

Revised March 23, 2017

| | | | |
|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
|-----------|-----------|-------|---------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Marathon Oil Permian LLC **OGRID Number:** 372098
Well Name: Chili Parlor 17 Federal 2H & Chili Parlor 17 Federal 3H **API:** 30-025-43137; 30-025-43138 **+**
Pool: Red Tank; Bone Spring, East **Pool Code:** 51687

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. ☐ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
- ☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adrian Covarrubias

Print or Type Name

Signature

12/7/2021

Date

713-296-3368

Phone Number

acovarrubias@marathonoil.com

e-mail Address

Marathon Oil Permian LLC has filed the attached application for off-lease storage and measurement to the New Mexico Oil Conservation Division (NMOCD) according to provisions of NMAC 19.15.23.9 for the following wells:

| Well Name/# | API | ULSTR | Location Lease | Production Lease |
|-----------------------------------|--------------|--------------|----------------|------------------|
| Chili Parlor 17 Federal 2H | 30-025-43137 | P-08-22S-33E | NMNM096244 | NMNM114984 |
| Chili Parlor 17 Federal 3H | 30-025-43138 | O-08-22S-33E | NMNM096244 | NMNM114984 |

Both wells produce from the Red Tank; Bone Spring, East (51687) Formation in Federal Lease NMNM114984, but their individual well pads are located on Federal Lease NMNM096244.

Production from the Chili Parlor 17 Federal 3H is transported off the well pad and sent to the Chili Parlor 17 Federal 2H pad Tank Battery. Please see attached diagrams

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Marathon Oil Permian LLC
OPERATOR ADDRESS: 5555 San Felipe St., Houston, TX 77057
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☐ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

| (1) Pool Names and Codes | Gravities / BTU of Non-Commingled Production | Calculated Gravities / BTU of Commingled Production | | Calculated Value of Commingled Production | Volumes |
|--------------------------|--|---|--|---|---------|
| | | | | | |
| | | | | | |
| | | | | | |
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| | | | | | |
| | | | | | |

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☒ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☒ Yes ☐ No
(2) Include proof of notice to all interest owners. See attached

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location. See Attached
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

