

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

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

**CASE NO. 21629**

**Examiner Docket: January 7, 2021**

**COLGATE'S EXHIBITS**

**Meridian 3 Fed State Com 131H**



Earl E. DeBrine, Jr.  
Lance D. Hough

 **MODRALL SPERLING**

500 Fourth Street NW, Suite 1000  
P. O. Box 2168 / Albuquerque, NM 87103  
Telephone 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)  
[ldh@modrall.com](mailto:ldh@modrall.com)

Exhibit A      Compulsory Pooling Application Checklist

Exhibit B      Affidavit of Mark Hajdik

- B-1      Application
- B-2      C102 Draft Plat
- B-3      Communication Timeline
- B-4      Tract Map with WIs and ORRIs
- B-5      Well Proposal Letter
- B-6      Authorization for Expenditures

Exhibit C      Affidavit of Sergio Ojeda

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

Exhibit D      Affidavit of Lance D. Hough

- D-1      Hearing Notice / 12/18/20
- D-2      Certified Mail Log / Notice 12/18/20
- Certified Mail Log / Report 01/04/21
- D-4      Affidavit of Publication / 12/22/20

Earl E. DeBrine, Jr.  
Lance D. Hough



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# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

<b>Case: 21629</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	January 7, 2021
<b>Applicant</b>	Colgate Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Colgate Operating, LLC (OGRID 371449)
<b>Applicant's Counsel:</b>	Modrall Sperling
<b>Case Title:</b>	APPLICATION OF COLGATE OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, CASE NO. 21629
<b>Entries of Appearance/Intervenors:</b>	J.M. Welborn Trust
<b>Well Family</b>	Meridian
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring Formation
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Bone Spring Formation
<b>Pool Name and Pool Code:</b>	Parkway; Bone Spring Pool (Code 49622)
<b>Well Location Setback Rules:</b>	Latest Statewide Horizontal Rules Apply
<b>Spacing Unit Size:</b>	Approximately 320 Acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	320 Acres
<b>Building Blocks:</b>	Quarter Quarter Sections
<b>Orientation:</b>	East to West
<b>Description: TRS/County</b>	N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	No
<b>Proximity Defining Well: if yes, description</b>	N/A
<b>Applicant's Ownership in Each Tract</b>	Exhibit B.4
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	See Exhibits B.1 and B.2



Well #1	<p>Meridian 3 Fed State Com 131H</p> <p>SHL: 1035 feet from the North line and 453 feet from the West line, N/2 N/2 of Section 3, Township 20 South, Range 29 East, NMPM, Eddy County.</p> <p>BHL: 910 feet from the North line and 100 feet from the East line, N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County.</p> <p>Completion Target: 3rd Bone Spring at approx 9,125 feet TVD.</p> <p>Well Orientation: East to West</p> <p>Completion Location expected to be: standard</p>
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhibit B; Exhibit B.1; Exhibit B.5; Exhibit C.3; Exhibits C.6 and C.7
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit B.6 for AFEs
Requested Risk Charge	200%; see Exhibit B
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.4
Tract List (including lease numbers and owners)	Exhibit B.4
Pooled Parties (including ownership type)	Exhibit B.4
Unlocatable Parties to be Pooled	Exhibit B.4; Exhibit D.2
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B.5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.4
Chronology of Contact with Non-Joined Working Interests	Exhibit B.3
Overhead Rates in Proposal Letter	Exhibit B.5
Cost Estimate to Drill and Complete	Exhibit B.6 for AFEs
Cost Estimate to Equip Well	Exhibit B.6 for AFEs
Cost Estimate for Production Facilities	Exhibit B.6 for AFEs
<b>Geology</b>	
Summary (including special considerations)	Exhibit C

Spacing Unit Schematic	Exhibits B.2, C.2, and C.3
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.3
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits C.3 through C.7
HSU Cross Section	Exhibits C.6 and C.7
Depth Severance Discussion	Exhibit B
<b>Forms, Figures and Tables</b>	
C-102	Exhibit B.2 for draft plat. Colgate anticipates supplementing with the C-102 by 1/8/21
Tracts	Exhibit B.2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.2
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibits C.2 through C.7
Structure Contour Map - Subsea Depth	Exhibits C.4
Cross Section Location Map (including wells)	Exhibit C.2
Cross Section (including Landing Zone)	Exhibits C.6 and C.7
<b>Additional Information</b>	
Special Provisions/Stipulations	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	Lance Hough
<b>Signed Name (Attorney or Party Representative):</b>	
<b>Date:</b>	1/5/2021

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

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

CASE NO. 21629

**AFFIDAVIT OF MARK HAJDIK**

STATE OF TEXAS                     )  
  ) ss.  
COUNTY OF MIDLAND            )

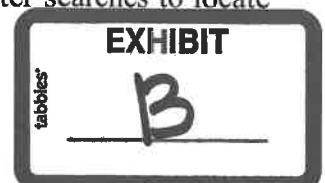
Mark Hajdik, being duly sworn, deposes and states:

1. I am a landman for Colgate Operating, LLC ("Colgate"), over the age of 18 and have personal knowledge of the matters stated herein. I have previously been qualified to testify by the New Mexico Oil Conservation Division as an expert in petroleum land matters and my credentials were accepted and made part of the record in those proceedings.

2. I am familiar with the application filed by Colgate in the above-referenced case and the land matters involved. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the above referenced compulsory pooling applications filed by Colgate.

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

4. Prior to filing its application, Colgate made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well. Colgate identified all of the working interest, unleased mineral interests, and overriding royalty interest owners from a title opinion. To locate interest owners, Colgate conducted a diligent search of the public records in the county where the well will be located, and conducted phone directory and computer searches to locate



contact information for parties entitled to notification. I mailed all working interest owners a well proposal and an Authorization for Expenditure, and a form of Operating Agreement upon request.

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

6. In its Application, Colgate seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Meridian 3 Fed State Com 131H** well, to be horizontally drilled. The Application is attached hereto as **Exhibit B.1**.

7. Attached as **Exhibit B.2** is a draft plat for the proposed well. The well will develop the Parkway; Bone Spring Pool (Code 49622). The producing interval for the well will be orthodox and comply with the Division's set back requirements, as the first and last take points will be no closer than 100' from the proposed unit boundary and the completed lateral will be no closer than 330' from the proposed unit boundary.

8. Attached as **Exhibit B.3** is a summary of communications with non-joined working interest owners regarding proposed well within the unit that is the subject of this application.

9. Attached as **Exhibit B.4** is a lease tract map outlining the tracts in both of the proposed units, a list of the working interest owners in the proposed units with their respective

percentage of interest and whether they are being pooled, and a list of overriding royalty interest owners in the proposed units.

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

11. Attached as **Exhibit B.6** is the Authorization for Expenditure for the proposed well. The estimated costs of the **Meridian 3 Fed State Com 131H** well set forth therein is \$6,777,437. The estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

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

13. Colgate requests overhead and administrative rates of \$8,000/month during drilling and \$800/month while producing. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico and consistent with the rates awarded by the Division in recent compulsory pooling orders. Colgate requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

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

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

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

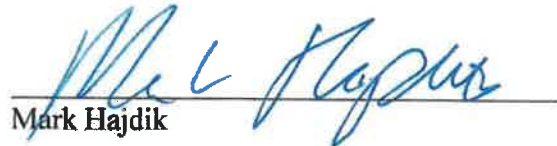
18. Colgate requests that overriding royalty interest owners be pooled.



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

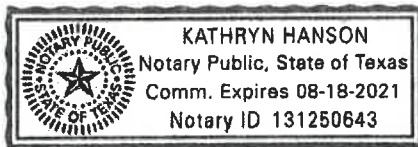
20. The attachments to my Affidavit were prepared by me or compiled from company business records.

21. Pursuant to Rule 1-011 NMRA, I declare and affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct to the best of my knowledge and belief.

  
Mark Hajdik

SUBSCRIBED AND SWORN to before me this 31 day of December 2020 by Mark Hajdik, on behalf of Colgate Operating, LLC.

S E A L



  
Notary Public  
My commission expires: 8/18/21

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

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

CASE NO. \_\_\_\_\_

**APPLICATION**

Colgate Operating, LLC ("Colgate"), OGRID Number 371449, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of this application, Colgate states as follows:

1. Colgate is an interest owner in the subject lands and has a right to drill a well thereon.
2. Colgate seeks to dedicate the N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, Bone Spring horizontal spacing unit.
3. Colgate plans to drill the **Meridian 3 Fed State Com 131H** well to a depth sufficient to test the Bone Spring formation. This is a horizontal well with a surface location in the NW/4 NW/4 (Unit D) of Section 3, Township 20 South, Range 29 East, NMPM, Eddy County, and an intended bottom hole location in the NE/4 NE/4 (Unit A) of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County.



4. This well is proposed to be drilled vertically to a depth of approximately 9,125' to the Bone Spring formation and laterally in a easterly direction within the formation to the referenced bottom hole location.

5. This well will be located within the Parkway; Bone Spring Pool (Code 49622) and will comply with the Division's setback requirements.

