the Division's 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.
- c. Attached as **Exhibit B.5-85** is a lease tract map outlining the tracts in the proposed unit; a list of the working interest owners in the proposed unit with their respective percentage of interest and whether they are being pooled; and a list of overriding royalty interest owners in the proposed unit.
- d. Attached as Exhibit B.6-85 is the Authorization for Expenditure for the proposed well. The estimated cost of the Black Diamond 34 Fed Com 122H well set forth therein is \$8,579,117, and the estimated cost of the Black Diamond 34 Fed Com 132H well set forth therein is \$8,923,785. These estimated cost are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

#### 9. Case No. 21186

a. In its Application, Colgate seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-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 N/2 of Section 34, and the N/2 N/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Black Diamond 34 Fed Com 131H** well, to be horizontally drilled. The Application is attached hereto as **Exhibit B.3-86.** 

- b. Attached as **Exhibit B.4-86** is the C-102 for the proposed well. The well will develop the Parkway; Bone Spring Pool (Code: 49622). The producing interval for the well will be orthodox and comply with the Division's 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.
- c. Attached as **Exhibit B.5-86** is a lease tract map outlining the tracts in the proposed unit; a list of the working interest owners in the proposed unit with their respective percentage of interest and whether they are being pooled; and a list of overriding royalty interest owners in the proposed unit.
- d. Attached as Exhibit B.6-86 is the Authorization for Expenditure for the proposed well. The estimated cost of the Black Diamond 34 Fed Com 131H well, set forth therein is \$8,923,873. This estimated cost 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.

#### 10. Case No. 21187

- a. In its Application, Colgate seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-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 34, and the N/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 133H well, to be horizontally drilled. The Application is attached hereto as Exhibit B.3-87.
- b. Attached as **Exhibit B.4-87** is the C-102 for the proposed well. The well will develop the Parkway; Bone Spring Pool (Code: 49622). The producing interval for the well will be orthodox and comply with the Division's 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.
- c. Attached as Exhibit B.5-87 is a lease tract map outlining the tracts in the proposed unit; a list of the working interest owners in the proposed unit with their respective

- percentage of interest and whether they are being pooled; and a list of overriding royalty interest owners in the proposed unit.
- d. Attached as Exhibit B.6-87 is the Authorization for Expenditure for the proposed well. The estimated cost of the Black Diamond 34 Fed Com 133H well, set forth therein is \$8,924,165. This estimated cost 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.

#### 11. Case No. 21188

- a. In its Application, Colgate seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-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 34, and the S/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 134H well, to be horizontally drilled. The Application is attached hereto as Exhibit B.3-88.
- b. Attached as **Exhibit B.4-88** is the C-102 for the proposed well. The well will develop the Parkway; Bone Spring Pool (Code: 49622). The producing interval for the well will be orthodox and comply with the Division's 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.
- c. Attached as Exhibit B.5-88 is a lease tract map outlining the tracts in the proposed unit; a list of the working interest owners in the proposed unit with their respective percentage of interest and whether they are being pooled; and a list of overriding royalty interest owners in the proposed unit.
- d. Attached as Exhibit B.6-88 is the Authorization for Expenditure for the proposed well. The estimated cost of the Black Diamond 34 Fed Com 134H well, set forth therein is \$8,924,751. This estimated cost 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.
- 12. There are no depth severances within the four proposed Bone Spring spacing units.
- 13. 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 in recent compulsory pooling orders. Colgate requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

- 14. Colgate requests the maximum cost plus 200% risk charge be assessed against nonconsenting pooled working interest owners.
  - 15. Colgate requests that it be designated operator of the wells.
- 16. 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.
  - 17. The parties Colgate is seeking to pool were notified of this hearing.
  - 18. Colgate requests that overriding royalty interest owners be pooled.
- 19. Based upon my knowledge of the land matters involved in these cases, education and training, it is my expert opinion that the granting of Colgate's applications in these cases is in the interests of conservation and the prevention of waste.
- 20. The attachments to my Affidavit were prepared by me or compiled from company business records.
- 21. Pursuant to Rule 1-011 NMRA, I declare and affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct to the best of my knowledge and belief.

Mark Hajdik

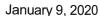
SUBSCRIBED AND SWORN to before me this 27th day of April 2020 by Mark Hajdik.

Notary Public

My commission expires:

SFAL

KATHRYN HANSON
Notary Public, State of Texas
Comm. Expires 08-18-2021
Notary ID 131250643





Hanson Operating Company 400 N Pennsylvania Ave # 1200, Roswell, NM 88201

RE: Black Diamond 34 Fed Com 131H-134H & 122H Well Proposals

The All of Section 34 & the E/2 of Section 33 T19S-29E, Bone Spring Formation

Eddy County, New Mexico

By letter dated November 27, 2019 Colgate Production, LLC ("Colgate"), as Operator, proposed the drilling of the captioned horizontal wells. The BHL and SHL footage calls contained incorrect footages and there have been staking revisions, the updated locations are below:

Black Diamond 34 Fed Com 122H

SHL: 1898' FNL and 170' FEL of Section 34-19S-29E BHL: 1896' FNL and 2740' FWL of Section 33-19S-29E

TVD: 7,967' TMD: 15,221'

Targeted Interval: 2<sup>nd</sup> Bone Spring

Total Cost: See AFE

Black Diamond 34 Fed Com 131H

SHL: 990' FNL and 170' FEL of Section 34-19S-29E BHL: 910' FNL and 2740' FWL of Section 33-19S-29E

TVD: 8,995' TMD: 16,249'

Targeted Interval: 3rd Bone Spring

Total Cost: See AFE

Black Diamond 34 Fed Com 132H

SHL: 1898' FNL and 170' FEL of Section 34-19S-29E BHL: 2230' FNL and 2740' FWL of Section 33-19S-29E

TVD: 8,992' TMD: 16,246'

Targeted Interval: 3rd Bone Spring

Total Cost: See AFE

Black Diamond 34 Fed Com 133H

SHL: 1480' FSL and 405' FEL of Section 34-19S-29E BHL: 1730' FSL and 2740' FWL of Section 33-19S-29E

TVD: 9,005' TMD: 16,259'

Targeted Interval: 3rd Bone Spring

Total Cost: See AFE



Black Diamond 34 Fed Com 134H

SHL: 970' FSL and 20' FWL of Section 35-19S-29E BHL: 410' FSL and 2740' FWL of Section 33-19S-29E

TVD: 9,025' TMD: 16,279'

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 previously proposed 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,

Mullyla

Mark Hajdik

Senior Landman

MH

Enclosures

#### Well Elections

I/We hereby elect to participate in the Black Diamond 34 Fed Com 122H. I/We hereby elect NOT to participate in the Black Diamond 34 Fed Com 122H.	
I/We hereby elect to participate in the Black Diamond 34 Fed Com 131H. I/We hereby elect NOT to participate in the Black Diamond 34 Fed Com 131H.	
I/We hereby elect to participate in the Black Diamond 34 Fed Com 132H. I/We hereby elect NOT to participate in the Black Diamond 34 Fed Com 132H.	
I/We hereby elect to participate in the Black Diamond 34 Fed Com 133H. I/We hereby elect NOT to participate in the Black Diamond 34 Fed Com 133H.	
I/We hereby elect to participate in the Black Diamond 34 Fed Com 134H. I/We hereby elect NOT to participate in the Black Diamond 34 Fed Com 134H.	

#### Communication Timeline

November 5, 2019 – Proposals sent for the Black Diamond 34 Fed 131H, 132H, 122, 133H and 134H

**November/December, 2019** – A number of proposals were returned undeliverable. Researched and updated address delivery list. Additionally, technical team made adjustments to the well plans.

November 27, 2019 – Resent all proposals with updated well plans to all parties, including updated addressed for those marked undeliverable or returned

**January 18, 2020** – All updated proposals, including 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.

**January/February 2020** – Numerous emails and phone calls with Crow, Kinsolving and 3SD regarding participating or purchase of their interest. No conclusion from WI owner.

**February 2020** – Various communications with Byron Bachschmid, attempting to agree upon sale price

**December 2019/April 2020** – Have not reached a mutually agreeable sales price with Thunderbolt Petroleum

**April 26, 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

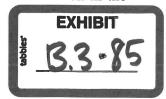
APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE	NO.	
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 S/2 N/2 of Section 34, and the S/2 N/2 of the E/2 of Section 33, 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 S/2 N/2 of Section 34, and the S/2 N/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico to form a 240-acre, more or less, Bone Spring horizontal spacing unit.
- 3. Colgate plans to drill the following horizontal wells in a westerly direction to a depth sufficient to test the Bone Spring formation:
  - a. The **Black Diamond 34 Fed Com 122H** well is a horizontal well with a surface location in the SE/4 NE/4 (Unit H) of Section 34, Township 19 South, Range 29 East, NMPM, Eddy County, and an intended bottom hole location in the SW/4 NE/4 (Unit G) of Section 30, Township 19 South, Range 29 East, NMPM, Eddy County. This well is proposed to be drilled vertically to a depth of approximately 8,000' to the Bone Spring formation.
  - b. The **Black Diamond 34 Fed Com 132H** well is a horizontal well with a surface location in the SE/4 NE/4 (Unit H) of Section 34, Township 19 South, Range 29 East, NMPM, Eddy County, and an intended bottom hole location in the



SW/4 NE/4 (Unit G) of Section 30, Township 19 South, Range 29 East, NMPM, Eddy County. This well is proposed to be drilled vertically to a depth of approximately 9,000' to the Bone Spring formation.

- 4. These wells will be located within the Parkway; Bone Spring Pool (Code: 49622) and will comply with the Division's statewide setback requirements.
- 5. 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.
- 6. 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 April 2, 2020, and after notice and hearing as required by law, the Division enter its order:

- A. Creating an approximated 240-acre horizontal spacing unit in the Bone Spring formation comprised of S/2 N/2 of Section 34, and the S/2 N/2 of the E/2 of Section 33, 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 S/2 N/2 of Section 34, and the S/2 N/2 of the E/2 of Section 33, 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

Bv:

Parl 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

W3698716.DOCX

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 240-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 N/2 of Section 34, and the S/2 N/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 122H and 132H wells, to be horizontally drilled. The producing intervals 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 14 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

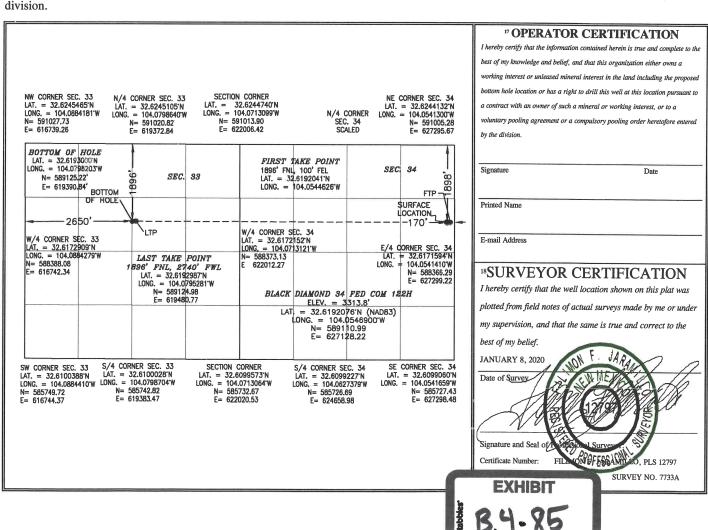
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 /	API Numbe	r		<sup>2</sup> Pool Cod	e						
<sup>4</sup> Property (	Code	<sup>5</sup> Property Name							6	<sup>6</sup> Well Number	
				BLA	CK DIAMON	D 34 FED COM			122H		
OGRID 1	No.				8 Operator	Name				<sup>9</sup> Elevation	
37144	9			C	OLGATE EN	ERGY LLC				3313.8	
<sup>10</sup> Surface Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County	
H	34	19 S	29 E		1898	NORTH	170	EAST EDDY			
	×		n В	ottom H	ole Location	If Different Fr	om Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the East/West line Coun			County	
G	33	19 S	29 E		1896	NORTH	2650	WE	ST	EDDY	
12 Dedicated Acre	s <sup>13</sup> Joint	or Infill 1	4 Consolidation	1 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.



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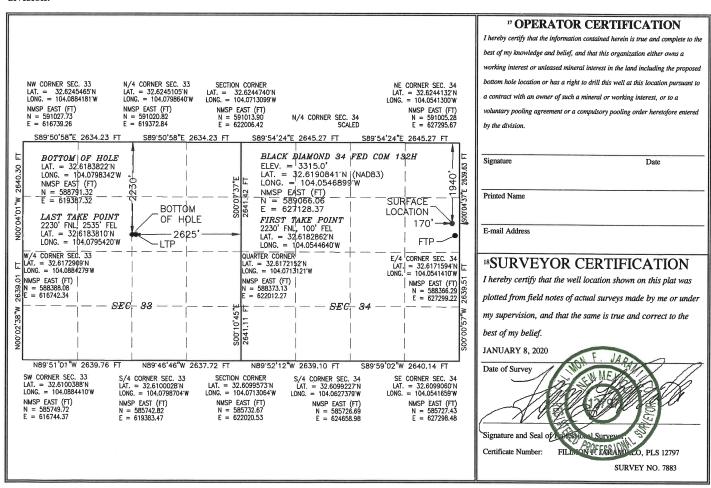
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Revised August 1, 2011
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☐ AMENDED REPORT

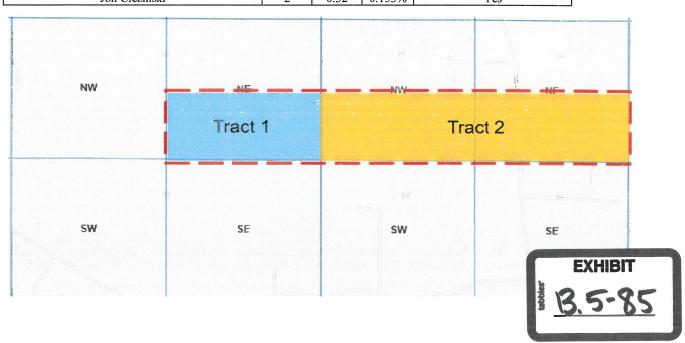
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	r		<sup>2</sup> Pool Cod	Code <sup>3</sup> Pool Name						
<sup>4</sup> Property (	Code	<sup>5</sup> Property Name							<sup>6</sup> Well Number		
				BLA	CK DIAMON	D 34 FED COM			132H		
<sup>7</sup> OGRID	No.				<sup>8</sup> Operato	r Name				<sup>9</sup> Elevation	
37144	9			(	COLGATE EN	NERGY LLC				3315.0	
					<sup>™</sup> Surfac	e Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County	
H	34	19 S	29 E		1940	NORTH	170	EA	ST	EDDY	
			пB	ottom H	ole Location	If Different Fr	om Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County	
G	33	19 S	29 E		2230	2230 NORTH 2625 EAST EDI					
12 Dedicated Acre	s <sup>13</sup> Joint	or Infill	4 Consolidation	n 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.



