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Exhibit A

OCD Case 21303
(Rincon wells)
Colgate Operating, LLC
Affidavit of
Mark Hadjik

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

**APPLICATION OF COLGATE OPERATING, LLC
FOR COMPULSORY POOLING, AND NON-
STANDARD SPACING AND PRORATION UNIT IN
EDDY COUNTY, NEW MEXICO**

CASE NO. 21303

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

CASE NO. 21339

AFFIDAVIT

**STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)**

Mark Hadjik, being duly sworn, deposes and states:

1. I am over the age of 18, I am a landman for Colgate Operating, LLC, and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the division as a matter of record.

2. My area of responsibility of Colgate Operating, LLC includes the area of Eddy County in New Mexico.

3. I am familiar with the application filed with by Colgate Operating, LLC.

4. I am familiar with the status of the lands that are subject to these applications.

5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling applications.

6. In Case 21303 Applicant seeks an order pooling all mineral interests within the Bone Spring Formation, underlying the S/2 of Section 22, Township 19 South, Range 28 East, NMPM and Section 28, Township 19 South, Range 28 East, NMPM, Eddy County,

New Mexico. Applicant seeks to dedicate the horizontal spacing unit described below to the following four initial wells:

- A. Rincon 22 State 123H
SHL: 1380 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 1613 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7400 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: N/2 S/2 of Section 22;
- B. Rincon 22 State 133H
SHL: 1335 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 1713 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: N/2 S/2 of Section 22;
- C. Rincon 22 State 124H
SHL: 1290 feet from the South line and 263 feet from the West line, (Unit M) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 330 feet from the South line and 100 feet from the East line, (Unit P) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: S/2 S/2 of Section 22;
- D. Rincon 22 State 134H
SHL: 1245 feet from the South line and 263 feet from the West line, (Unit M) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 430 feet from the South line and 100 feet from the East line, (Unit P) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: S/2 S/2 of Section 22.

Attached hereto as Exhibits 1, 2, 3, and 4 are copies of the C-102s for the foregoing wells, together with associated and aerial maps.

7. In Case 21339 Applicant seeks an order pooling all mineral interests within

the Palmillo Bone Spring Pool (Pool Code 96413), underlying the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the horizontal spacing unit described below to the following two initial wells:

A. **Toro 22 Fed State Com 121H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: West to East
Completion Location: standard;

B. **Toro 22 Fed State Com 131H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location: standard.

Attached hereto as **Exhibits 5 and 6** are copies of the C-102s for the foregoing wells, together with associated and aerial maps.

8. The parties being pooled and the percent of their interests are shown in **Exhibits 7 and 8** for the respective cases. The owners of overriding royalty interests are also identified in Exhibits 7 and 8.

9. Colgate Operating LLC have conducted a diligent search of the public records in the county where the wells are located and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed all parties well proposals. Copies of Communication Timelines are attached hereto as **Exhibits 9 and 10** for both cases.

10. In my opinion, Colgate Operating. LLC has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

11. **Exhibit 11 and 12** is a copy of a proposal letter sent to working interest owners, which were sent on November 4, 2019, for the proposed wells in both cases together with AFEs.

12. The proposal letters identified the proposed first and last take points and approximate TVD.

13. **Exhibit 13** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico. Colgate Operating, LLC requests overhead and administrative rates of \$8,000.00/month for drilling a well and \$800.00/month for a producing well. 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. Colgate Operating, LLC requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

14. Colgate Operating, LLC requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

15. Colgate Operating, LLC requests that it be designated operator of the wells.

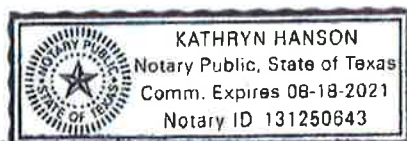
16. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

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

18. The granting of this application is in the interests of conservation and the prevention of waste.


MARK HADJIK

SUBSCRIBED AND SWORN to before me this 20th day of July, 2020, by MARK HADJIK on behalf of Colgate Operating, LLC



My Commission Expires.
8/18/21


Notary Public

DISTRICT I
1686 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1280 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name Toro 22 Fed State Com			Well Number 121H
COORD No.		Operator Name Colgate Operating, LLC			Elevation 3424

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	22	19 S	28 E		1437	North	255	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	22	19 S	28 E		990	North	10	East	Eddy

¹² Dedicated Acres		¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶

SURFACE LOCATION
NAD 83 NMSPC ZONE 3001
Y=800052.73 N
X=591041.91 E
LAT.=32.6494887° N
LONG.=104.1718417° W

BOTTOM HOLE LOCATION
NAD 83 NMSPC ZONE 3001
Y=800547.48 N
X=595972.26 E
LAT.=32.6508270° N
LONG.=104.1558202° W

SURFACE LOCATION
NAD 27 NMSPC ZONE 3001
Y=599990.74 N
X=548862.10 E
LAT.=32.6493719° N
LONG.=104.1713331° W

BOTTOM HOLE LOCATION
NAD 27 NMSPC ZONE 3001
Y=800485.44 N
X=554792.46 E
LAT.=32.6507100° N
LONG.=104.1553119° W

FIRST TAKE POINT
NAD 83 NMSPC ZONE 3001
990' FNL, 100' FWL
SEC. 22, T19S, R28E
Y=800488.52 N
X=590887.38 E
LAT.=32.6507147° N
LONG.=104.1723416° W

FIRST TAKE POINT
NAD 27 NMSPC ZONE 3001
990' FNL, 100' FWL
SEC. 22, T19S, R28E
Y=800438.52 N
X=549707.58 E
LAT.=32.6505978° N
LONG.=104.1718329° W

LAST TAKE POINT
NAD 83 NMSPC ZONE 3001
990' FNL, 100' FEL
SEC. 22, T19S, R28E
Y=800548.67 N
X=595882.27 E
LAT.=32.6508252° N
LONG.=104.1561126° W

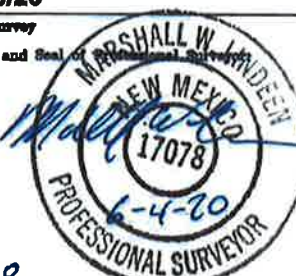
LAST TAKE POINT
NAD 27 NMSPC ZONE 3001
990' FNL, 100' FEL
SEC. 22, T19S, R28E
Y=800484.83 N
X=554702.46 E
LAT.=32.6507082° N
LONG.=104.1558043° W

Legend:
● = Surface Location
○ = Bottom Hole Location
△ = First Take Point (FTP)
□ = Last Take Point (LTP)
⊙ = Found 1941 USGLO Brass Cap

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

Signature _____ Date _____
Printed Name _____
E-mail Address _____

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

3/18/20
Date of Survey
Signature and Seal of Professional Surveyor

17078
Certificate Number

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6181 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 478-3480 Fax: (505) 478-3483

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name Toro 22 Fed State Com			Well Number 131H
GRID No.		Operator Name Colgate Operating, LLC			Elevation 3423

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	22	19 S	28 E		1392	North	255	West	Eddy

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	22	19 S	28 E		990	North	10	East	Eddy

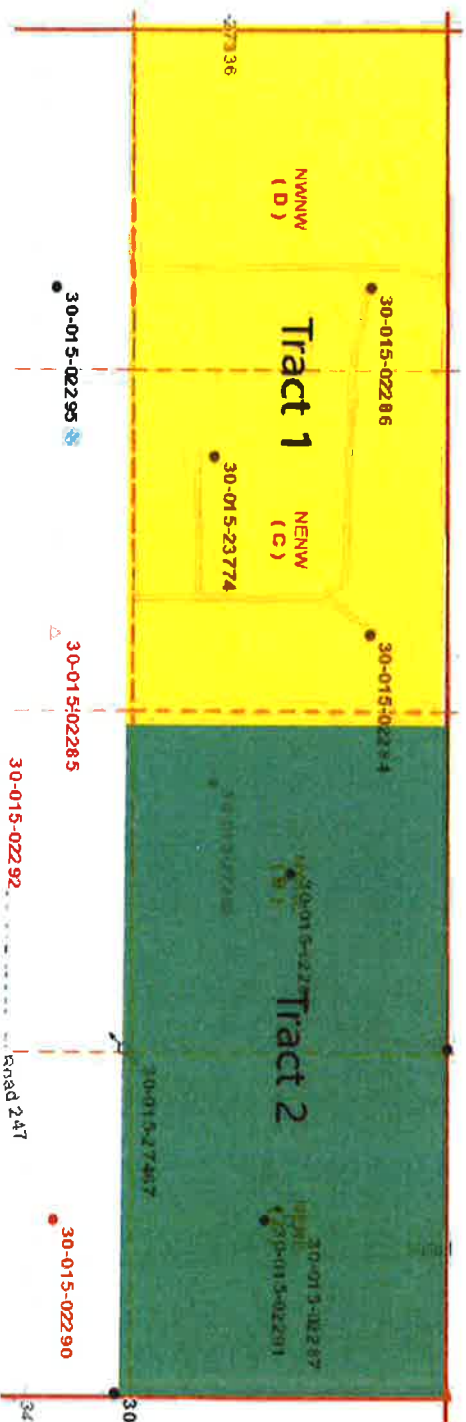
Dedicated Acres		Joint or Infill	Consolidation Code	Order No.
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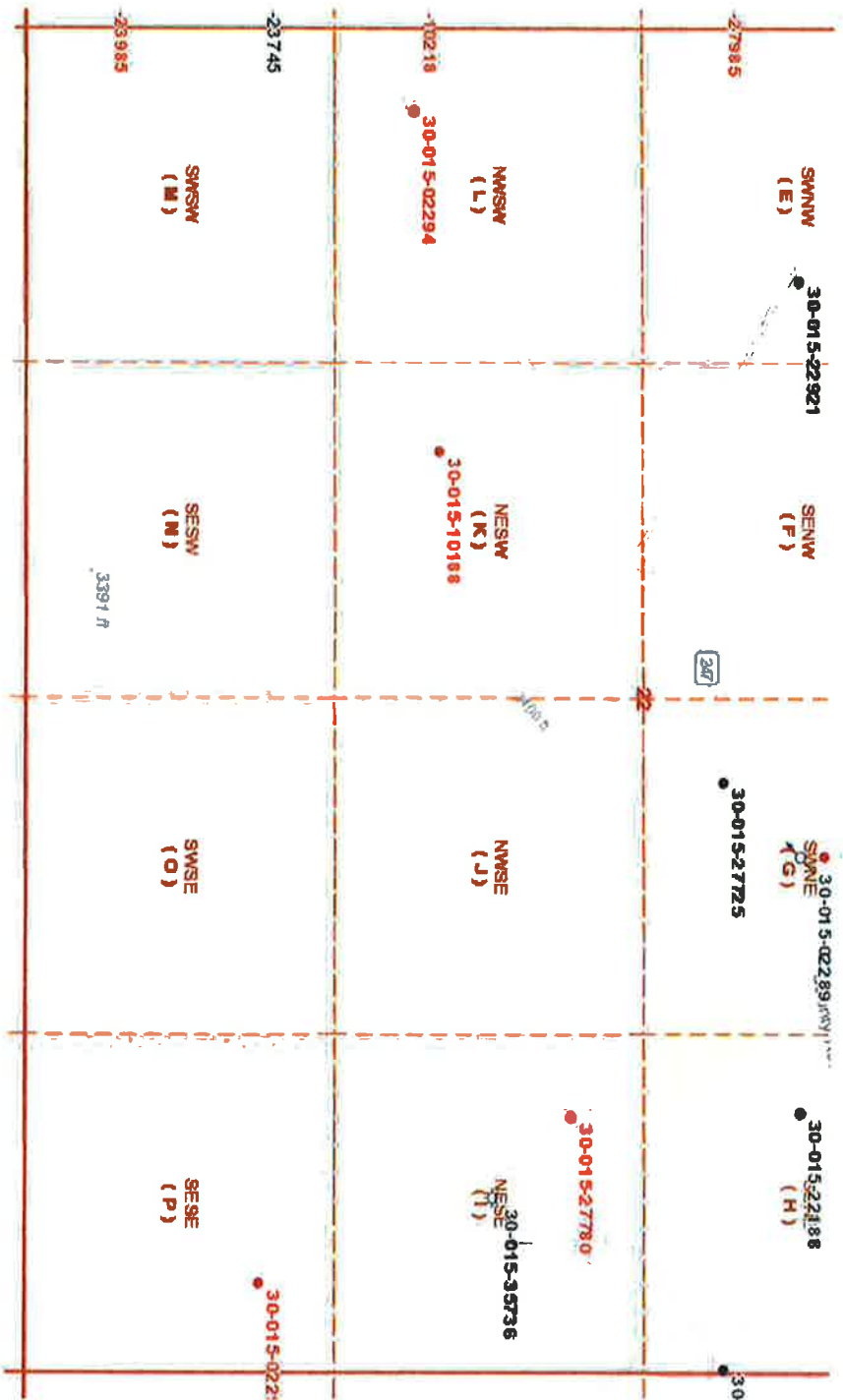
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>SURFACE LOCATION NAD 83 NMSPC ZONE 3001 Y=800097.85 N X=591041.91 E LAT.=32.8496122° N LONG.=104.1718415° W</p> <p>BOTTOM HOLE LOCATION NAD 83 NMSPC ZONE 3001 Y=800547.48 N X=595972.28 E LAT.=32.8508270° N LONG.=104.1558202° W</p> <p>SURFACE LOCATION NAD 27 NMSPC ZONE 3001 Y=800035.66 N X=549882.11 E LAT.=32.8494953° N LONG.=104.1713328° W</p> <p>BOTTOM HOLE LOCATION NAD 27 NMSPC ZONE 3001 Y=800485.44 N X=554792.46 E LAT.=32.8507100° N LONG.=104.1553119° W</p> <p>Section 22</p>	<p>FIRST TAKE POINT NAD 83 NMSPC ZONE 3001 990' FNL, 100' FWL SEC. 22, T19S, R28E Y=800498.52 N X=590887.38 E LAT.=32.8507147° N LONG.=104.1723416° W</p> <p>FIRST TAKE POINT NAD 27 NMSPC ZONE 3001 990' FNL, 100' FWL SEC. 22, T19S, R28E Y=800438.52 N X=549707.58 E LAT.=32.8505978° N LONG.=104.1718328° W</p> <p>LAST TAKE POINT NAD 83 NMSPC ZONE 3001 990' FNL, 100' FEL SEC. 22, T19S, R28E Y=800548.67 N X=595882.27 E LAT.=32.8508252° N LONG.=104.1561126° W</p> <p>LAST TAKE POINT NAD 27 NMSPC ZONE 3001 990' FNL, 100' FEL SEC. 22, T19S, R28E Y=800484.63 N X=554702.46 E LAT.=32.8507082° N LONG.=104.1558043° W</p> <p>Legend: ● = Surface Location ○ = Bottom Hole Location △ = First Take Point (FTP) □ = Last Take Point (LTP) ⊙ = Found 1941 USGLO Brass Cap</p>	<p>17 OPERATOR CERTIFICATION</p> <p>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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>3/18/20</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>MARSHALL W. LINDEEM NEW MEXICO 17078 6-4-20 PROFESSIONAL SURVEYOR</p> <p>17078 Certificate Number</p>
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WI OWNER (ToPO)	TRACT	NET	WI	FORCE POOL INTEREST
Colgate Production, LLC	1, 2	113	70.63%	Operator
CM Resources, LLC	2	6.388	3.99%	No
Fasken Oil and Ranch	2	20.2951	12.68%	Yes
Marbob Energy	2	TBD		Yes
Pitch Energy	2	TBD		Yes
COG Operating	2	TBD		Yes
ZPZ Delaware I	2	8.75	5.47%	Yes
RSC Resources	2	2.3464	1.47%	Yes
Nightengale Properties	2	0.57986	0.36%	Yes

TBD = WI to be determined after COG/Marbob/Pitch title dispute





Toro 22 Communication Timeline

April 2020 – Initial proposals sent for the Toro 22 Fed State Com wells

May/June, 2020 – Various conversations with COG regarding attempts to trade or participate. Title issues arose as to whether COG actually acquire Pitch/Marbob's interest

June 2020 – Pitch/Marbob sent proposals in the event COG is unable to cure to title to ensure sufficient notice to all parties.

February-May 2020 – Various negotiations with Fasken regarding their interest. Agreement to acquire reached. Anticipate closing prior to issuance of order.

June 2020 – Agreement reached to acquire Fasken and scheduled to close July 31.

July 2020 – Completed transaction to acquire EOG's interest in the wells.

July 20, 2020 – As of this date several parties have not yet executed an OA, the Fasken transaction has not yet closed, and several parties have not responded.



Via Certified Mail

June 23, 2020

RE: Toro 22 Fed State Com Well Proposals
N/2 of Sec. 22 T19S-28E, Bone Spring Formation
Eddy County, New Mexico

To whom it may concern:

Colgate Production, LLC ("Colgate"), hereby proposes the drilling of four (4) wells, the Toro 22 Fed State Com 121H, 122H, 131H, and 132H at the following approximate locations:

Toro 22 Fed State Com 121H
SHL: 1452' FNL and 255' FWL of Section 22-19S-28E
BHL: 1100' FNL and 10' FEL of Section 22-19S-28E
TVD: 7,365'
TMD: 12,119'
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

Toro 22 Fed State Com 122H
SHL: 1452' FNL and 255' FWL of Section 22-19S-28E
BHL: 1383' FNL and 10' FEL of Section 22-19S-28E
TVD: 7,445'
TMD: 12,119'
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

Toro 22 Fed State Com 131H
SHL: 1452' FNL and 255' FWL of Section 22-19S-28E
BHL: 1000' FNL and 10' FEL of Section 22-19S-28E
TVD: 8,685'
TMD: 13,439'
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

Toro 22 Fed State Com 132H
SHL: 1452' FNL and 255' FWL of Section 22-19S-28E
BHL: 2283' FNL and 10' FEL of Section 22-19S-28E
TVD: 8,705'
TMD: 13,459'
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

The locations, TVD's, 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 your election to participate. The Operating Agreement will have the following general provisions:

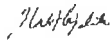
- 100%/200%/200% non-consent provisions
- \$8,000/\$800 drilling and producing rates
- Colgate Operating, LLC named as Operator

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,



Mark Hajdik
Senior Landman

Colgate Energy
300 N. Marienfeld St.
Suite 1000
Midland, TX 79701

Enclosures

Well Elections

_____ I/We hereby elect to participate in the Toro 22 Fed State Com 121H.

_____ I/We hereby elect NOT to participate in the Toro 22 Fed State Com 121H.

_____ I/We hereby elect to participate in the Toro 22 Fed State Com 122H.

_____ I/We hereby elect NOT to participate in the Toro 22 Fed State Com 122H.

_____ I/We hereby elect to participate in the Toro 22 Fed State Com 131H.

_____ I/We hereby elect NOT to participate in the Toro 22 Fed State Com 131H.

_____ I/We hereby elect to participate in the Toro 22 Fed State Com 132H.

_____ I/We hereby elect NOT to participate in the Toro 22 Fed State Com 132H.

Working Interest Owner: _____

Printed Name: _____

Date: _____

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

DATE:	4/7/2020	AFE NO.:	0
WELL NAME:	Toro 22 Fed State Com 121H	FIELD:	0
LOCATION:	NM	MD/TVD:	12119 / 7365
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,427
Colgate WI:		DRILLING DAYS:	25
GEOLOGIC TARGET:	2nd Bone Spring	COMPLETION DAYS:	11

REMARKS: Drill and Complete 30 stages in the 2nd Bone Spring formation. AFE includes D&C, flowback & initial ESP install

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 14,018	\$ -	\$ -	\$ 14,018
61 Intermediate Casing	60,726	-	-	60,726
62 Drilling Liner	-	-	-	-
63 Production Casing	192,419	-	-	192,419
64 Production Liner	-	-	-	-
65 Tubing	-	-	45,000	45,000
66 Wellhead	71,000	-	60,000	132,000
67 Packers, Liner Hangers	26,000	-	-	26,000
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	90,000	90,000
73 Compressor	-	-	-	-
74 Installation Costs	-	-	62,000	62,000
75 Surface Pumps	-	-	5,000	5,000
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	-	-
78 Gas Conditioning/ Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	-	-
80 Gathering/ Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank/ Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical/ Grounding	-	-	90,000	90,000
85 Communications/ SCADA	-	-	-	-
86 Instrumentation/ Safety	-	-	-	-
TOTAL TANGIBLES >	394,162	0	352,000	736,162
TOTAL COSTS >	3,291,005	2,765,633	450,780	6,507,418

Drilling Engineer:	Rafael Madrid	
Completions Engineer:	Brady Adams	CSM
Production Engineer:	Brady Adams	

Co CEO _____	Co CEO _____	VP - Operations _____
VP - Land & Legal _____	VP - Growth _____	CRM _____
WH _____	JW _____	
BC _____	SL _____	

Company Name: _____ Working Interest (%) _____ Tax ID _____
Signed by: _____ Date: _____
Title: _____ Approval: ☐ Yes ☐ No (mark one)

Ex.APg.020

Colgate Energy

303 W. Wall St., Midland TX 79701

Phone (432) 695-4257 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	4/7/2020	AFE NO.:	0
WELL NAME:	Toro 22 Fed State Com 131H	FIELD:	0
LOCATION:	NM	MD/TVD:	13439 / 8685
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,427
Colgate Well:		DRILLING DAYS:	26
GEOLOGIC TARGET:	3rd Bone Spring	COMPLETION DAYS:	11

REMARKS: Drill and Complete 30 stages in the 3rd Bone Spring formation. AFE includes D&C, flowback & initial ESP install.