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

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

WHEREFORE, Colgate requests that this case is set for hearing before an Examiner of the Oil Conservation Division on January 7, 2020, and after notice and hearing as required by law, the Division enter its order:

A. Creating an approximately 320-acre horizontal spacing unit in the Bone Spring formation comprised of N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico;

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

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

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

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

Respectfully submitted,

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

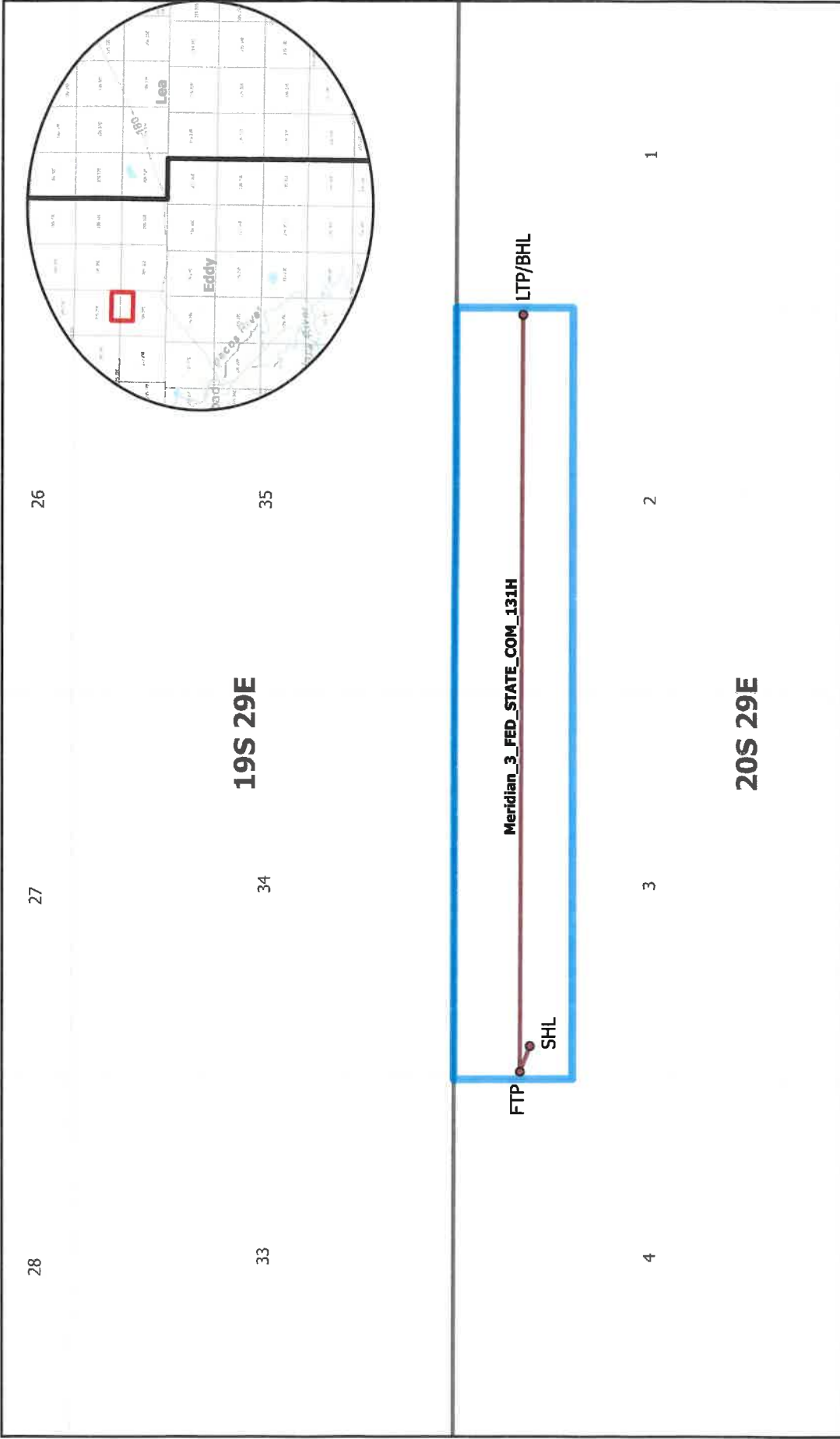
By: 

Earl E. DeBrine, Jr.  
Deana M. Bennett  
Lance D. Hough  
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*Attorneys for Applicant*

W3914129.DOCX

**Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico.**

Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Meridian 3 Fed State Com 131H** well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.



**Location Calls:**

SHL: 1035' FNL, 453' FWL Section 3 20S-29E  
FTP: 910' FNL, 100' FWL Section 3 20S-29E  
LTP/BHL: 910' FNL, 100' FEL Section 2

**EXHIBIT**

B.2

**Meridian 3 FED STATE COM Unit**

0 0.25 0.5 1 Miles

N E S W

COLGATE

## Communication Timeline

**July 10, 2020** – Proposals sent for the Meridian 3 Fed State Com 131H

**October/November, 2020** – Various trade proposals exchanged with Concho along with a number of communications between Colgate and Concho on trade ideas that included this well. Ultimately trade negotiations were unsuccessful, and no trade was completed.

**August 2020** - Ramsland Oil and Gas, Bahnhof, and Robinson elected to participate, but have not signed the Operating Agreement to date

**September 2020-January 2021** – Reached agreement and finalizing purchase of Manada and Canyon's interest in the spacing unit.

**August 2020-January 2021** – responded to various email questions from WPX, Cimarex, and a number of small WI owners who have not made any affirmative decision regarding their participation or willingness to sell

**July 2020-January 2021** – Various email exchanges with JM Welborn Trust

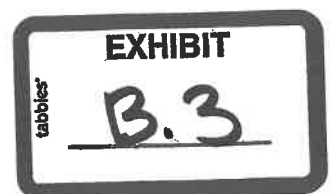
**July 2020-October 2020** – Challenger, Jerlyn, Marshall & Winston, Hill Royalty, and Petrohill returned AFEs but have not yet signed JOAs.

**December 2020** – Conoco has agreed to participate, but has not yet executed the Operating Agreement

**December 31, 2020** - Provided offer to purchase JM Welborn Trust interest that aligns in price with other accepted offers in the spacing unit

**January 4, 2021** – Exchanged emails with JM Welborn Trust regarding counter-offer

**January 4, 2021** – As of this date a number of the parties have not responded to the notices or have provided follow up decisions regarding their intent to sell or participate



**tabbies'**

B.4



WI OWNER	TRACT	NET	WI	FORCE POOL INTEREST
Colgate Production, LLC	1 & 4	87.2004	27.25%	Operator
ConocoPhillips Company	1	48	15.00%	Yes
COG Operating LLC	1	28.3274	8.85%	Yes
WPX Energy Permian	1	0.27781	0.09%	Yes
Diane Denish	1	0.11667	0.04%	Yes
Sara Schreiber	1	0.03889	0.01%	Yes
Suzanne Schreiber	1	0.03889	0.01%	Yes
Magnum Hunter	3, 5	80	25.00%	Yes
Richmond Resources	2, 4	50	15.63%	Yes
Challenger Crude, Ltd.	4	3.75	1.17%	Yes
Marshall & Winston	4	3	0.94%	Yes
Cal Mon Oil Company	4	2.55	0.80%	Yes
Geraldine Zoller	4	2	0.63%	Yes
Hendrix Revocable Trust	4	1.875	0.59%	Yes
Jerlyn Investments	4	1.875	0.59%	Yes
Ernest Angelo et ux	4	1.5	0.47%	Yes
JM Welborn Trust	4	1	0.31%	Yes
Pendragon Production Company	4	1	0.31%	Yes
Gasco Energy	4	0.58333	0.18%	Yes
Waltrip Energy	4	0.58333	0.18%	Yes
Jane B. Ramsland Oil and Gas	4	0.52802	0.17%	Yes
Horseshoe Drilling Corp	4	0.5	0.16%	Yes
H-S Minerals and Realty	4	0.5	0.16%	Yes
Hill Investments	4	0.5	0.16%	Yes
Barnes Family Partnership	4	0.46363	0.14%	Yes

Thomas Hill Puff Trust	4	0.41667	0.13%	Yes
Nancy Puff Jones Trust	4	0.41667	0.13%	Yes
C. F. Wynn	4	0.35287	0.11%	Yes
RLMPKM LLC	4	0.3	0.09%	Yes
Adrienne Suzanne Wynn Beauchamp Charitable Trust	4	0.21121	0.07%	Yes
Enoch Energy	4	0.16667	0.05%	Yes
Castlerock Exploration	4	0.16667	0.05%	Yes
McCrea Energy	4	0.16667	0.05%	Yes
Christine B. Motycka	4	0.15454	0.05%	Yes
Steven C. Barnes	4	0.15454	0.05%	Yes
V. Elaine Barnes	4	0.15454	0.05%	Yes
Julie Ellen Barnes	4	0.15454	0.05%	Yes
Tocor Investments	4	0.15	0.05%	Yes
C.R. Burch	4	0.14166	0.04%	Yes
Banhof Holdings	4	0.14166	0.04%	Yes
Laurie Barr Family Trust	4	0.14166	0.04%	Yes
Elizabeth Ramsland	4	0.14143	0.04%	Yes
WFW Family Ltd	4	0.14143	0.04%	Yes
Forest Wynn	4	0.0528	0.02%	Yes
Taylor Wynn	4	0.0528	0.02%	Yes
Craig Barr	4	0.00322	0.00%	Yes
Zachariah Reid	4	0.00322	0.00%	Yes
Taylor Barr	4	0.00322	0.00%	Yes
Thomas Barr	4	0.00322	0.00%	Yes

ORRI OWNERS
Cal-Mon Oil Company
Ray Westall Operating, Inc.
Westall Oil and Gas, LLC
Ellen Brasel
Drew J. Bracken
Carol Lee Bracken
Joanne Sweeney



Via Certified Mail

July 10, 2020

RE: Meridian 3 Fed State Com Well Proposal  
Sec. 3 & Sec. 2, T20S-29E, Bone Spring Formation  
Eddy County, New Mexico

To whom it may concern:

Colgate Production, LLC ("Colgate"), hereby proposes the drilling of the Meridian 3 Fed State Com 131H at the following approximate location:

Meridian 3 Fed State Com 131H

SHL: To be located at a legal location in Unit L4 of Section 3-20S-29E

BHL: To be located at a legal location in Unit L1 Section 2-20S-29E

TVD: 9,125'

TMD: 19,485'

Targeted Interval: 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

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\_\_\_\_\_ I/We hereby elect to participate in the Meridian 3 Fed State Com 131H.  
\_\_\_\_\_ I/We hereby elect NOT to participate in the Meridian 3 Fed State Com 131H.