WI OWNER	TRACT	NET	WI	FORCE POOL INTEREST
Colgate Production, LLC	1 & 2	206.106	85.878%	Operator
Thunderbolt Petroleum LLC	1	2	0.833%	Yes
Hanson Operating	1 & 2	18	7.500%	Yes
Byron Bachschmid	1 & 2	2.24	0.933%	Yes
Penroc Oil Corporation	1	0.564	0.235%	Participating
Jose E. Rodriguez	1 & 2	1.56	0.650%	Yes
Cieszinki Trust	1 & 2	0.64	0.267%	Yes
Timothy Jennings	1 & 2	1.04	0.433%	Yes
Norton LLC	1	0.24	0.100%	Yes
Robert & Patricia Dale Trust	1 & 2	1.6	0.667%	Yes
DeVargas Street, LLC	1 & 2	1.44	0.600%	Yes
Long, LLC	2	0.64	0.267%	Yes
L. Neil & Marilyn Burcham	1 & 2	0.4	0.167%	Yes
Charles Jay Kinsolving	2	0.43	0.179%	Yes
3SD Interests	2	0.43	0.179%	Yes
Francis G. Tracy	2	0.64	0.267%	Yes
Ashley Crow	2	0.43	0.179%	Yes
Borica Oil, Inc.	2	0.64	0.267%	Yes
Patrick and Alice Morello Trust	2	0.64	0.267%	Yes
Jon Ciezinski	2	0.32	0.133%	Yes



#### **LIST OF OVERRIDING ROYALTY INTEREST HOLDERS (21085)**

JOSEPHINE T. HUDSON TESTAMENTARY TRUST
JAVELINA PARTNERS
ALAN JOCHIMSEN
MICHELLE R SANDOVAL
GENE SHUMATE
CAROL A SHUMATE

STATES ROYALTY LIMITED PARTNERSHIP

SHAWN P. & FRANCES A. HANNIFIN

FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST

K B LIMITED PARTNERSHIP

KENEBREW MINERALS LP

LINDYS LIVING TRUST

PENROC OIL CORPORATION

ARD ENERGY GROUP LTD

BABE DEVELOPMENT LLC

CHEROKEE LEGACY MINERALS LTD

**DELMAR HUDSON LEWIS LIVING TRUST** 

**DEVARGAS STREET LLC** 

ALAN R HANNIFIN

HANNIFIN FAMILY TRUST DTD 2/1/1994

JOYCO INVESTMENTS LLC

SUE HANSON MCBRIDE

JULIE SCOTT MCBRIDE

DOUGLAS LADSON MCBRIDE III

MONTY D & KAREN R MCLANE

A NELSON MUNCY

MARTIN B MUNCY

ROBERT &MAXINE HANNIFIN TST RODERICK AND MARIAN DAVIS REV TR ZORRO PARTNERS, LTD.

Colgate Energy
303 W. Wall St. , Midland TX 79701
Phone (432) 695-4257 • Fax (432) 695-4063
ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

	LOTHWATE			1 200 1 10	0
DATE:	11/27/2019			AFE NO.:	
WELL NAME:	Black Diamond 34 Fed	Com 122H		FIELD:	0
		COIN 12211			
LOCATION:	NM			MD/TVD:	15221 / 7967
COUNTY/STATE:	Eddy			LATERAL LENGTH:	6,927
Colgate WI:				DRILLING DAYS:	28
-	2I.B				
GEOLOGIC TARGET:	2nd Bone Spring		(	COMPLETION DAYS:	14
REMARKS:	Drill and Complete 47 s	tages in the 2nd Bone S	Spring formation. AFE inc	cludes D&C, flowback & in	itial ESP install.
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
T Land / Legal / Regulatory					
	'	35,000	3	<b>3</b>	\$ 35,000
2 Location, Surveys & Dam	ages	220,000	13,000	4,000	237,000
4 Freight / Transportation		25,000	50,250		75,250
5 Rental - Surface Equipme		100,580	178,500	12,000	291,080
6 Rental - Downhole Equip	ment	118,081	50,000		168,081
7 Kental - Living Quarters		55,688	42,500	10,000	108,188
10 Directional Drilling, Sur	veys	277,900			277,900
11 Drilling		787,804	-		787,804
12 Drill Bits		106,000			106,000
13 Fuel & Power		161,700	352,500		514,200
14 Cementing & Float Equip	р	180,000			180,000
16 Perforating, Wireline, Sl			343,900	20,000	363,900
17 High Pressure Pump Tru			10,000	20,000	10,000
18 Completion Unit, Swab,			70,000	16,500	86,500
		82 444	70,000	000,000	
20 Mud Circulation System		83,455			83,455
21 Mud Logging	lustion	22,010			22,010
22 Logging / Formation Eval	IUALION	13,600	8,000		21,600
23 Mud & Chemicals		247,092	336,900		583,992
24 Water		25,500	597,744		623,244
25 Stimulation		-	1,551,000		1,551,000
26 Stimulation Flowback &			141,500		141,500
28 Mud / Wastewater Dispo		104,375	218,000		322,375
30 Rig Supervision / Engine		124,040	75,200	8,000	207,240
32 Drlg & Completion Over		10,500			10,500
35 Labor		141,000	12,500	10,000	163,500
			14,000	10,000	
95 Insurance		27,398		No.	27,398
97 Contingency		286,672	327,599	8,050	622,322
99 Plugging & Abandonmer					
	TOTAL INTANGIBLES >	3,153,394	4,379,093	88,550	7,621,038
		DRILLING	COMPLETION	PRODUCTION	
					TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing		15,034	5	\$	\$ 15,034
61 Intermediate Casing		89,448	<del></del>		89,448
62 Drilling Liner					-
63 Production Casing		247,950	•		247,950
64 Production Liner			-		
65 Tubing				60,648	60,648
66 Wellhead		77,000		75,000	152,000
67 Packers, Liner Hangers		26,000		75,000	26,000
68 Tanks		20,000		- varana	
				80,000	80,000
69 Production Vessels				125,000	125,000
70 Flow Lines				-	-
71 Kod string				-	
72 Artificial Lift Equipment	:			95,000	95,000
73 Compressor				-	-
74 Installation Costs		-		67,000	67,000
75 Surface Pumps					
76 Downhole Pumps		<del></del>			
77 Measurement & Meter In	nstallation				
78 Gas Conditioning/ Dehy				<del></del>	
79 Interconnecting Facility I					
	- Paris			-	
80 Gathering / Bulk Lines				-	
81 Valves, Dumps, Controll				•	
82 Tank / Facility Containm	ent				
83 Flare Stack				-	
84 Electrical / Grounding				-	
85 Communications / SCAD	)A				
86 Instrumentation / Safety					
	TOTAL TANGIBLES >	455,432		502,648	050 000
					958,080
	TOTAL COSTS >	3,608,826	4,379,093	591,198	8,579,117
EPARED BY Colgate Ener	gy:				
					~
Drilling Enginee	r: Rafael Madrid				
Completions Enginee			CRM		
	,		CRIM		
Production Enginee	r: Brady Adams				
zate Energy APPROVAL	:				
gate Energy APPROVAL:					
		0.0	EO	TITE CO.	
gate Energy APPROVAL:	0	Co-C		VP - Operation	
Co-CEC	О	Co-C	EO JW	VP - Operation	CRM
Co-CEC	О	Co-C VP - Geoscien	JW	VP - Operation	
	OWH		JW	VP - Operation	
Co-CEC	О		JW	VP - Operation	
Co-CEC	OWH		JW	VP - Operation	
Co-CEC	OWH		JW	VP - Operation	
Co-CE/ VP - Land & Leg/	O WH al BG		JW	VP - Operation	
Co-CE/ VP - Land & Leg/	O WH al BG		JW	VP - Operation	
Co-CEG  VP - Land & Legs  NOPERATING PARTNI	WH al BG ER APPROVAL:		JW cesSO		CRM
Co-CE/ VP - Land & Leg/	WH al BG ER APPROVAL:		JW	VP - Operation	CRM
Co-CEG  VP - Land & Legs  NOPERATING PARTNI	WH al BG ER APPROVAL:		JW cesSO		CRM
VP - Land & Legs	O WH  al BG  ER APPROVAL:		JW cesSO		CRM
Co-CEG  VP - Land & Legs  ON OPERATING PARTING  Company Name	O WH  al BG  ER APPROVAL:		SO  Working Interest (%):		CRM
Co-CEK  VP - Land & Legg  N OPERATING PARTNI  Company Name  Signed by	WH al BG  ER APPROVAL:		SO  Working Interest (%):  Date:	Tax IE	CRM
Co-CEI  VP - Land & Lega  N OPERATING PARTNI  Company Name  Signed by	WH al BG  ER APPROVAL:	VP - Geoscien	SO  Working Interest (%):		CRM

## Colgate Energy W. Wall St., Midland TX 79

DATE:	11/27/2019			AFE NO.:	0
WELL NAME:	Black Diamond 34 Fed	Com 132H		FIELD:	0
LOCATION:	NM			MD/TVD:	16246 / 8992
COUNTY/STATE:	Eddy			LATERAL LENGTH:	6,927
	Eddy				
Colgate WI:	2nd Dono Coning			DRILLING DAYS:	29
GEOLOGIC TARGET:	3rd Bone Spring			COMPLETION DAYS:	14
REMARKS:	Drill and Complete 47 s	tages in the 3rd Bone S	pring formation. AFE in	cludes D&C, flowback &	initial ESP install.
INTANGIBL	COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land/Legal/Regulatory	1	35,000	5	- S	\$ 35,000
2 Location, Surveys & Dam	ages	220,000	13,000	4,000	237,000
4 Freight / Transportation		25,000	50,750		75,750
5 Rental - Surface Equipme		103,721	180,300	12,000	296,02
6 Rental - Downhole Equip	ment	132,421	60,000		192,42
7 Kental - Living Quarters		57,238	43,300	10,000	110,538
10 Directional Drilling, Su 11 Drilling	veys	286,100 810,547			286,100
12 Drill Bits		106,000			810,547
13 Fuel & Power		167,475	352,500		519,975
14 Cementing & Float Equi	p	180,000			180,000
16 Pertorating, Wireline, SI	ickline		343,900	20,000	363,900
17 High Pressure Pump Tru	ck		10,000		10,000
18 Completion Unit, Swab,			140,000	16,500	156,500
20 Mud Circulation System		85,330			85,330
21 Mud Logging		20,720			20,720
22 Logging / Formation Eva	iuation	11,050	8,000		19,050
23 Mud & Chemicals 24 Water		245,967	356,900		602,867
24 Water 25 Stimulation		25,500	597,744		623,244
25 Stimulation 26 Stimulation Flowback &	Disp		1,551,000		1,551,000
28 Mud/Wastewater Dispo		104,375	218,000		150,500 322,375
30 Kig Supervision / Engine		128,470	78,400	8,000	214,870
32 Drlg & Completion Over		10,875			10,875
35 Labor		141,000	12,500	10,000	163,500
5 Insurance		29,243		***	29,243
7 Contingency		292,603	339,129	8,050	639,783
9 Plugging & Abandonme					-
	TOTAL INTANGIBLES >	3,218,635	4,505,923	88,550	7,813,10
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
50 Surface Casing	3	15,034	\$	5	\$ 15,034
ol Intermediate Casing old Drilling Liner		225,348			225,348
3 Production Casing		264,647			-
4 Production Liner		201,017			264,647
5 Tubing				60,648	60,648
ob Wellhead		77,000		75,000	152,000
7 Packers, Liner Hangers		26,000	<del></del>		26,000
8 Tanks				80,000	80,000
9 Production Vessels		-		125,000	125,000
70 Flow Lines				-	
1 Rod string					-
2 Artificial Lift Equipment	t	-		95,000	95,000
3 Compressor					
4 Installation Costs				67,000	67,000
5 Surface Pumps				-	
'6 Downhole Pumps '7 Measurement & Meter II	atallatian	-		-	
				-	-
8 Gas Conditioning / Dehy					-
'9 Interconnecting Facility   10 Gathering/Bulk Lines	·r5				
1 Valves, Dumps, Controll	ers			<del></del>	1
2 Tank / Facility Containm					
3 Flare Stack					
4 Electrical / Grounding				-	-
5 Communications / SCAD	A			-	-
6 Instrumentation/Safety					-
	TOTAL TANGIBLES >	608,029	0	502,648	1,110,677
	TOTAL COSTS >	3,826,664	4,505,923	591,198	8,923,785
ARED BY Colgate Ener	gy:				
Drilling Enginee	r: Rafael Madrid				
Completions Enginee			CRM		
Production Enginee	•				
- Tourcaou Eughiee	Many Audins				
ate Energy APPROVAL					
Co-CE		Co-C		VP - Operati	
	WH		JW	•	CRM
VP - Land & Lega	al	VP - Geosciene	ces		
	ВG		50		
OPERATING PARTN	ER APPROVAL:				
OI EKATING I AKTIN					
					_
Company Name	2:		Working Interest (%):	Tax	ID:

Approval: Yes No (mark one)

I under the AFF may be delayed up to a year after the well has been completed. In executing this AFF, the Participant agrees to pay its prothis well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless par

## 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

<b>CASE</b>	NO.		
	1101		

#### 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 N/2 of Section 34, and the N/2 N/2 of the E/2 of Section 33, 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 N/2 of Section 34, and the N/2 N/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico to form a 240-acre, more or less, Bone Spring horizontal spacing unit.
- 3. Colgate plans to drill the **Black Diamond 34 Fed Com 131H** well to a depth sufficient to test the Bone Spring formation. This is a horizontal well with a surface location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 29 East, NMPM, Eddy County, and an intended bottom hole location in the NW/4 NE/4 (Unit B) of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County.