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 35,000	\$ -	\$ -	\$ 35,000
2 Location, Surveys & Damages	230,000	13,000	10,000	243,000
4 Freight / Transportation	25,000	17,250	-	42,250
5 Rental - Surface Equipment	91,296	149,400	30,000	270,696
6 Rental - Downhole Equipment	106,331	50,000	-	156,331
7 Rental - Living Quarters	52,588	40,100	10,000	102,688
10 Directional Drilling, Surveys	261,500	-	-	261,500
11 Drilling	738,238	-	-	738,238
12 Drill Bits	106,000	-	-	106,000
13 Fuel & Power	150,150	225,000	-	375,150
14 Cementing & Float Equip	215,000	-	-	215,000
16 Perforating, Wireline, Slickline	-	221,500	8,000	229,500
17 High Pressure Pump Truck	-	10,000	-	10,000
18 Completion Unit, Swab, CTU	-	70,000	15,400	85,400
20 Mud Circulation System	76,905	-	-	76,905
21 Mud Logging	19,830	-	-	19,830
22 Logging / Formation Evaluation	11,900	8,000	-	19,900
23 Mud & Chemicals	219,022	225,000	-	444,022
24 Water	25,500	390,744	-	416,244
25 Stimulation	-	840,000	-	840,000
26 Stimulation Flowback & Disp	-	108,500	-	108,500
28 Mud / Wastewater Disposal	101,375	89,000	-	190,375
30 Rig Supervision / Engineering	115,180	54,400	6,400	175,980
32 Drilg & Completion Overhead	9,750	-	-	9,750
35 Labor	141,000	12,500	10,000	163,500
95 Insurance	24,190	-	-	24,190
97 Contingency	275,175	215,259	8,980	499,415
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	3,026,900	2,765,633	98,780	5,891,313

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 14,018	\$ -	\$ -	\$ 14,018
61 Intermediate Casing	69,736	-	-	69,736
62 Drilling Liner	194,445	-	-	194,445
63 Production Casing	218,921	-	-	218,921
64 Production Liner	-	-	-	-
65 Tubing	-	-	15,000	15,000
66 Wellhead	77,000	-	60,000	137,000
67 Packers, Liner Hangers	76,000	-	-	76,000
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	90,000	90,000
73 Compressor	-	-	-	-
74 Installation Costs	-	-	62,000	62,000
75 Surface Pumps	-	-	3,000	3,000
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	-	-
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	-	-
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical / Grounding	-	-	90,000	90,000
85 Communications / SCADA	-	-	-	-
86 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	650,109	0	352,000	1,002,109
TOTAL COSTS >	3,677,040	2,765,633	450,780	6,893,453

PREPARED BY Colgate Energy:

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

Colgate Energy APPROVAL:

Co-CEO	WH	Co-CEO	IW	VP - Operations	CRM
VP - Land & Legal	BC	VP - Geosciences	SC		

NON OPERATING PARTNER APPROVAL:

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

This document is for informational purposes only and does not constitute an offer or solicitation of securities. It is not intended to be used as a basis for investment decisions. The information contained herein is confidential and proprietary to Colgate Energy. It is to be used only for the purposes stated herein and is not to be distributed to any other party without the prior written consent of Colgate Energy. This document is not to be used for any other purpose.

Table of Contents

Exhibit A

OCD Case 21339
(Toro wells)
Colgate Operating, LLC
Affidavit of
Mark Hadjik

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2) Exhibits 5 through 6 C-102's Toro wells	9-10
3) Exhibit 8 Overriding royalty interest Toro wells	11-12
4) Exhibit 10 Communication timeline Toro wells	16
5) Exhibit 11 Well proposal letters	17-19
6) Exhibit 13 AFE's Toro wells	20-21

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

**APPLICATION OF COLGATE OPERATING, LLC
FOR COMPULSORY POOLING, AND NON-
STANDARD SPACING AND PRORATION UNIT IN
EDDY COUNTY, NEW MEXICO**

CASE NO. 21303

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

CASE NO. 21339

AFFIDAVIT

**STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)**

Mark Hadjik, being duly sworn, deposes and states:

1. I am over the age of 18, I am a landman for Colgate Operating, LLC, and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the division as a matter of record.

2. My area of responsibility of Colgate Operating, LLC includes the area of Eddy County in New Mexico.

3. I am familiar with the application filed with by Colgate Operating, LLC.

4. I am familiar with the status of the lands that are subject to these applications.

5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling applications.

6. In Case 21303 Applicant seeks an order pooling all mineral interests within the Bone Spring Formation, underlying the S/2 of Section 22, Township 19 South, Range 28 East, NMPM and Section 28, Township 19 South, Range 28 East, NMPM, Eddy County,

New Mexico. Applicant seeks to dedicate the horizontal spacing unit described below to the following four initial wells:

- A. **Rincon 22 State 123H**
SHL: 1380 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 1613 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7400 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: N/2 S/2 of Section 22;
- B. **Rincon 22 State 133H**
SHL: 1335 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 1713 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: N/2 S/2 of Section 22;
- C. **Rincon 22 State 124H**
SHL: 1290 feet from the South line and 263 feet from the West line, (Unit M) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 330 feet from the South line and 100 feet from the East line, (Unit P) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: S/2 S/2 of Section 22;
- D. **Rincon 22 State 134H**
SHL: 1245 feet from the South line and 263 feet from the West line, (Unit M) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 430 feet from the South line and 100 feet from the East line, (Unit P) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: S/2 S/2 of Section 22.

Attached hereto as Exhibits 1, 2, 3, and 4 are copies of the C-102s for the foregoing wells, together with associated and aerial maps.

7. In Case 21339 Applicant seeks an order pooling all mineral interests within

the Palmillo Bone Spring Pool (Pool Code 96413), underlying the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the horizontal spacing unit described below to the following two initial wells:

A. **Toro 22 Fed State Com 121H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: West to East
Completion Location: standard;

B. **Toro 22 Fed State Com 131H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location: standard.

Attached hereto as **Exhibits 5 and 6** are copies of the C-102s for the foregoing wells, together with associated and aerial maps.

8. The parties being pooled and the percent of their interests are shown in **Exhibits 7 and 8** for the respective cases. The owners of overriding royalty interests are also identified in Exhibits 7 and 8.

9. Colgate Operating LLC have conducted a diligent search of the public records in the county where the wells are located and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed all parties well proposals. Copies of Communication Timelines are attached hereto as **Exhibits 9 and 10** for both cases.

10. In my opinion, Colgate Operating. LLC has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

11. **Exhibit 11 and 12** is a copy of a proposal letter sent to working interest owners, which were sent on November 4, 2019, for the proposed wells in both cases together with AFEs.

12. The proposal letters identified the proposed first and last take points and approximate TVD.

13. **Exhibit 13** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico. Colgate Operating, LLC requests overhead and administrative rates of \$8,000.00/month for drilling a well and \$800.00/month for a producing well. 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. Colgate Operating, LLC requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

14. Colgate Operating, LLC requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

15. Colgate Operating, LLC requests that it be designated operator of the wells.

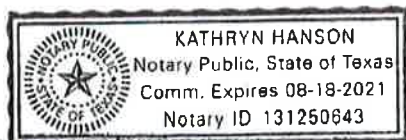
16. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

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

18. The granting of this application is in the interests of conservation and the prevention of waste.


MARK HADJIK

SUBSCRIBED AND SWORN to before me this 20th day of July, 2020, by MARK HADJIK on behalf of Colgate Operating, LLC



My Commission Expires.
8/18/21


Kathryn Hanson
Notary Public

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Artec, N.M. 87410
Phone: (505) 834-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 478-3460 Fax: (505) 478-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code		*Pool Name	
*Property Code		*Property Name Rincon 22 State			*Well Number 123H
*OGRID No.		*Operator Name Colgate Operating, LLC			*Elevation 3397

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	22	19 S	28 E		1335	South	263	West	Eddy

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	22	19 S	28 E		1650	South	10	East	Eddy

*Dedicated Acres		*Joint or Infill	*Consolidation Code	*Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

SURFACE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 597553.14 N
X= 591051.49 E
LAT.= 32.8426180° N
LONG.= 104.1718229° W

SURFACE LOCATION
NAD 27 NMSPC ZONE 3001
Y= 597491.20 N
X= 549871.84 E
LAT.= 32.8425011° N
LONG.= 104.1713145° W

BOTTOM HOLE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 597908.74 N
X= 585873.89 E
LAT.= 32.8435739° N
LONG.= 104.1558292° W

BOTTOM HOLE LOCATION
NAD 27 NMSPC ZONE 3001
Y= 597846.78 N
X= 554794.04 E
LAT.= 32.8434568° N
LONG.= 104.1553211° W

FIRST TAKE POINT
NAD 83 NMSPC ZONE 3001
1650' FSL, 100' FWL
SEC. 22, T19S, R28E
Y= 597887.22 N
X= 590888.21 E
LAT.= 32.8434820° N
LONG.= 104.1723518° W

FIRST TAKE POINT
NAD 27 NMSPC ZONE 3001
1650' FSL, 100' FWL
SEC. 22, T19S, R28E
Y= 597805.28 N
X= 549708.36 E
LAT.= 32.8433851° N
LONG.= 104.1718434° W

LAST TAKE POINT
NAD 83 NMSPC ZONE 3001
1650' FSL, 100' FEL
SEC. 22, T19S, R28E
Y= 597807.99 N
X= 595883.89 E
LAT.= 32.8435722° N
LONG.= 104.1561218° W

LAST TAKE POINT
NAD 27 NMSPC ZONE 3001
1650' FSL, 100' FEL
SEC. 22, T19S, R28E
Y= 597848.01 N
X= 554704.04 E
LAT.= 32.8434551° N
LONG.= 104.1558135° W

Legend:

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

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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____


E-mail Address _____

18 SURVEYOR CERTIFICATION

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

1/27/20

Date of Survey
Plat Revised: 05/28/20
Signature and Seal of Professional Surveyor



17078
Certificate Number

Revised August 1, 2011

**Submit one copy to appropriate
District Office**

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, N.M. 87505

DISTRICT II
611 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name Rincon 22 State			6 Well Number 124H
7 OGRID No.		8 Operator Name Colgate Operating, LLC			9 Elevation 3397

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	19 S	28 E		1290	South	263	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	19 S	28 E		330	South	10	East	Eddy

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

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SURFACE LOCATION
 NAD 83 NMSPC ZONE 3001
 Y= 597508.18 N
 X= 591051.51 E
 LAT.= 32.6424944° N
 LONG.= 104.1718231° W

BOTTOM HOLE LOCATION
 NAD 83 NMSPC ZONE 3001
 Y= 596588.70 N
 X= 595974.17 E
 LAT.= 32.8399455° N
 LONG.= 104.1558354° W

SURFACE LOCATION
 NAD 27 NMSPC ZONE 3001
 Y= 597446.24 N
 X= 549871.66 E
 LAT.= 32.6423775° N
 LONG.= 104.1713147° W

BOTTOM HOLE LOCATION
 NAD 27 NMSPC ZONE 3001
 Y= 596526.75 N
 X= 554794.30 E
 LAT.= 32.6398283° N
 LONG.= 104.1553275° W

FIRST TAKE POINT
 NAD 83 NMSPC ZONE 3001
 330' FSL, 100' FWL
 SEC. 22, T19S, R28E
 Y= 596547.19 N
 X= 590889.70 E
 LAT.= 32.6398536° N
 LONG.= 104.1723535° W

FIRST TAKE POINT
 NAD 27 NMSPC ZONE 3001
 330' FSL, 100' FWL
 SEC. 22, T19S, R28E
 Y= 596485.28 N
 X= 549709.84 E
 LAT.= 32.6397367° N
 LONG.= 104.1718451° W

LAST TAKE POINT
 NAD 83 NMSPC ZONE 3001
 330' FSL, 100' FEL
 SEC. 22, T19S, R28E
 Y= 596587.95 N
 X= 595884.17 E
 LAT.= 32.8399438° N
 LONG.= 104.1561278° W

LAST TAKE POINT
 NAD 27 NMSPC ZONE 3001
 330' FSL, 100' FEL
 SEC. 22, T19S, R28E
 Y= 596526.00 N
 X= 554704.30 E
 LAT.= 32.6398267° N
 LONG.= 104.1556198° W

Legend:

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

17 OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

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

1/27/20

Date of Survey _____

Signature and Seal of Professional Surveyor _____

17078

Certificate Number

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
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State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name Rincon 22 State	⁶ Well Number 133H
⁷ OGRID No.	⁸ Operator Name Colgate Operating, LLC	⁹ Elevation 3397

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	22	19 S	28 E		1335	South	263	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	22	19 S	28 E		1713	South	10	East	Eddy

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

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

SURFACE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 597553.14 N
X= 591051.49 E
LAT.= 32.6426180° N
LONG.= 104.1718229° W

SURFACE LOCATION
NAD 27 NMSPC ZONE 3001
Y= 597491.20 N
X= 549871.64 E
LAT.= 32.6425011° N
LONG.= 104.1713145° W

BOTTOM HOLE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 597971.75 N
X= 595973.88 E
LAT.= 32.6437471° N
LONG.= 104.1558289° W

BOTTOM HOLE LOCATION
NAD 27 NMSPC ZONE 3001
Y= 597909.77 N
X= 554794.03 E
LAT.= 32.6436300° N
LONG.= 104.1553208° W

FIRST TAKE POINT
NAD 83 NMSPC ZONE 3001
1713' FSL, 100' FWL
SEC. 22, T19S, R28E
Y= 597930.22 N
X= 590888.14 E
LAT.= 32.6436552° N
LONG.= 104.1723518° W

FIRST TAKE POINT
NAD 27 NMSPC ZONE 3001
1713' FSL, 100' FWL
SEC. 22, T19S, R28E
Y= 597868.28 N
X= 549708.29 E
LAT.= 32.6435383° N
LONG.= 104.1718433° W

LAST TAKE POINT
NAD 83 NMSPC ZONE 3001
1713' FSL, 100' FEL
SEC. 22, T19S, R28E
Y= 597970.99 N
X= 595883.88 E
LAT.= 32.6437454° N
LONG.= 104.1561213° W


LAST TAKE POINT
NAD 27 NMSPC ZONE 3001
1713' FSL, 100' FEL
SEC. 22, T19S, R28E
Y= 597909.01 N
X= 554704.03 E
LAT.= 32.6436283° N
LONG.= 104.1556132° W

Legend:
● = Surface Location
○ = Bottom Hole Location
△ = First Take Point (FTP)
□ = Last Take Point (LTP)
● = Found 1941 USGLO Brass Cap

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

Signature _____ Date _____
Printed Name _____
E-mail Address _____

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

1/27/20
Date of Survey
Signature and Seal of Professional Surveyor

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, N.M. 87606

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name Rincon 22 State	⁶ Well Number 134H
⁷ OGRD No.	⁸ Operator Name Colgate Operating, LLC	⁹ Elevation 3396

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	19 S	28 E		1245	South	263	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	19 S	28 E		430	South	10	East	Eddy

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

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

SURFACE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 597463.15 N
X= 591051.60 E
LAT.= 32.6423707° N
LONG.= 104.1718230° W

BOTTOM HOLE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 596688.70 N
X= 595974.15 E
LAT.= 32.6402203° N
LONG.= 104.1558350° W

SURFACE LOCATION
NAD 27 NMSPC ZONE 3001
Y= 597401.22 N
X= 549871.75 E
LAT.= 32.6422537° N
LONG.= 104.1713146° W

BOTTOM HOLE LOCATION
NAD 27 NMSPC ZONE 3001
Y= 596626.75 N
X= 554794.28 E
LAT.= 32.6401032° N
LONG.= 104.1553270° W

FIRST TAKE POINT
NAD 83 NMSPC ZONE 3001
430' FSL, 100' FWL
SEC. 22, T19S, R28E
Y= 596647.19 N
X= 590889.59 E
LAT.= 32.6401285° N
LONG.= 104.1723534° W

FIRST TAKE POINT
NAD 27 NMSPC ZONE 3001
430' FSL, 100' FWL
SEC. 22, T19S, R28E
Y= 596585.28 N
X= 549709.72 E
LAT.= 32.6400116° N
LONG.= 104.1718450° W

LAST TAKE POINT
NAD 83 NMSPC ZONE 3001
430' FSL, 100' FEL
SEC. 22, T19S, R28E
Y= 596687.95 N
X= 595884.15 E
LAT.= 32.6402187° N
LONG.= 104.1561274° W

LAST TAKE POINT
NAD 27 NMSPC ZONE 3001
430' FSL, 100' FEL
SEC. 22, T19S, R28E
Y= 596626.00 N
X= 554704.28 E
LAT.= 32.6401016° N
LONG.= 104.1556194° W

Legend:
● = Surface Location
○ = Bottom Hole Location
△ = First Take Point (FTP)
□ = Last Take Point (LTP)
⊗ = Found 1941 USGLO Brass Cap

17 OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

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

1/27/20

Date of Survey

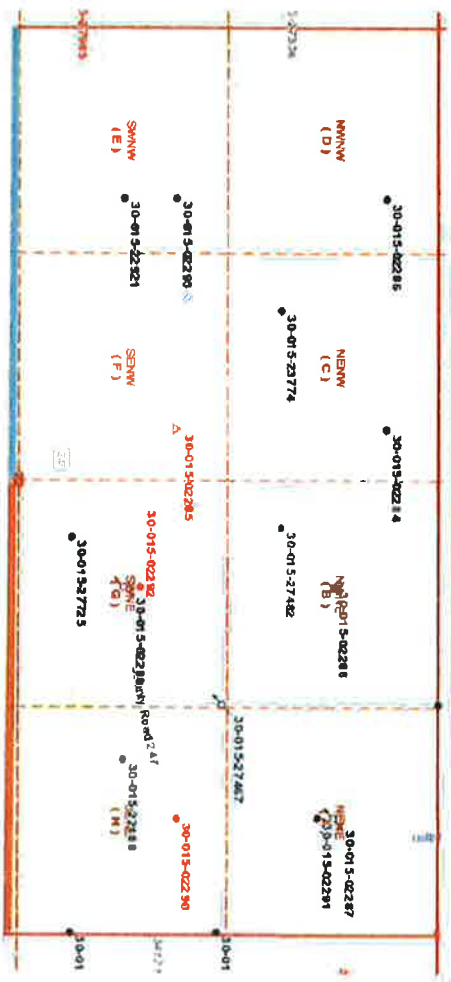
Signature and Seal of Professional Surveyor



17078
Certificate Number

W1 OWNER (Rimcon)	TRACT	NET	W1	FORCE POOL INTEREST
Colgate Production, LLC	1, 2	107.587	33.621%	Operator
CM Resources, LLC	1, 2	77.7	24.281%	No
ZPZ Delaware	1, 2	30.833	9.635%	Yes
Fasken Land and Minerals	2	40.5903	12.684%	Yes
Concho	1, 2	TBD		Yes
RSC Resources	2	4.63	1.447%	Yes
Nightengale Petroleum Properties	2	1.15973	0.362%	Yes
Pitch Energy	1, 2	TBD		Yes
Marbob	1, 2	TBD		Yes

TBD = WI to be determined after COG/Marbob/Pitch title dispute



Rincon 22 Communication Timeline

February 27, 2020 – Initial proposals sent for the Rincon 22 State 123H, 124H, 133H, 134H.

March 2020 – Acquired the interest of Cannon Exploration, Barr Trust, and Wilson Trust.

March 2020 – Received a preference to participate from Nightengale, but has not executed an OA.

February - July 2020 – Numerous email and phone correspondence with COG regarding their possible interest in the wells. No final participation or acquisition response received from COG.

May/June, 2020 – COG and Marbob/Pitch attempting to ascertain ownership of their interest. Marbob/Pitch purport to have sold all interest; however, record title resides in their name.

July 2020 – Completed transaction to acquire EOG's interest in the wells.

July 2020 – Currently completing a transaction to acquire Fasken's interest in the wells. Anticipate closing prior to issuance of order.

July 20, 2020 – As of this date several parties have not yet executed an OA, the Fasken transaction has not yet closed, and several parties have not responded.



Via Certified Mail

February 27, 2020

**RE: Rincon 22 State Well Proposals
S/2 of Sec. 22 T19S-28E, Bone Spring Formation
Eddy County, New Mexico**

To whom it may concern:

Colgate Production, LLC ("Colgate"), hereby proposes the drilling of four (4) wells, the Rincon 22 State 123H, 124H, 133H, and 134H at the following locations:

Rincon 22 State 123H

SHL: 1320' FSL and 263' FWL of Section 22-19S-28E

BHL: 1613' FSL and 10' FEL of Section 22-19S-28E

TVD: 7,365'

TMD: 12,119'

Targeted Interval: 2nd Bone Spring

Total Cost: See attached AFE

Rincon 22 State 124H

SHL: 1320' FSL and 263' FWL of Section 22-19S-28E

BHL: 330' FSL and 10' FEL of Section 22-19S-28E

TVD: 7,445'

TMD: 12,119'

Targeted Interval: 2nd Bone Spring

Total Cost: See attached AFE

Rincon 22 State 133H

SHL: 1320' FSL and 263' FWL of Section 22-19S-28E

BHL: 1713' FSL and 10' FEL of Section 22-19S-28E

TVD: 8,685'

TMD: 13,439'

Targeted Interval: 3rd Bone Spring

Total Cost: See attached AFE

Rincon 22 State 134H

SHL: 1320' FSL and 263' FWL of Section 22-19S-28E

BHL: 430' FSL and 10' FEL of Section 22-19S-28E

TVD: 8,705'

TMD: 13,459'

Targeted Interval: 3rd Bone Spring

Total Cost: See attached 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 your election to participate. The Operating Agreement will have the following general provisions:

- 100%/200%/200% 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,



Mark Hajdik
Senior Landman

Colgate Energy
300 N. Marienfeld St.
Suite 1000
Midland, TX 79701

Enclosures

Well Elections

_____ I/We hereby elect to participate in the Rincon 22 State 123H.

_____ I/We hereby elect NOT to participate in the Rincon 22 State 123H.

_____ I/We hereby elect to participate in the Rincon 22 State 124H.

_____ I/We hereby elect NOT to participate in the Rincon 22 State 124H.

_____ I/We hereby elect to participate in the Rincon 22 State 133H.

_____ I/We hereby elect NOT to participate in the Rincon 22 State 133H.

_____ I/We hereby elect to participate in the Rincon 22 State 134H.

_____ I/We hereby elect NOT to participate in the Rincon 22 State 134H.

Working Interest Owner: _____

Printed Name: _____

Date: _____

Colgate Energy

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	2/27/2020	AFE NO.:	0
WELL NAME:	Rincon 22 State 123H	FIELD:	0
LOCATION:	NM	MD/TVD:	12119 / 7365
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,427
Colgate Well		DRILLING DAYS:	25
GEOLOGIC TARGET:	2nd Bone Spring	COMPLETION DAYS:	11

REMARKS: Drill and Complete 30 stages in the 2nd Bone Spring formation. AFE includes D&C, flowback & initial ESP install.