See Attached

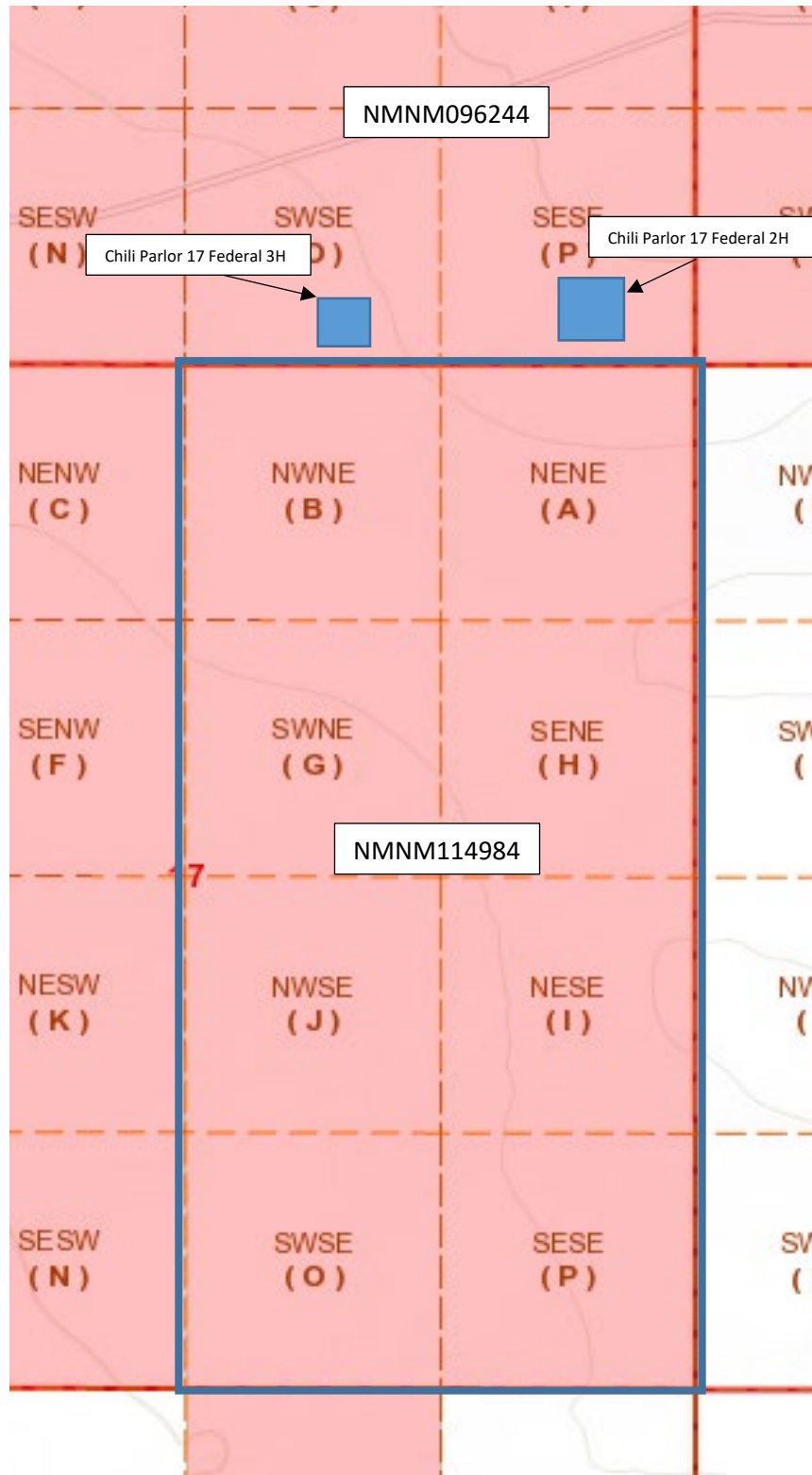
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Adrian Covarrubias TITLE: Regulatory Professional DATE: 12/6/2021

TYPE OR PRINT NAME Adrian Covarrubias TELEPHONE NO.: 713-296-3368

E-MAIL ADDRESS: acovarrubias@marathonoil.com

Lease Map with location of well pads, and lease numbers.