- 4. This well is proposed to be drilled vertically to a depth of approximately 9,000' to the Bone Spring formation and laterally in a westerly direction within the formation to the referenced bottom hole location.
- 5. This well 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 well or to otherwise commit their interests to the well.
- 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 April 2, 2020, and after notice and hearing as required by law, the Division enter its order:

- A. Creating an approximately 240-acre horizontal spacing unit in the Bone Spring formation comprised of N/2 N/2 of Section 34, and the N/2 N/2 of the E/2 of Section 33, 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 N/2 of Section 34, and the N/2 N/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico;
- C. Designating Colgate as operator of this unit and the well to be drilled thereon;

- D. Authorizing Colgate to recover its costs of drilling, completing and equipping the well;
- 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS

& SISK, P.A.

By:

Ean 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

W3698667.DOCX

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 240-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 N/2 of Section 34, and the N/2 N/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 131H well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 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

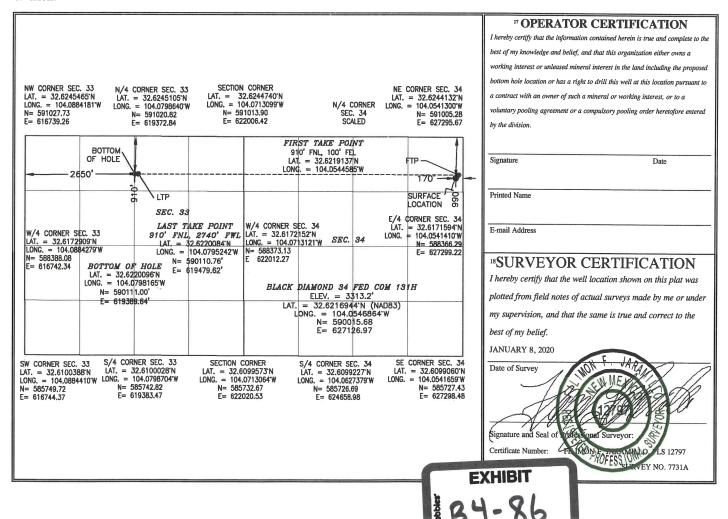
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

■ AMENDED REPORT

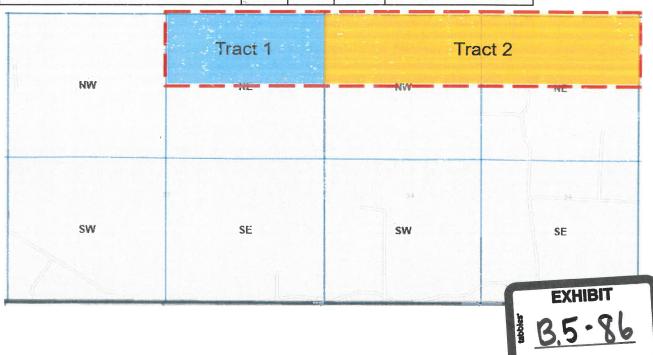
### WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	r <sup>2</sup> Pool Code <sup>3</sup> Pool Name									
<sup>4</sup> Property (	Code	<sup>5</sup> Property Name							<sup>6</sup> Well Number		
				BLAC	CK DIAMON	D 34 FED COM			131H		
OGRID 1	No.				8 Operator	Name				<sup>9</sup> Elevation	
37144	9	COLGATE ENERGY LLC 3311						3313.2			
					<sup>10</sup> Surface	e Location		•			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County	
<b>A</b> .	34	19 S	29 E		990	NORTH	170	EAST E		EDDY	
			п Во	ottom Ho	ole Location	If Different Fr	om Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line		County	
В	33	19 S	29 E		910 NORTH 2650 WEST				EDDY		
12 Dedicated Acre	s <sup>13</sup> Joint	<sup>13</sup> Joint or Infill    14 Consolidation Code    15 Order No.					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.



WIOWNER	TRACT	NET	WI	FORCE POOL INTEREST
Colgate Production, LLC	1 & 2	207.706	86.544%	Operator
Thunderbolt Petroleum LLC	1	2	0.833%	Yes
Hanson Operating	1 & 2	18	7.500%	Yes
Byron Bachschmid	1 & 2	2.24	0.933%	Yes
Penroc Oil Corporation	1	0.564	0.235%	Participating
Jose E. Rodriguez	1 & 2	1.56	0.650%	Yes
Cieszinki Trust	1 & 2	0.64	0.267%	Yes
Timothy Jennings	1 & 2	1.04	0.433%	Yes
Norton LLC	1	0.24	0.100%	Yes
Robert & Patricia Dale Trust	1 & 2	1.6	0.667%	Yes
DeVargas Street, LLC	1	0.16	0.067%	Yes
Long, LLC	2	0.64	0.267%	Yes
L. Neil & Marilyn Burcham	1 & 2	0.4	0.167%	Yes
Charles Jay Kinsolving	2	0.43	0.179%	Yes
3SD Interests	2	0.43	0.179%	Yes
Francis G. Tracy	2	0.64	0.267%	Yes
Ashley Crow	2	0.43	0.179%	Yes
Borica Oil, Inc.	2	0.64	0.267%	Yes
Patrick and Alice Morello Trust	2	0.64	0.267%	Yes



### **LIST OF OVERRIDING ROYALTY INTEREST HOLDERS (21086)**

SHAWN P. & FRANCES A. HANNIFIN

FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY

**TRUST** 

K B LIMITED PARTNERSHIP

KENEBREW MINERALS LP

LINDYS LIVING TRUST

**ONRR** 

PENROC OIL CORPORATION

**GENE SHUMATE** 

**CAROL A SHUMATE** 

ARD ENERGY GROUP LTD

BABE DEVELOPMENT LLC

CHEROKEE LEGACY MINERALS LTD

**DELMAR HUDSON LEWIS LIVING TRUST** 

**DEVARGAS STREET LLC** 

ALAN R HANNIFIN

HANNIFIN FAMILY TRUST DTD 2/1/1994

**JAVELINA PARTNERS** 

**ALAN JOCHIMSEN** 

JOYCO INVESTMENTS LLC

SUE HANSON MCBRIDE

JULIE SCOTT MCBRIDE

DOUGLAS LADSON MCBRIDE III

MONTY D & KAREN R MCLANE

A NELSON MUNCY

MARTIN B MUNCY

ROBERT &MAXINE HANNIFIN TST

RODERICK AND MARIAN DAVIS REV TR

MICHELLE R SANDOVAL

STATES ROYALTY LIMITED PARTNERSHIP

ZORRO PARTNERS, LTD.

### Colgate Energy

		303 W. Wall St. , N Phone (432) 695-4257	• Fax (432) 695-4063		
		OF COSTS AND AUTH	ORIZATION FOR EXPEN	DITURE	
	11/27/2019			AFE NO.:	0
	Black Diamond 34 Fed 0	Lom 131H		FIELD:	0
	NM Eddy			MD/TVD:	16249 / 8995
olgate WI:	Eddy			LATERAL LENGTH: DRILLING DAYS:	6,927 29
	3rd Bone Spring			COMPLETION DAYS:	14
				_	
ARKS:	Drill and Complete 47 s			ncludes D&C, flowback & i	
INTANGIBLE C	OSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
and / Legal / Regulatory		35,000	\$	\$	\$ 35,000
Location, Surveys & Damag Freight / Transportation	es	220,000	13,000 50,750	4,000	237,000
teight/Transportation lental - Surface Equipment		103,721	180,300	12,000	75,750 296,021
kental - Downhole Equipme		132,421	60,000		192,421
ental - Living Quarters Directional Drilling, Surve	***	57,238 286,100	43,300	10,000	110,538
Drilling	ys	810,547			286,100 810,547
Drill Bits		106,000			106,000
Fuel & Power		167,475	352,500		519,975
Cementing & Float Equip Perforating, Wireline, Slick	dine	180,000	343,900	20,000	180,000 363,900
High Pressure Pump Truck			10,000	20,000	10,000
Completion Unit, Swab, C	าบ		140,000	16,500	156,500
Mud Circulation System  Mud Logging		85,330 20,720			85,330 20,720
Logging / Formation Evalua	ation	11,050	8,000		19,050
Mud & Chemicals		245,997	356,900		602,897
Water Stimulation		25,500	597,744		623,244
Stimulation Stimulation Flowback & D	isp		1,551,000		1,551,000
Mud/Wastewater Disposa	1	104,375	218,000		322,375
Rig Supervision / Engineer		128,470	78,400	8,000	214,870
Drig & Completion Overhe Labor	aa	10,875	12,500	10,000	10,875
Insurance		29,248	12,000	10,000	29,248
Contingency		292,607	339,129	8,050	639,786
Plugging & Abandonment	TOTAL INTERNOONS	0.040 (=+	4 505 005	00.550	
	TOTAL INTANGIBLES >		4,505,923	88,550	7,813,147
TANGIBLE CO	STS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
Surface Casing	5	15,034	\$	5	\$ 15,034
Intermediate Casing		225,348			225,348
Drilling Liner Production Casing		264,696			264,696
Production Liner					
Tubing				60,648	60,648
Wellhead Packers, Liner Hangers		77,000 26,000		75,000	152,000 26,000
Tanks		20,000	<del></del>	80,000	80,000
Production Vessels				125,000	125,000
Flow Lines Kod string					
Artificial Lift Equipment		<del></del>		95,000	95,000
Compressor				-	
Installation Costs				67,000	67,000
Surface Pumps Downhole Pumps					
Measurement & Meter Inst		<del></del>			-
Gas Conditioning/Dehydr				-	-
nterconnecting Facility Pip Gathering/Bulk Lines	oing				
Valves, Dumps, Controllers				<del></del>	
Tank / Facility Containmen					
Flare Stack				•	
Electrical / Grounding Communications / SCADA				-	
Instrumentation / Safety				-	
	TOTAL TANGIBLES >	608,078	0	502,648	1,110,726
	TOTAL COSTS >	3,826,751	4,505,923	591,198	8,923,873
PED BY Colonie Per					
RED BY Colgate Energy					
Drilling Engineer:	Rafael Madrid				
Completions Engineer:	Brady Adams		CRM		
Production Engineer:	Brady Adams				
Energy APPROVAL:					
Co-CEO		Co-C	EO	VP - Operati	ons
-	WH		jw		CRM
VP - Land & Legal		VP - Geoscien			
	BG		50		
PERATING PARTNER	APPROVAL:				
Company Name:			Working Interest (%):	Tax	ID:
Company Ivanie:				Iax	<u> </u>

Title:

Approval:

Yes

No (mark one)

The costs on the AFE are estimates only and may not be constroad as ceilings on any specific item or the sead cost of the propert. Tithing installation approved under the AFE may be dislayed up to a year after the well than been completed. In executing this AFE the Participant agrees to pep its propertiesate than or of actual costs incurred, including, logic, curricy, regulatory, bendering and well costs under the terms of the applicable plant question and provided proportionately for Operator's well central and general liability incurrance undess participant provides Operator a confidence of the properties and provided operator and provided operator and general liability incurrance undess participant provides Operator as confidence or incurred. In the confidence of the properties and provided operator as confidence or incurred in the confidence of the properties and provided operator as confidence or incurred in the confidence of the properties and provided operator and general liability incurrance undess participant provides Operator as confidence or incurred in the confidence of the properties and provided operator as confidence or incurred in the confidence of the properties and provided operator as confidence or incurred in the confidence of the properties and provided operator as confidence or incurred in the confidence of the properties and provided operator as confidence or incurred in the confidence of the properties and provided operator as confidence or incurred in the confidence of the properties and provided operator as confidence or incurred in the confidence of the properties and the properties and provided operator as confidence or incurred in the confidence of the properties and provided operator as confidence or incurred in the contract of the properties and provided operator as confidence or incurred in the contract of the properties and the properties and the properties are confidence or incurred in the properties and the properties are confidence or in

### 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

### **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 34, and the N/2 S/2 of the E/2 of Section 33, 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 34, and the N/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico to form a 240-acre, more or less, Bone Spring horizontal spacing unit.
- 3. Colgate plans to drill the **Black Diamond 34 Fed 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 NW/4 SE/4 (Unit J) of Section 33, 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 westerly direction within the formation to the referenced bottom hole location.
- 5. This well 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 well or to otherwise commit their interests to the well.
- 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 April 2, 2020, and after notice and hearing as required by law, the Division enter its order:

- A. Creating an approximately 240-acre horizontal spacing unit in the Bone Spring formation comprised of N/2 S/2 of Section 34, and the N/2 S/2 of the E/2 of Section 33, 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 34, and the N/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico;
- C. Designating Colgate as operator of this unit and the well to be drilled thereon;

- D. Authorizing Colgate to recover its costs of drilling, completing and equipping the well;
- 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS

& SISK, P.A

By:

Earl Z. 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

W3698726.DOCX

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 240-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 34, and the N/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 133H well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northeast of Carlsbad, New Mexico.