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:	7/10/2020	AFE NO.:	0
WELL NAME:	Meridian 3 Fed State Com 131H	FIELD:	Bone Spring
LOCATION:	Parkway	MD/TVD:	19485 / 9125
COUNTY/STATE:	Eddy	LATERAL LENGTH:	10,360
Colgate Well:	0.00%	DRILLING DAYS:	26.547
GEOLOGIC TARGET:	3rd Bone Spring	COMPLETION DAYS:	17

REMARKS: Drill and Complete 60 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	150,000	13,000	10,000	173,000
4 Freight / Transportation	61,500	36,750	-	98,250
5 Rental - Surface Equipment	70,508	150,490	4,640	225,598
6 Rental - Downhole Equipment	73,616	56,000	-	129,616
7 Rental - Living Quarters	42,361	45,700	5,200	93,261
10 Directional Drilling, Surveys	264,879	-	-	264,879
11 Drilling	578,546	-	-	578,546
12 Drill Bits	141,500	-	-	141,500
13 Fuel & Power	86,410	210,000	-	296,410
14 Cementing & Float Equip	205,000	-	-	205,000
16 Perforating, Wireline, Slickline	-	260,750	8,000	268,750
17 High Pressure Pump Truck	-	10,000	-	10,000
18 Completion Unit, Swab, CTU	-	150,000	12,080	162,080
20 Mud Circulation System	104,412	-	-	104,412
21 Mud Logging	24,494	-	-	24,494
22 Logging / Formation Evaluation	8,024	8,000	-	16,024
23 Mud & Chemicals	111,532	308,000	-	419,532
24 Water	28,716	543,228	-	571,944
25 Stimulation	-	720,000	-	720,000
26 Stimulation Flowback & Disp	-	94,000	-	94,000
28 Mud / Wastewater Disposal	104,938	73,000	-	177,938
30 Rig Supervision / Engineering	123,682	79,800	9,800	213,082
32 Drig & Completion Overhead	9,955	-	-	9,955
35 Labor	120,500	30,500	10,000	161,000
54 Proppant	-	490,676	-	490,676
95 Insurance	35,789	-	-	35,789
97 Contingency	119,068	159,333	5,968	284,369
99 Plugging & Abandonment	-	-	-	-
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,500,432</b>	<b>3,438,986</b>	<b>65,648</b>	<b>6,005,067</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 8,177	\$ -	\$ -	\$ 8,177
61 Intermediate Casing	42,840	-	-	42,840
62 Drilling Liner	97,738	-	-	97,738
63 Production Casing	261,461	-	-	261,461
64 Production Liner	-	-	-	-
65 Tubing	-	-	38,804	38,804
66 Wellhead	64,000	-	48,900	112,900
67 Packers, Liner Hangers	22,000	-	3,500	25,500
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	80,000	80,000
73 Compressor	-	-	-	-
74 Installation Costs	-	-	35,000	35,000
75 Surface Pumps	-	-	5,000	5,000
76 Downhole Pumps	-	-	4,950	4,950
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	-	-	60,000	60,000
85 Communications / SCADA	-	-	-	-
86 Instrumentation / Safety	-	-	-	-
<b>TOTAL TANGIBLES &gt;</b>	<b>496,216</b>	<b>0</b>	<b>276,154</b>	<b>772,370</b>
<b>TOTAL COSTS &gt;</b>	<b>2,996,649</b>	<b>3,438,986</b>	<b>341,802</b>	<b>6,777,437</b>

### PREPARED BY Colgate Energy:

Drilling Engineer:	Steven Segrest	
Completions Engineer:	Brady Adams	CRM
Production Engineer:	Levi Harris	

### Colgate Energy APPROVAL:

Co-CEO	WH	Co-CEO	JW	VP - Operations	CRM
VP - Land & Legal	BG	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 construed as a ceiling on any specific item or the total cost of the project. Turning installation approval under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay the proportionate share of actual costs incurred, including legal, consulting, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.



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

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

CASE NO. 21629

**AFFIDAVIT OF SERGIO RIVERO OJEDA**

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF MIDLAND            )

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

1. I am over the age of 18, I am a geologist for Colgate Operating, LLC ("Colgate"), and have personal knowledge of the matters stated herein. I have previously been qualified to testify by the New Mexico Oil Conservation Division ("Division") as an expert in geology matters and my credentials were accepted and made part of the record in those proceedings.

2. My work for Colgate includes the Permian Basin in New Mexico and I have been involved in the study and evaluation of the Bone Spring formation in the area of Eddy County encompassing Colgate's **Meridian 3 Fed State Com 131H** well (*hereinafter* "Proposed Well"), which is located within the Bone Spring horizontal spacing unit that is the subject of this application.

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

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



- a. **Exhibit C.1** is a Regional Locator Map identifying the Meridian project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing unit that is the subject of this application.
- b. **Exhibit C.2** is a Cross-Section Locator Map. This map identifies the cross-section running from A-A' with the cross-section well names and a black line in proximity to the Proposed Well. It also identifies the Proposed Well with well name and a red line.
- c. **Exhibit C.3** is a Gunbarrel/Lateral Trajectory Diagram. This diagram identifies the well within the Meridian development plan. It displays the **Meridian 3 Fed State Com 131H** well in the Third Bone Spring formation with a red circle. The proposed unit is identified in green in the reference map in the bottom right.
- d. **Exhibit C.4** is a Third Bone Spring Structure Map on the top of the Third Bone Spring formation. This map identifies the **Meridian 3 Fed State Com 131H** well with a red line and the proposed unit with a bright green outline. It also identifies the location of the cross-section running from A-A' in proximity to the Proposed Well. This map shows that the structure slightly dips to the southeast.
- e. **Exhibit C.5** is a Third Bone Spring Isopach Map. This map also identifies the **Meridian 3 Fed State Com 131H** well with a red line, the proposed unit with a bright green outline, and the cross-section running from A-A' with a black line. It shows the gross thickness of the Third Bone Spring interval ranges from 400 ft to 475 ft, and is fairly uniform across the proposed unit at 450 ft.
- f. **Exhibit C.6** is a Stratigraphic Cross Section hung on the top of the Third Bone Spring formation. The well logs on the cross-section give a representative sample



of the Bone Spring formation in the area. The target zone for the Proposed Well is the Third formation, which is consistent across the unit. The planned well-path for the Proposed Well is indicated by red dashed lines.

- g. **Exhibit C.7** is a detailed view of the Target Zone within the Stratigraphic Cross Section for the **Meridian 3 Fed State Com 131H** well. The target zone for the well is the Third Bone Spring Formation, and that zone is consistent across the unit. The planned well-path is indicated by a red dashed line.

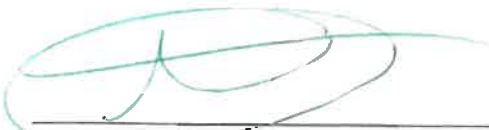
5. Based upon my study as illustrated in these exhibits, knowledge of the geology in this area, and education and training, it is my expert opinion that:

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

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

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

8. Pursuant to Rule 1-011 NMRA, I declare and affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct to the best of my knowledge and belief.