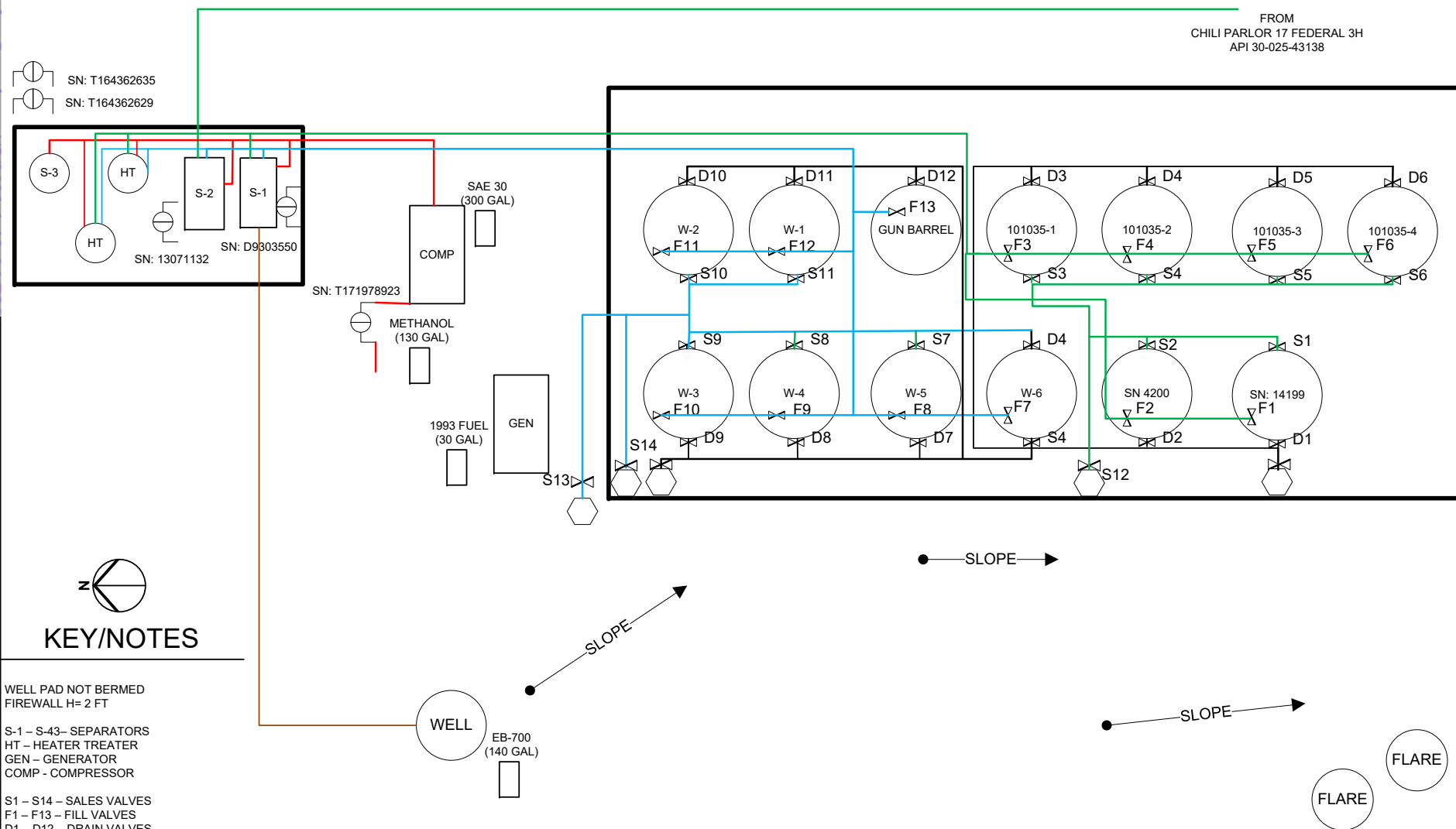


FIGURE TITLE

CHILI PARLOR 17 FEDERAL 2H

API

30-025-43137

LEASE

NMNM114984

CA #

OPERATOR

**MARATHON OIL PERMIAN, LLC
5555 SAN FELIPE ST, HOUSTON, TX 77056**

LOCATION

LEA COUNTY, NM**SESE-8-T22S-R33E
240 FSL & 360 FEL****LAT 32.39971673
LONG -103.58819381**

DATE MARCH 2018

SCALE NOT TO SCALE

DRAWN BY AC

APPROVED BY JVC

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|---|--|
| ¹ API Number | ² Pool Code | ³ Pool Name |
| ⁴ Property Code | ⁵ Property Name CHILI PARLOR 17 FEDERAL | |
| ⁷ OGRID No. 160825 | ⁸ Operator Name B.C. OPERATING, INC. | ⁶ Well Number 3H ⁹ Elevation 3569 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 8 | T22S | R33E | | 240' | SOUTH | 2200' | EAST | LEA |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 17 | T22S | R33E | | 334' | SOUTH | 2264' | EAST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 160.00 | 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 SECTION 7 SECTION 8 SURFACE HOLE LOCATION 240' FSL 2200' FEL NAD 83, SPCS NM EAST X:769785.91' / Y:509950.43' LAT:32.39974813N / LON:103.59315405W NAD 27, SPCS NM EAST X:728603.42' / Y:509889.81' LAT:32.39962484N / LON:103.59266876W FIRST TAKE POINT 11,126 MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X:769733.95' / Y:509380.40' LAT:32.39818233N / LON:103.59333515W NAD 27, SPCS NM EAST X:728551.45' / Y:509319.79' LAT:32.39805904N / LON:103.59284991W LAST TAKE POINT/BOTTOM HOLE LOCATION 15,750 MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X:769769.22' / Y:504760.43' LAT:32.38548320N / LON:103.59332445W NAD 27, SPCS NM EAST X:728586.61' / Y:504699.96' LAT:32.38535987N / LON:103.59283964W | | CORNER COORDINATES NAD 83, SPCS NM EAST A - Y: 509709.94' / X: 769354.95' B - Y: 509711.53' / X: 770671.07' C - Y: 504430.20' / X: 770718.23' D - Y: 504424.88' / X: 769400.27' | | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____ |
| ¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey _____ Signature and Seal of Professional Surveyor: _____ CONVEYANCE OR THE BASIS FOR THE SUBSTANCE OF A PERMIT. | | PRELIMINARY THIS DOCUMENT IS NOT TO BE USED FOR CONSTRUCTION BIDDING, RECORDATION, OR THE BASIS FOR THE SUBSTANCE OF A PERMIT. | | |