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land/Legal/Regulatory	\$ 35,000	\$ -	\$ -	\$ 35,000
2 Location, Surveys & Damages	220,000	13,000	10,000	243,000
4 Freight/Transportation	25,000	42,250	-	72,250
5 Rental - Surface Equipment	91,155	119,400	30,000	270,555
6 Rental - Downhole Equipment	106,331	50,000	-	156,331
7 Rental - Living Quarters	57,038	40,100	10,000	107,138
10 Directional Drilling, Surveys	253,300	-	-	253,300
11 Drilling	711,155	-	-	711,155
12 Drill Bits	106,000	-	-	106,000
13 Fuel & Power	111,375	225,000	-	369,375
14 Cementing & Float Equip	180,000	-	-	180,000
16 Perforating, Wireline, Slickline	-	221,500	8,000	229,500
17 High Pressure Pump Truck	-	10,000	-	10,000
18 Completion Unit, Swab, CTU	-	70,000	15,400	85,400
20 Mud Circulation System	73,630	-	-	73,630
21 Mud Logging	18,740	-	-	18,740
22 Logging/Formation Evaluation	11,050	8,000	-	19,050
23 Mud & Chemicals	200,697	223,000	-	423,697
24 Water	25,200	780,714	-	805,914
25 Stimulation	-	810,000	-	810,000
26 Stimulation Flowback & Disp	-	108,500	-	108,500
28 Mud/Wastewater Disposal	104,375	89,000	-	193,375
30 Rig Supervision/Engineering	110,250	54,400	6,400	171,050
32 Drig & Completion Overhead	9,375	-	-	9,375
35 Labor	141,000	12,500	10,000	163,500
95 Insurance	21,814	-	-	21,814
97 Contingency	264,258	213,239	8,980	486,477
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	2,906,843	2,765,633	98,780	5,771,256
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 14,018	\$ -	\$ -	\$ 14,018
61 Intermediate Casing	69,726	-	-	69,726
62 Drilling Liner	-	-	-	-
63 Production Casing	197,419	-	-	197,419
64 Production Liner	-	-	-	-
65 Tubing	-	-	45,000	45,000
66 Wellhead	77,000	-	60,000	137,000
67 Packers, Liner Hangers	26,000	-	-	26,000
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	90,000	90,000
73 Compressor	-	-	-	-
74 Installation Costs	-	-	62,000	62,000
75 Surface Pumps	-	-	5,000	5,000
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	-	-
78 Gas Conditioning/Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	-	-
80 Gathering/Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank/Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical/Grounding	-	-	90,000	90,000
85 Communications/SCADA	-	-	-	-
86 Instrumentation/Safety	-	-	-	-
TOTAL TANGIBLES >	384,162	0	352,000	736,162
TOTAL COSTS >	3,291,005	2,765,633	450,780	6,507,418

PREPARED BY Colgate Energy:

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

Colgate Energy APPROVAL:

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

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be incurred as a change in and specific costs at the field and at the project. Before any disbursements are made the AFE must be drilled up to a point prior the well has been completed. In executing this AFE, the Participant agrees upon the progress and the amount of work required, including legal, to carry out the drilling, completion and production in the terms of the applicable regulatory requirements and other government requirements. The Participant shall be bound by the applicable regulatory requirements, but if the Participant's well is not drilled and produced, the Participant shall not be bound by the applicable regulatory requirements.

Colgate Energy

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	2/27/2020	APE NO.:	0
WELL NAME:	Rincon 22 State 124H	FIELD:	0
LOCATION:	NM	MD/TVD:	12119 / 7445
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,427
Colgate Well:		DRILLING DAYS:	25
GEOLOGIC TARGET:	2nd Bone Spring	COMPLETION DAYS:	11

REMARKS: Drill and Complete 30 stages in the 2nd Bone Spring formation, APE includes D&C, flowback & initial ESP install.

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land/Legal/Regulatory	\$ 35,000	\$ -	\$ -	\$ 35,000
2 Location, Surveys & Damages	220,000	13,000	10,000	243,000
4 Freight/Transportation	25,000	12,250	-	37,250
5 Rental - Surface Equipment	91,155	149,400	30,000	270,555
6 Rental - Downhole Equipment	106,331	50,000	-	156,331
7 Rental - Living Quarters	51,004	10,100	10,000	101,104
10 Directional Drilling, Surveys	253,300	-	-	253,300
11 Drilling	713,455	-	-	713,455
12 Drill Bits	106,000	-	-	106,000
13 Fuel & Power	144,375	225,000	-	369,375
14 Cementing & Float Equip	180,000	-	-	180,000
16 Perforating, Wireline, Slickline	-	231,500	8,000	239,500
17 High Pressure Pump Truck	-	10,000	-	10,000
18 Completion Unit, Swab, CTU	-	70,000	15,400	85,400
20 Mud Circulation System	73,650	-	-	73,650
21 Mud Logging	18,740	-	-	18,740
22 Logging/Formation Evaluation	11,050	8,800	-	19,850
23 Mud & Chemicals	200,697	223,000	-	423,697
24 Water	25,560	390,714	-	416,274
25 Stimulation	-	840,000	-	840,000
26 Stimulation Flowback & Disp	-	108,500	-	108,500
28 Mod/Wastewater Disposal	104,375	89,000	-	193,375
30 Rig Supervision/Engineering	110,750	54,100	6,400	171,250
32 Drig & Completion Overhead	9,375	-	-	9,375
35 Labor	141,000	12,500	10,000	163,500
35 Insurance	21,814	-	-	21,814
47 Contingency	264,258	213,259	8,980	486,478
59 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	2,906,843	2,765,633	98,780	5,771,256

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
40 Surface Casing	\$ 14,018	\$ -	\$ -	\$ 14,018
61 Intermediate Casing	69,726	-	-	69,726
62 Drilling Liner	-	-	-	-
63 Production Casing	197,419	-	-	197,419
64 Production Liner	-	-	-	-
65 Tubing	-	-	45,000	45,000
66 Wellhead	77,000	60,000	-	137,000
67 Packers, Liner Hangers	36,000	-	-	36,000
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	90,000	90,000
73 Compressor	-	-	-	-
74 Installation Costs	-	-	62,000	62,000
75 Surface Pumps	-	-	5,000	5,000
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	-	-
78 Gas Conditioning/Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	-	-
80 Gathering/Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank/Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical/Grounding	-	-	90,000	90,000
85 Communications/SCADA	-	-	-	-
86 Instrumentation/Safety	-	-	-	-
TOTAL TANGIBLES >	384,162	0	352,000	736,162
TOTAL COSTS >	3,290,005	2,765,633	450,780	6,507,418

PREPARED BY Colgate Energy:

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

Colgate Energy APPROVAL:

Co-CEO	WH	Co-CEO	JW	VP - Operations	CRM
VP - Land & Legal	BC	VP - Geosciences	SL		

NON OPERATING PARTNER APPROVAL:

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

We warrant that this APE was prepared in accordance with the standards of the industry. We warrant that the information contained herein is true and correct to the best of our knowledge and belief. We warrant that the information contained herein is true and correct to the best of our knowledge and belief. We warrant that the information contained herein is true and correct to the best of our knowledge and belief. We warrant that the information contained herein is true and correct to the best of our knowledge and belief.

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

ESTIMATED COSTS AND ACTIVITY PROJECTIONS FOR EXPENDITURE			
DATE:	2/27/2020	AFE NO.:	0
WELL NAME:	Rincon 22 State 133H	FIELD:	0
LOCATION:	NM	MD/TVD:	13439 / 8685
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,427
Colgate WL:		DRILLING DAYS:	26
GEOLOGIC TARGET:	3rd Bone Spring	COMPLETION DAYS:	11

REMARKS: Drill and Complete 30 stages in the 3rd Bone Spring formation. AFE includes D&C, flowback & initial ESP install

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 14,018	\$ -	\$ -	\$ 14,018
61 Intermediate Casing	69,726	-	-	69,726
62 Drilling Liners	194,445	-	-	194,445
63 Production Casing	218,921	-	-	218,921
64 Production Liner	-	-	-	-
65 Tubing	-	-	45,000	45,000
66 Wellhead	77,000	-	60,000	137,000
67 Packers, Liner Hangers	76,000	-	-	76,000
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	90,000	90,000
73 Compressor	-	-	-	-
74 Installation Costs	-	-	62,000	62,000
75 Surface Pumps	-	-	5,000	5,000
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	-	-
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	-	-
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical / Grounding	-	-	-	-
85 Communications / SCADA	-	-	90,000	90,000
86 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	650,109	0	352,000	1,002,109
TOTAL COSTS >	3,677,040	2,765,633	450,760	6,893,433

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

Co-CEO _____ WH _____ VP - Land & Legal _____ BG _____

Co-CEO _____ JW _____ VP - Geography _____ SC _____

VP - Operations _____ CRM _____

Company Name _____ Working Interest (%) _____ Tax ID _____
Signed by: _____ Date: _____
Title: _____ Approval: ☐ Yes ☒ No (mark one)

[illegible]

Colgate Energy

303 W. Wall St., Midland TX 79701

Phone (432) 695-4257 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	2/27/2020	AFE NO.:	0
WELL NAME:	Rincon 22 State 134H	FIELD:	0
LOCATION:	NM	MD/FVD:	13459 / 8705
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,427
Colgate WI:		DRILLING DAYS:	26
GEOLOGIC TARGET:	3rd Bone Spring	COMPLETION DAYS:	11

REMARKS: Drill and Complete 30 stages in the 3rd Bone Spring formation. AFE includes D&C, flowback & initial ESP install.

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 33,000	\$ -	\$ -	\$ 33,000
2 Location, Surveys & Damages	220,000	13,000	10,000	243,000
4 Freight / Transportation	25,000	47,250	-	72,250
5 Rental - Surface Equipment	94,296	149,400	30,000	273,696
6 Rental - Downhole Equipment	106,331	50,000	-	156,331
7 Rental - Living Quarters	52,588	40,109	10,000	102,688
10 Directional Drilling, Surveys	261,500	-	-	261,500
11 Drilling	738,238	-	-	738,238
12 Drill Bits	106,000	-	-	106,000
13 Fuel & Power	150,150	225,000	-	375,150
14 Cementing & Float Equip	215,000	-	-	215,000
16 Perforating, Wireline, slickline	-	231,500	8,000	239,500
17 High Pressure Pump Truck	-	10,000	-	10,000
18 Completion Unit, Swab, CTU	-	70,000	15,400	85,400
20 Mud Circulation System	76,905	-	-	76,905
21 Mud Logging	19,830	-	-	19,830
22 Logging / Formation Evaluation	11,900	8,000	-	19,900
23 Mud & Chemicals	219,222	233,000	-	452,222
24 Water	25,300	390,714	-	416,214
25 Stimulation	-	840,000	-	840,000
26 Stimulation Flowback & Disp	-	108,500	-	108,500
28 Mud / Wastewater Disposal	104,375	89,000	-	193,375
30 Rig Supervision / Engineering	115,180	54,100	6,400	175,680
32 Drig & Completion Overhead	9,750	-	-	9,750
35 Labor	141,000	12,500	10,000	163,500
95 Insurance	24,226	-	-	24,226
97 Contingency	275,199	213,239	8,980	497,418
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	3,027,190	2,765,633	90,780	5,891,603
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 14,018	\$ -	\$ -	\$ 14,018
61 Intermediate Casing	69,726	-	-	69,726
62 Drilling Liner	194,921	-	-	194,921
63 Production Casing	219,217	-	-	219,217
64 Production Liner	-	-	-	-
65 Tubing	-	-	45,000	45,000
66 Wellhead	77,000	60,000	-	137,000
67 Packers, Liner Hangers	76,000	-	-	76,000
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	90,000	90,000
73 Compressor	-	-	-	-
74 Installation Costs	-	-	63,000	63,000
75 Surface Pumps	-	-	5,000	5,000
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	-	-
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	-	-
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical / Grounding	-	-	90,000	90,000
85 Communications / SCADA	-	-	-	-
86 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	650,915	0	352,000	1,002,915
TOTAL COSTS >	3,678,105	2,765,633	450,780	6,894,518

PREPARED BY Colgate Energy:

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

Colgate Energy APPROVAL:

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

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be incurred according to any specific cost in the budget for this project. Funding obligations are incurred under the AFE when the AFE is approved by the well owner. The well owner is responsible for ensuring that the AFE is approved by the well owner. The well owner is responsible for ensuring that the AFE is approved by the well owner. The well owner is responsible for ensuring that the AFE is approved by the well owner.

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Exhibit B

OCD Case 21303
(Rincon wells)
Colgate Operating, LLC
Affidavit of
Sergio Ojeda

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Cover Page	15
2) Exhibit 2	
Rincon 22 State Pooling	16-26

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

**APPLICATION OF COLGATE OPERATING, LLC
FOR COMPULSORY POOLING, AND NON-
STANDARD SPACING AND PRORATION UNIT IN
EDDY COUNTY, NEW MEXICO**

CASE NO. 21303

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

CASE NO. 21339

AFFIDAVIT

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 and have personal knowledge of the matters stated herein. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum geologist.

2. **Exhibit 1** is a geology study I prepared for the Toro Fed State Com Wells Nos. 121H, and 131H, to test the 2nd and 3rd Bone Spring Sand underlying the N/2N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The study includes:

SBSG-TBSG Gun Barrel Development map;

Regional Locator Map;

Cross-Section Locator Map;

SBSG Structure Map;

SBSG Isopach Map;

TBSG Structure Map;

TBSG Isopach Map;

Cross-Section A-A' ;

Cross-Section A-A' (SBSG);

Cross-Section A-A' (TBSG).

3. **Exhibit 2** is a geology study I prepared for the Rincon 22 State Well Nos. 123 H, 133H, 124H, and 134H to test the 2nd and 3rd Bone Spring Sand underlying the S/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The study includes the same information as provided for the Toro wells.

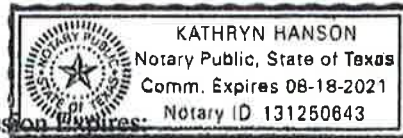
4. I conclude from the maps for the Toro and Rincon wells that:

- 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 section encountered by each of the wells in the proposed unit will contribute more or less equally to production,

8. In my opinion, the granting of Colgate Operating's applications are in the interests of conservation and the prevention of waste.


SERGIO OJEDA

SUBSCRIBED AND SWORN to before me this 20th day of July, 2020 by Sergio Ojeda on behalf of Colgate Operating, LLC.

My Commission Expires: 8/18/21

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

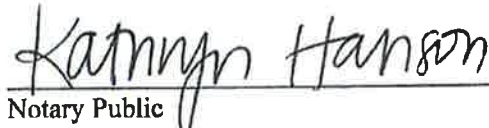
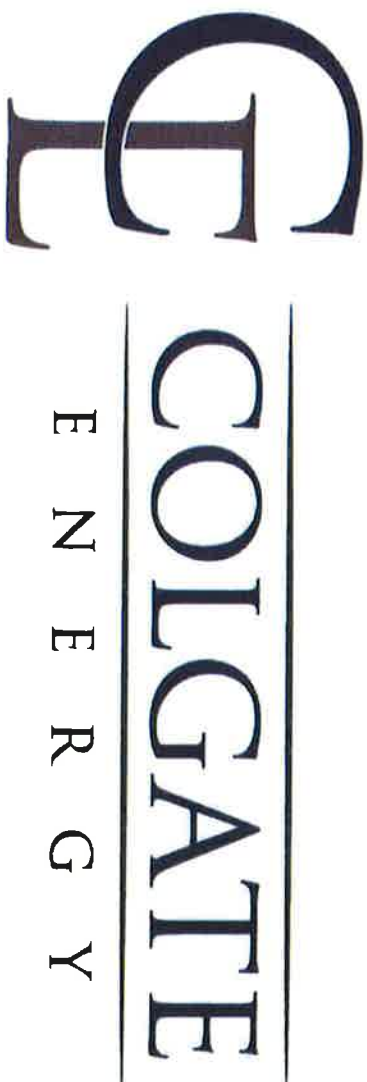

Kathryn Hanson
Notary Public

Exhibit 2

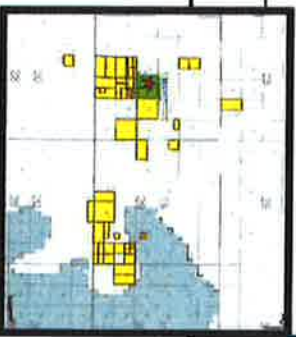
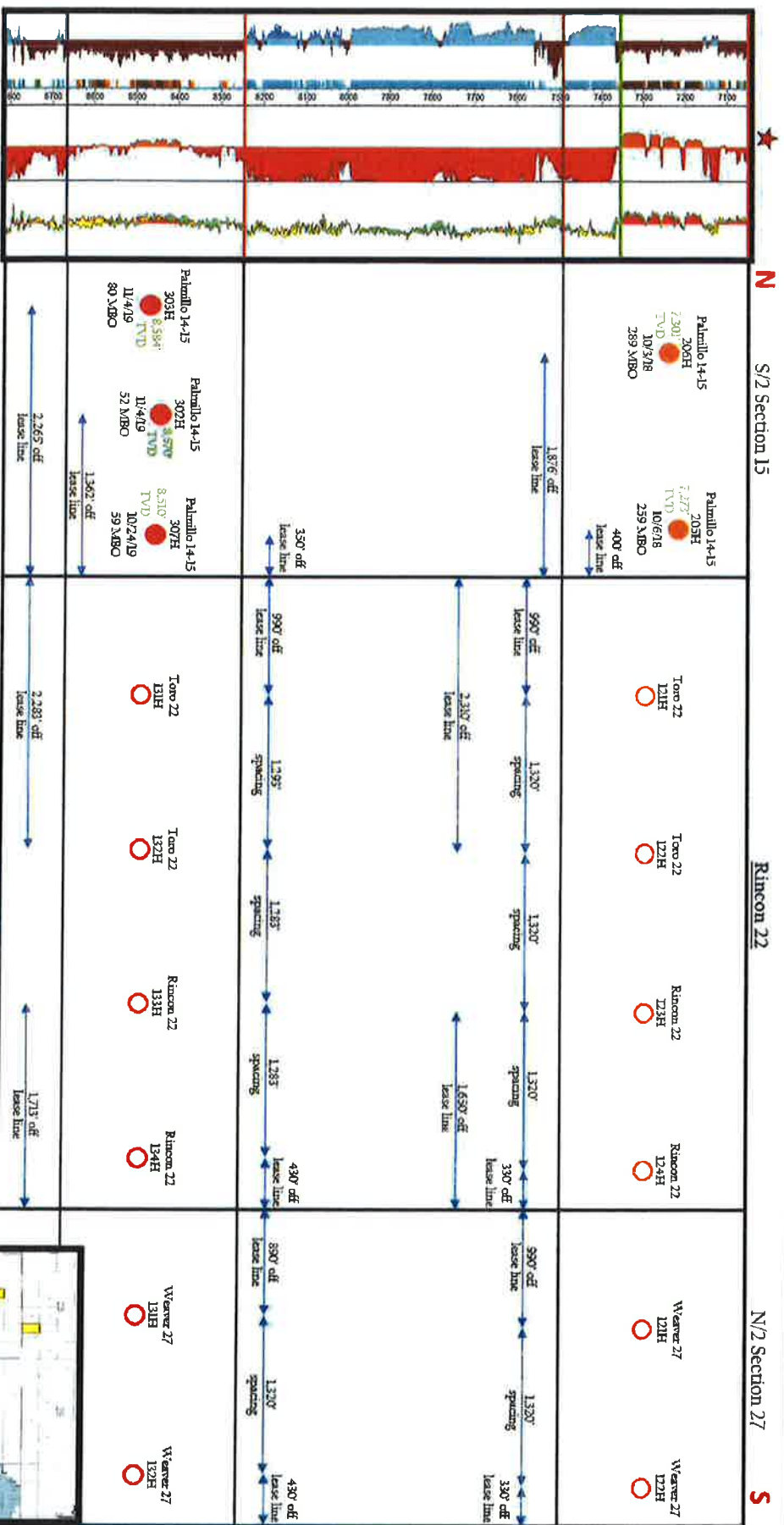
Rincon 22 State Com Wells