  
Sergio Rivero Ojeda

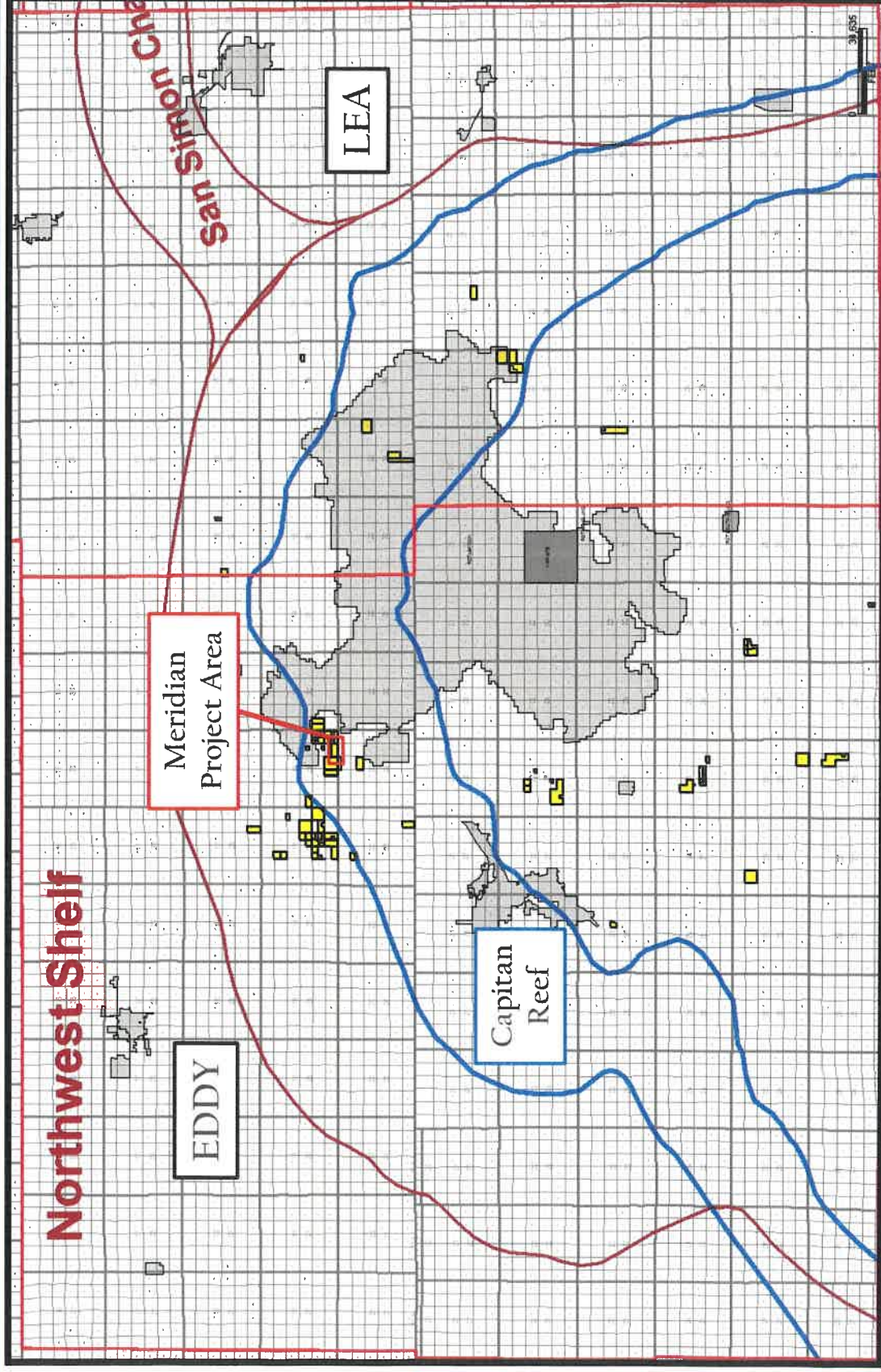
SUBSCRIBED AND SWORN to before me this 4<sup>th</sup> day of January 2021 by Sergio Rivero Ojeda, on behalf of Colgate Operating, LLC.