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Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

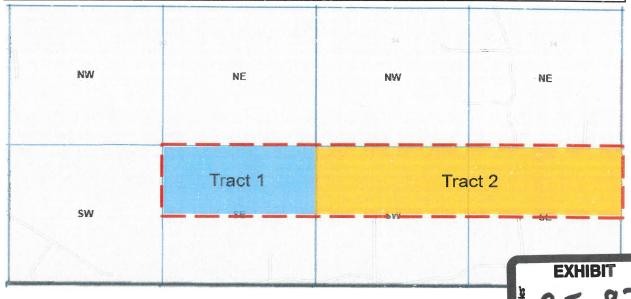
### WELL LOCATION AND ACREAGE DEDICATION PLAT

			WELL DO			CATOL DEDI								
1 A	API Number	r		<sup>2</sup> Pool Code	e		<sup>3</sup> Pool Na	me						
40	· · · ·				T									
<sup>4</sup> Property Code <sup>5</sup> Property Name								<sup>6</sup> Well Number						
				BLA	ACK DIAMOND 34 FED COM					ACK DIAMOND 34 FED COM 122H				122H
OGRID N	No.				8 Operator	Name				<sup>9</sup> Elevation				
37144	9			COLGATE ENERGY LLC						3313.8				
	•				<sup>∞</sup> Surface	Location								
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County				
Н	34	19 S	29 E		1898	NORTH	170	EAS	ST	EDDY				
			nВ	ottom Ho	ole Location	If Different Fr	om Surface							
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County				
G	33	19 S	29 E		1896	NORTH	2650	WE	ST	EDDY				
12 Dedicated Acre	s 13 Joint	or Infill	14 Consolidatio	n Code			15 Order No.							
	1													

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.

IVISIOII.	
NW CORNER SEC. 33 N/4 CORNER SEC. 33 SECTION CORNER NE CORNER SEC. 34 LAT. = 32.62454565°N LAT. = 32.624545105°N LAT. = 32.62445105°N LAT. = 32.62445400°W LONG. = 104.0736400°W LONG. = 104.0731399°W N/4 CORNER LAT. = 32.6244132°N N= 591027.73 N= 591020.82 N= 591013.90 SEC. 34 N= 591005.28 E= 616739.26 E= 619372.84 E= 622006.42 SCALED E= 627295.67	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 woluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
BOTTOM OF HOLE   LAT. = 32.6193000N   LONG. = 104.0798203W   DOTTOM OF HOLE   SEC. 34   CONG. = 104.0798203W   LONG. = 104.0544626W   SEC. 34   CONG. = 104.0544626W   SEC. 34   CONG. = 104.0544626W   SURFACE   LOCATION   LONG. = 104.0544626W   SURFACE   LOCATION   LONG. = 104.054626W   LONG.	Signature Date  Printed Name
2650'  W/4 CORNER SEC. 33  LAT. = 32.6172990'N  LONG. = 104.0584279'W N= 588388.08 E= 616742.34  LAT. = 32.6192387'N LONG. = 104.075281'W N= 588313.13 LAT. = 32.61721594'N LONG. = 104.075281'W N= 588313.13 LONG. = 104.075281'W N= 588313.13 LONG. = 104.0541410'W N= 588366.29 E= 627299.22  BLACK  BLACK  BLACK  BLACK  BLACK  BLACK  BLACK  LAT. = 32.6192076'N (NAD83) LONG. = 104.054890'W N= 589110.99 E= 627128.22	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.
SW CORNER SEC. 33	Signature and Seal of Long Source Survey.  Certificate Number: FILE OF FESSAM O, PLS 12797  SURVEY NO. 7733A
	XHIBIT

WI OWNER	TRACT	NET	WI	FORCE POOL INTEREST
Colgate Production, LLC	1 & 2	209.396	87.248%	Operator
Thunderbolt Petroleum LLC	1	2	0.833%	Yes
Hanson Operating	1 & 2	18	7.500%	Yes
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Cieszinki Trust	1 & 2	0.48	0.200%	Yes
Timothy Jennings	1 & 2	1.04	0.433%	Yes
Norton LLC	1	0.24	0.100%	Yes
Robert & Patricia Dale Trust	1 & 2	1.6	0.667%	Yes
DeVargas Street, LLC	1	0.16	0.067%	Yes
Long, LLC	2	0.72	0.300%	Yes
L. Neil & Marilyn Burcham	1	0.08	0.033%	Yes
Francis G. Tracy	2	0.64	0.267%	Yes
Jon Ciezinski	2	0.16	0.067%	Yes
Borica Oil, Inc.	2	0.64	0.267%	Yes
Patrick and Alice Morello Trust	2	0.64	0.267%	Yes



### **LIST OF OVERRIDING ROYALTY INTEREST HOLDERS (21087)**

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FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST

K B LIMITED PARTNERSHIP

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**ROBERT & MAXINE HANNIFIN TST** 

RODERICK AND MARIAN DAVIS REV TR

MICHELLE R SANDOVAL

STATES ROYALTY LIMITED PARTNERSHIP

ZORRO PARTNERS, LTD.

LONG, LLC

Colgate Energy 303 W. Wall St., Midland TX 79701

		OF COSTS AND AUTH	ORIZATION FOR EXPEN	DITUKE	
DATE:	11/27/2019			AFE NO.:	0
VELL NAME:	Black Diamond 34 Fed	Com 122H		FIELD:	0
LOCATION:	NM			MD/TVD:	15221 / 7967
COUNTY/STATE:	Eddy			LATERAL LENGTH:	6,927
Colgate WI:				DRILLING DAYS:	28
GEOLOGIC TARGET:	2nd Bone Spring			COMPLETION DAYS:	14
EMARKS:	Drill and Complete 47	stages in the 2nd Bone	Spring formation. AFE i	ncludes D&C, flowback &	initial ESP install.
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBL		COSTS	COSTS	COSTS	COSTS
Land/Legal/Regulatory		\$ 35,000	\$	\$	\$ 35,000
Location, Surveys & Dam	ages	220,000	13,000	4,000	237,000
Freight / Transportation		25,000	50,250		75,250
i Rental - Surface Equipme Rental - Downhole Equip		100,580	178,500	12,000	291,080
7 Kental - Downtole Equip	ment	118,081 55,688	50,000 42,500	10,000	168,081
10 Directional Drilling, Su	rvevs	277,900	42,300	10,000	108,188 277,900
11 Drilling		787,804			787,804
12 Drill Bits		106,000			106,000
13 Fuel & Power		161,700	352,500		514,200
4 Cementing & Float Equi		180,000			180,000
6 Perforating, Wireline, S	ickline	-	343,900	20,000	363,900
17 High Pressure Pump Tru		-	10,000		10,000
18 Completion Unit, Swab,		-	70,000	16,500	86,500
20 Mud Circulation System 21 Mud Logging	ı	83,455 22,010			83,455
22 Logging / Formation Eva	luation	13,600	8,000		22,010 21,600
23 Mud & Chemicals		247,092	336,900		583,992
24 Water		25,500	597,744		623,244
25 Stimulation		-	1,551,000		1,551,000
26 Stimulation Flowback &	Disp		141,500		141,500
28 Mud/Wastewater Dispo	osal	104,375	218,000		322,375
30 Kig Supervision/Engine		124,040	75,200	8,000	207,240
32 Drlg & Completion Ove	rhead	10,500	-		10,500
35 Labor		141,000	12,500	10,000	163,500
5 Insurance		27,398			27,398
77 Contingency 79 Plugging & Abandonme	nt	286,672	327,599	8,050	622,322
	TOTAL INTANGIBLES:	3,153,394	4 270 002	OD FFO	
	TOTAL INTANGIBLES		4,379,093	88,550	7,621,038
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
0 Surface Casing		15,034	\$	\$	\$ 15,034
1 Intermediate Casing		89,448			89,448
2 Drilling Liner					-
3 Production Casing 4 Production Liner		247,950			247,950
5 Tubing				60,648	
6 Wellhead		77,000		75,000	60,648 152,000
7 Packers, Liner Hangers		26,000			26,000
8 Tanks				80,000	80,000
9 Production Vessels				125,000	125,000
0 Flow Lines		-			-
1 Kod string					-
2 Artificial Lift Equipmen	t	-		95,000	95,000
3 Compressor		-			
4 Installation Costs		-		67,000	67,000
5 Surface Pumps 6 Downhole Pumps			_		
'6 Downnoie Pumps '7 Measurement & Meter ii	nstallation				-
8 Gas Conditioning/ Dehy					-
9 Interconnecting Facility	Piping		-	<del></del>	
80 Gathering / Bulk Lines	. 0			<del></del>	
1 Valves, Dumps, Controll	ers	Marin Control of the			-
2 Tank / Facility Containm					-
3 Flare Stack					-
4 Electrical / Grounding					
5 Communications / SCAL	A.				
66 Instrumentation / Safety	mom				
	TOTAL TANGIBLES >		0	502,648	958,080
	TOTAL COSTS >	3,608,826	4,379,093	591,198	8,579,117
ARED BY Coloato E	·ov.				
ARED BY Colgate Ener	ъу.				
Drilling Enginee	r: Rafael Madrid				
Completions Enginee			CRM		
Production Enginee			WARRY .		
Jaucaon Enginee	- Daug Auditis				
te Energy APPROVAL					
Co-CB	0	Co-C	FO	VP Onorotio	ins
CO-CE	w <sub>H</sub>	C0-C.	TW TW	VP - Operation	
		VP - Geoscien	,		CRM
VP - I and & I am		vr - Geoscien	so so		
VP - Land & Leg					
VP - Land & Leg	BG		30		
VP - Land & Leg			30		
VP - Land & Leg			30		
	BG				
PERATING PARTN	BG ER APPROVAL:				D
VP - Land & Lego OPERATING PARTN Company Name	BG ER APPROVAL:		Working Interest (%):	Tax I	D:

No (mark one)

Title:

### 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

CAS	E NO.	
CAS	E 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 S/2 S/2 of Section 34, and the S/2 S/2 of the E/2 of Section 33, 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 S/2 S/2 of Section 34, and the S/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico to form a 240-acre, more or less, Bone Spring horizontal spacing unit.
- 3. Colgate plans to drill the **Black Diamond 34 Fed Com 134H** 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 SW/4 SE/4 (Unit 0) of Section 33, 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 westerly direction within the formation to the referenced bottom hole location.
- 5. This well 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 well or to otherwise commit their interests to the well.
- 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 April 2, 2020, and after notice and hearing as required by law, the Division enter its order:

- A. Creating an approximately 240-acre horizontal spacing unit in the Bone Spring formation comprised of S/2 S/2 of Section 34, and the S/2 S/2 of the E/2 of Section 33, 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 S/2 S/2 of Section 34, and the S/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico;
- C. Designating Colgate as operator of this unit and the well to be drilled thereon;

- D. Authorizing Colgate to recover its costs of drilling, completing and equipping the well;
- 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

 ${\tt MODRALL, SPERLING, ROEHL, HARRIS}$ 

& 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

W3698838.DOCX

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 240-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 34, and the S/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 134H well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 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

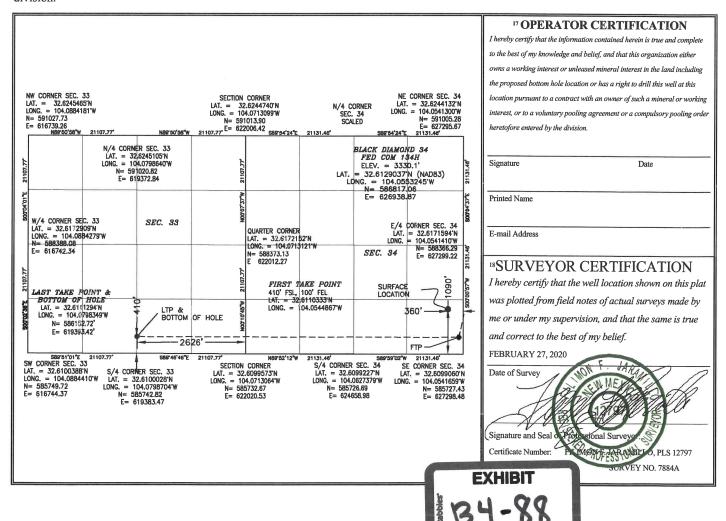
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

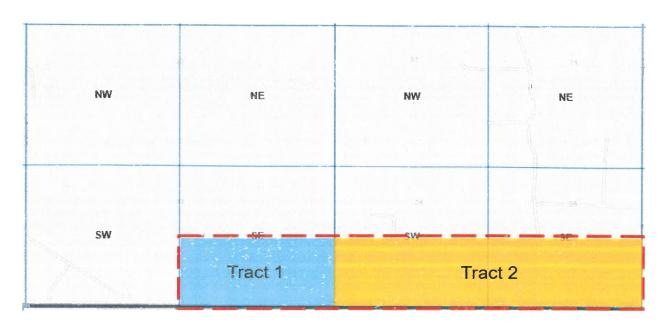
### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 /	API Number	r		<sup>2</sup> Pool Cod	Code <sup>3</sup> Pool Name							
<sup>4</sup> Property C	Code			<sup>6</sup> Well Number								
			BLACK DIAMOND 34 FED COM 134H					LACK DIAMOND 34 FED COM				
<sup>7</sup> OGRID I	No.				8 Operator	Name				<sup>9</sup> Elevation		
37144	9			C	COLGATE ENERGY LLC					3330.1		
<sup>10</sup> Surface Location												
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County		
P	34	19 S	29 E		1090	SOUTH	360	EAS	ST	EDDY		
			11 E	ottom H	ole Location	If Different Fro	om Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County		
О	33	19 S	29 E		410	SOUTH	2626	EAS	ST	EDDY		
12 Dedicated Acres	s 13 Joint	or Infill 14	Consolidation	1 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.