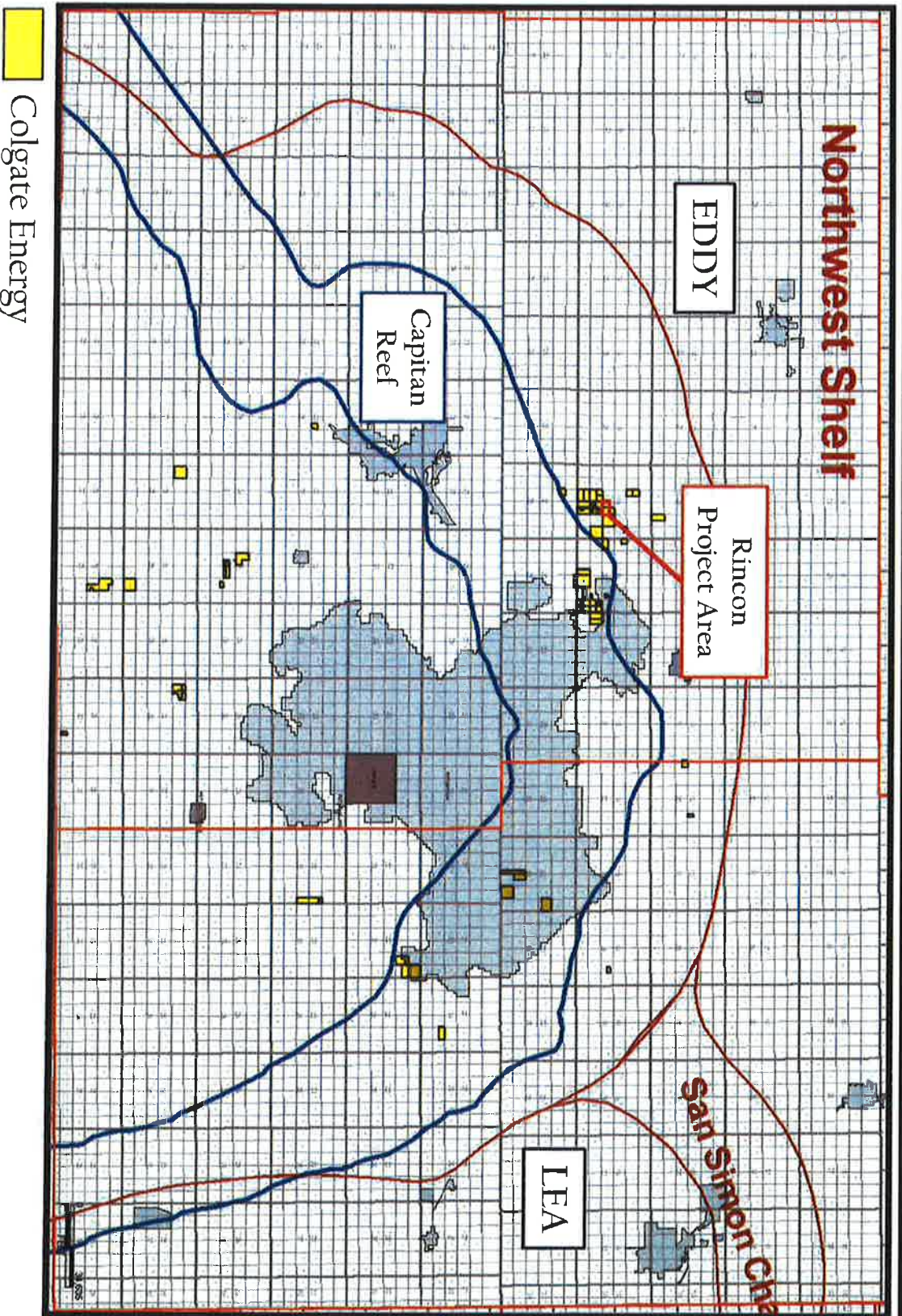
PDU: Rincon 22 State Pooling
7/20/2020



Rincon 22 State: SBSG-TBSG Gun Barrel Development



Rincon 22 State: Regional Locator Map

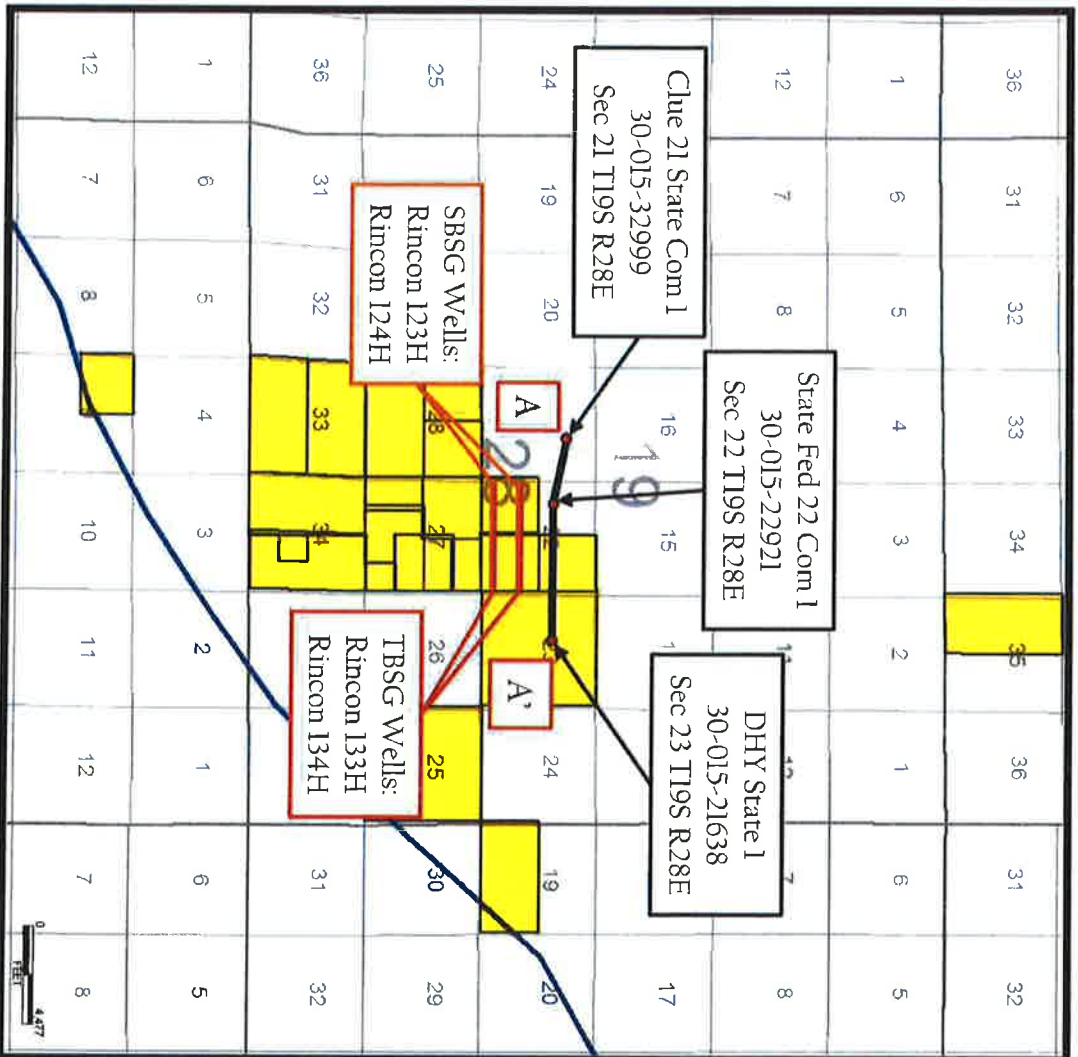



CONFIDENTIAL

Rincon 22 State: Cross-Section Locator Map



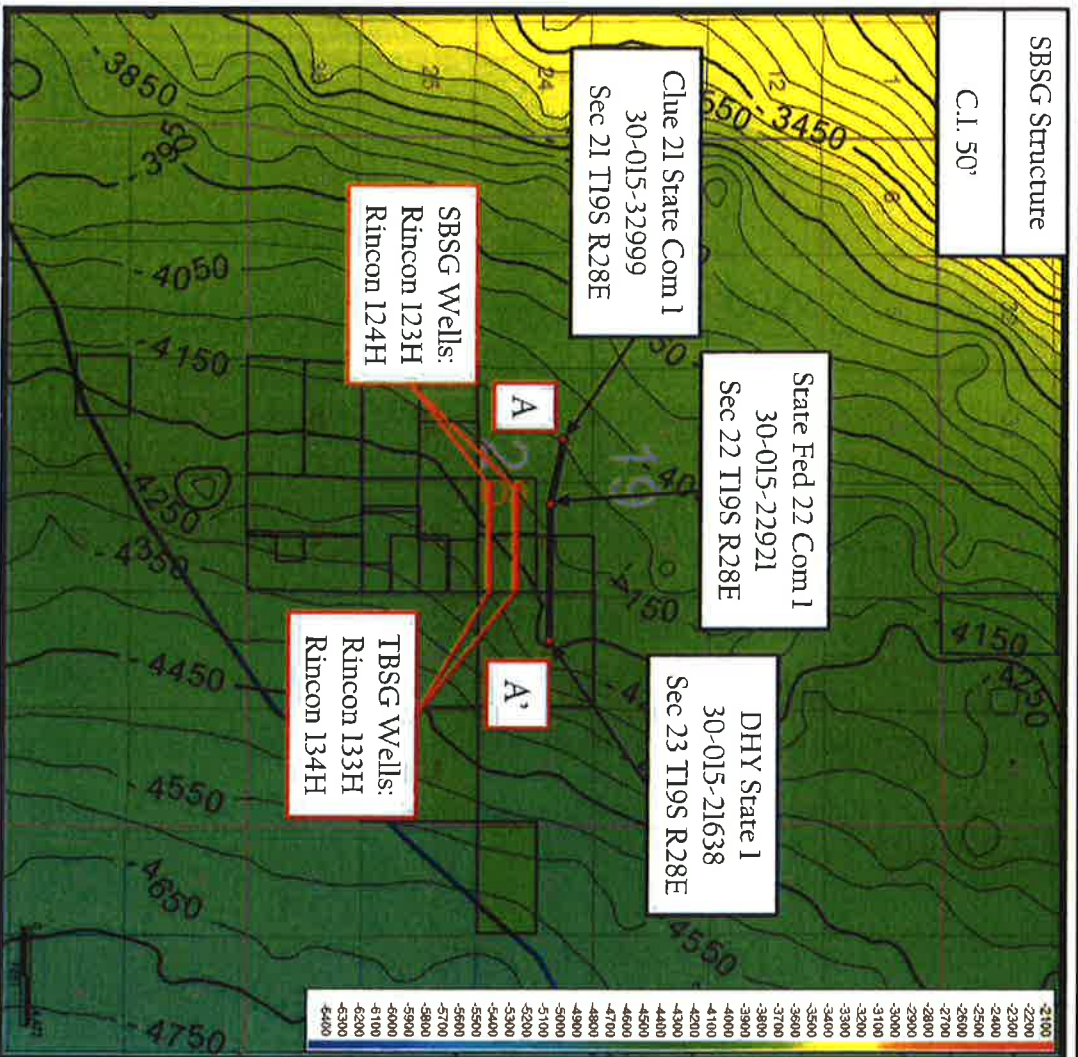
Ex.BPg.019



 Colgate Energy

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Rincon 22 State: SBSG Structure Map



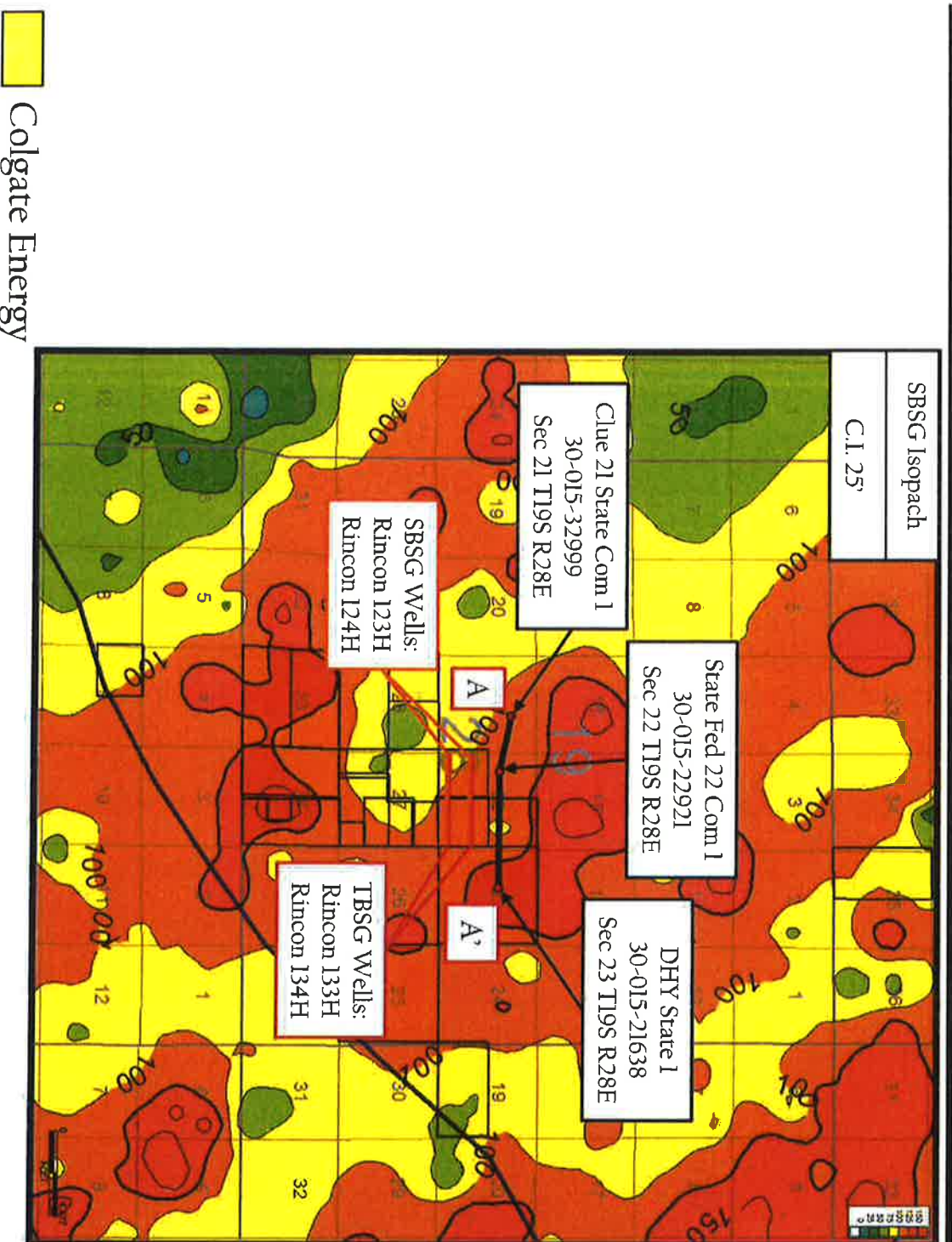
Colgate Energy

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Rincon 22 State: SBSG Isopach Map



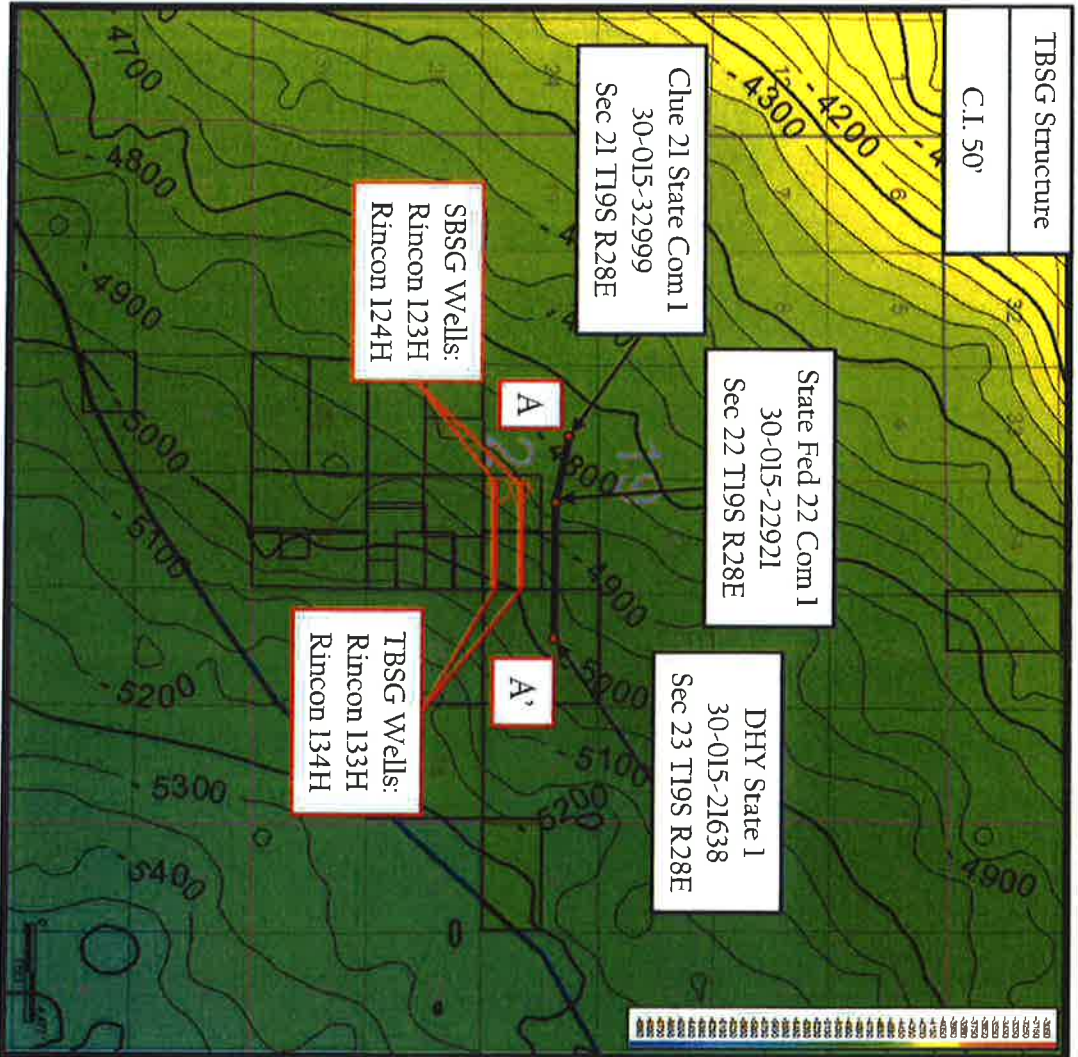
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Rincon 22 State: TBSG Structure Map



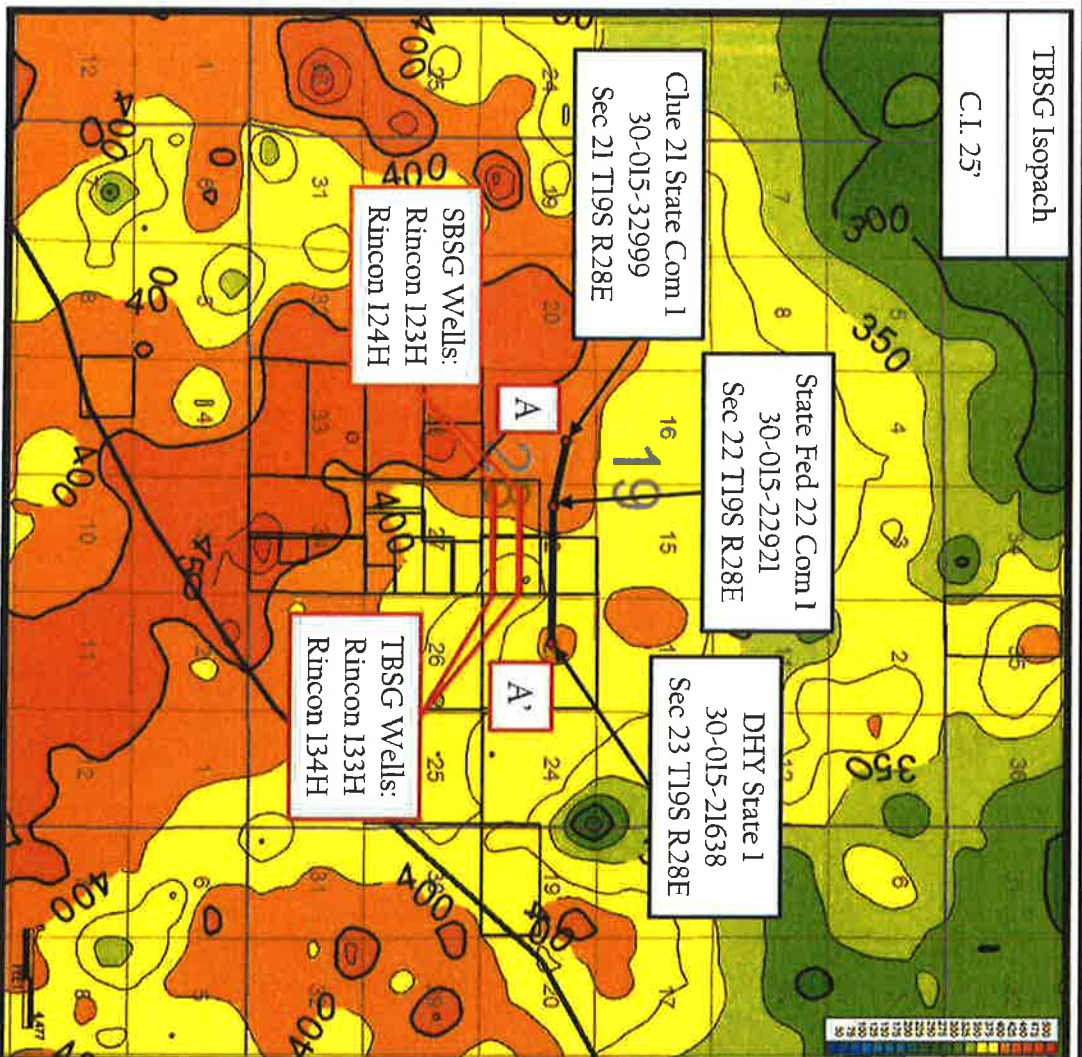
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Rincon 22 State: TBSG Isopach Map