  
Notary Public

My commission expires: 8/18/21

# Meridian: Regional Locator Map



 Colgate Energy

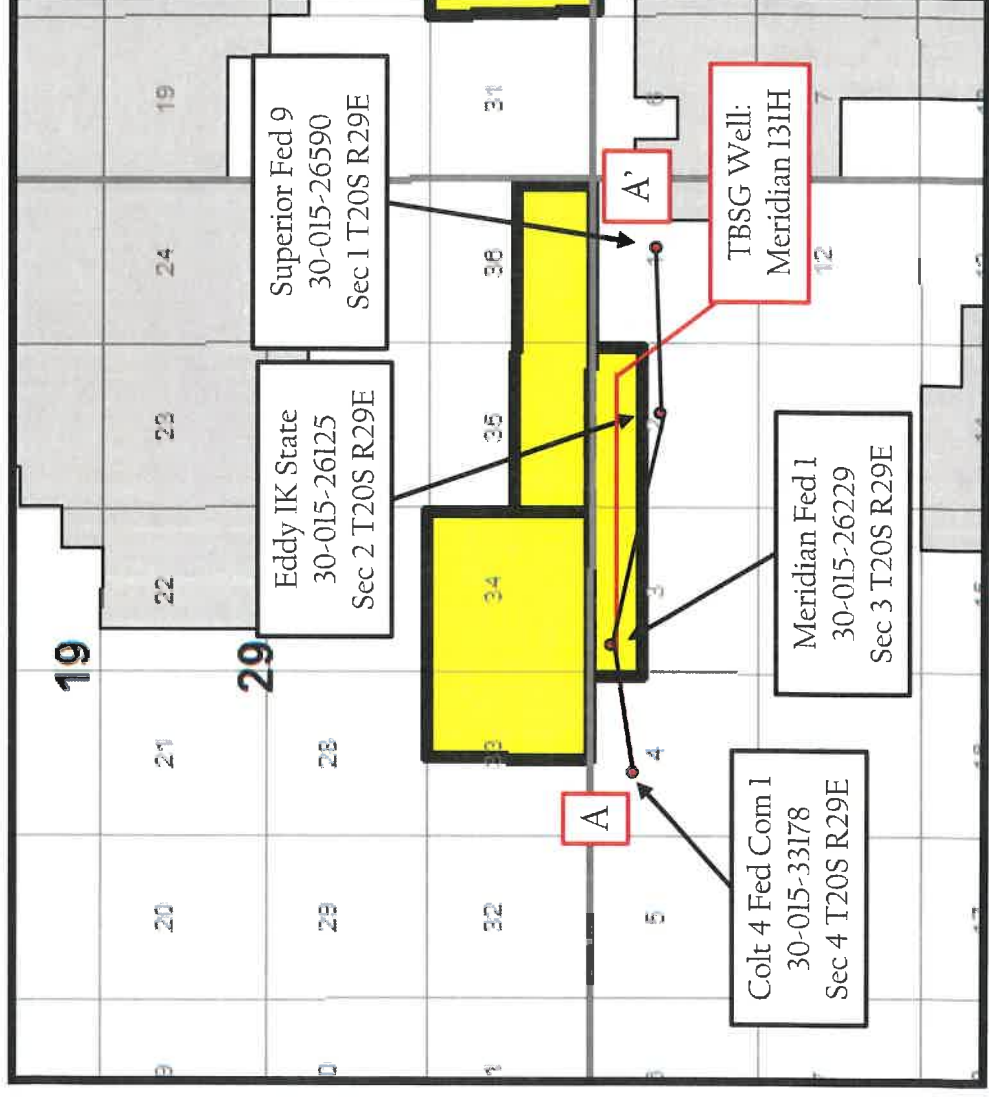
EXHIBIT

C.1

tables

CONFIDENTIAL

# Meridian: Cross-Section Locator Map



Colgate Energy



EXHIBIT

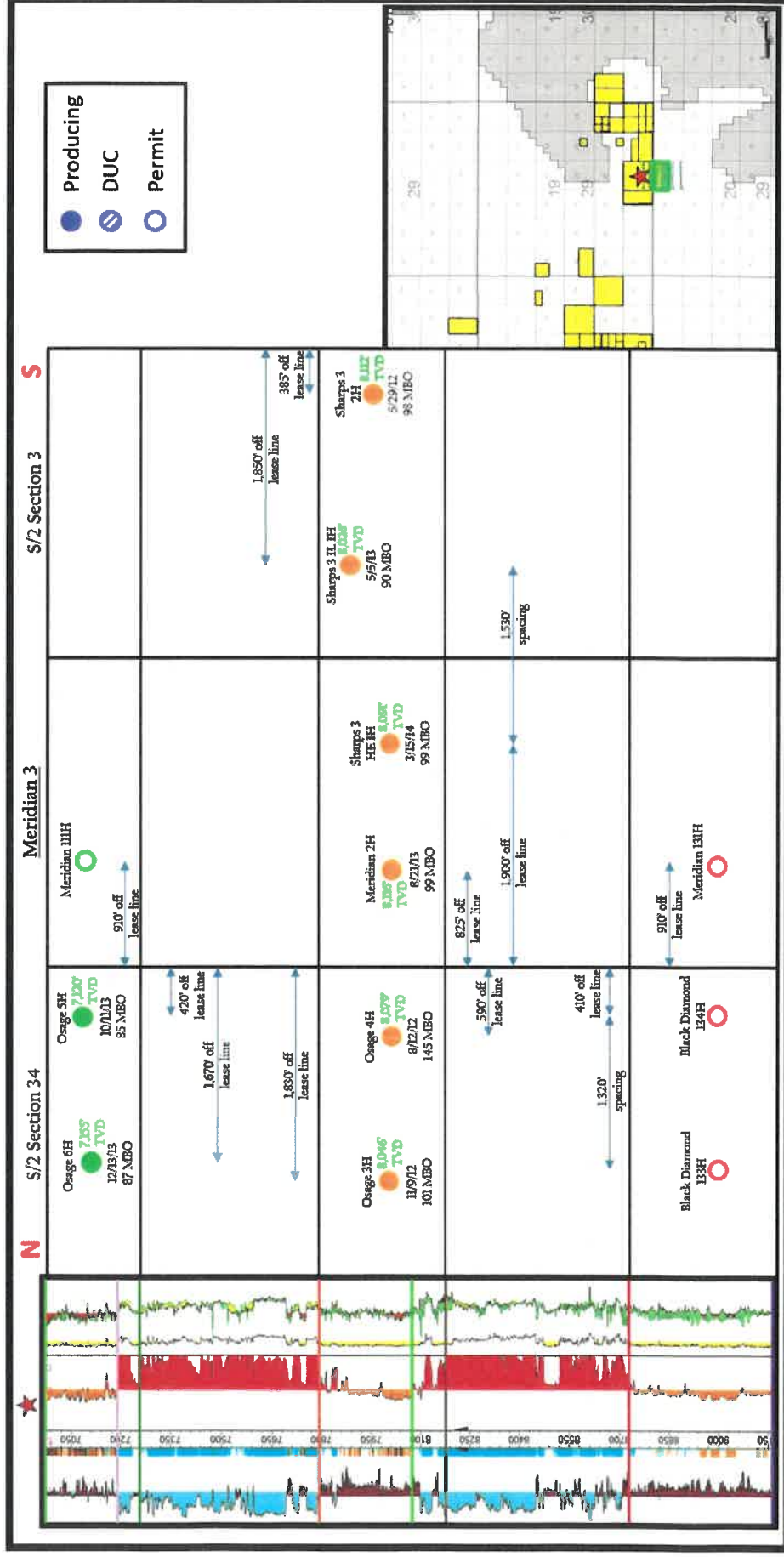
C.2

tabbles

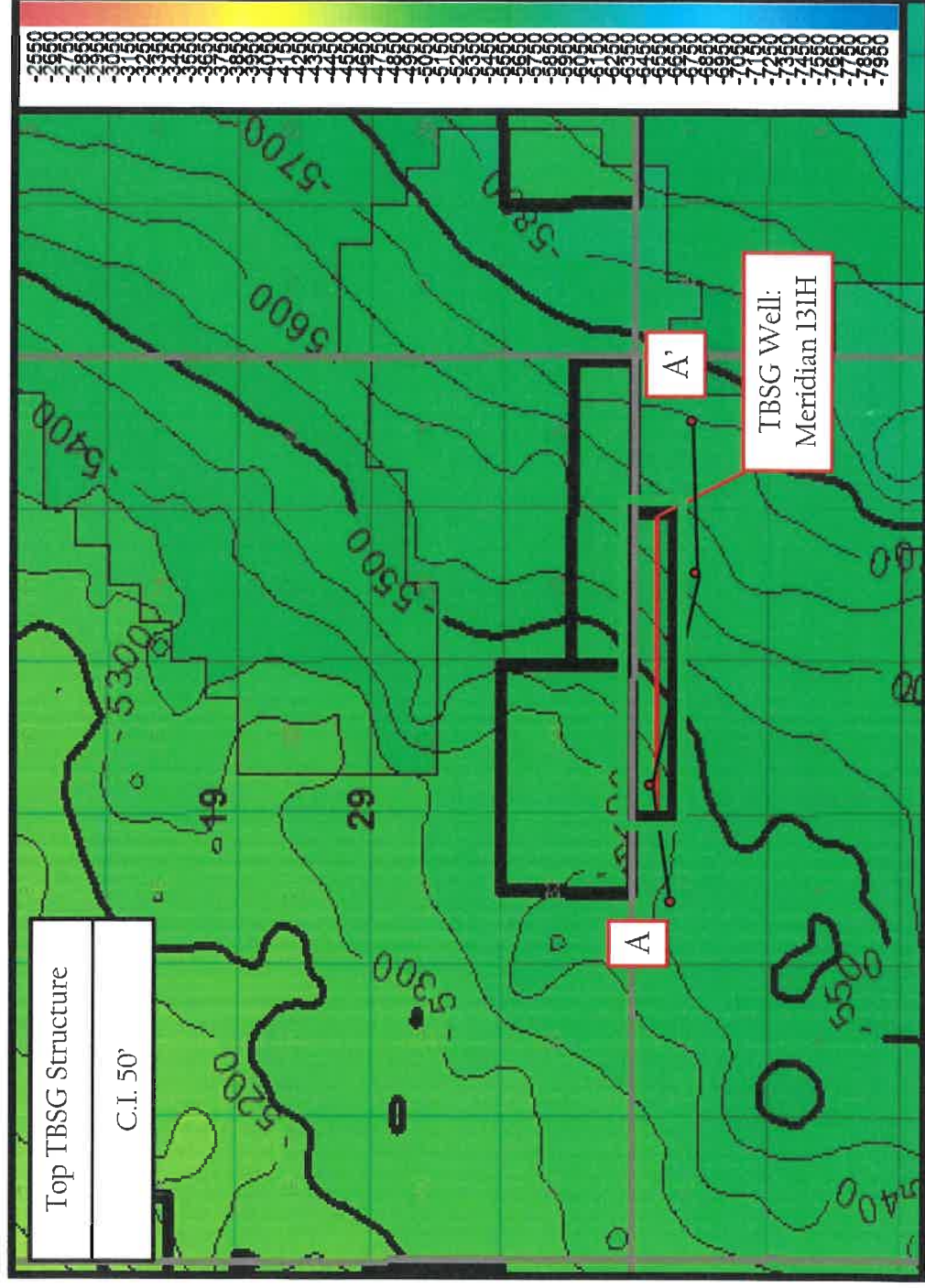
CONFIDENTIAL



# Meridian: Gun Barrel Development



# Meridian: TBSG Structure Map



Colgate Energy

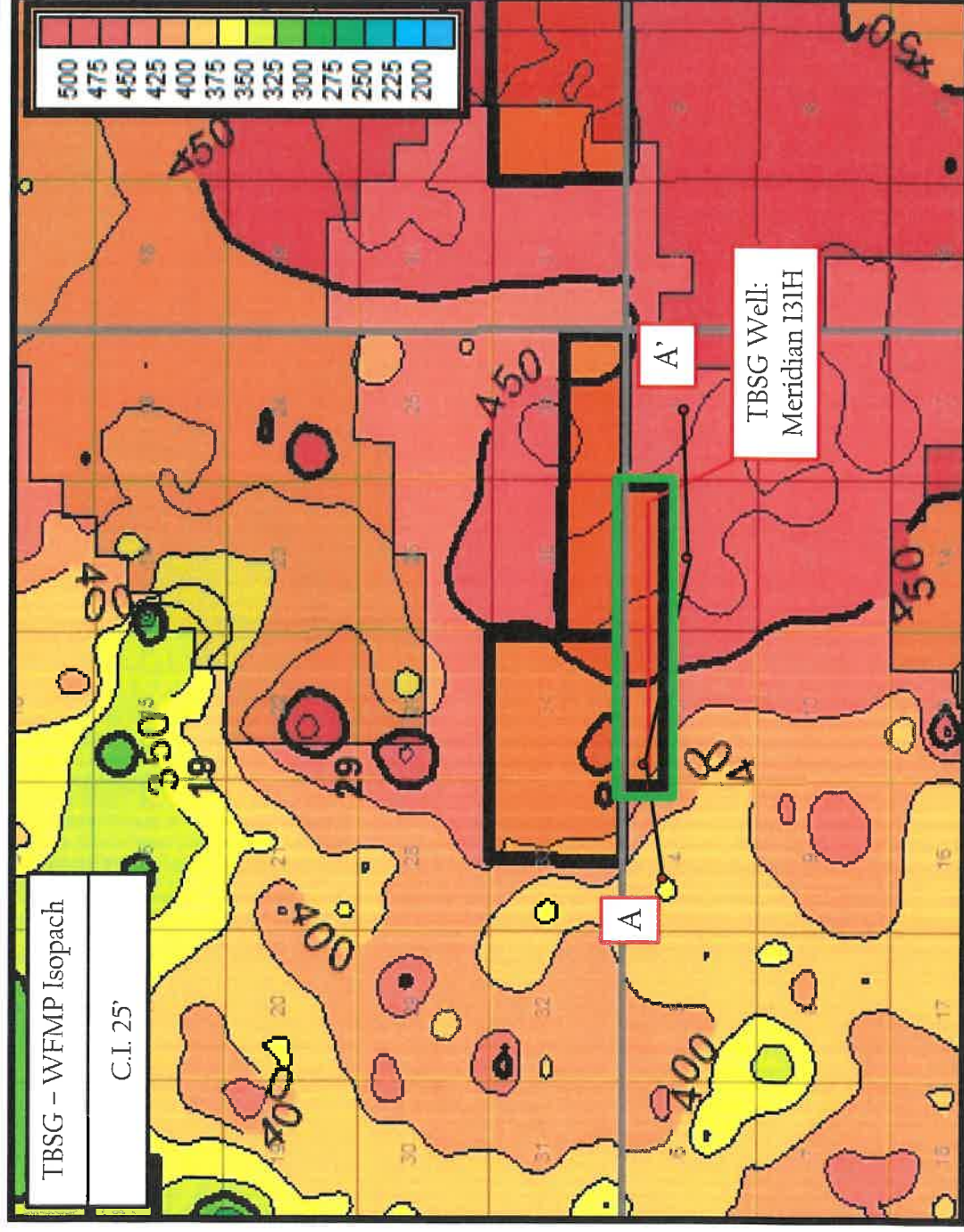
CONFIDENTIAL

EXHIBIT

C.4

tables

# Meridian: TBSG Isopach Map



Colgate Energy

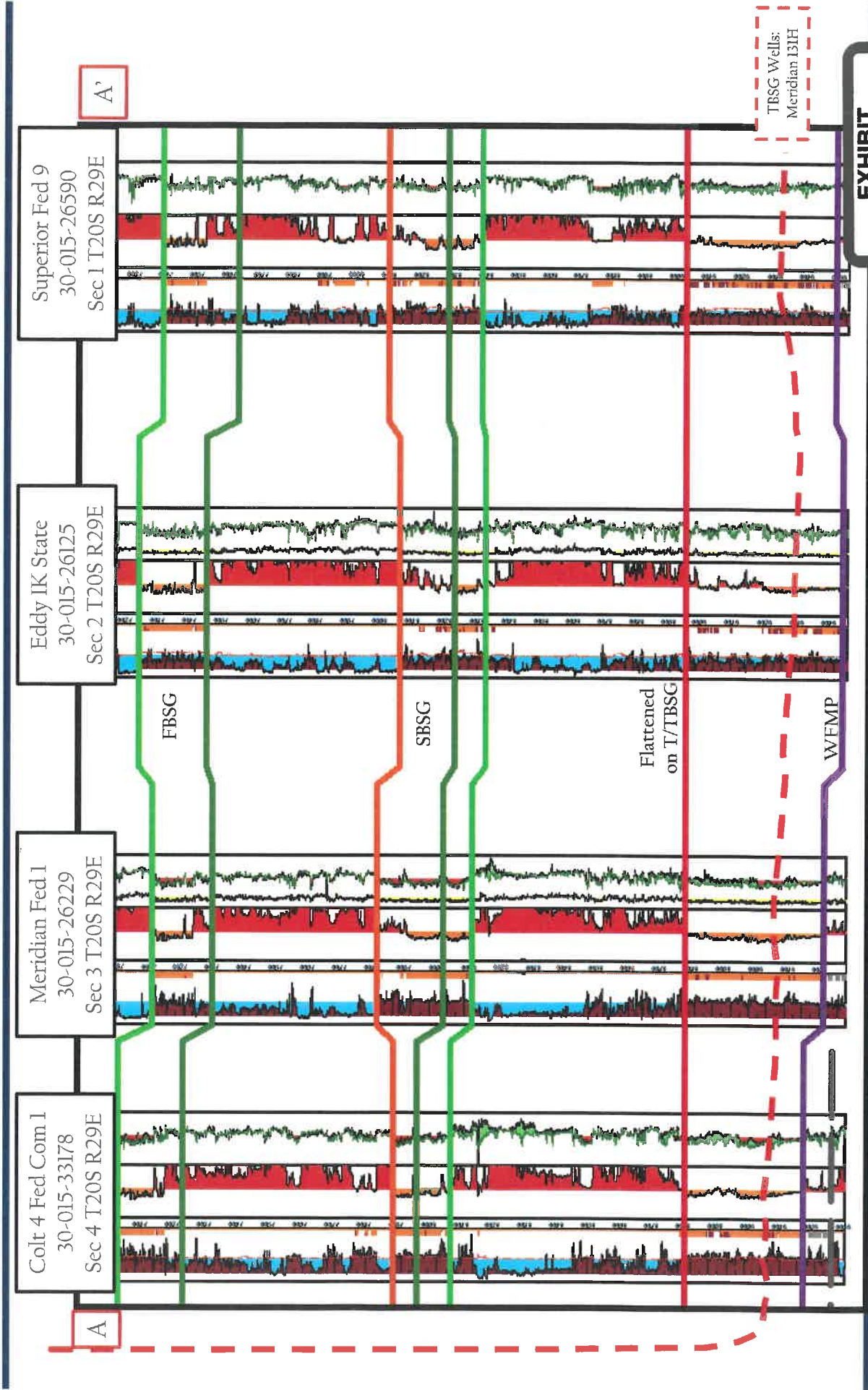
CONFIDENTIAL

EXHIBIT

C.5



# Meridian: Cross-Section A-A'



EXHIBIT

C.6

tabbles

CONFIDENTIAL



# Meridian: TBSG Cross-Section A-A'

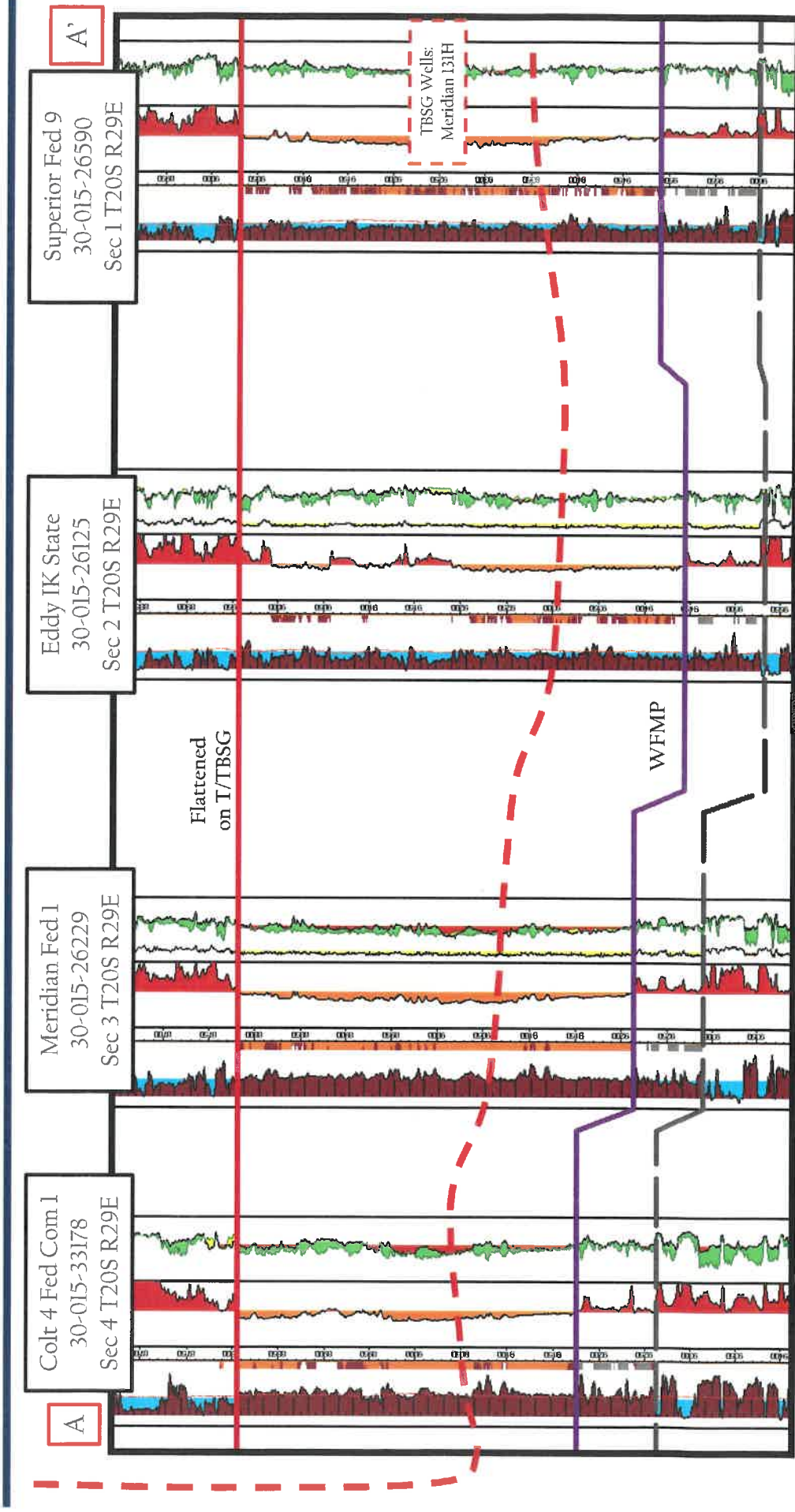


EXHIBIT  
C.7

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

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

CASE NO. 21629

**AFFIDAVIT OF LANCE D. HOUGH**

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

Lance D. Hough, attorney in fact and authorized representative of Colgate Operating, LLC ("Colgate"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under notice of hearing to parties entitled to notice; and that the following are attached hereto: a sample of said notice of hearing as **Exhibit D.1**, a mailing list for notice of hearing and proof of mailed notice of hearing as **Exhibit D.2**, and proof of published notice of hearing as **Exhibit D.3**. As noted in the Affidavit of Mark Hajdik, Colgate has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the application filed herein.

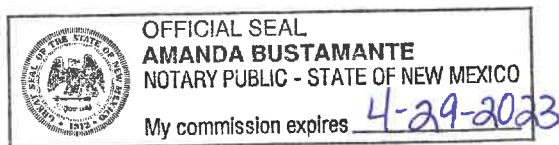
  
\_\_\_\_\_  
Lance D. Hough

SUBSCRIBED AND SWORN to before me this 4th day of January 2021 by Lance D. Hough.

S E A L

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

My commission expires: 4-29-2023





MODRALL SPERLING

L A W Y E R S

December 18, 2020

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

**VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

TO: AFFECTED PARTIES

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

**Case No. 21629: Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Meridian 3 Fed State Com 131H** well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.