| SECTION 18 SECTION 17 SECTION 19 SECTION 20 CORNER COORDINATES NAD 27, SPCS NM EAST A - Y: 509649.32' / X: 728172.46' B - Y: 509650.91' / X: 729488.57' C - Y: 504369.73' / X: 729535.61' D - Y: 504364.42' / X: 728217.65' | | ¹⁵ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey _____ Signature and Seal of Professional Surveyor: _____ CONVEYANCE OR THE BASIS FOR THE SUBSTANCE OF A PERMIT. | | |

NOTE: ALL DEMINSIONS IN U.S. FEET

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-025-43137 | ² Pool Code | ³ Pool Name RED TANK; BONE SPRING |
| ⁴ Property Code | ⁵ Property Name CHILI PARLOR 17 FEDERAL | ⁶ Well Number 2H |
| ⁷ OGRID No. 160825 | ⁸ Operator Name B.C. OPERATING, INC. | ⁹ Elevation 3592 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 8 | T22S | R33E | | 240' | SOUTH | 360' | EAST | LEA |

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 | 17 | T22S | R33E | | 240' | SOUTH | 660' | EAST | LEA |

| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| 160.00 | | | 191 |

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 HOLE LOCATION NAD 83, SPCS NM EAST X:771625.59' / Y:509951.79' LAT:32.39971673N / LDM103.58819381W NAD 27, SPCS NM EAST X:730443.09' / Y:509891.16' LAT:32.39959341N / LDM103.587670870W | | 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: <i>Sarah Presley</i> Date: 4.11.17 Printed Name: SARAH PRESLEY E-mail Address: SPRESLEY@BC OPERATING.COM | |
| SECTION 7 | SECTION 8 | SECTION 9 | SECTION 16 |
| SECTION 18 | SECTION 17 | SECTION 16 | SECTION 16 |
| FIRST TAKE POINT NAD 83, SPCS NM EAST X:771598.46' / Y:509382.64' LAT:32.39815289N / LDM103.58729457W NAD 27, SPCS NM EAST X:730415.95' / Y:509322.03' LAT:32.39802936N / LDM103.58680931W | | 330' 240' 360' 392' | |
| CORNER COORDINATES NAD 83, SPCS NM EAST A - Y: 509711.53' / X: 770671.07' B - Y: 509713.11' / X: 771987.19' C - Y: 504435.52' / X: 772036.20' D - Y: 504430.20' / X: 770718.23' NAD 27, SPCS NM EAST A - Y: 509650.91' / X: 729488.57' B - Y: 509652.49' / X: 730804.68' C - Y: 504375.05' / X: 730833.57' D - Y: 504369.73' / X: 729535.61' | | 330' 330' 330' 330' | |
| LAST TAKE POINT NAD 83, SPCS NM EAST X:771373.96' / Y:504762.87' LAT:32.3853585N / LDM103.58762762W NAD 27, SPCS NM EAST X:730195.63' / Y:504702.39' LAT:32.38508851N / LDM103.58764356W | | 655' 660' | |
| SECTION 18 | SECTION 17 | SECTION 16 | SECTION 16 |
| SECTION 19 | SECTION 20 | SECTION 21 | SECTION 21 |
| BOTTOM HOLE LOCATION NAD 83, SPCS NM EAST X:771373.96' / Y:504762.85' LAT:32.3852186N / LDM103.58812821V NAD 27, SPCS NM EAST X:730191.34' / Y:504612.38' LAT:32.38508851N / LDM103.58764356W | | 240' 660' | |