Ex.BPg.023



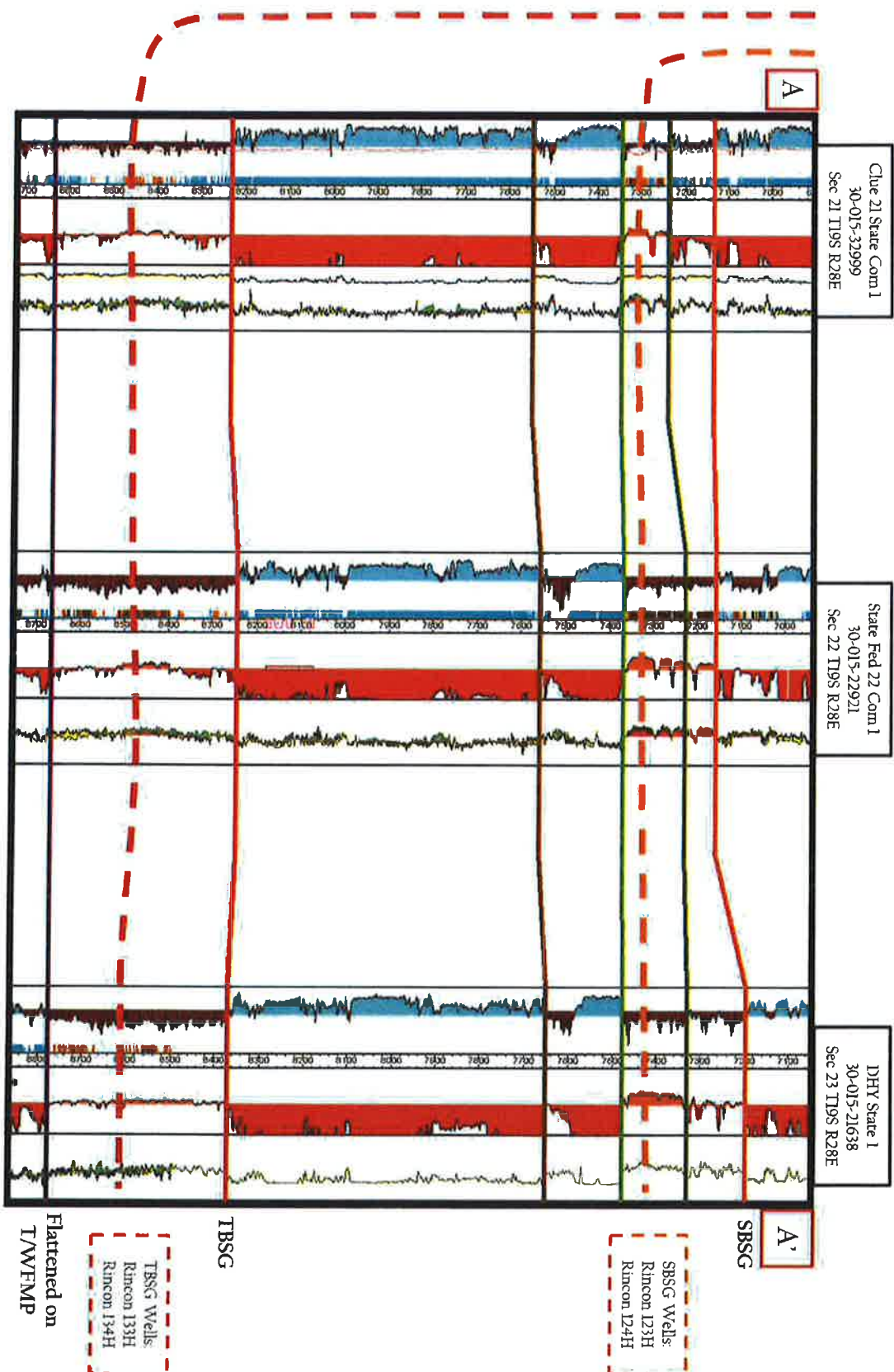
Colgate Energy

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Rincon 22 State: Cross-Section A-A'

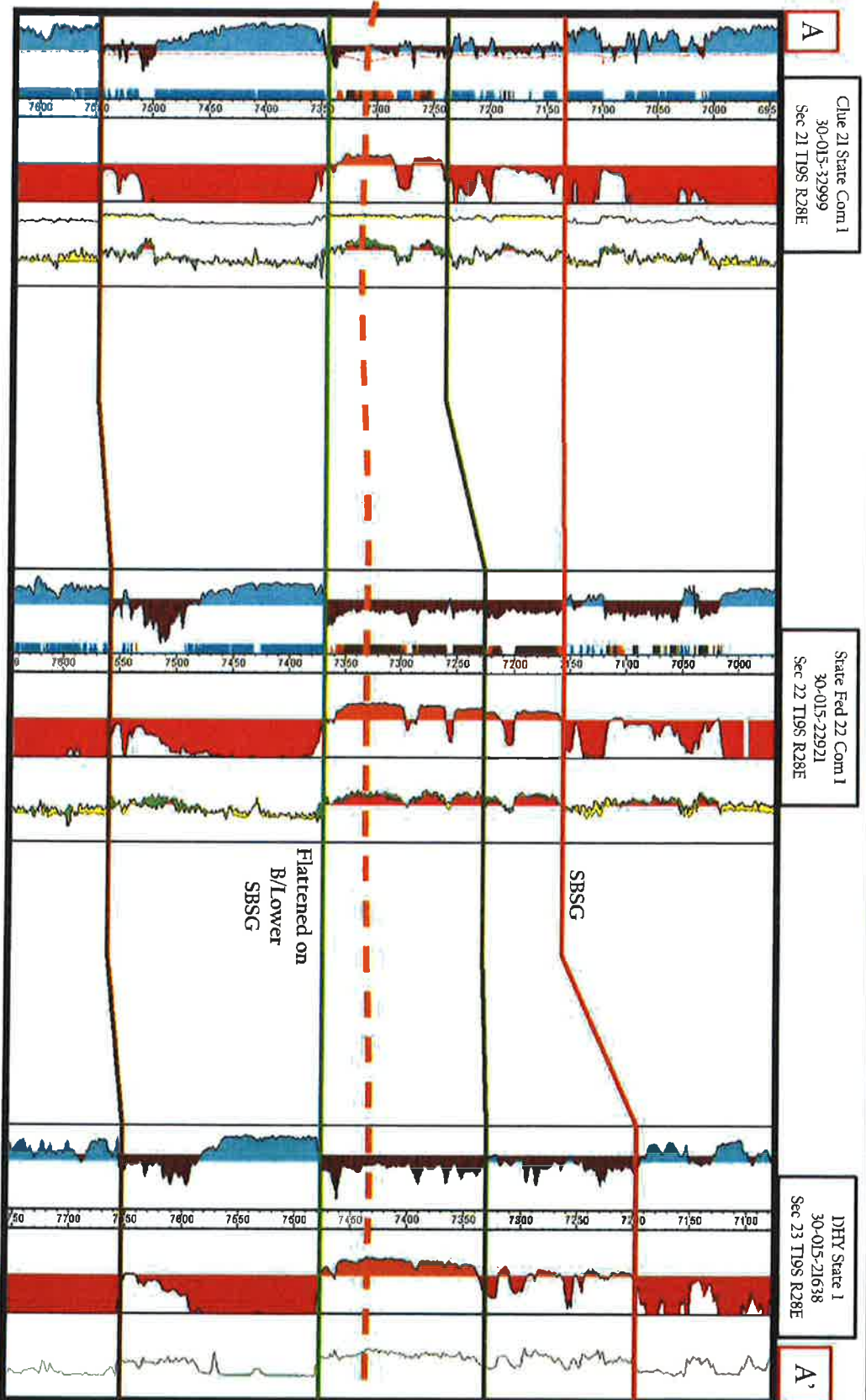


Ex.BPg.024



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Rincon 22 State: Cross-Section A-A' (SBSG)



SBSG Wells:
Rincon 123H
Rincon 124H

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Rincon 22 State: Cross-Section A-A' (TBSG)

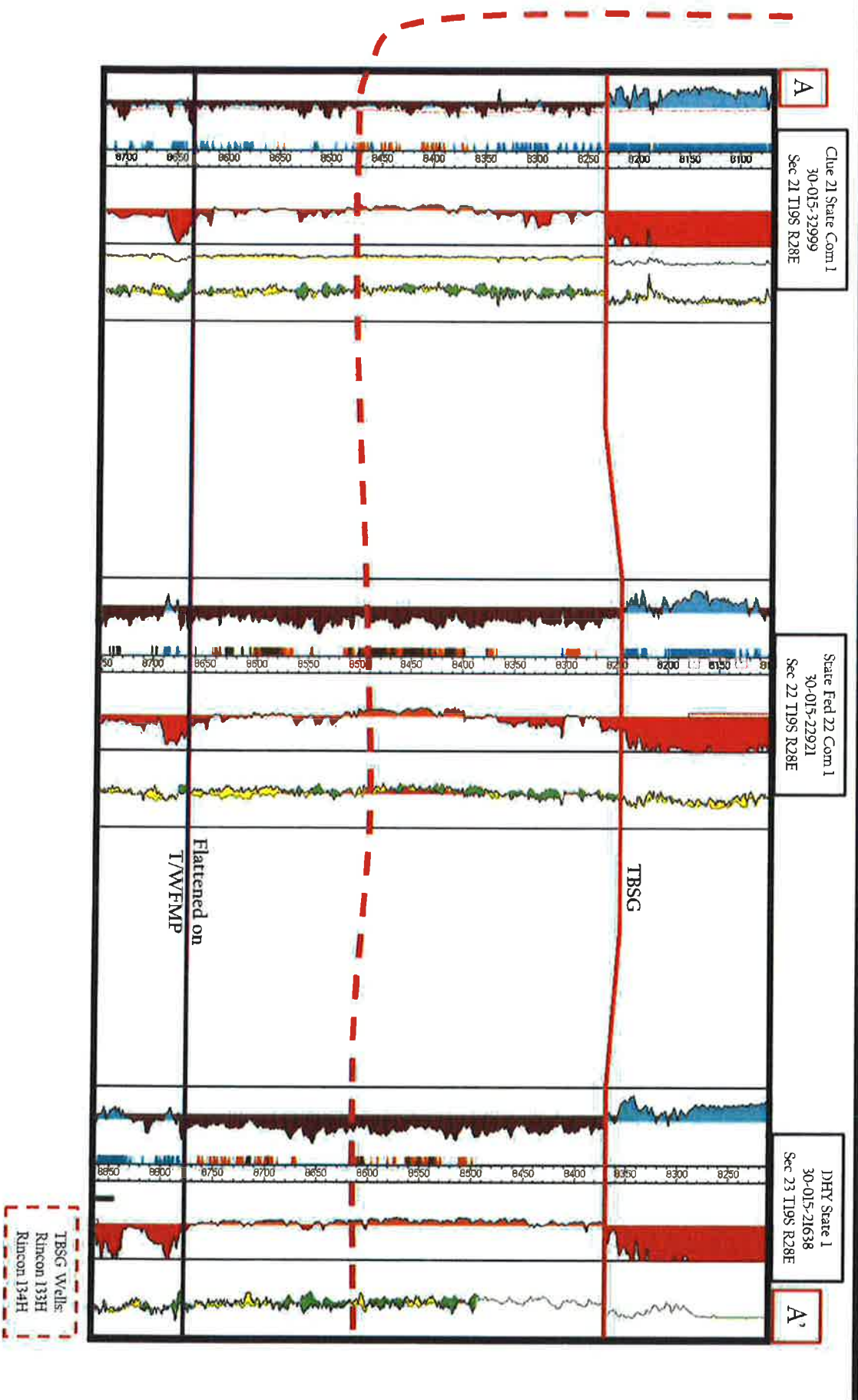


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Exhibit B

OCD Case 21339
(Toro wells)
Colgate Operating, LLC
Affidavit of
Sergio Ojeda

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

**APPLICATION OF COLGATE OPERATING, LLC
FOR COMPULSORY POOLING, AND NON-
STANDARD SPACING AND PRORATION UNIT IN
EDDY COUNTY, NEW MEXICO**

CASE NO. 21303

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

CASE NO. 21339

AFFIDAVIT

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 and have personal knowledge of the matters stated herein. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum geologist.

2. **Exhibit 1** is a geology study I prepared for the Toro Fed State Com Wells Nos. 121H, and 131H, to test the 2nd and 3rd Bone Spring Sand underlying the N/2N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The study includes:

SBSG-TBSG Gun Barrel Development map;

Regional Locator Map;

Cross-Section Locator Map;

SBSG Structure Map;

SBSG Isopach Map;

TBSG Structure Map;

TBSG Isopach Map;

Cross-Section A-A';

Cross-Section A-A' (SBSG);


Cross-Section A-A' (TBSG).

3. **Exhibit 2** is a geology study I prepared for the Rincon 22 State Well Nos. 123 H, 133H, 124H, and 134H to test the 2nd and 3rd Bone Spring Sand underlying the S/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The study includes the same information as provided for the Toro wells.

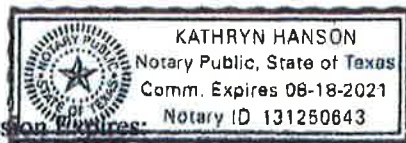
4. I conclude from the maps for the Toro and Rincon wells that:

- 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 section encountered by each of the wells in the proposed unit will contribute more or less equally to production,

8. In my opinion, the granting of Colgate Operating's applications are in the interests of conservation and the prevention of waste.


SERGIO OJEDA

SUBSCRIBED AND SWORN to before me this 20th day of July, 2020 by Sergio Ojeda on behalf of Colgate Operating, LLC.

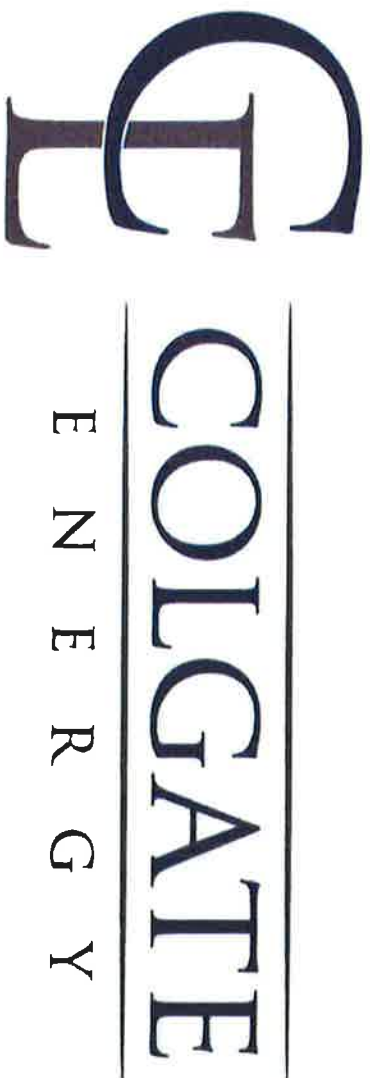


My Commission Expires: 8/18/21


Kathryn Hanson
Notary Public

Exhibit 1

Toro 22 State Com Wells



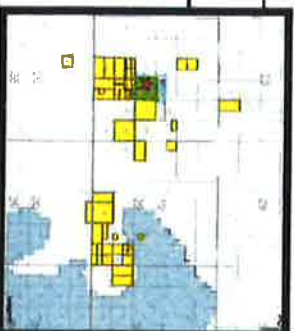
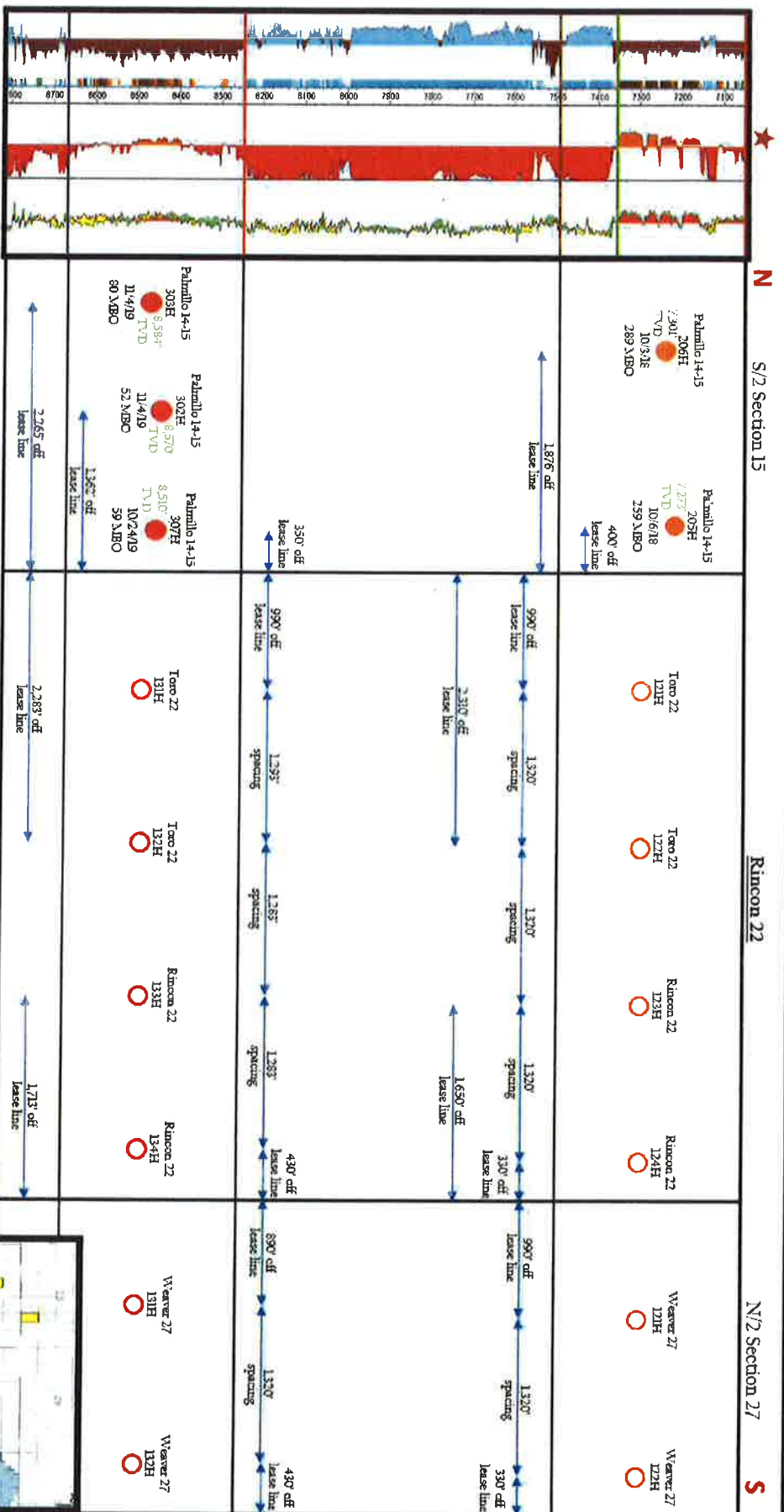
PDU: Toro 22 State Pooling
7/16/2020