This applications have been set for hearing before a Division Examiner at **8:15 a.m. on January 7, 2020**. During the COVID-19 Public Health Emergency, the hearing will be conducted remotely. Instructions to appear can be found at <http://www.emnrd.state.nm.us/OCD/documents/01-07OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Modrall Sperling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
[www.modrall.com](http://www.modrall.com)



**AFFECTED PARTIES**

**Colgate / Meridian 3 Fed State Com 131H**

**December 18, 2020**

**Page 2**

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

Sincerely,



**Lance D. Hough**  
*Attorney for Applicant*

**EED/ldh/W3921617.DOCX**

**Enclosures: as stated**

Transaction Report Details - CertifiedPro.net  
Firm Mail Book ID# 200629  
Generated: 1/4/2021 3:06:18 PM

Date Created	Name 1	Name 2	Address1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
2020-12-18 11:20 AM	Joanne Sweeney		P.O. Box 1718	Carlsbad	NM	88221	Delivered	Return Receipt - Electronic, Certified Mail	12-21-2020
2020-12-18 11:20 AM	Carol Lee Bracken		P.O. Box 1718	Carlsbad	NM	88221	Delivered	Return Receipt - Electronic, Certified Mail	12-21-2020
2020-12-18 11:20 AM	Drew J. Bracken		P.O. Box 1718	Carlsbad	NM	88221	Delivered	Return Receipt - Electronic, Certified Mail	12-21-2020
2020-12-18 11:20 AM	Ellen Brasil		1015 Beechview Drive S.	Worthington	OH	43085	Delivered	Return Receipt - Electronic, Certified Mail	12-31-2020
2020-12-18 11:20 AM	Westall Oil and Gas, LLC		P.O. BOX 4	Loco Hills	NM	88255	Delivered	Return Receipt - Electronic, Certified Mail	12-22-2020
2020-12-18 11:20 AM	Ray Westall Operating, Inc.		P.O. BOX 4	Loco Hills	NM	88255	Delivered	Return Receipt - Electronic, Certified Mail	12-22-2020
2020-12-18 11:20 AM	Cal-Mon Oil Company		500 W. Texas Ave., Suite 1200	Midland	TX	79701	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	12-22-2020
2020-12-18 11:20 AM	Thomas R. Barr	c/o Christine B. Motyka	P.O. Box 506	Midland	TX	79702	To be Returned	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Taylor L. Barr	c/o Christine B. Motyka	P.O. Box 505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Zachariah J. Reid c/o Christine B. Motyka		P.O. Box 505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Craig W. Barr c/o Christine B. Motyka		P.O. Box 505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Taylor Mays Wynn		4925 Greenville Ave., Suite 900	Dallas	TX	75206	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Forest Jacob Wynn		4925 Greenville Ave., Suite 900	Dallas	TX	75206	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	WFW Family Ltd. Partnership		P.O. Box 505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Elizabeth Ann Ramsland		P.O. Box 505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Julie Barnes and Christine Motyka		P.O. Box 505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Bahnhor Holdings, LP	as Co-Trustees of the Laurie B. Barr Family Trust	P.O. Box 10505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	C.R. Burch		P.O. Box 293	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	TOCOR Investments, Inc.		P.O. Box 293	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Julie Ellen Barnes, SSP		P.O. Box 293	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	V. Elaine Barnes		P.O. Box 505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Steven C. Barnes		P.O. Box 505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Suzanne Schreiber, MSU		3111 East 58th Place	Tulsa	OK	74105	Delivered	Return Receipt - Electronic, Certified Mail	12-22-2020
2020-12-18 11:20 AM	Sara A. Schreiber		2203 12th Court North, #38	Arlington	VA	22201	Delivered	Return Receipt - Electronic, Certified Mail	12-21-2020
2020-12-18 11:20 AM	Diane Daniels Denish		2604 Morrow Road NE	Albuquerque	NM	87106	Delivered	Return Receipt - Electronic, Certified Mail	12-21-2020
2020-12-18 11:20 AM	WPX Energy Permian, LLC		3500 One Williams Center	Tulsa	OK	74172	Delivered	Return Receipt - Electronic, Certified Mail	12-21-2020
2020-12-18 11:20 AM	COG Operating LLC		600 West Illinois Avenue	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	12-22-2020
2020-12-18 11:20 AM	ConocoPhillips Company	One Concho Center	600 North Dairy Ashford Road	Houston	TX	77252	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	12-28-2020
2020-12-18 11:20 AM	Christine B. Motyka		P.O. Box 505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	McCrea Energy, LLC		P.O. Box 2626	Fredericksburg	TX	78624	Delivered	Return Receipt - Electronic, Certified Mail	12-28-2020
2020-12-18 11:20 AM	Castlerock Exploration, LLC		P.O. Box 592137	San Antonio	TX	78259	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Enoch Energy, Inc.		P.O. Box 601533	Dallas	TX	75360	Undelivered	Return Receipt - Electronic, Certified Mail	12-23-2020
2020-12-18 11:20 AM	Adrienne Suzanne Wynn Beauchamp	Charitable Remainder Unitrust	900 Main St., Suite 6000	Dallas	TX	75202	Delivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	RUMPKM, LLC		200 N. Lorraine Street, Suite 1404	Midland	TX	79701	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	C.F. Wynn, SSP, aka Claude F. Wynn		P.O. Box 10505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Dorothy Jean Keenom	as Trustee of the Nancy Puff Jones Trust	P.O. Box 470605	Fort Worth	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM	Barnes Family Partnership	as Trustee of the Thomas Hill Puff Trust	P.O. Box 470605	Fort Worth	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM	Hill Investments, Ltd.		P.O. Box 10505	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	H-S Minerals and Realty, Ltd.		P.O. Box 27284	Austin	TX	78755	Delivered	Return Receipt - Electronic, Certified Mail	12-29-2020
2020-12-18 11:20 AM	Horseshoe Drilling Corporation		P.O. Box 27284	Austin	TX	78755	Delivered	Return Receipt - Electronic, Certified Mail	12-29-2020
2020-12-18 11:20 AM	Jane B. Ramsland Oil & Gas Partnership, Ltd.	a/k/a Horseshoe Oil and Gas Corporation	P.O. Box 870	San Angelo	TX	76902	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM	WALTRIP Energy, LLC		P.O. Box 10505	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	12-29-2020
2020-12-18 11:20 AM	GASCO Energy, Ltd.		3343 Locke Avenue, No. 103	Fort Worth	TX	76107	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM	Pendragon Production Company	Patrick W. Arthur, President	P.O. Box 470397	Fort Worth	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Canyon Properties, LLC		P.O. Box 271668	Houston	TX	77277	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Prosperity Bank f/k/a American State Bank	as Trustee of the J.M. Welborn Trust	1500 Broadway, Suite 1212	Lubbock	TX	79401	Delivered	Return Receipt - Electronic, Certified Mail	12-21-2020
2020-12-18 11:20 AM	Ernest Angelo, Jr., et ux	Betty Lou Angelo	1401 Avenue Q	Lubbock	TX	79404	Delivered	Return Receipt - Electronic, Certified Mail	12-21-2020
2020-12-18 11:20 AM	Ierlyn Investments, LLC		410 N. Main St.	Midland	TX	79701	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	John H. Hendrix and Carol Weiss Hendrix,	Trustees of the John H. Hendrix Revocable Trust	1607 Country Club Drive	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM	Geraldine L. Zoller		110 N. Marlenfeld, Ste 400	Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Cal-Mon Oil Company		P.O. Box 1446	Marble Falls	TX	78654	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
2020-12-18 11:20 AM	Manada Resources, LP		500 W. Texas Ave., Suite 1200	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM	Marshall & Winston, Inc.		P.O. Box 130	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM	Challenger Crude, Ltd.		6 Desta Dr., Suite 3100	Midland	TX	79703	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM	Richmond Resources, Inc.		3525 Andrews Highway	Midland	TX	77406	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM	Magnum Hunter Production, Inc.		P.O. Box 1107	Richmond	TX	77406	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020
2020-12-18 11:20 AM			600 N. Marlenfeld, Suite 600	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	12-24-2020



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
12/18/2020

Firm Mailing Book ID: 200629

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0077 8199 36	Magnum Hunter Production, Inc. 600 N. Mariefeld, Suite 600 Midland TX 79701	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
2	9314 8699 0430 0077 8199 43	Richmond Resources, Inc. P.O. Box 1107 Richmond TX 77406	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
3	9314 8699 0430 0077 8199 50	Challenger Crude, Ltd. 3525 Andrews Highway Midland TX 79703	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
4	9314 8699 0430 0077 8199 67	Marshall & Winston, Inc. 6 Desta Dr., Suite 3100 Midland TX 79705	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
5	9314 8699 0430 0077 8199 74	Manada Resources, LP P.O. Box 130 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
6	9314 8699 0430 0077 8199 81	Cal-Mon Oil Company 500 W. Texas Ave., Suite 1200 Midland TX 79701	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
7	9314 8699 0430 0077 8199 98	Geraldine L. Zoller P.O. Box 1446 Marble Falls TX 78654	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
8	9314 8699 0430 0077 8200 00	John H. Hendrix and Carol Weiss Hendrix, Trustees of the John H. Hendrix Revocable Trust 110 N. Mariefeld, Ste 400 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
9	9314 8699 0430 0077 8200 17	Jerlyn Investments, LLC 1607 Country Club Drive Midland TX 79701	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
10	9314 8699 0430 0077 8200 24	Ernest Angelo, Jr., et ux Betty Lou Angelo 410 N. Main St. Midland TX 79701	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
11	9314 8699 0430 0077 8200 31	Prosperity Bank f/k/a American State Bank as Trustee of the J.M. Welborn Trust 1401 Avenue Q Lubbock TX 79404	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
12	9314 8699 0430 0077 8200 48	Canyon Properties, LLC 1500 Broadway, Suite 1212 Lubbock TX 79401	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
13	9314 8699 0430 0077 8200 55	Pendragon Production Company Patrick W. Arthur, President P.O. Box 271668 Houston TX 77277	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
14	9314 8699 0430 0077 8200 62	GASCO Energy, Ltd. P.O. Box 470397 Fort Worth TX 76147	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice

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

PS Form 3877

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12/18/2020

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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0077 8200 79	WALTRIP Energy, LLC 3343 Locke Avenue, No. 103 Fort Worth TX 76107	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
16	9314 8699 0430 0077 8200 86	Jane B. Ramsland Oil & Gas Partnership, Ltd. P.O. Box 10505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
17	9314 8699 0430 0077 8200 93	Horseshoe Drilling Corporation a/k/a Horseshoe Oil and Gas Corporation P.O. Box 870 San Angelo TX 76902	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
18	9314 8699 0430 0077 8201 09	H-S Minerals and Realty, Ltd. P.O. Box 27284 Austin TX 78755	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
19	9314 8699 0430 0077 8201 16	Hill Investments, Ltd. P.O. Box 27284 Austin TX 78755	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
20	9314 8699 0430 0077 8201 23	Barnes Family Partnership P.O. Box 10505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
21	9314 8699 0430 0077 8201 30	Dorothy Jean Keenom as Trustee of the Thomas Hill Puff Trust P.O. Box 470605 Fort Worth TX 76147	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
22	9314 8699 0430 0077 8201 47	Dorothy Jean Keenom as Trustee of the Nancy Puff Jones Trust P.O. Box 470605 Fort Worth TX 76147	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
23	9314 8699 0430 0077 8201 54	C.F. Wynn, SSP, aka Claude F. Wynn P.O. Box 10505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
24	9314 8699 0430 0077 8201 61	RLMPKM, LLC 200 N. Loraine Street, Suite 1404 Midland TX 79701	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
25	9314 8699 0430 0077 8201 78	Adrienne Suzanne Wynn Beauchamp Charitable Remainder Unitrust 900 Main St., Suite 6000 Dallas TX 75202	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
26	9314 8699 0430 0077 8201 85	Enoch Energy, Inc. P.O. Box 601533 Dallas TX 75360	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
27	9314 8699 0430 0077 8201 92	Castlerock Exploration, LLC P.O. Box 592137 San Antonio TX 78259	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
28	9314 8699 0430 0077 8202 08	McCrea Energy, LLC P.O. Box 2626 Fredericksburg TX 78624	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice

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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
29	9314 8699 0430 0077 8202 15	Christine B. Motycka P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
30	9314 8699 0430 0077 8202 22	ConocoPhillips Company 600 North Dairy Ashford Road Houston TX 77252	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
31	9314 8699 0430 0077 8202 39	COG Operating LLC One Concho Center 600 West Illinois Avenue Midland TX 79701	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
32	9314 8699 0430 0077 8202 46	WPX Energy Permian, LLC 3500 One Williams Center Tulsa OK 74172	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
33	9314 8699 0430 0077 8202 53	Diane Daniels Denish 2604 Morrow Road NE Albuquerque NM 87106	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
34	9314 8699 0430 0077 8202 60	Sara A. Schreiber 2203 12th Court North, #38 Arlington VA 22201	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
35	9314 8699 0430 0077 8202 77	Suzanne Schreiber, MSU 3111 East 58th Place Tulsa OK 74105	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
36	9314 8699 0430 0077 8202 84	Steven C. Barnes P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
37	9314 8699 0430 0077 8202 91	V. Elaine Barnes P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
38	9314 8699 0430 0077 8203 07	Julie Ellen Barnes, SSP P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
39	9314 8699 0430 0077 8203 14	TOCOR Investments, Inc. P.O. Box 293 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
40	9314 8699 0430 0077 8203 21	C.R. Burch P.O. Box 293 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
41	9314 8699 0430 0077 8203 38	Bahnhof Holdings, LP P.O. Box 10505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
42	9314 8699 0430 0077 8203 45	Julie Barnes and Christine Motycka as Co-Trustees of the Laurie B. Barr Family Trust P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
43	9314 8699 0430 0077 8203 52	Elizabeth Ann Ramsland P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice



Zina Crum  
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44	9314 8699 0430 0077 8203 69	WFW Family Ltd. Partnership P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
45	9314 8699 0430 0077 8203 76	Forest Jacob Wynn 4925 Greenville Ave., Suite 900 Dallas TX 75206	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
46	9314 8699 0430 0077 8203 83	Taylor Mays Wynn 4925 Greenville Ave., Suite 900 Dallas TX 75206	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
47	9314 8699 0430 0077 8203 90	Craig W. Barr c/o Christine B. Motycka P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
48	9314 8699 0430 0077 8204 06	Zachariah J. Reid c/o Christine B. Motycka P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
49	9314 8699 0430 0077 8204 13	Taylor L. Barr c/o Christine B. Motycka P.O. Box 505 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
50	9314 8699 0430 0077 8204 20	Thomas R. Barr c/o Christine B. Motycka P.O. Box 506 Midland TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
51	9314 8699 0430 0077 8204 37	Cal-Mon Oil Company 500 W. Texas Ave., Suite 1200 Midland TX 79701	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
52	9314 8699 0430 0077 8204 44	Ray Westall Operating, Inc. P. O. BOX 4 Loco Hills NM 88255	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
53	9314 8699 0430 0077 8204 51	Westall Oil and Gas, LLC P. O. BOX 4 Loco Hills NM 88255	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
54	9314 8699 0430 0077 8204 68	Ellen Brasel 1015 Beechview Drive S. Worthington OH 43085	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
55	9314 8699 0430 0077 8204 75	Drew J. Bracken P.O. Box 1718 Carlsbad NM 88221	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
56	9314 8699 0430 0077 8204 82	Carol Lee Bracken P.O. Box 1718 Carlsbad NM 88221	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
57	9314 8699 0430 0077 8204 99	Joanne Sweeney P.O. Box 1718 Carlsbad NM 88221	\$1.60	\$3.55	\$1.70	\$0.00	10091-0004 Meridian Notice
<b>Totals:</b>			<b>\$91.20</b>	<b>\$202.35</b>	<b>\$96.90</b>	<b>\$0.00</b>	
			<b>Grand Total:</b>		<b>\$390.45</b>		

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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:				

57

57

*[Handwritten signature]*



**Affidavit of Publication**

Ad # 0004518076

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**MODRALL SPERLING**  
POBOX 2168

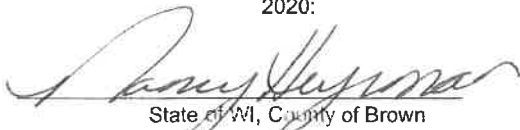
**ALBUQUERQUE, NM 87103**

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

12/22/2020

  
Legal Clerk

Subscribed and sworn before me this December 22, 2020:

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

CASE NO. 21629: Notice to all affected parties, as well as their heirs and devisees, of Magnum Hunter Production, Inc.; Richmond Resources, Inc.; Challenger Crude, Ltd.; Marshall & Winston, Inc.; Manada Resources, LP; Cal-Mon Oil Company; Geraldine L. Zoller; John H. Hendrix and Carol Weiss Hendrix, Trustees of the John H. Hendrix Revocable Trust; Jerlyn Investments, LLC; Ernest Angelo, Jr., et ux; Betty Lou Angelo; Prosperity Bank f/k/a American State Bank, as Trustee of the J.M. Welborn Trust; Canyon Properties, LLC; atrick W. Arthur, President; GASCO Energy, Ltd.; WALTRIP Energy, LLC; Jane B. Ramsland Oil & Gas Partnership, Ltd.; Horseshoe Drilling Corporation a/k/a Horseshoe Oil and Gas Corporation; H-S Minerals and Realty, Ltd.; Hill Investments, Ltd.; Barnes Family Partnership; Dorothy Jean Keenom, as Trustee of the Thomas Hill Puff Trust; Dorothy Jean Keenom, as Trustee of the Nancy Puff Jones Trust; C.F. Wynn, SSP, aka Claude F. Wynn; RLMPKM, LLC; Adrienne Suzanne Wynn Beauchamp Charitable Remainder Unitrust; Enoch Energy, Inc.; Castlerock Exploration, LLC; McCrea Energy, LLC; Christine B. Motycka; ConocoPhillips Company; COG Operating LLC; WPX Energy Permian, LLC; Diane Daniels Denish; Sara A. Schreiber; Suzanne Schreiber, MSU; Steven C. Barnes; V. Elaine Barnes; Julie Ellen Barnes, SSP; TOCOR Investments, Inc.; C.R. Burch; Bahnhof Holdings, LP; Julie Barnes and Christine Motycka, as Co-Trustees of the Laurie B. Barr Family Trust; Elizabeth Ann; WFW Family Ltd. Partnership; Forest Jacob Wynn; Taylor Mays Wynn; Craig W. Barr c/o Christine B. Motycka; Zachariah J. Reid c/o Christine B. Motycka; Taylor L. Barr c/o Christine B. Motycka; Thomas R. Barr c/o Christine B. Motycka; Cal-Mon Oil Company; Ray Westall Operating, Inc.; Westall Oil and Gas, LLC; Ellen Brasel; Drew J. Bracken; Carol Lee Bracken; Joanne Sweeney of Colgate Operating, LLC's Application for compulsory pooling, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 7, 2020 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/documents/01-07OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Meridian 3 Fed State Com 131H well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15.5 miles northeast of Carlsbad, New Mexico.

December 22, 2020

Ad # 0004518076  
PO #: 21629:  
# of Affidavits 1

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NANCY HEYRMAN  
Notary Public  
State of Wisconsin