WI OWNER	TRACT	NET	WI	FORCE POOL INTEREST
Colgate Production, LLC	1 & 2	211.036	87.93%	Operator
Thunderbolt Petroleum LLC	1	2	0.83%	Yes
Hanson Operating	1 & 2	18	7.50%	Yes
Byron Bachschmid	1 & 2	2.24	0.93%	Yes
Penroc Oil Corporation	1	0.564	0.24%	Participating
Jose E. Rodriguez	1 & 2	1.68	0.70%	Yes
Cieszinki Trust	1	0.32	0.13%	Yes
Timothy Jennings	1 & 2	1.12	0.47%	Yes
Norton LLC	1	0.24	0.10%	Yes
Robert & Patricia Dale Trust	1 & 2	1.76	0.73%	Yes
DeVargas Street, LLC	1	0.16	0.07%	Yes
Long, LLC	2	0.8	0.33%	Yes
L. Neil & Marilyn Burcham	1	0.08	0.03%	Yes





### **LIST OF OVERRIDING ROYALTY INTEREST HOLDERS (21088)**

SHAWN P. & FRANCES A. HANNIFIN

FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST

K B LIMITED PARTNERSHIP

KENEBREW MINERALS LP

LINDYS LIVING TRUST

ONRR

PENROC OIL CORPORATION

**GENE SHUMATE** 

**CAROL A SHUMATE** 

ARD ENERGY GROUP LTD

BABE DEVELOPMENT LLC

CHEROKEE LEGACY MINERALS LTD

**DELMAR HUDSON LEWIS LIVING TRUST** 

**DEVARGAS STREET LLC** 

**ALAN R HANNIFIN** 

HANNIFIN FAMILY TRUST DTD 2/1/1994

**JAVELINA PARTNERS** 

**ALAN JOCHIMSEN** 

JOYCO INVESTMENTS LLC

SUE HANSON MCBRIDE

JULIE SCOTT MCBRIDE

**DOUGLAS LADSON MCBRIDE III** 

MONTY D & KAREN R MCLANE

A NELSON MUNCY

MARTIN B MUNCY

**ROBERT &MAXINE HANNIFIN TST** 

RODERICK AND MARIAN DAVIS REV TR

MICHELLE R SANDOVAL

STATES ROYALTY LIMITED PARTNERSHIP

ZORRO PARTNERS, LTD.

LONG, LLC

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

		OF COSTS AND AUTHO	CIGENTION FOR EACH			
DATE:	11/27/2019			AFE NO.:	0	
WELL NAME:	Black Diamond 34 Fed C	om 134H		FIELD:	0	
LOCATION:	NM			MD/TVD:	16279 / 9025	
COUNTY/STATE:	Eddy			LATERAL LENGTH:	6,927	
Colgate WI:				DRILLING DAYS:	29	
GEOLOGIC TARGET:	3rd Bone Spring			COMPLETION DAYS:	14	
REMARKS:	Drill and Complete 47 st	ages in the 3rd Bone S	pring formation. AFE inc	cludes D&C, flowback & i	nitial ESP install.	
		DRILLING	COMPLETION	PRODUCTION	TOTAL	
INTANGIBLE C	OSTS	COSTS	COSTS	COSTS	COSTS	
Land / Legal / Regulatory	- 5	35,000	\$	\$	\$ 35,000	
Location, Surveys & Damag	es	220,000	13,000	4,000	237,000	
Freight / Transportation		25,000	50,750		75,750	
Rental - Surface Equipment Kental - Downhole Equipme		103,721	180,300	12,000	296,021 192,421	
Kental - Living Quarters	:iit	57,238	43,300	10,000	110,538	
0 Directional Drilling, Surve	ys	286,100			286,100	
1 Drilling	•	810,547			810,547	
2 Drill Bits	,	106,000			106,000	
3 Fuel & Power		167,475	352,500		519,975	
4 Cementing & Float Equip 6 Perforating, Wireline, Slick	dine	180,000	343,900	20,000	180,000 363,900	
7 High Pressure Pump Truck		<del></del>	10,000	20,000	10,000	
8 Completion Unit, Swab, C.			140,000	16,500	156,500	
Mud Circulation System		85,330			85,330	
1 Mud Logging		20,720			20,720	
2 Logging / Formation Evalua	ition	11,050	8,000		19,050	
3 Mud & Chemicals 4 Water		246,297 25,500	356,900 597,744		603,197 623,244	
5 Stimulation	1	-	1,551,000		1,551,000	
6 Stimulation Flowback & D	isp		150,500		150,500	
8 Mud/Wastewater Disposa	1	104,375	218,000		322,375	
0 Rig Supervision / Engineer		128,470	78,400	8,000	214,870	
2 Drlg & Completion Overhe	ad	10,875	777500	77.100	10,875	
5 Labor 5 Insurance		141,000 29,302	12,500	10,000	163,500 29,302	
7 Contingency		292,642	339,129	8,050	639,821	
9 Plugging & Abandonment			,			
	TOTAL INTANGIBLES >	3,219,063	4,505,923	88,550	7,813,536	
		DRILLING	COMPLETION	PRODUCTION	TOTAL	
TANGIBLE CO	ISTS	COSTS	COSTS	COSTS	COSTS	
U Surface Casing	\$	15,034	5	5	\$ 15,034	
l Intermediate Casing		225,348			225,348	
2 Drilling Liner	,	-				
3 Production Casing	,	265,185			265,185	
4 Production Liner 5 Tubing				60,648	60,648	
6 Wellhead		77,000		75,000	152,000	
7 Packers, Liner Hangers	•	26,000	-		26,000	
8 Tanks				80,000	80,000	
9 Production Vessels				125,000	125,000	
0 Flow Lines 1 Kod string	,					
2 Artificial Lift Equipment				95,000	95,000	
3 Compressor	,					
4 Installation Costs				67,000	67,000	
5 Surface Pumps					-	
6 Downhole Pumps 7 Measurement & Meter Inst	allation				-	
6 Gas Conditioning / Dehydr				· · · · · · · · · · · · · · · · · · ·		
Interconnecting Facility Pip						
) Gathering / Bulk Lines	,				-	
l Valves, Dumps, Controllers						
? Tank / Facility Containmen 3 Flare Stack	r					
Flare Stack  Helectrical / Grounding	,			·		
5 Communications / SCADA	,			-	<del></del>	
6 Instrumentation / Safety					-	
	TOTAL TANGIBLES >	608,566	0	502,648	1,111,214	
	TOTAL COSTS >	3,827,629	4,505,923	591,198	8,924,751	
ARED BY Colgate Energy	<i>J</i> :					
						7
Drilling Engineer: Completions Engineer:	Rafael Madrid		CRM			
Production Engineer:	Brady Adams		CKM			
1 rouncdoit Eighleel:	Brady Adams					
te Energy APPROVAL:						
C- CFO		Co-Cl	FO	VP - Operatio	one	7
Co-CEO	WH	Co-C.	TW TW	vr - Operatio	CRM	
VP - Land & Legal	*****	VP - Geoscien	• • • • • • • • • • • • • • • • • • • •		CKIVI	1
vi - Land & Legal	BG	+1 - Geoscieni	SO			
						EXHIBIT
						10
OPERATING PARTNER	APPROVAL:					
	APPROVAL:		*** 1. * · · · · · · · · · · · · · · · · · ·			- 1 O F
OPERATING PARTNER Company Name:	APPROVAL:		Working Interest (%):	Tax	ID:	1 B. 6 - 88
Company Name:	A APPROVAL:		Working Interest (%):	Tax	ID:	B.6-88
	A APPROVAL:			Tax l	ID:	B.6-88

### 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. 21185 APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, **EDDY COUNTY, NEW MEXICO** CASE NO. 21186 APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, **EDDY COUNTY, NEW MEXICO** CASE NO. 21187 APPLICATION OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, **EDDY COUNTY, NEW MEXICO** CASE NO. 21188

### **AFFIDAVIT OF SERGIO OJEDA**

STATE OF TEXAS	)
	) ss.
COUNTY OF MIDLAND	)

Sergio 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. I have previously been qualified to testify by the New Mexico Oil Conservation Division ("Division") as an expert in geology matters and my credentials were accepted and made part of the record in those proceedings.
- 2. My work for Colgate includes the Permian Basin in New Mexico and I have been involved in the study and evaluation of the Bone Spring formation in the area of Eddy County encompassing Colgate's Black Diamond 34 Fed Com 122H, 131H, 132H, 133H, and 134H wells (hereinafter "Proposed Wells"), which are the located within the Bone Spring horizontal spacing units that are the subject of these applications.

- 3. I conducted a geological study of the area that encompasses the horizontal spacing units that are the subject of Colgate's applications in these cases and am familiar with the geological matters involved in these cases.
- 4. As part of my study, I have prepared the following geological exhibits with respect to the horizontal spacing units that are attached hereto:
  - a. Exhibit C.1 is a Regional Locator Map identifying the Black Diamond 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.
  - b. Exhibit C.2 is a Cross-Section Locator Map. 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. It also identifies the Proposed Wells with well names and red or orange lines.
  - c. Exhibit C.3 is a Gunbarrel/Lateral Trajectory Diagram. This diagram identifies the wells within the Black Diamond development plan. It displays the Black Diamond 34 Fed Com 122H well in the Second Bone Spring formation, and the Black Diamond 34 Fed Com 131H, 132H, 133H, and 134H wells in the Third Bone Spring formation. The proposed units are identified together in green in the reference map in the bottom right.
  - d. Exhibit C.4 is a Second Bone Spring Structure Map on the top of the Second Bone Spring formation. This map identifies the Proposed Well with an orange line. It also identifies the location of the cross-section running from A-A' in proximity to the Proposed Wells. This map shows that the structure slightly dips to the south east.

- e. Exhibit C.5 is a Second Bone Spring Isopach Map. It shows the gross thickness of the Second Bone Spring interval ranges from 100 ft to 150 ft, and is relatively uniform across the proposed unit. It also shows the location of cross-section A-A' in proximity to the Proposed Wells.
- f. Exhibit C.6 is a Third Bone Spring Structure Map on the top of the Third 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' in proximity to the Proposed Wells. This map shows that the structure dips to the south east.
- g. Exhibit C.7 is a Third Bone Spring Isopach Map. It shows the gross thickness of the Third Bone Spring interval ranges from 400 ft to 450 ft, and is relatively uniform across the proposed unit. It also shows the location of cross-section A-A' in proximity to the Proposed Wells.
- h. Exhibit C.8 is a Stratigraphic Cross Section hung on the top of the Wolfcamp formation. The well logs on the cross-section give a representative sample of the Bone Spring formation in the area. The target zones for the Proposed Wells are the Second and Third Bone Spring formations, which are consistent across the units. The planned well-path for the Proposed Wells are indicated by orange and red dashed lines.
- i. Exhibit C.9 is a detailed view of the Target Zone within Stratigraphic Cross Section for the Black Diamond 34 Fed Com 122H well. The target zone for the well is the Second Bone Spring Formation, and that zone is consistent across the unit. The planned well-path is indicated by an orange dashed line.

- Exhibit C.10 is a detailed view of the Target Zone within Stratigraphic Cross Section for the Black Diamond 34 Fed Com 131H, 132H, 133H, and 134H wells. The target zone for the wells is the Third Bone Spring Formation, and that zone is consistent across the unit. The planned well-paths are indicated by red dashed lines.
- 5. 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 units are justified from a geologic standpoint.
  - b. There are no structural impediments or faulting that will interfere with horizontal development.
  - c. Each quarter-quarter section in the units will contribute more or less equally to production.
- 6. 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.
- 7. The producing interval for each of these wells will be orthodox and will comply with the Division's set back requirements.
- 8. Pursuant to Rule 1-011 NMRA, I declare and affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct to the best of my knowledge and belief.

Sergio Ojeda

Sergio Ojeda

SUBSCRIBED AND SWORN to before me this 27th day of April, 2020 by Sergio Ojeda,

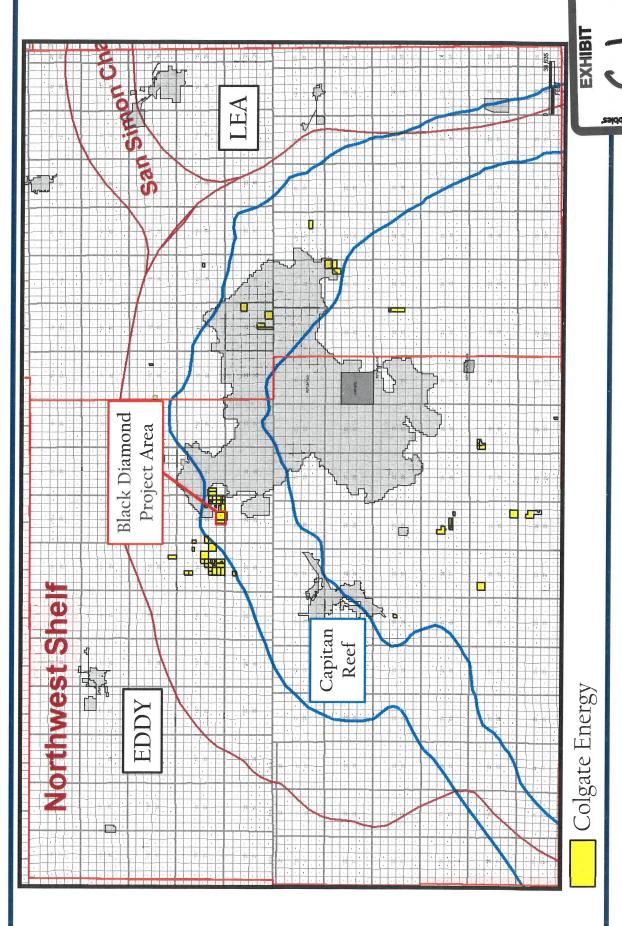
on behalf of Colgate Operating, LLC

Comm. Expires 08-18-2021 Notary ID 131250643

commission expires:

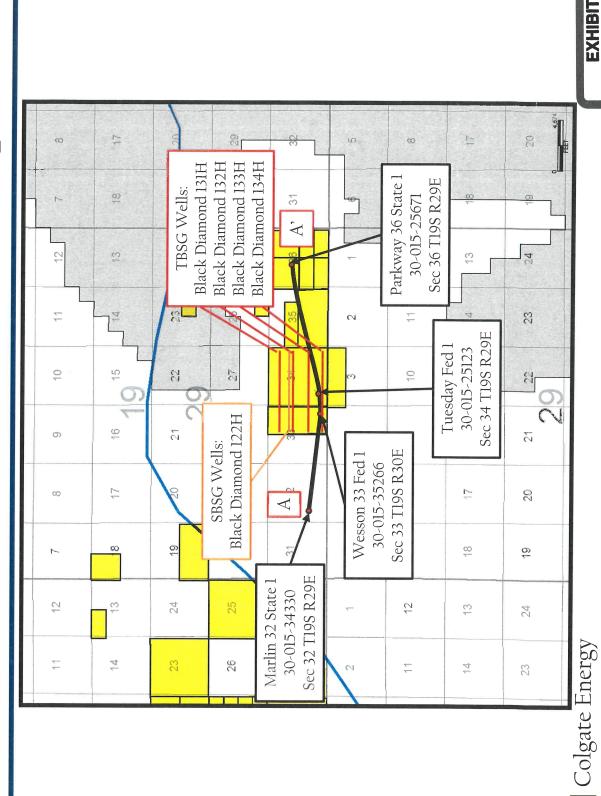
## Black Diamond: Regional Locator Map





# Black Diamond: Cross-Section Locator Map @ COLOGATE

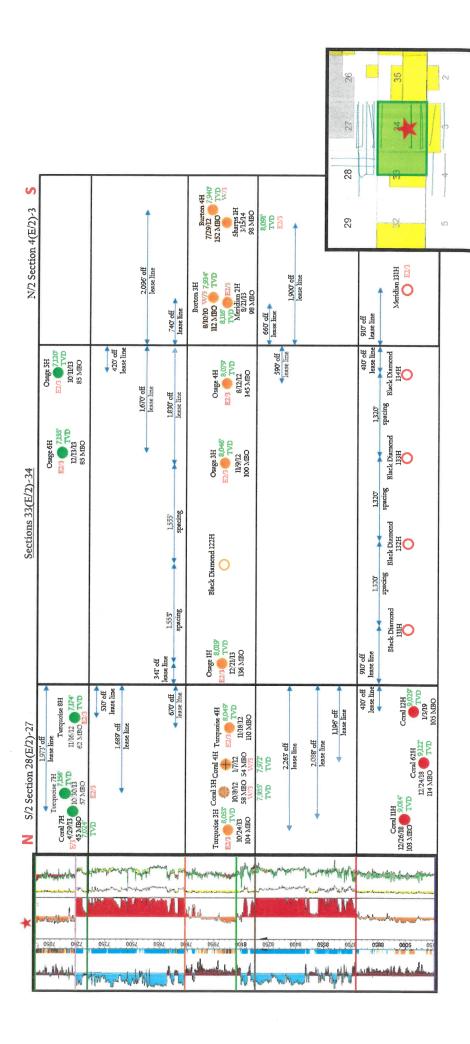




tabbies"

# Black Diamond: Gun Barrel Development

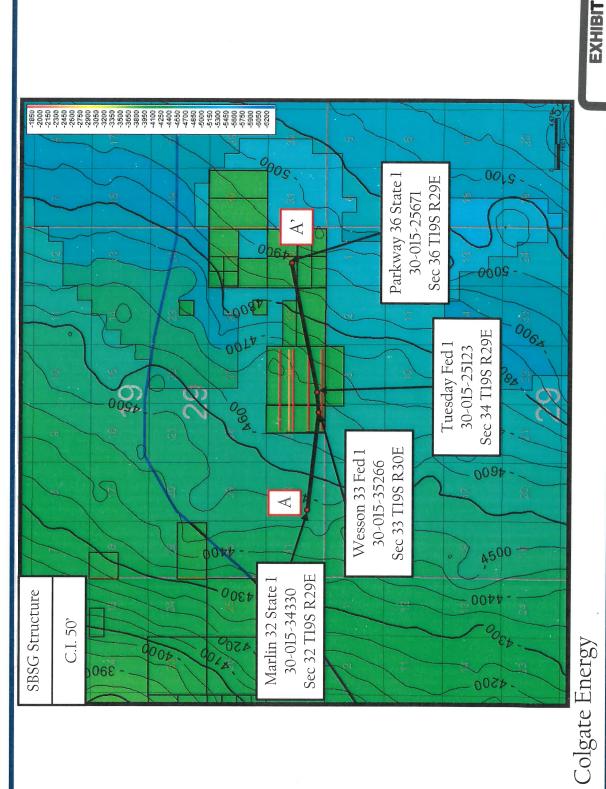






## Black Diamond: SBSG Structure Map

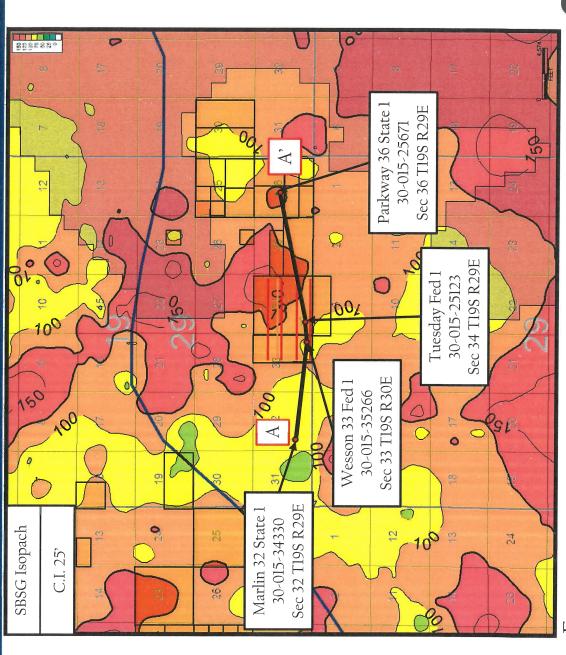




CONFIDENTIAL

### Black Diamond: SBSG Isopach Map



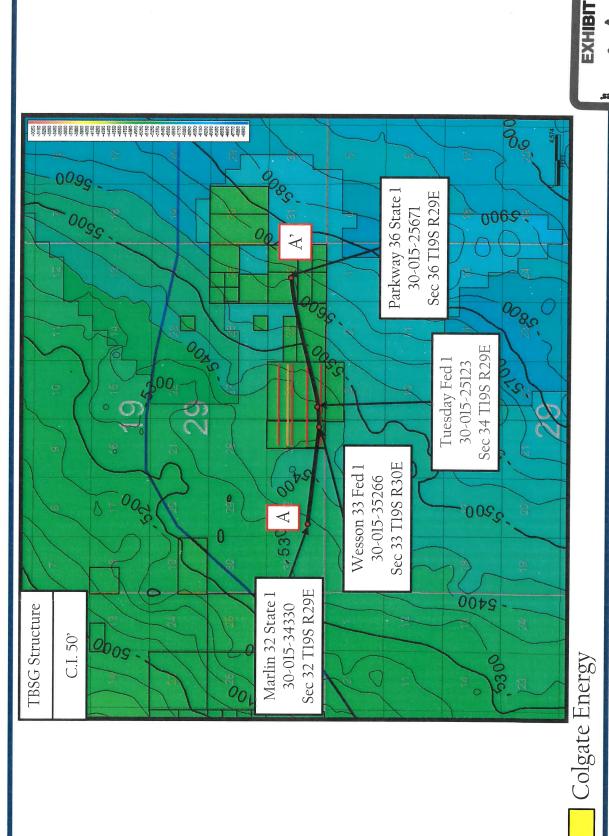


Colgate Energy

EXHIBIT

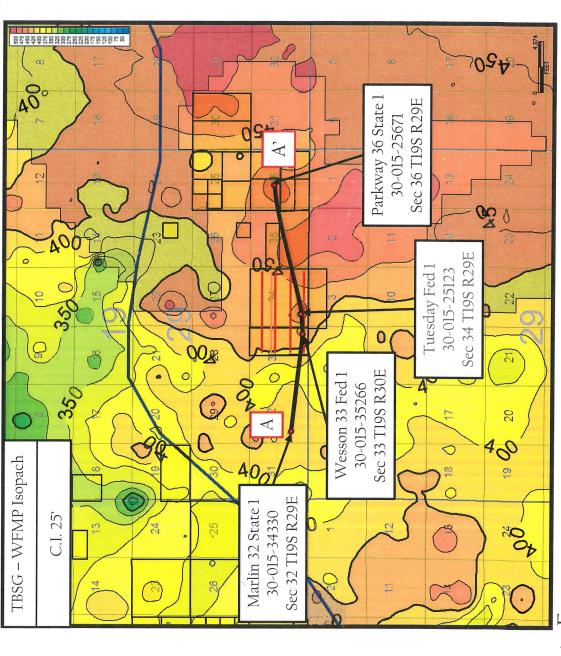
## Black Diamond: TBSG Structure Map





### Black Diamond: TBSG Isopach Map



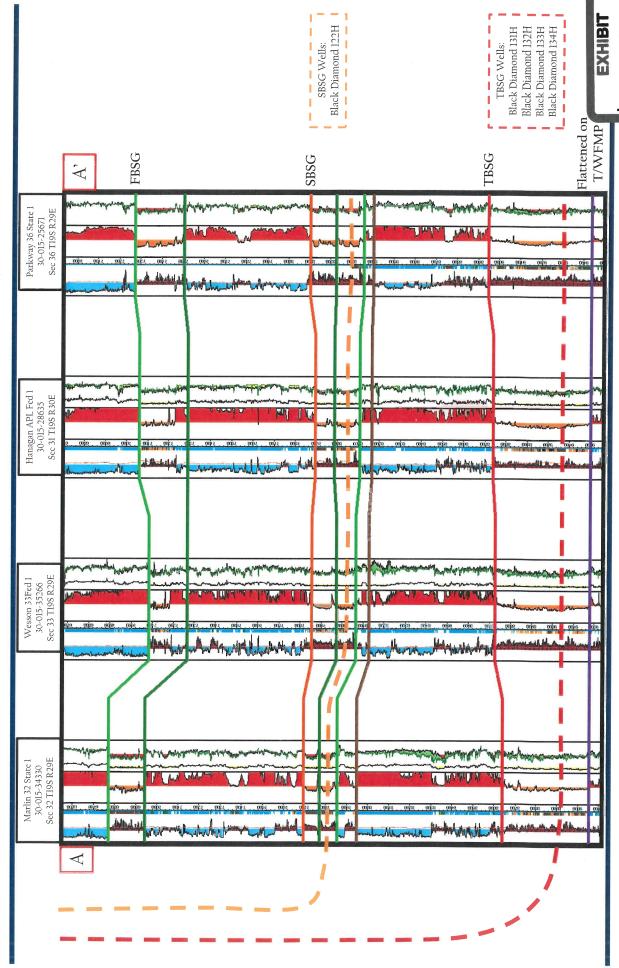


Colgate Energy



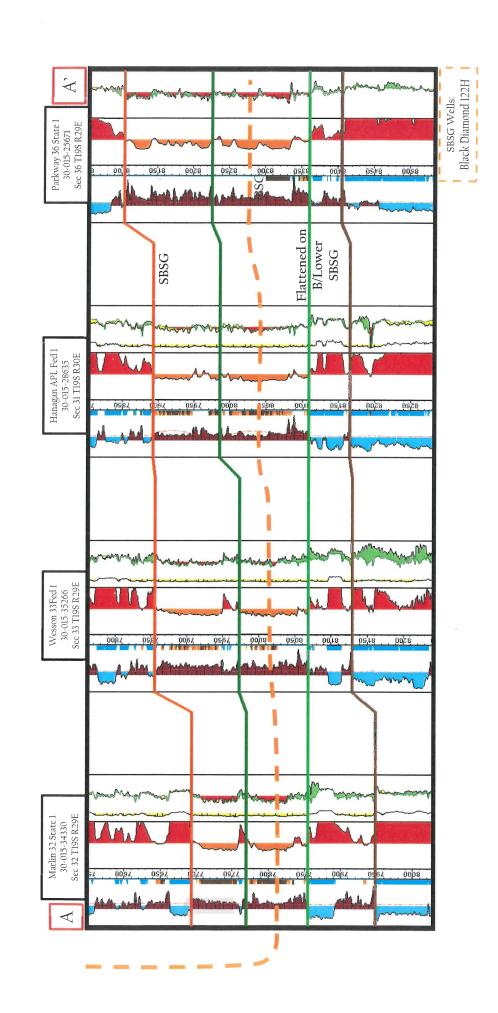
### Black Diamond: Cross-Section A-A'





# Black Diamond: Cross-Section A-A' (SBSG) ( Cougaign ( SBSG)

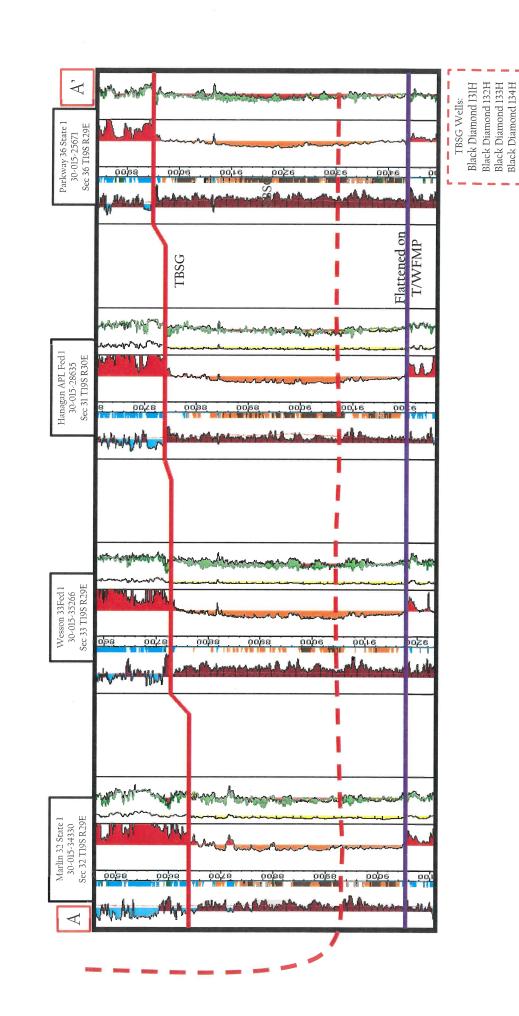






# 





**EXHIBIT** 

# 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. 21185** 

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

CASE NO. 21186

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

CASE NO. 21187

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

CASE NO. 21188

### AFFIDAVIT OF LANCE D. HOUGH

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 notice of hearing to parties entitled to notice; and that the following are attached hereto: a sample of said notice of hearing as **Exhibit D.1**, a mailing list for notice of hearing and proof of mailed notice of hearing as **Exhibit D.2**, and proof of published notice of hearing as **Exhibit D.3**. 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.