Toro 22 State: SBSG-TBSG Gun Barrel Development



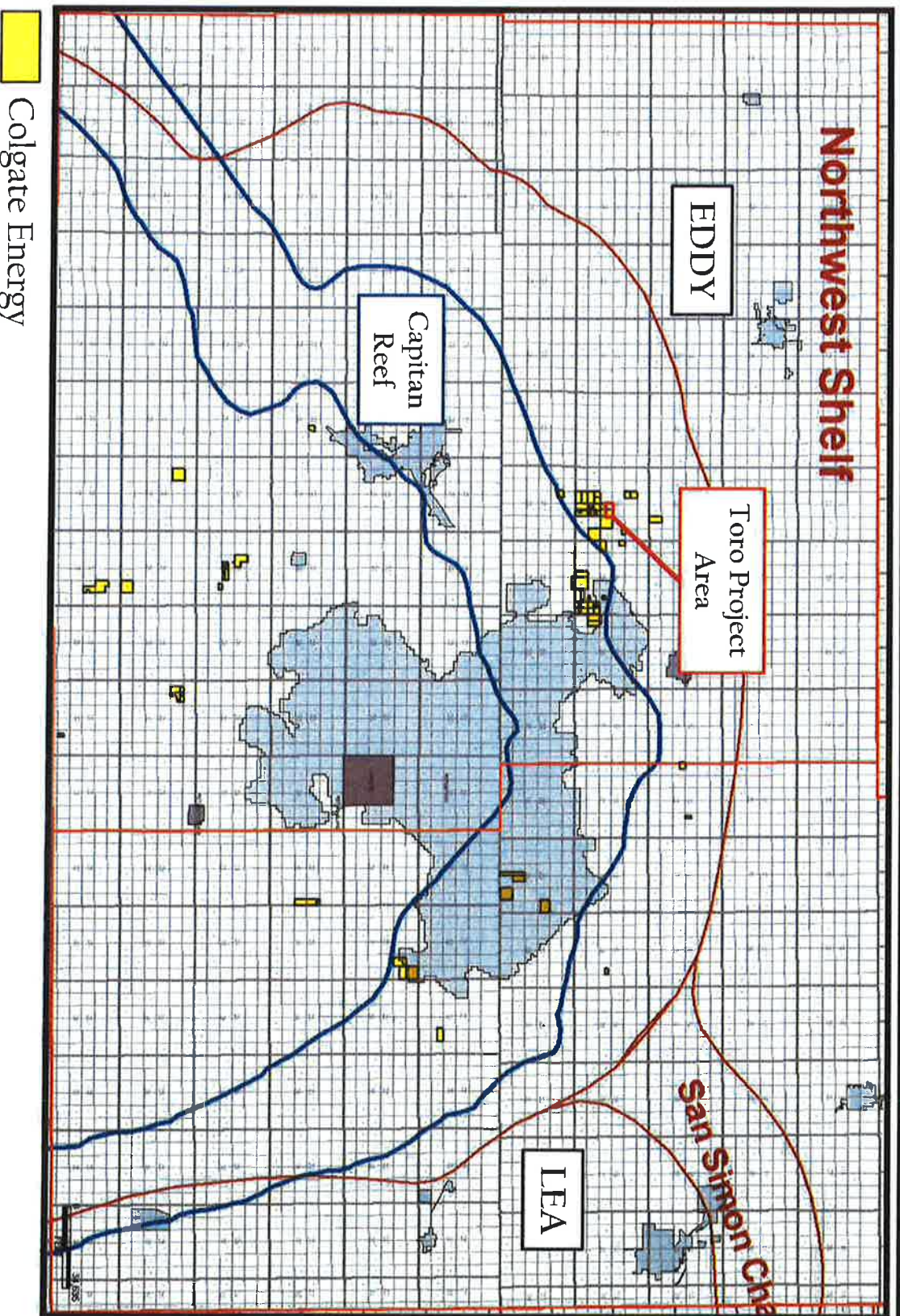
Ex.BPg.005



Toro 22 State: Regional Locator Map



Ex.BPg.006

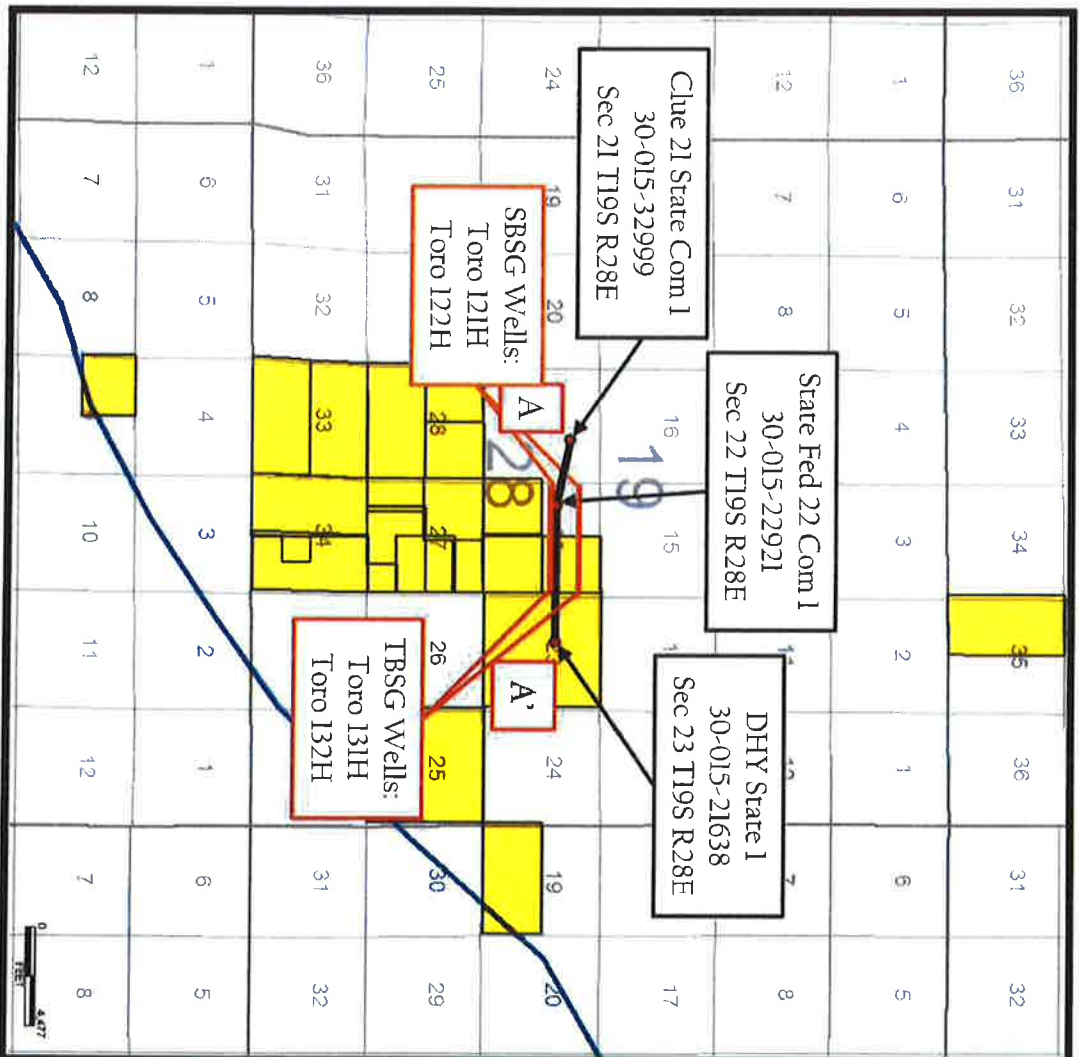


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Toro 22 State: Cross-Section Locator Map



Ex.BPg.007



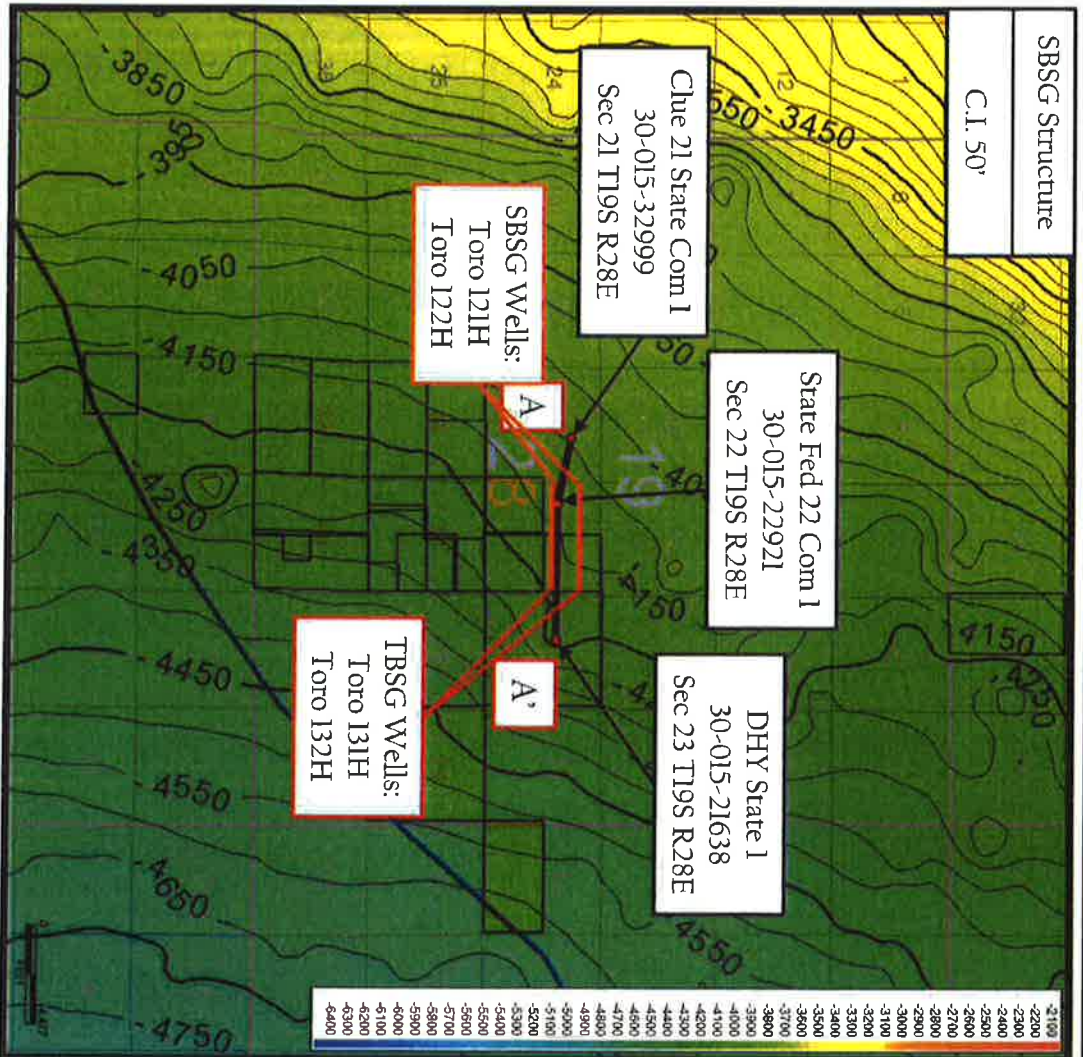
 Colgate Energy

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Toro 22 State: SBSG Structure Map




Ex.BPg.008

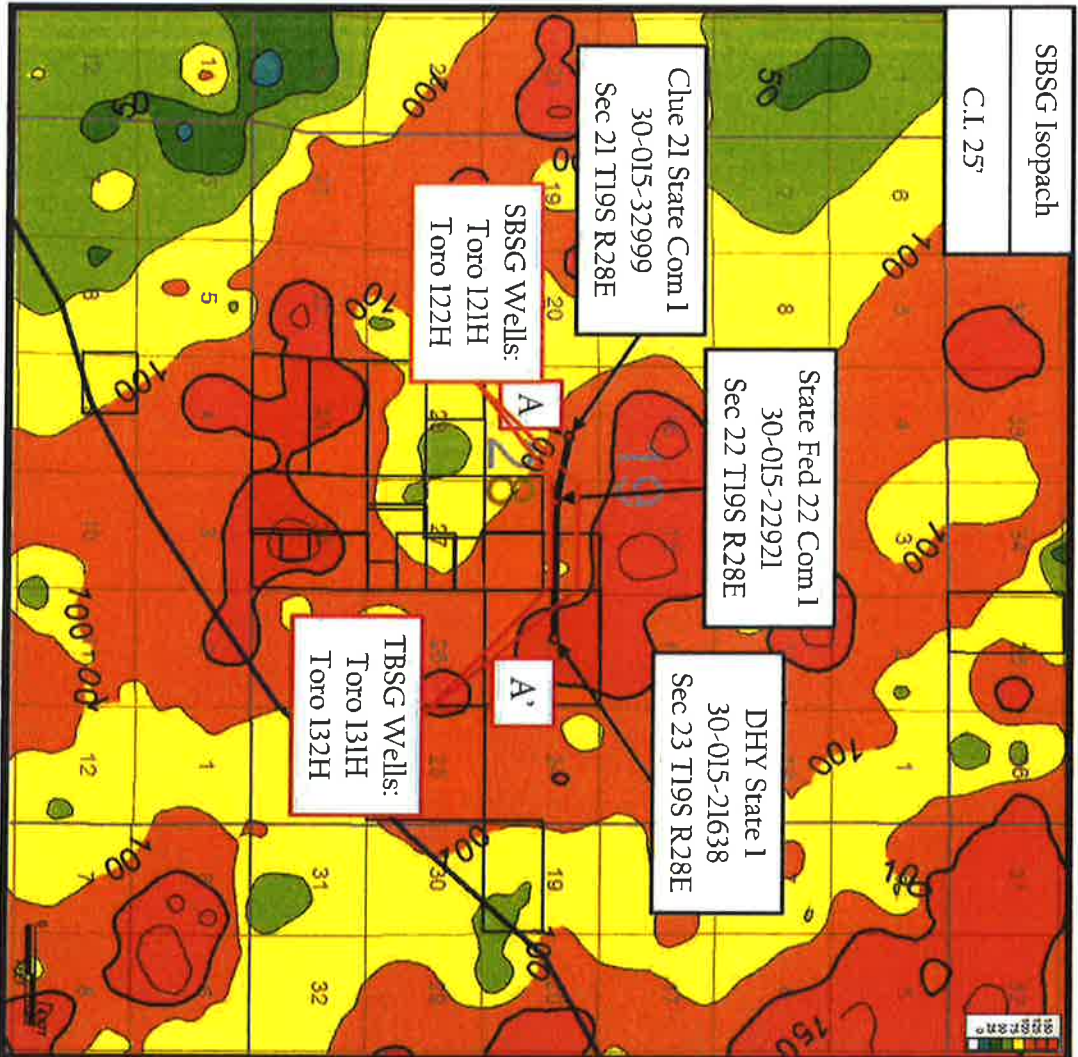


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Toro 22 State: SBSG Isopach Map



 Colgate Energy

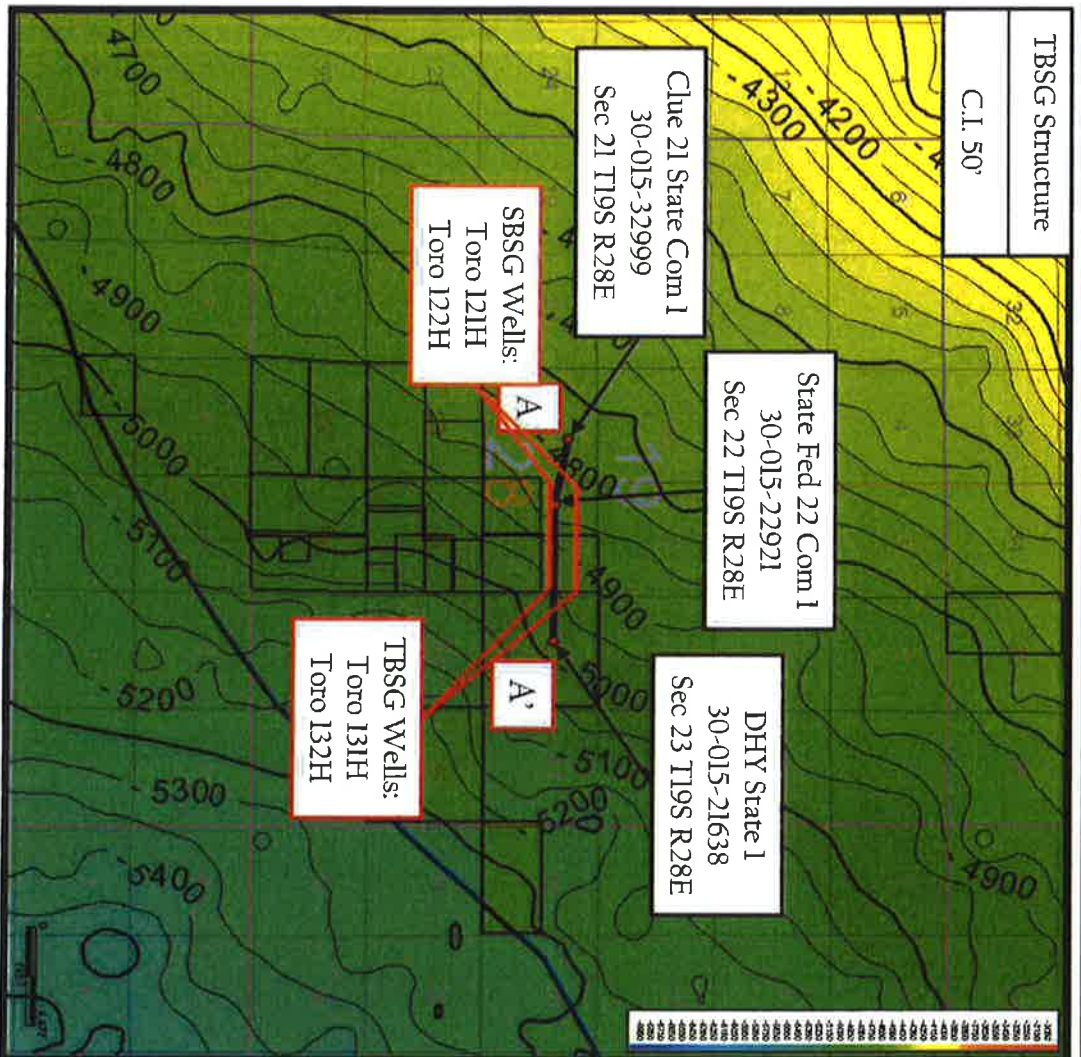



CONFIDENTIAL

Toro 22 State: TBSG Structure Map



Ex.BPg.010



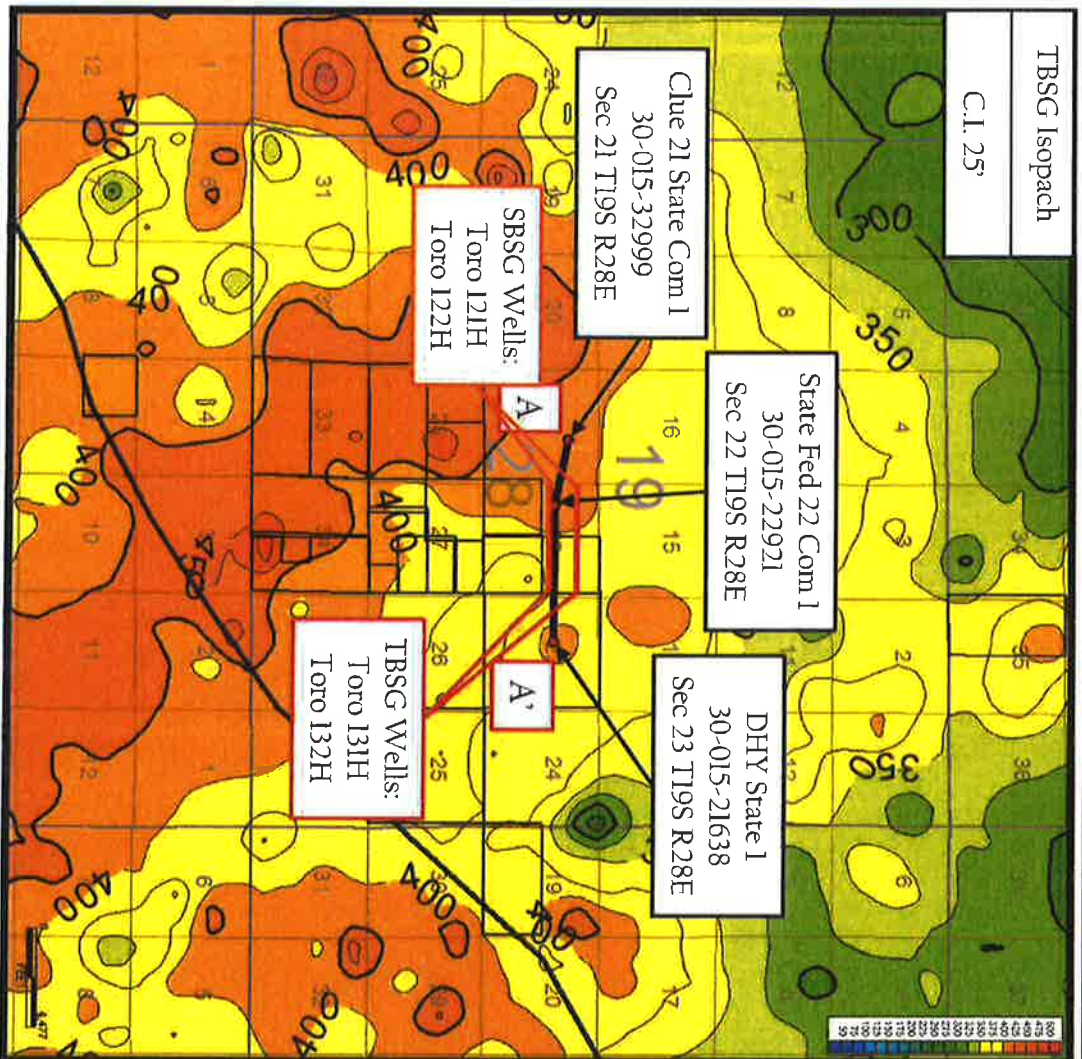
 Colgate Energy

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Toro 22 State: TBSG Isopach Map