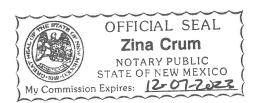
Lance D. Hough

EXHIBIT

SUBSCRIBED AND SWORN to before me this 27th day of April 2020 by Lance D.

Hough.

SEAL



Notary Public

My commission expires: 12-07-7023



March 12, 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. 21185: 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 240-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 N/2 of Section 34, and the S/2 N/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 122H and 132H wells, to be horizontally drilled. The producing intervals 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 14 miles northeast of Carlsbad, New Mexico.

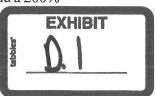
Case No. 21186: Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 N/2 of Section 34, and the N/2 N/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 131H well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200%

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 / Black Diamond 34 Fed Com 122H, 132H, 131H, 133H, and 134H March 12, 2020 Page 2

charge for risk involved in drilling said well. Said area is located approximately 14 miles northeast of Carlsbad, New Mexico.

Case No. 21187: 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 240-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 34, and the N/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 133H well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northeast of Carlsbad, New Mexico.

Case No. 21188: 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 240-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 34, and the S/2 S/2 of the E/2 of Section 33, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Black Diamond 34 Fed Com 134H well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northeast of Carlsbad, New Mexico.

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 Room 311 in the New Mexico State Capitol Building located at 490 Old Santa Fe Trail, Santa Fe, New Mexico 87501. 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

AFFECTED PARTIES
Colgate / Black Diamond 34 Fed Com 122H, 132H, 131H, 133H, and 134H
March 12, 2020
Page 3

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,

Lance D. Hough

Attorney for Applicant

EED/ldh/w3708186.DOCX Enclosures: as stated

### **PS Form 3877**

# Type of Mailing: CERTIFIED MAIL 03/12/2020

Firm Mailing Book ID: 186548

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0069 8389 07	A NELSON MUNCY 441 LONG COVE DRIVE FAIRVIEW TX 75069	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
2	9314 8699 0430 0069 8389 14	ALAN JOCHIMSEN 4209 CARDINAL LN MIDLAND TX 79707	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
3	9314 8699 0430 0069 8389 21	ALAN R HANNIFIN PO BOX 8874 DENVER CO 80201	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
4	9314 8699 0430 0069 8389 38	ARD ENERGY GROUP LTD PO BOX 101027 FORT WORTH TX 76185	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
5	9314 8699 0430 0069 8389 45	BABE DEVELOPMENT LLC PO BOX 758 ROSWELL NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
6	9314 8699 0430 0069 8389 52		\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
7	9314 8699 0430 0069 8389 69	CHEROKEE LEGACY MINERALS LTD PO BOX 3217 ALBANY TX 76430	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
8	9314 8699 0430 0069 8389 76	DELMAR HUDSON LEWIS LIVING TRUST PO BOX 840738	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
9	9314 8699 0430 0069 8389 83	DALLAS TX 75284 DEVARGAS STREET LLC 4613 LOS POBLANOS CIR NW ALBUQUERQUE NM 87107	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
10	9314 8699 0430 0069 8389 90		\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
11	9314 8699 0430 0069 8390 03	FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST P.O. BOX 1600 SAN ANTONIO TX 78296	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
12	9314 8699 0430 0069 8390 10	GENE SHUMATE P O BOX 2473 MIDLAND TX 79702	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
13	9314 8699 0430 0069 8390 27	HANNIFIN FAMILY TRUST DTD 2/1/1994 PO BOX 218 MIDLAND TX 79702	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
14	9314 8699 0430 0069 8390 34	JAVELINA PARTNERS 616 TEXAS ST FORT WORTH TX 76102	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk
15	9314 8699 0430 0069 8390 41	JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD P.O. BOX 1600 SAN ANTONIO TX 78296	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice

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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0069 8390 58	JOYCO INVESTMENTS LLC PO BOX 2104 ROSWELL NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
17	9314 8699 0430 0069 8390 65	JULIE SCOTT MCBRIDE PO BOX 1515 ROSWELL NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
18	9314 8699 0430 0069 8390 72	K B LIMITED PARTNERSHIP PO DRAWER 2588 ROSWELL NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
19	9314 8699 0430 0069 8390 89		\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
20	9314 8699 0430 0069 8390 96		\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
21	9314 8699 0430 0069 8391 02		\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
22	9314 8699 0430 0069 8391 19	MARTIN B MUNCY 1204 NW 16TH ST ANDREWS TX 79714	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
23	9314 8699 0430 0069 8391 26	MICHELLE R SANDOVAL 974 MERGANSER LANE CARLSBAD CA 92011	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
24	9314 8699 0430 0069 8391 33	MONTY D & KAREN R MCLANE PO BOX 9451 MIDLAND TX 79708	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
25	9314 8699 0430 0069 8391 40	ONRR PO BOX 25627 DENVER CO 80225	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
26	9314 8699 0430 0069 8391 57	PENROC OIL CORPORATION PO BOX 2769 HOBBS NM 88241	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
27	9314 8699 0430 0069 8391 64	ROBERT & MAXINE HANNIFIN TST PO BOX 218 MIDLAND TX 79702	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
28	9314 8699 0430 0069 8391 71	RODERICK AND MARIAN DAVIS REV TR 8006 S QUEBEC AVE TULSA OK 74136	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
29	9314 8699 0430 0069 8391 88	SHAWN P. & FRANCES A. HANNIFIN 730 17TH STREET, STE. 325 DENVER CO 80202	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
30	9314 8699 0430 0069 8391 95	STATES ROYALTY LIMITED PARTNERSHIP PO BOX 911 BRECKENRIDGE TX 76424	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice

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### **PS Form 3877**

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Firm Mailing Book ID: 186548

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0069 8392 01	SUE HANSON MCBRIDE PO BOX 3480 ROSWELL NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
32	9314 8699 0430 0069 8392 18	ZORRO PARTNERS, LTD. 616 TEXAS STREET FORT WORTH TX 76102	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
33	9314 8699 0430 0069 8392 25	3SD Interests, LLC 221 Doran Road Lovington NM 88260	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
34	9314 8699 0430 0069 8392 32	Ashley Crow PO Box 97 Quanah TX 79252	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
35	9314 8699 0430 0069 8392 49	Borica Oil, Inc P.O Drawer H Fort Sumner NM 88119	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
36	9314 8699 0430 0069 8392 56	Byron Bachschmid 1800 Hereford MIDLAND TX 79707	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
37	9314 8699 0430 0069 8392 63	Charles Jay Kinsolving HC 65 Box 209 Crossroads NM 88114	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
38	9314 8699 0430 0069 8392 70	Ciezinski Trust 2737 81st Street Lubbock TX 79423	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
39	9314 8699 0430 0069 8392 87	Dean Kinsolving P.O. Box 325 Tatum NM 88267	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
40	9314 8699 0430 0069 8392 94	Eddy Rodriguez P.O. Box 691284 Houston TX 77269	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
41	9314 8699 0430 0069 8393 00	Francis G. Tracy PO Box 868 CARLSBAD NM 88221	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
42	9314 8699 0430 0069 8393 17	Hanson Operating Company 400 N Pennsylvania Ave # 1200 ROSWELL NM 88201	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
43	9314 8699 0430 0069 8393 24	Jon Ciezinski 2737 81st Street Lubbock TX 79423	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
44	9314 8699 0430 0069 8393 31	L. Neil & Marilyn Burcham 665 La Melodia Drive Las Cruces NM 88011	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
45	9314 8699 0430 0069 8393 48	Norton LLC 60 Beache Avenue - Bay View South Dartmouth MS 02748	\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice

### **PS Form 3877**

# Type of Mailing: CERTIFIED MAIL 03/12/2020

Firm Mailing Book ID: 186548

Line	USPS Article Number	Name, Street, City, Stat	e, Zip		Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
46	9314 8699 0430 0069 8393 55	Patrick & Alice Morello Trust 3534 Gettysburg Pl Jefferson City MO 65109		\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice	
47	9314 8699 0430 0069 8393 62	Robert L. & Patricia J. Dale 15419 Peach Hill Road Saratoga CA 95070			\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
48	9314 8699 0430 0069 8393 79	Thunderbolt Petroleum L P.O. Box 10523 MIDLAND	LC TX 79711		\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
49	9314 8699 0430 0069 8393 86	Tim Jennings P.O. Box 1797 ROSWELL	NM 88202		\$1.20	\$3.55	\$1.70	\$0.00	10091.0004 Blk Notice
				Totals:	\$58.80	\$173.95	\$83.30	\$0.00	
						Grand	Total:	\$316.05	

List Number of Pieces Listed by Sender

Total Number of Pieces Received at Post Office Postmaster: Name of receiving employee Dated:

49

49

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### Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 186548 Generated: 4/27/2020 9:45:40 AM

USPS Article Number	Date Created Name 1	Name 2	Address1	City		Zip Mailing Status	The second secon	Mail Delivery Date
9314869904300069839386	2020-03-12 8:19 AM Tim Jennings		P.O. Box 1797	ROSWELL	NM	88202 Delivered	Return Receipt - Electronic, Certified Mail	03-23-2020
9314869904300069839379	2020-03-12 8:19 AM Thunderbolt Petroleum LLC		P.O. Box 10523	MIDLAND	TX	79711 Delivered	Return Receipt - Electronic, Certified Mail	03-18-2020
9314869904300069839362	2020-03-12 8:19 AM Robert L. & Patricia J. Dale		15419 Peach Hill Road	Saratoga	CA	95070 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839355 9314869904300069839348	2020-03-12 8:19 AM Patrick & Alice Morello Trust 2020-03-12 8:19 AM Norton LLC		3534 Gettysburg PI	Jefferson City	MO	65109 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
			60 Beache Avenue - Bay View	South Dartmouth	MS	02748 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
9314869904300069839331 9314869904300069839324	2020-03-12 8:19 AM L. Neil & Marilyn Burcham 2020-03-12 8:19 AM Jon Clezinski		665 La Melodia Drive	Las Cruces	NM	88011 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
9314869904300069839317			2737 81st Street	Lubbock	TX	79423 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
	2020-03-12 8:19 AM Hanson Operating Company		400 N Pennsylvania Ave # 1200	ROSWELL	NM	88201 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839300	2020-03-12 8:19 AM Francis G. Tracy		PO Box 868	CARLSBAD	NM	88221 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
9314869904300069839294	2020-03-12 8:19 AM Eddy Rodriguez		P.O. Box 691284	Houston	TX	77269 Lost	Return Receipt - Electronic, Certified Mail	
9314869904300069839287	2020-03-12 8:19 AM Dean Kinsolving		P.O. Box 325	Tatum	NM	88267 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839270	2020-03-12 8:19 AM Ciezinski Trust		2737 81st Street	Lubbock	TX	79423 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839263	2020-03-12 8:19 AM Charles Jay Kinsolving		HC 65 Box 209	Crossroads	NM	88114 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839256	2020-03-12 8:19 AM Byron Bachschmid		1800 Hereford	MIDLAND	TX	79707 To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300069839249	2020-03-12 8:19 AM Borica Oil, Inc		P.O Drawer H	Fort Sumner	NM	88119 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839232	2020-03-12 8:19 AM Ashley Crow		PO Box 97	Quanah	TX	79252 Delivered	Return Receipt - Electronic, Certified Mail	03-18-2020
9314869904300069839225	2020-03-12 8:19 AM 3SD Interests, LLC		221 Doran Road	Lovington	NM	88260 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839218	2020-03-12 8:19 AM ZORRO PARTNERS, LTD.		616 TEXAS STREET	FORT WORTH	TX	76102 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839201	2020-03-12 8:19 AM SUE HANSON MCBRIDE		PO BOX 3480	ROSWELL	NM	88202 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
9314869904300069839195	2020-03-12 8:19 AM STATES ROYALTY LIMITED PARTNERSHIP		PO BOX 911	BRECKENRIDGE	TX	76424 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839188	2020-03-12 8:19 AM SHAWN P. & FRANCES A. HANNIFIN		730 17TH STREET, STE. 325	DENVER	co	80202 Lost	Return Receipt - Electronic, Certified Mail	
9314869904300069839171	2020-03-12 8:19 AM RODERICK AND MARIAN DAVIS REV TR		8006 S QUEBEC AVE	TULSA	OK	74136 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839164	2020-03-12 8:19 AM ROBERT & MAXINE HANNIFIN TST		PO BOX 218	MIDLAND	TX	79702 Delivered	Return Receipt - Electronic, Certified Mail	03-18-2020
9314869904300069839157	2020-03-12 8:19 AM PENROC OIL CORPORATION		PO BOX 2769	HOBBS	NM	88241 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839140	2020-03-12 8:19 AM ONRR		PO BOX 25627	DENVER	co	80225 Delivered	Return Receipt - Electronic, Certified Mail	03-19-2020
9314869904300069839133	2020-03-12 8:19 AM MONTY D & KAREN R MCLANE		PO BOX 9451	MIDLAND	TX	79708 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839126	2020-03-12 8:19 AM MICHELLE R SANDOVAL		974 MERGANSER LANE	CARLSBAD	CA	92011 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839119	2020-03-12 8:19 AM MARTIN B MUNCY		1204 NW 16TH ST	ANDREWS	TX	79714 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
9314869904300069839102	2020-03-12 8:19 AM LONG, LLC		215 SOUTH STATE ST, SUITE 100	SALT LAKE CITY	UT	84111 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839096	2020-03-12 8:19 AM LINDYS LIVING TRUST		4200 S HULEN SUITE 302	FT WORTH	TX TX	76109 Delivered	Return Receipt - Electronic, Certified Mail	04-02-2020
9314869904300069839089	2020-03-12 8:19 AM KENEBREW MINERALS LP		PO BOX 917	IDALOU		79329 Delivered	Return Receipt - Electronic, Certified Mail	03-26-2020
9314869904300069839072 9314869904300069839065	2020-03-12 8:19 AM K B LIMITED PARTNERSHIP		PO DRAWER 2588	ROSWELL	NM	88202 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
9314869904300069839058	2020-03-12 8:19 AM JULIE SCOTT MCBRIDE		PO BOX 1515 PO BOX 2104	ROSWELL	NM	88202 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
	2020-03-12 8:19 AM JOYCO INVESTMENTS LLC	FBO J. TERRELL ARD		ROSWELL	NM	88202 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
9314869904300069839041	2020-03-12 8:19 AM JOSEPHINE T. HUDSON TESTAMENTARY TRUST	FBO J. TERRELL ARD	P.O. BOX 1600	SAN ANTONIO	TX TX	78296 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839034	2020-03-12 8:19 AM JAVELINA PARTNERS		616 TEXAS ST	FORT WORTH	TX	76102 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069839027	2020-03-12 8:19 AM HANNIFIN FAMILY TRUST DTD 2/1/1994		PO BOX 218	MIDLAND	TX	79702 Delivered	Return Receipt - Electronic, Certified Mail	03-18-2020
9314869904300069839010	2020-03-12 8:19 AM GENE SHUMATE	III IDCON TECTANAENTA DV TRUCT	P O BOX 2473	MIDLAND		79702 Delivered	Return Receipt - Electronic, Certified Mail	03-18-2020
9314869904300069839003 9314869904300069838990	2020-03-12 8:19 AM FROST BANK TRUSTEE OF JOSEPHINE T.	HUDSON TESTAMENTARY TRUST	P.O. BOX 1600	SAN ANTONIO	TX	78296 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069838983	2020-03-12 8:19 AM DOUGLAS LADSON MCBRIDE III 2020-03-12 8:19 AM DEVARGAS STREET LLC		PO BOX 1515	ROSWELL	NM	88202 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
			4613 LOS POBLANOS CIR NW	ALBUQUERQUE	NM	87107 Delivered	Return Receipt - Electronic, Certified Mail	03-14-2020
9314869904300069838976 9314869904300069838969	2020-03-12 8:19 AM DELMAR HUDSON LEWIS LIVING TRUST 2020-03-12 8:19 AM CHEROKEE LEGACY MINERALS LTD		PO BOX 840738	DALLAS	TX	75284 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
			PO BOX 3217	ALBANY	TX	76430 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
9314869904300069838952 9314869904300069838945	2020-03-12 8:19 AM CAROL A SHUMATE 2020-03-12 8:19 AM BABE DEVELOPMENT LLC		P O BOX 80724	MIDLAND	TX	79708 Undelivered - To	•	
9314869904300069838945	2020-03-12 8:19 AM BABE DEVELOPMENT LLC 2020-03-12 8:19 AM ARD ENERGY GROUP LTD		PO BOX 758	ROSWELL	NM	88202 Delivered	Return Receipt - Electronic, Certified Mail	03-17-2020
9314869904300069838921	2020-03-12 8:19 AM AKD ENERGY GROUP LTD 2020-03-12 8:19 AM ALAN R HANNIFIN		PO BOX 101027	FORT WORTH	TX	76185 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
9314869904300069838914	2020-03-12 8:19 AM ALAN JOCHIMSEN		PO BOX 8874	DENVER	co	80201 Delivered	Return Receipt - Electronic, Certified Mail	04-08-2020
9314869904300069838907	2020-03-12 8:19 AM A NELSON MUNCY		4209 CARDINAL LN	MIDLAND	TX	79707 Delivered	Return Receipt - Electronic, Certified Mail	03-16-2020
2214002204200002038307	2020-03-12 0.13 AIVI A NELSON WUNCT		441 LONG COVE DRIVE	FAIRVIEW	TX	75069 Lost	Return Receipt - Electronic, Certified Mail	

# Affidavit of Publication Ad # 0004108917 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:

03/14/2020

Legal Clerk

Subscribed and sworn before me this March 14, 2020:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

CASE NO. 21185: Notice to all affected parties, as well as their heirs and devisees, of BORICA OIL, INC; BYRON BACHSCHMID; CIEZINSKI TRUST; DEAN KINSOLVING; CHARLES JAY KINSOLVING; 3SD INTERESTS, LLC; ASHLEY CROW; DEVARGAS STREET, LLC; FRANCIS G. TRACY; HANSON OPERATING COMPANY; JON CIEZINSKI; EDDY RODRIGUEZ; L. NEIL & MARILYN BURCHAM; NORTON LLC; PATRICK & ALICE MORELLO TRUST; PENROC OIL CORPORATION; LONG LLC; ROBERT L. & PATRICIA J. DALE; THUNDERBOLT PETROLEUM LLC; TIM JENNINGS; SHAWN P. & FRANCES A. HANNIFIN; JOSEPHINE T. HUDSON TESTAMENTARY TRUST; FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST; FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST; FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON SESTAMENTARY TRUST; K B LIMITED PARTINERSHIP; KENEBREW MINERALS LP; LINDYS LIVING TRUST; ONRR; PENROC OIL CORPORATION; GENE SHUMATE; CAROL A SHUMATE; ARD ENERGY GROUP LTD; BABE DEVELOPMENT LLC; CHEROKEE LEGACY MINERALS LTD; DELMAR HUDSON LEWIS LIVING TRUST; DEVARGAS STREET LLC; ALAN R HANNIFIN; HANNIFIN FAMILY TRUST DTD 2/1/1994; JAVELINA PARTNERS; ALAN JOCHIMSEN; JOYCO INVESTMENTS LLC; SUE HANSON MCBRIDE; JULIE SCOTT MCBRIDE; DOUGLAS LADSON MCBRIDE III; MONTY D & KAREN R MCLANE; A NELSON MUNCY; MARTIN B MUNCY; ROBERT & MCLANE; A NELSON MUNCY; MARTIN B MUNCY; ROBERT & MCLANE; A NELSON MUNCY; MARTIN B MUNCY; ROBERT & MAXINE HANNIFIN TST; RODERICK AND MARIAN DAVIS REV TR; MICHELLE R SANDOVAL; STATES ROYALTY LIMITED PARTNERSHIP; ZORRO PARTNERS, LTD.; and LONG, LLC 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 April 2, 2020 to consider this application. The hearing will be held in Room 311 in the New Mexico State Capitol Building located at 490 Old Santa Fe Trail, Santa Fe, New Mexico 87501. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-acre, more or less, Bone

March 14, 2020

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EXHIBIT D.3

# Affidavit of Publication Ad # 0004108935 This is not an invoice

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**ALBUQUERQUE, NM 87103** 

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03/14/2020

Legal Clerk

Subscribed and sworn before me this March 14, 2020:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

CASE NO. 21186: Notice to all affected parties, as well as their heirs and devisees, of BORICA OIL, INC; BYRON BACHSCHMID; CIEZINSKI TRUST; DEAN KINSOLVING; CHARLES JAY KINSOLVING; 3SD INTERESTS, LLC; ASHLEY CROW; DEVARGAS STREET, LLC; FRANCIS G. TRACY; HANSON OPERATING COMPANY; JON CIEZINSKI; EDDY RODRIGUEZ; L. NEIL & MARILYN BURCHAM; NORTON LLC; PATRICK & ALICE MORELLO TRUST; PENROC OIL CORPORATION; LONG LLC; ROBERT L. & PATRICIA J. DALE; THUNDERBOLT PETROLEUM LLC; TIM JENNINGS; SHAWN P. & FRANCES A. HANNIFIN; JOSEPHINE T. HUDSON TESTAMENTARY TRUST; K B LIMITED PARTNERSHIP; KENEBREW MINERALS LP; LINDYS LIVING TRUST; ONRR; PENROC OIL CORPORATION; GENE SHUMATE; CAROL A SHUMATE; ARD ENERGY GROUP LTD; BABE DEVELOPMENT LLC; CHEROKEE LEGACY MINERALS LTD; DELMAR HUDSON LEWIS LIVING TRUST; DEVARGAS STREET LLC; ALAN R HANNIFIN; HANNIFIN FAMILY TRUST DTD 2/1/1994; JAVELINA PARTNERS; ALAN JOCHIMSEN; JOYCO INVESTMENTS LLC; SUE HANSON MCBRIDE; JULIE SCOTT MCBRIDE; DOUGLAS LADSON MCBRIDE III; MONTY D & KAREN R MCLANE; A NELSON MUNCY; MARTIN B MUNCY; ROBERT RMAXINE HANNIFIN TST; RODERICK AND MARIAN DAVIS REV TR; MICHELLE R SANDOVAL; STATES ROYALTY LIMITED PARTNERSHIP; ZORRO PARTNERS, LTD.; and LONG, LLC of COIGAE 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 April 2, 2020 to consider this application. The hearing will be held in Room 311 in the New Mexico State Capitol Building located at 490 Old Santa Fe Trail, Santa Fe, New Mexico 87501. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit will be dedicated to the Black Diamond 34 Fed Com 131H well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be con

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# Affidavit of Publication Ad # 0004108941 This is not an invoice

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**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:

03/14/2020

Legal Clerk

State of WI, County of Brown
NOTARY PUBLIC

Subscribed and sworn before me this March 14, 2020:

My commission expires

CASE NO. 21187: Notice to all affected parties, as well as their heirs and devisees, of BORICA OIL, INC; BYRON BACHSCHMID; CIEZINSKI TRUST; DEAN KINSOLVING; CHARLES JAY KINSOLVING; 3SD INTERESTS, LLC; ASHLEY CROW; DEVARGAS STREET, LLC; FRANCIS G. TRACY; HANSON OPERATING COMPANY; JON CIEZINSKI; EDDY RODRIGUEZ; L. NEIL & MARILYN BURCHAM; NORTON LLC; PATRICK & ALICE MORELLO TRUST; PENROC OIL CORPORATION; LONG LLC; ROBERT L. & PATRICIA J. DALE; THUNDERBOLT PETROLEUM LLC; TIM JENNINGS; SHAWN P. & FRANCES A. HANNIFIN; JOSEPHINE T. HUDSON TESTAMENTARY TRUST; FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST; K B. LIMITED PARTNERSHIP; KENEBREW MINERALS LP; LINDYS LIVING TRUST; ONRR; PENROC OIL CORPORATION; GENE SHUMATE; CAROL A SHUMATE; ARD ENERGY GROUP LTD; BABE DEVELOPMENT LLC; CHEROKEE LEGACY MINERALS LTD; DELMAR HUDSON LEWIS LIVING TRUST; DEVARGAS STREET LLC; ALAN R HANNIFIN; HANNIFIN FAMILY TRUST DTD 2/1/1994; JAVELINA PARTNERS; ALAN JOCHIMSEN; JOYCO INVESTMENTS LLC; SUE HANSON MCBRIDE; JULIE SCOTT MCBRIDE; DOUGLAS LADSON MCBRIDE III; MONTY D. & KARREN R MCLANE; A NELSON MUNCY; MARTIN B MUNCY; ROBERT & MCLANE; A NELSON MUNCY; MARTIN B MUNCY; ROBERT & MAXINE HANNIFIN TST; RODERICK AND MARIAN DAVIS REV TR; MICHELLE R SANDOVAL; STATES ROYALTY LIMITED PARTNERSHIP; ZORRO PARTNERS, LTD.; and LONG, LLC 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 April 2, 2020 to consider this application. The hearing will be held in Room 311 in the New Mexico State Capitol Building located at 490 Old Santa Fe Trail, Santa Fe, New Mexico 87501. Applicants seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit will be dedicated to the Black Diamond 34

March 14, 2020

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# Affidavit of Publication Ad # 0004108960 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:

03/14/2020

Legal Clerk

Subscribed and sworn before me this March 14, 2020:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

CASE NO. 21188: Notice to all affected parties, as well as their heirs and devisees, of BORICA OIL, INC; BYRON BACHSCHMID; CIEZINSKI TRUST; DEAN KINSOLVING; CHARLES JAY KINSOLVING; 3SD INTERESTS, LLC; ASHLEY CROW; DEVARGAS STREET, LLC; FRANCIS G. TRACY; HANSON OPERATING COMPANY; JON CIEZINSKI; EDDY RODRIGUEZ; L. NEIL & MARILYN BURCHAM; NORTON LLC; PATRICK & ALICE MORELLO TRUST; PENROC OIL CORPORATION; LONG LLC; ROBERT L. & PATRICIA J. DALE; THUNDERBOLT PETROLEUM LLC; TIM JENNINGS; SHAWN P. & FRANCES A. HANNIFIN; JOSEPHINE T. HUDSON TESTAMENTARY TRUST; FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST; FROST BANK TRUSTEE OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST; K B LIMITED PARTNERSHIP; KENEBREW MINERALS LP; LINDYS LIVING TRUST; ONRR; PENROC OIL CORPORATION; GENE SHUMATE; CAROL A SHUMATE; ARD ENERGY GROUP LTD; BABE DEVELOPMENT LLC; CHEROKEE LEGACY MINERALS LTD; DELMAR HUDSON LEWIS LIVING TRUST; DEVARGAS STREET LLC; ALAN R HANNIFIN; HANNIFIN FAMILY TRUST DTD 2/1/1994; JAVELINA PARTNERS; ALAN JOCHIMSEN; JOYCO INVESTMENTS LLC; SUE HANSON MCBRIDE; JULIE SCOTT MCBRIDE; DOUGLAS LADSON MCBRIDE III; MONTY D & KAREN R MCLANE; A NELSON MUNCY; MARTIN B MUNCY; ROBERT &MAXINE HANNIFIN TST; RODERICK AND MARIAN DAVIS REV TR; MICHELLE R SANDOVAL; STATES ROYALTY LIMITED PARTNERSHIP; ZORRO PARTNERS, LTD.; and LONG, LLC 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 April 2, 2020 to consider this application. The hearing will be held in Room 311 in the New Mexico State Capitol Building located at 490 Old Santa Fe Trail, Santa Fe, New Mexico 87501. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 240-conding interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actu

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