Ex.BPg.011



Colgate Energy

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GE
COLGATE
ENERGY

Clue 21 State Com 1
30-015-32999
Sec 21 T19S R28E

State Fed 22 Com 1
30-015-22921
Sec 22 T19S R28E

DHY State 1
30-015-21638
Sec 23 T19S R28E

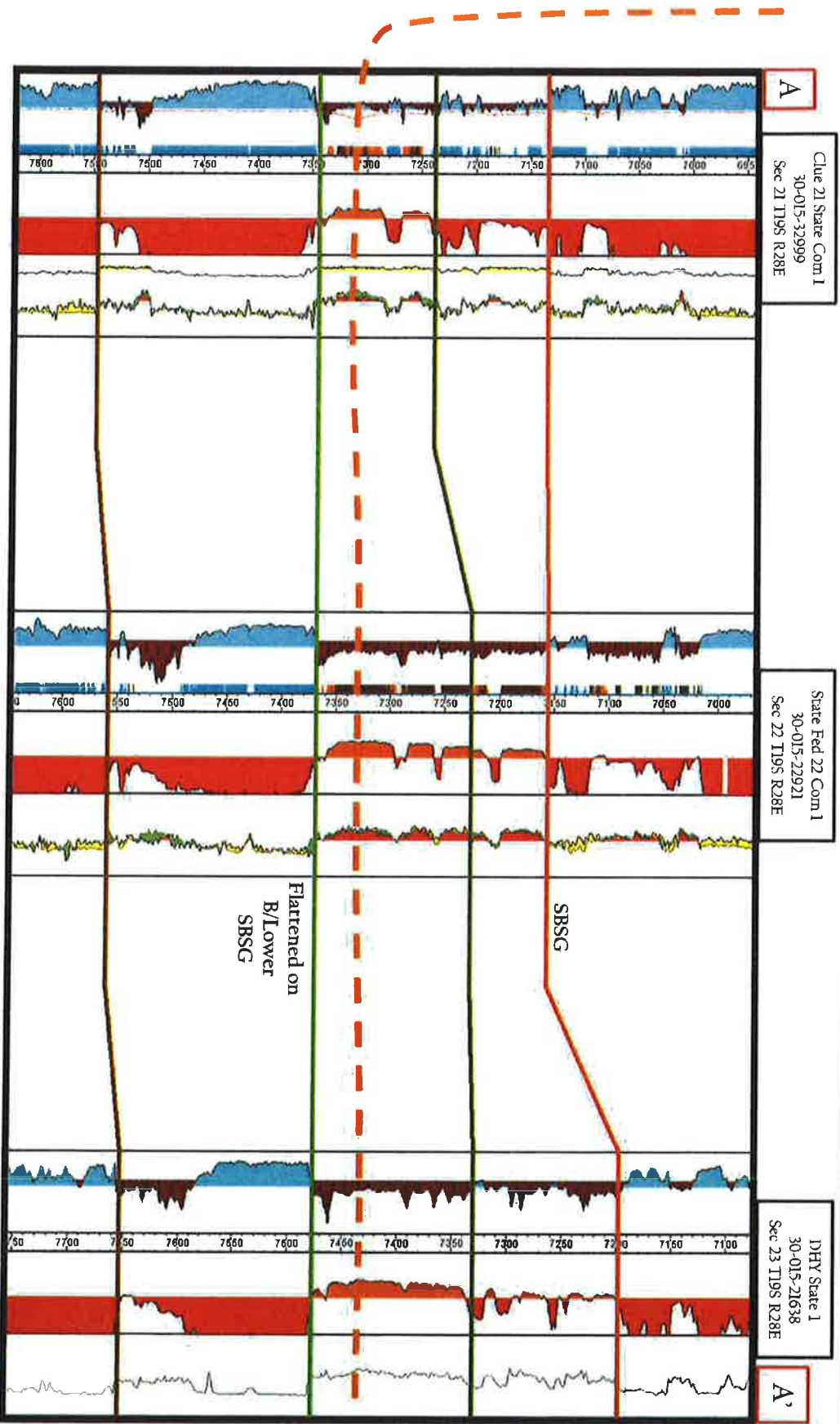
TBSG Wells
Toro 131H
Toro 132H

SBSG Wells
Toro 121H
Toro 122H

Flattened on
T/WEMP

9

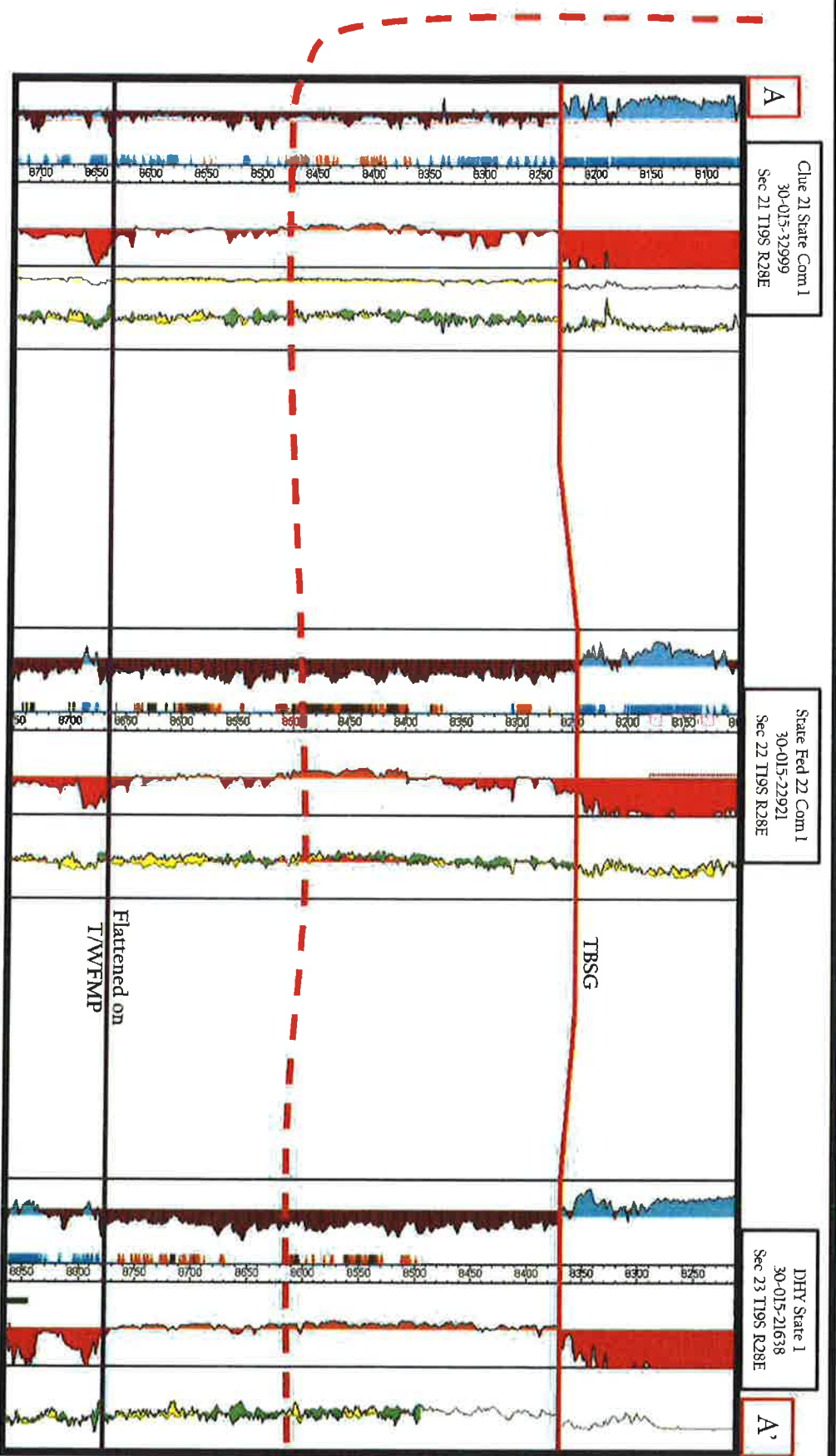
Toro 22 State: Cross-Section A-A' (SBSG)



SBSG Wells:
Toro 121H
Toro 122H

CONFIDENTIAL

Toro 22 State: Cross-Section A-A' (TBSG)



TBSG Wells:
Toro 131H
Toro 132H

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Exhibit C

OCD Case 21303
(Rincon wells)
Colgate Operating, LLC
Affidavit of
Ernest L. Padilla

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

**APPLICATION OF COLGATE OPERATING, LLC
FOR COMPULSORY POOLING, AND NON-
STANDARD SPACING AND PRORATION UNIT IN
EDDY COUNTY, NEW MEXICO**

CASE NO. 21303

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

CASE NO. 21339

AFFIDAVIT

**STATE OF NEW MEXICO }
 }ss
COUNTY OF SANTA FE }**

AFFIANT, ERNEST L. PADILLA, first being duly sworn on oath states:

Ernest L. Padilla, attorney for COLGATE OPERATING, LLC, the Applicant herein,
states that notices of the above-referenced Applications were mailed to the interested parties
shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and
that true and correct copies of the notice letter and proof of notice are attached hereto.


ERNEST L. PADILLA

SWORN TO AND SUBSCRIBED to before me this 21st day of July, 2020, by Ernest L.
Padilla.


Notary Public



PADILLA LAW FIRM, P.A.

STREET ADDRESS
1512 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505

MAILING ADDRESS
P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

EMAIL ADDRESS
padillalaw@qwestoffice.net

TELEPHONE
505-988-7577

FACSIMILE
505-988-7592

May 13, 2020

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

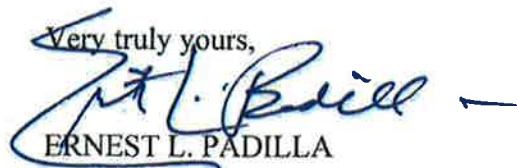
TO: ALL INTEREST OWNERS

Re: NMOCD Case Number#21303, In the Matter of the Application of Colgate Operating, LLC, for compulsory pooling, non-standard spacing and proration unit in Eddy County, New Mexico.

Ladies and Gentlemen:

This letter will advise that Colgate Operating, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order for compulsory pooling, non-standard spacing and proration unit in Eddy County, New Mexico as referenced above. Copy of the application is enclosed.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on June 11, 2020 at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,

ERNEST L. PADILLA

ELP:jbg

cc: Colgate Operating, LLC

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

**APPLICATION OF COLGATE OPERATING, LLC
FOR COMPULSORY POOLING, AND NON-
STANDARD SPACING AND PRORATION UNIT IN
EDDY COUNTY, NEW MEXICO**

CASE NO. 21303

**APPLICATION FOR COMPULSORY POOLING, AND NON-STANDARD
SPACING AND PRORATION UNIT**

COLGATE OPERATING, LLC applies for an order pooling all mineral interests within the Bone Spring Formation, underlying the S/2 of Section 22, Township 19 South, Range 28 East, NMPM and Section 28, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of this application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above referenced horizontal spacing unit to the following four initial wells:

A. **Rincon 22 State 123H**

SHL: 1380 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 1613 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7400 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: N/2 S/2 of Section 22;

B. **Rincon 22 State 133H**

SHL: 1335 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 1713 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: N/2 S/2 of Section 22;

- C. **Rincon 22 State 124H**
SHL: 1290 feet from the South line and 263 feet from the West line,
(Unit M) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 330 feet from the South line and 100 feet from the East line,
(Unit P) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: S/2 S/2 of Section 22;
- D. **Rincon 22 State 134H**
SHL: 1245 feet from the South line and 263 feet from the West line,
(Unit M) of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: 430 feet from the South line and 100 feet from the East line,
(Unit P) of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location expected to be: standard
Spacing Unit: S/2 S/2 of Section 22.

3. Because the proposed wells will be continuously drilled and completed, Applicant requests an extension of the time period to drill and complete the initial wells from 120 days to 365 days.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

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

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of these proposed horizontal wells and the proposed spacing unit.

WHEREFORE, Applicant, requests after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted interests in this horizontal spacing unit;
- B. Approving four initial horizontal wells in this spacing unit;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells on this horizontal spacing unit;
- D. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completing, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and;
- G. Imposing a 200% charge for risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

PADILLA LAW FIRM, P.A.

By: /s/ Ernest L. Padilla
Ernest L. Padilla
P.O. Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577
padillalaw@qwestoffice.net

WI OWNER
Colgate Production, LLC
Fasken Acquisitions 02, Ltd. 6101 Holiday Hill Road Midland, Texas 79701 7019-2970-0000-7593-7912
EOG Resources, Inc. 5509 Champions Drive Midland, TX 79704 7019-2970-0000-7593-7929
ZPZ Delaware I LLC 303 Veterans Airpark Lane, Suite 1000 Midland, Texas 79705 7019-2970-0000-7593-7936
COG Operating, LLC 600 W. Illinois Avenue Midland, Texas 79701

ORRI OWNER
Marathon Oil Company 5555 San Felipe Houston, TX 77056 7019-2970-0000-7593-7943
ZPZ Delaware I LLC 303 Veterans Airpark Lane, Suite 1000 Midland, Texas 79705 7013-2970-0000-7593-7950
Costaplenty Energy Corporation PO Box 1182 Artesia, NM 88211 7019-2280-0002-1748-4520
Nestegg Energy Corporation 2308 Sierra Vista Artesia, NM 88210 7019-2280-0002-1748-4537
Yates Brothers P. O. Box 1394 Artesia, New Mexico 88211 7019-2280-0002-1748-4544

same address

7019 2280 0002 1748 4544

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<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage

\$

Total Postage

\$

Sent To

Street and Apt.

City, State, ZIP

PS Form 3800

Postmark
Here

Yates Brothers
P. O. Box 1394
Artesia, New Mexico 88211

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Brothers
P. O. Box 1394
Artesia, New Mexico 88211



9590 9402 4038 8079 4198 83

2. Article Number (Transfer from service label)

7019 2280 0002 1748 4544

PS Form 3811, July 2015 PSN 7530-02-000-9059

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Alfredo Jay

☐ Agent
☐ Addressee

B. Received by (Printed Name)

Alfredo Jay

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over \$500)

☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

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

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☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

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Street and Apt. No.

City, State, ZIP+4

PS Form 3800, 7-15

Fasken Acquisitions 02, Ltd.
6101 Holiday Hill Road
Midland, Texas 79701

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none">■ Complete items 1, 2, and 3.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.	<p>A. Signature x Cynthia Morend Agent Addressee</p> <p>B. Received by (Printed Name) Cynthia Morend</p> <p>C. Date of Delivery 5/18/20</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>																
<p>1. Article Addressed to:</p> <p>Fasken Acquisitions 02, Ltd. 6101 Holiday Hill Road Midland, Texas 79701</p>																	
<p>2. Article Number (Transfer from service label)</p> <p>7019 2970 0000 7593 7912</p>	<p>3. Service Type</p> <table border="0"><tr><td><input type="checkbox"/> Adult Signature</td><td><input type="checkbox"/> Priority Mail Express®</td></tr><tr><td><input type="checkbox"/> Adult Signature Restricted Delivery</td><td><input type="checkbox"/> Registered Mail™</td></tr><tr><td><input checked="" type="checkbox"/> Certified Mail®</td><td><input type="checkbox"/> Registered Mail Restricted Delivery</td></tr><tr><td><input checked="" type="checkbox"/> Certified Mail Restricted Delivery</td><td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td></tr><tr><td><input type="checkbox"/> Collect on Delivery</td><td><input type="checkbox"/> Signature Confirmation™</td></tr><tr><td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td><td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td></tr><tr><td><input type="checkbox"/> Insured Mail</td><td></td></tr><tr><td><input type="checkbox"/> Insured Mail Restricted Delivery over \$500</td><td></td></tr></table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input checked="" type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery over \$500	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input checked="" type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise																
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery over \$500																	

PS Form 3811, July 2015 PSN 7530-02-000-9058 Domestic Return Receipt

7019 2970 0000 7593 7943

U.S. Postal ServiceTM	
CERTIFIED MAIL[®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee \$	Postmark Here
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total Postage and \$	
Sent To Marathon Oil Company	
Street and Apt. No. 5555 San Felipe	
City, State, ZIP+4 [®] Houston, TX 77056	
PS Form 3800, 1-10-11	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">■ Complete items 1, 2, and 3.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
1. Article Addressed to: Marathon Oil Company 5555 San Felipe Houston, TX 77056	B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>5-18</i>
2. Article Number (Transfer from service label) 9590 9402 5751 0003 4258 24 <i>21303</i> 7019 2970 0000 7593 7943	D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:
3. Service Type <input type="checkbox"/> Adult Signature <input checked="" type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail [®] <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express [®] <input type="checkbox"/> Registered Mail TM <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation TM <input type="checkbox"/> Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

7019 2970 0000 7593 7950

U.S. Postal Service[®]	
CERTIFIED MAIL[®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee \$	Postmark Here
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total Postage and \$	
Sent To	ZPZ Delaware I LLC
Street and Apt. No	303 Veterans Airpark Lane, Ste 1000
City, State, ZIP+4[®]	Midland, Texas 79705
PS Form 3800, April 2015	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">■ Complete items 1, 2, and 3.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature 
1. Article Addressed to:	B. Received by (Printed Name) 
ZPZ Delaware I LLC	C. Date of Delivery 5-14-20
303 Veterans Airpark Lane, Ste 1000	D. Is delivery address different from item 1? <input type="checkbox"/> Yes
Midland, Texas 79705	If YES, enter delivery address below: <input type="checkbox"/> No
	3. Service Type
9590 9402 4038 8079 4198 52 21303	<input type="checkbox"/> Adult Signature
2. Article Number (Transfer from service label)	<input type="checkbox"/> Adult Signature Restricted Delivery
7019 2970 0000 7593 7950	<input checked="" type="checkbox"/> Certified Mail [®]
PS Form 3811, July 2015 PSN 7530-02-000-9058	<input type="checkbox"/> Certified Mail Restricted Delivery
	<input type="checkbox"/> Collect on Delivery
	<input type="checkbox"/> Collect on Delivery Restricted Delivery
	<input type="checkbox"/> Insured Mail
	<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)
	<input type="checkbox"/> Priority Mail Express [®]
	<input type="checkbox"/> Registered Mail [™]
	<input type="checkbox"/> Registered Mail Restricted Delivery
	<input checked="" type="checkbox"/> Return Receipt for Merchandise
	<input type="checkbox"/> Signature Confirmation [™]
	<input type="checkbox"/> Signature Confirmation Restricted Delivery
	Domestic Return Receipt

7019 2970 0000 7593 7936

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Certified Mail Fee
\$ _____

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

<input type="checkbox"/> Return Receipt (hardcopy)	\$ _____
<input type="checkbox"/> Return Receipt (electronic)	\$ _____
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ _____
<input type="checkbox"/> Adult Signature Required	\$ _____
<input type="checkbox"/> Adult Signature Restricted Delivery	\$ _____

Postage
\$ _____

Total Postage or
\$ _____

Sent To
COG Operating, LLC
600 W. Illinois Avenue
Midland, Texas 79701

Street and Apt. #
City, State, ZIP+

PS Form 3800, April 2015

Postmark
Here

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG Operating, LLC
600 W. Illinois Avenue
Midland, Texas 79701

2. Article Number (Transfer from service label)
9590 9402 4038 8079 4198 38 21303

7019 2970 0000 7593 7936

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
☒ X 

☐ Agent
☐ Addressee

B. Received by (Printed Name)
Tristen Brown

C. Date of Delivery
5/16/20

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express [®]
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail TM
<input type="checkbox"/> Certified Mail [®]	<input type="checkbox"/> Registered Mail Restricted Delivery
<input checked="" type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation TM
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	

Domestic Return Receipt

7019 2280 0002 1748 4520

U.S. Postal ServiceTM
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OFFICIAL USE

Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and	\$
Sent To	
Street and Apt. No.	
City, State, ZIP+4 [®]	

Postmark Here

Costaplenty Energy Corporation
PO Box 1182
Artesia, NM 88211

PS Form 3800, A

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">■ Complete items 1, 2, and 3.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee <i>Ray Miller</i></p>
1. Article Addressed to:	B. Received by (Printed Name) <i>Ray Miller</i>
Costaplenty Energy Corporation PO Box 1182 Artesia, NM 88211	C. Date of Delivery <i>6/5/20</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
	<i>Interest in property is now owned by Mesage Energy Corp</i>
2. Article Number (Transfer from service label) 7019 2280 0002 1748 4520	3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail [®] <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery over \$500
9590 9402 4038 8079 4198 69 <i>91303</i>	<input type="checkbox"/> Priority Mail Express [®] <input type="checkbox"/> Registered Mail TM <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation TM <input type="checkbox"/> Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

PADILLA LAW FIRM, P.A.

STREET ADDRESS
1512 ST. FRANCIS DRIVE
SANTA FE, NM 87505

MAILING ADDRESS
P.O. BOX 2523
SANTA FE, NEW MEXICO 87504-2523

EMAIL ADDRESS
padillalaw@qwestoffice.net

TELEPHONE
505-988-7577

FACSIMILE
505-988-7592

June 2, 2020

Nestegg Energy Corporation
PO Box 210
Artesia, NM 88211-0210


Re: OCD Case 21303

Ladies & Gentlemen:

Enclosed please find certified mail returned for incorrect address. We have changed the address correctly. Please sign the green card and return.

Please let us know if you need anything further.

Very truly yours,


Jo Ann B. Gallegos
Office Manager

Enclosure as stated

7019 2280 0002 1748 4537

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and	\$
Sent To	Nestegg Energy Corporation
Street and Apt. No.	2308 Sierra Vista
City, State, ZIP+4	Artesia, NM 88210
PS Form 3800, A	

Postmark Here

Padilla Law Firm, P.A.
Ernest L. Padilla
PO Box 2523
Santa Fe, NM 87504

5/29/2020

CERTIFIED MAIL

QUE



7019 2280 0002 1748 4520



5/16

Costaplenty Energy Corporation
PO Box 1182
Artesia, NM 88211

ANK

NIXIE

RETURN TO SENDER
ATTEMPTED - NOT KNOWN
UNABLE TO FORWARD

000579279 MAY 13 2020

ANK

EC: 87504252323



U.S. Postal Service
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OFFICIAL USE

Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Restricted	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and	\$
Sent To	
Street and Apt. No	
City, State, ZIP+4 [®]	

PS Form 3800, April 2015 PSN 7530-02-000-9011

LA LAW FIRM, P.A.

STREET ADDRESS
 512 ST. FRANCIS DRIVE
 SANTA FE, NM 87505
MAILING ADDRESS
 P.O. BOX 2523
 A FE, NEW MEXICO 87504-2523
EMAIL ADDRESS
adillalaw@qwestoffice.net

FACSIMILE
 505-988-7592

EOG Resources, Inc.
 5509 Champions Drive
 Midland, TX 79704

June 2, 2020

EOG Resources, Inc.
 PO Box 2267
 Midland, TX 79706

Re: OCD Case 21303

Ladies & Gentlemen:

Enclosed please find certified mail returned for incorrect address. We have changed the address correctly. Please sign the green card and return.

Please let us know if you need anything further.

Very truly yours,

Jo Ann B. Gallegos

Jo Ann B. Gallegos
 Office Manager

Enclosure as stated

rm, P.A.
 lla

87504

2020

CERTIFIED MAIL



7019 2970 0000 7593 7929



STH

EOG Resources, Inc.
 5509 Champions Drive PO Box 2267
 Midland, TX 79706

NIXIE 799 FE 1 6005/21/20

RETURN TO SENDER
 NOT DELIVERABLE AS ADDRESSED
 UNABLE TO FORWARD

Ex.CPg.015

PADILLA LAW FIRM, P.A.

STREET ADDRESS
1512 S. ST. FRANCIS DRIVE

SANTA FE, NM 87505

MAILING ADDRESS

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

EMAIL ADDRESS

padillalaw@qwestoffice.net

TELEPHONE
505-988-7577

FACSIMILE
505-988-7592

June 24, 2020

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

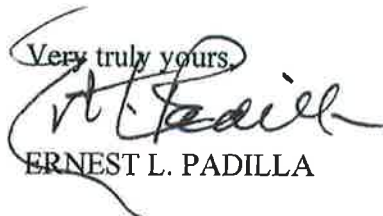
Marbob Energy Corporation
PO Box 227
Artesia, NM 88211

Re: NMOCD Case Number#21303, In the Matter of the Application of Colgate Operating, LLC, for compulsory pooling, non-standard spacing and proration unit in Eddy County, New Mexico.

Ladies and Gentlemen:

This letter will advise that Colgate Operating, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order for compulsory pooling, non-standard spacing and proration unit in Eddy County, New Mexico as referenced above. Copy of the application is enclosed.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 23, 2020 at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,

ERNEST L. PADILLA

ELP:jbg
cc: Colgate Operating, LLC

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Marbob Energy Corporation PO Box 519 Ruidoso, NM 88355</p>		<p>A. Signature X <i>Misti McLurg</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Misti McLurg</i> C. Date of Delivery <i>6-7-20</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7019 2280 0002 1748 2984</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

PADILLA LAW FIRM, P.A.

TELEPHONE
505-988-7577

STREET ADDRESS
1512 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
MAILING ADDRESS
P.O. BOX 2523
SANTA FE, NEW MEXICO 87504-2523
EMAIL ADDRESS
padillalaw@qwestoffice.net

FACSIMILE
505-988-7592

June 24, 2020

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Pitch Energy Corporation
PO Box 227
Artesia, NM 88211

Re: *NMOCD Case Number#21303, In the Matter of the Application of Colgate Operating, LLC, for compulsory pooling, non-standard spacing and proration unit in Eddy County, New Mexico.*

Ladies and Gentlemen:

This letter will advise that Colgate Operating, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order for compulsory pooling, non-standard spacing and proration unit in Eddy County, New Mexico as referenced above. Copy of the application is enclosed.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 23, 2020 at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,



ERNEST L. PADILLA

ELP:jbg
cc: Colgate Operating, LLC

Padilla Law Firm, P.A.
Ernest L. Padilla
PO Box 2523
Santa Fe, NM 87504

6/10/2020

CERTIFIED MAIL



7019 2280 0002 1748 3004



Pitch Energy Corporation
PO Box 227
Artesia, NM 88

9303610690927891

UTF
87504>2523

NIXIE 750 FE 1 0007/03/20
RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD
BC: 87504252323 *2182-02334-03

Carlsbad Current Argus.

Affidavit of Publication

Ad # 0004287284

This is not an invoice

PADILLA LAW FIRM
POBOX 2523

SANTA FE, NM 87504

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:

07/17/2020



Legal Clerk

Subscribed and sworn before me this July 21, 2020:



State of WI, County of Brown
NOTARY PUBLIC

8-25-23

My commission expires

SHELLY HORA
Notary Public
State of Wisconsin

Ad # 0004287284

PO #: 21303(Rincon) 21339 (Toro)

of Affidavits: 1

This is not an invoice

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 23, 2020 at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website:

<http://www.emnrd.state.nm.us/OCD/announcements.html>.
Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a prehearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

STATE OF NEW MEXICO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: Marbob Energy Corporation, Pitch Energy Corporation

Case No. 21303: Application of Colgate Operating, LLC, for compulsory pooling, nonstandard spacing and proration unit, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring Formation, underlying the S/2 of Section 22, Township 19 South, Range 28 East, NMPM and Section 28, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, on the following wells listed below. These wells are located approximately 13 miles southwest of Loco Hills, New Mexico.

1. Rincon 22 State 123H

SHL: 1380 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.

BHL: 1613 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 7400 feet TVD.

Well Orientation: West to East

Completion Location expected to be: standard

Spacing Unit: N/2 S/2 of Section 22;

2. Rincon 22 State 133H

SHL: 1335 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.

BHL: 1713 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.

Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.

Well Orientation: West to East

Completion Location expected to be: standard

Spacing Unit: N/2 S/2 of Section 22;

Case No. 21339: Application of Colgate Operating, LLC, for compulsory pooling, nonstandard spacing and proration unit, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests within the Palmillo Bone Spring (Pool Code 96413), underlying the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, on the following wells listed below. These wells are located approximately 13 miles southwest of Loco Hills, New Mexico.

1. Toro 22 Fed State Com 121H

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.

BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.

Well Orientation: West to East

Completion Location: standard;

2. Toro 22 Fed State Com 131H

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.

BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.

Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.

Well Orientation: West to East

Completion Location: standard.

#4287284, Current Argus, July 17, 2020

Table of Contents

Exhibit C

OCD Case 21339
(Toro wells)
Colgate Operating, LLC
Affidavit of
Ernest L. Padilla

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

**APPLICATION OF COLGATE OPERATING, LLC
FOR COMPULSORY POOLING, AND NON-
STANDARD SPACING AND PRORATION UNIT IN
EDDY COUNTY, NEW MEXICO**

CASE NO. 21303

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

CASE NO. 21339

AFFIDAVIT

**STATE OF NEW MEXICO }
 }ss
COUNTY OF SANTA FE }**

AFFIANT, ERNEST L. PADILLA, first being duly sworn on oath states:

Ernest L. Padilla, attorney for COLGATE OPERATING, LLC, the Applicant herein, states that notices of the above-referenced Applications were mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.


ERNEST L. PADILLA

SWORN TO AND SUBCRIBED to before me this 21st day of July, 2020, by Ernest L. Padilla.


Notary Public



PADILLA LAW FIRM, P.A.

STREET ADDRESS
1512 S. ST. FRANCIS DRIVE

SANTA FE, NM 87505

MAILING ADDRESS

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

EMAIL ADDRESS

padillalaw@qwestoffice.net

TELEPHONE
505-988-7577

FACSIMILE
505-988-7592

June 10, 2020

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS

Re: NMOCD Case Number#21339, In the Matter of the Application of Colgate Operating, LLC, for compulsory pooling in Eddy County, New Mexico.

Ladies and Gentlemen:

This letter will advise that Colgate Operating, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order for compulsory pooling, in Eddy County, New Mexico as referenced above. Copy of the application is enclosed.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 9, 2020 at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,


ERNEST L. PADILLA

ELP:jbg

cc: Colgate Operating, LLC

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

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

CASE NO. 21339

APPLICATION FOR COMPULSORY POOLING

COLGATE OPERATING, LLC applies for an order pooling all mineral interests within Palmillo Bone Spring (Pool Code 96413), underlying the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of this application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above referenced horizontal spacing unit to the following four initial wells:

A. **Toro 22 Fed State Com 121H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: West to East
Completion Location: standard;

B. **Toro 22 Fed State Com 131H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location: standard.

3. Because the proposed wells will be continuously drilled and completed, Applicant requests an extension of the time period to drill and complete the initial wells from 120 days to 365 days.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing

unit.

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

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of these proposed horizontal wells and the proposed spacing unit.

WHEREFORE, Applicant, requests after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted interests in this horizontal spacing unit;
- B. Approving two initial horizontal wells in this spacing unit;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells on this horizontal spacing unit;
- D. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completing, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and;
- G. Imposing a 200% charge for risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

PADILLA LAW FIRM, P.A.

By: /s/ Ernest L. Padilla
Ernest L. Padilla
P.O. Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577
padillalaw@qwestoffice.net

WI OWNER	
Colgate Production, LLC	
Fasken Acquisitions 02, Ltd. 6101 Holiday Hill Road Midland, Texas 79701	
7019-2970-0000-7593-8919	
EOG Resources, Inc. PO Box 2267 TX 79706	
Midland,	
7019-2970-0000-7593-7820	
ZPZ Delaware I LLC 303 Veterans Airpark Lane, Suite 1000 Midland, Texas 79705	
7019-2970-0000-7593-7837	
COG Operating, LLC 600 W. Illinois Avenue Midland, Texas 79701	
7019-2970-0000-7593-7844	

ORRI OWNER	
Marathon Oil Company 5555 San Felipe Houston, TX 77056	
7019-2970-0000-7593-7882	
ZPZ Delaware I LLC 303 Veterans Airpark Lane, Suite 1000 Midland, Texas 79705	
Costaplenty Energy Corporation Nestegg Energy Corporation PO Box 210 Artesia, NM 88211-0210	
7019-2970-0000-7593-7875	
Nestegg Energy Corporation PO Box 210 Artesia, NM 88210-0210	
7019-2970-0000-7593-7868	
Yates Brothers P. O. Box 1394 Artesia, New Mexico 88211	
7019-2970-0000-7593-7851	

Fasken Acquisitions 02, Ltd.
6101 Holiday Hill Road
Midland, Texas 79701

EOG Resources, Inc.
PO Box 2267
Midland, TX 79706

ZPZ Delaware I LLC
303 Veterans Airpark Lane, Suite 1000
Midland, Texas 79705

COG Operating, LLC
600 W. Illinois Avenue
Midland, Texas 79701

Yates Brothers
P. O. Box 1394
Artesia, New Mexico 88211

Nestegg Energy Corporation
PO Box 210
Artesia, NM 88210-0210

Costaplenty Energy Corporation
Nestegg Energy Corporation
PO Box 210
Artesia, NM 88211-0210


Marathon Oil Company
5555 San Felipe
Houston, TX 77056

7019 2970 0000 7593 8919

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Extra Services & Fees (check box, add fees appropriate)	
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ 2.85
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$.50
Total Postage and Fees	\$ 6.85
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Fasken Acquisitions 02, Ltd.
6101 Holiday Hill Road
Midland, Texas 79701

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY		
<ul style="list-style-type: none">■ Complete items 1, 2, and 3.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.		<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X <i>Michelle B.</i></p> <p>B. Received by (Printed Name) <i>Michelle B.</i></p> <p>C. Date of Delivery <i>6-15-20</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>		
1. Article Addressed to:				
Fasken Acquisitions 02, Ltd. 6101 Holiday Hill Road Midland, Texas 79701				
				
9590 9402 4038 8079 4199 68				
2. Article Number (Transfer from service label)		3. Service Type		
7019 2970 0000 7593 8919		<input type="checkbox"/> Adult Signature		<input type="checkbox"/> Priority Mail Express [®]
		<input type="checkbox"/> Adult Signature Restricted Delivery		<input type="checkbox"/> Registered Mail TM
		<input checked="" type="checkbox"/> Certified Mail [®]		<input type="checkbox"/> Registered Mail Restricted Delivery
		<input type="checkbox"/> Certified Mail Restricted Delivery		<input type="checkbox"/> Return Receipt for Merchandise
		<input type="checkbox"/> Collect on Delivery		<input type="checkbox"/> Signature Confirmation TM
		<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Signature Confirmation Restricted Delivery
		<input type="checkbox"/> Insured Mail		
		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)		
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<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ <u>2.85</u>
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage
\$ 6.90

Total Postage and Fees
\$ 6.85

Sent To
COG Operating, LLC
600 W. Illinois Avenue
Midland, Texas 79701

Street and Apt. No.
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-000-9069 See Reverse for Instructions

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG Operating, LLC
600 W. Illinois Avenue
Midland, Texas 79701

9590 9402 4038 8079 4199 37

2. Article Number (Transfer from service label)
7019 2970 0000 7593 7844

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COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name)
Tristram Brown

C. Date of Delivery
6/15/16

D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	

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Certified Mail Fee \$ <u>3.55</u>	Postmark Here
Extra Services & Fees (check box, add fees as appropriate) <input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ <u>2.85</u> <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ <u>.90</u>	
Total Postage and \$ <u>6.85</u>	
Sent To Street and Apt. No. City, State, ZIP+4 [®]	
Nestegg Energy Corporation PO Box 210 Artesia, NM 88210-0210	
PS Form 3800, April 2013	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <u>Raye Miller</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Nestegg Energy Corporation PO Box 210 Artesia, NM 88210-0210		B. Received by (Printed Name) <u>Raye Miller</u> C. Date of Delivery <u>6/15/20</u>	
2. Article Number (Transfer from service label) 9590 9402 4038 8079 4199 13		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail [®] <input checked="" type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)		<input type="checkbox"/> Priority Mail Express [®] <input type="checkbox"/> Registered Mail TM <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation TM <input type="checkbox"/> Signature Confirmation Restricted Delivery	
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Certified Mail Fee	\$ 3.50
Extra Services & Fees (check box, add fees appropriate)	\$ 1.85
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$ 1.50
Total Postage and Fees	\$ 6.85
Sent to	
Street and Apt. No.	
City, State, ZIP+4	

PS Form 3800, April 2015 PSN 7530-02-000-9053

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EOG Resources, Inc.
 PO Box 2267
 Midland, TX 79706

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<ul style="list-style-type: none"> Complete Items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature  <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>J. Perry</u> C. Date of Delivery <u>6-15-20</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>1. Article Addressed to:</p> <p>EOG Resources, Inc. PO Box 2267 Midland, TX 79706</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail (over \$500)</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7019 2970 0000 7593 7820</p>		<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p> <p>Domestic Return Receipt</p>	

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Extra Services & Fees (check box, add fees appropriate) <input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ <u>2.85</u> <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ <u>1.50</u>	
Total Postage and \$ <u>6.85</u>	
Sent To Street and Apt. No. _____ City, State, ZIP+4® _____	
PS Form 3800, April 2015 PSN 7530-02-000-9053	

ZPZ Delaware I LLC
 303 Veterans Airpark Lane, Suite 1000
 Midland, Texas 79705

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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) <u>J. B. [Signature]</u> C. Date of Delivery <u>6-17-20</u>	
1. Article Addressed to: ZPZ Delaware I LLC 303 Veterans Airpark Lane, Suite 1000 Midland, Texas 79705		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label) 9590 9402 4038 8079 4199 44 7019 2970 0000 7593 7837		3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	
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<input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ <u>2.85</u>	
<input type="checkbox"/> Return Receipt (electronic) \$ _____	
<input type="checkbox"/> Certified Mail Restricted Delivery \$ _____	
<input type="checkbox"/> Adult Signature Required \$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ <u>.50</u>	
Total Postage and \$ <u>6.85</u>	
Sent To	Yates Brothers P. O. Box 1394 Artesia, New Mexico 88211
Street and Apt. No.	
City, State, ZIP+4®	
PS Form 3800, April 2011 PSN 7530-02-000-9053	

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1. Article Addressed to: Yates Brothers P. O. Box 1394 Artesia, New Mexico 88211		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
2. Article Number (Transfer from service label) 7019 2970 0000 7593 7851		B. Received by (Printed Name) <i>Alcenes Viquez</i>	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input checked="" type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)		C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
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Extra Services & Fees (check box, add fee as appropriate)	
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ 2.85
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$ 50
Total Postage and Fees	\$ 6.85
Sent To	Marathon Oil Company
Street and Apt. No.	5555 San Felipe
City, State, ZIP+4	Houston, TX 77056

PS Form 3800, April 2010

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SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

Marathon Oil Company
5555 San Felipe
Houston, TX 77056

2. Article Number (Transfer from service label)

9590 9402 4038 8079 4198 90 21379

7019 2970 0000 7593 7882

PS Form 3811, July 2015 PSN 7530-02-000-9058

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A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express [®]
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail TM
<input checked="" type="checkbox"/> Certified Mail [®]	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation TM
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	

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Extra Services & Fees (check box, add fees as appropriate)	
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ 2.85
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postmark
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Postage

\$ 50

Total Postage on

\$ 6.85

Sent to

Street and Apt. No.

City, State, ZIP+4

Costaplenty Energy Corporation
 Nestegg Energy Corporation
 PO Box 210
 Artesia, NM 88211-0210

PS Form 3800, April 2013 PSN 7530-02-000-9053

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1. Article Addressed to:

Costaplenty Energy Corporation
 Nestegg Energy Corporation
 PO Box 210
 Artesia, NM 88211-0210



9590 9402 4038 8079 4199 06

2. Article Number (Transfer from service label)

7019 2970 0000 7593 7875

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature		<input type="checkbox"/> Agent
x <i>Roy Miller</i>		<input type="checkbox"/> Addressee
B. Received by (Printed Name)	C. Date of Delivery	
Roy Miller	6/15/20	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes		
If YES, enter delivery address below: <input type="checkbox"/> No		

3. Service Type

- | | |
|------------------------------------------------------------------------|---------------------------------------------------------------------|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
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EMAIL ADDRESS

padillalaw@qwestoffice.net

TELEPHONE
505-988-7577

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505-988-7592

June 24, 2020

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Pitch Energy Corporation
PO Box 227
Artesia, NM 88211

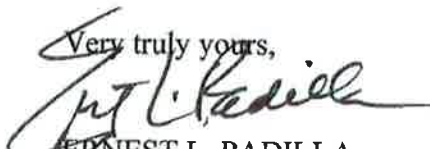
Re: NMOCD Case Number#21339, In the Matter of the Application of Colgate Operating, LLC, for compulsory pooling in Eddy County, New Mexico.

Ladies and Gentlemen:

This letter will advise that Colgate Operating, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order for compulsory pooling, in Eddy County, New Mexico as referenced above. Copy of the application is enclosed.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 23, 2020 at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,



ERNEST L. PADILLA

ELP:jbg

cc: Colgate Operating, LLC

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

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

CASE NO. 21339

APPLICATION FOR COMPULSORY POOLING

COLGATE OPERATING, LLC applies for an order pooling all mineral interests within Palmillo Bone Spring (Pool Code 96413), underlying the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of this application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above referenced horizontal spacing unit to the following four initial wells:

A. **Toro 22 Fed State Com 121H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.

BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.

Well Orientation: West to East

Completion Location: standard;

B. **Toro 22 Fed State Com 131H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.

BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.

Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.

Well Orientation: West to East

Completion Location: standard.

3. Because the proposed wells will be continuously drilled and completed, Applicant requests an extension of the time period to drill and complete the initial wells from 120 days to 365 days.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing

unit.

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

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of these proposed horizontal wells and the proposed spacing unit.

WHEREFORE, Applicant, requests after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted interests in this horizontal spacing unit;
- B. Approving two initial horizontal wells in this spacing unit;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells on this horizontal spacing unit;
- D. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completing, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and;
- G. Imposing a 200% charge for risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

PADILLA LAW FIRM, P.A.

By: /s/ Ernest L. Padilla
Ernest L. Padilla
P.O. Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577
padillalaw@qwestoffice.net

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

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Padilla Law Firm, P.A.
 Ernest L. Padilla
 PO Box 2523
 Santa Fe, NM 87504

Pitch Energy Corporation
 PO Box 227
 Artesia, NM 8

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June 24, 2020

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

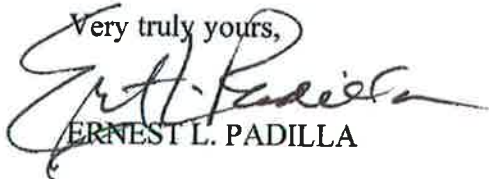
Marbob Energy Corporation
PO Box 227
Artesia, NM 88211

Re: NMOCD Case Number#21339, In the Matter of the Application of Colgate Operating, LLC, for compulsory pooling in Eddy County, New Mexico.

Ladies and Gentlemen:

This letter will advise that Colgate Operating, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order for compulsory pooling, in Eddy County, New Mexico as referenced above. Copy of the application is enclosed.

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Very truly yours,

ERNEST L. PADILLA

ELP:jbg

cc: Colgate Operating, LLC

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

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

CASE NO. 21339

APPLICATION FOR COMPULSORY POOLING

COLGATE OPERATING, LLC applies for an order pooling all mineral interests within Palmillo Bone Spring (Pool Code 96413), underlying the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of this application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above referenced horizontal spacing unit to the following four initial wells:

A. **Toro 22 Fed State Com 121H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.
Well Orientation: West to East
Completion Location: standard;

B. **Toro 22 Fed State Com 131H**

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location: standard.

3. Because the proposed wells will be continuously drilled and completed, Applicant requests an extension of the time period to drill and complete the initial wells from 120 days to 365 days.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing

unit.

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

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of these proposed horizontal wells and the proposed spacing unit.

WHEREFORE, Applicant, requests after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted interests in this horizontal spacing unit;
- B. Approving two initial horizontal wells in this spacing unit;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells on this horizontal spacing unit;
- D. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completing, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and;
- G. Imposing a 200% charge for risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

PADILLA LAW FIRM, P.A.

By: /s/ Ernest L. Padilla
Ernest L. Padilla
P.O. Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577
padillalaw@qwestoffice.net

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☐ Adult Signature Restricted Delivery \$ _____

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Total Postage and Fees
 \$ 5.70

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City, State, ZIP+4 _____

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Marbob Energy Corporation
 PO Box 227
 Artesia, NM 88355

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Padilla Law Firm, P.A.
 Ernest L. Padilla
 PO Box 2523
 Santa Fe, NM 87504

07/07/2020

Marbob Energy Corporation
 PO Box 227
 Artesia, NM 88

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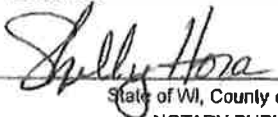
SANTA FE, NM 87504

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:

07/17/2020


Legal Clerk

Subscribed and sworn before me this July 21, 2020:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires

SHELLY HORA
Notary Public
State of Wisconsin

Ad # 0004287284

PO #: 21303(Rincon) 21339 (Toro)

of Affidavits: 1

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 23, 2020 at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website:

<http://www.emnrd.state.nm.us/OCD/announcements.html>. Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a prehearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

STATE OF NEW MEXICO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: Marbob Energy Corporation, Pitch Energy Corporation

Case No. 21303: Application of Colgate Operating, LLC, for compulsory pooling, nonstandard spacing and proration unit, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests within the Bone Spring Formation, underlying the S/2 of Section 22, Township 19 South, Range 28 East, NMPM and Section 28, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, on the following wells listed below. These wells are located approximately 13 miles southwest of Loco Hills, New Mexico.

1. Rincon 22 State 123H

SHL: 1380 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.

BHL: 1613 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 7400 feet TVD.

Well Orientation: West to East

Completion Location expected to be: standard

Spacing Unit: N/2 S/2 of Section 22;

2. Rincon 22 State 133H

SHL: 1335 feet from the South line and 263 feet from the West line, (Unit L) of Section 22, Township 19 South, Range 28 East, NMPM.

BHL: 1713 feet from the South line and 100 feet from the East line, (Unit I) of Section 22, Township 19 South, Range 28 East, NMPM.

Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.

Well Orientation: West to East

Completion Location expected to be: standard

Spacing Unit: N/2 S/2 of Section 22;

Case No. 21339: Application of Colgate Operating, LLC, for compulsory pooling, nonstandard spacing and proration unit, Eddy County, New Mexico; Applicant seeks an order pooling all mineral interests within the Palmillo Bone Spring (Pool Code 96413), underlying the N/2 N/2 of Section 22, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, on the following wells listed below. These wells are located approximately 13 miles southwest of Loco Hills, New Mexico.

1. Toro 22 Fed State Com 121H

SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.

BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 7500 feet TVD.

Well Orientation: West to East

Completion Location: standard;

2. ~~Toro 22 Fed State Com 131H~~
SHL: Unit E of Section 22, Township 19 South, Range 28 East, NMPM.
BHL: Unit A of Section 22, Township 19 South, Range 28 East, NMPM.
Completion Target: 3rd Bone Spring Sand at approx 8700 feet TVD.
Well Orientation: West to East
Completion Location: standard.
#4287284, Current Arqus, July 17, 2020