Notification Letter and Certified Mail Tracking:

| Name of WI Owner | Address | Certified Mail Tracking # | Date Sent |
|------------------|----------------------------------|-----------------------------|-----------|
| ALLAR CO | P.O BOX 1567 Graham, TX 76450 | 91 7199 9991 7037 7614 6667 | 12/7/2021 |



Jeff Broussard
Land Professional
LAND - Permian

Marathon Oil Company
990 Town & Country Blvd.
Houston, TX 77024
Telephone 713.296.3159
jbroussard1@marathonoil.com

DELIVERED VIA:
Certified Mail

December 6, 2021

Marathon Oil Permian LLC Application for Off-Lease Storage and Measurement
Chili Parlor 17 Federal 2H (30-025-43137)
Chilli Parlor 17 Federal 3H (30-025-43138)
Section 8, T22S-R33E
Lea County, New Mexico

To whom it may concern:

Marathon Oil Permian LLC ("Marathon") has filed the attached application with the New Mexico Oil Conservation Division ("Division") for administrative approval for off-lease storage and measurement of production according to the provisions of NMAC 19.15.23.9 from the Chili Parlor 17 Federal 2H and Chili Parlor 17 Federal 3H wells, located in the Red Tank; Bone Spring, East Pool (51687), located in Section 8, T22S-R33E, Lea County, New Mexico.

As a working interest owner in these wells, Marathon is required to notify you of this application. Should you have an objection you must file it in writing with the Division no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, NM 87505).

Should you have any questions please do not hesitate to contact me at 713-296-3159 or by email at jbroussard1@marathonoil.com.

Sincerely,

MARATHON OIL COMPANY

A handwritten signature in blue ink, appearing to read 'J. Broussard', written over a light blue horizontal line.

Jeff Broussard

| Well Name | Well Number | US Well Number | Lease Number | Case Number | Operator |
|-----------------|-------------|----------------|--------------|-------------|--------------|
| CHILI PARLOR 17 | 2H | 3002543137 | NMNM114984 | NMNM114984 | MARATHON OIL |
| CHILI PARLOR 17 | 3H | 3002543138 | NMNM114984 | NMNM114984 | MARATHON OIL |

Notice of Intent

Sundry ID: 2647365

Type of Submission: Notice of Intent

Date Sundry Submitted: 12/07/2021

Date proposed operation will begin: 12/07/2021

Type of Action: Off-lease Measurement/Storage

Time Sundry Submitted: 07:37

Procedure Description: Marathon Oil Permian LLC is submitting application for Off-lease Measurement and Storage. Please see attachments.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

_Notice_Package_to_BLM___Chili_Parlor_20211207073732.pdf

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: ADRIAN COVARRUBIAS

Signed on: DEC 07, 2021 07:34 AM

Name: MARATHON OIL PERMIAN LLC

Title: regulatory Compliance Representative

Street Address: 5555 SAN FELIPE ST.

City: HOUSTON **State:** TX

Phone: (713) 296-3368

Email address: acovarrubias@marathonoil.com

Field Representative

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

From: [McClure, Dean, EMNRD](#)
To: [Covarrubias, Adrian \(MRO\)](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); [Paradis, Kyle Q](#); [Walls, Christopher](#)
Subject: Approved Administrative Order OLM-255
Date: Tuesday, April 5, 2022 1:06:04 PM
Attachments: [OLM255 Order.pdf](#)

NMOCD has issued Administrative Order OLM-255 which authorizes Marathon Oil Permian, LLC (372098) to surface commingle or off-lease measure, as applicable, the following wells:

| Well API | Well Name | UL or Q/Q | S-T-R | Pool |
|--------------|-----------------------------|-----------|------------|-------|
| 30-025-43137 | Chili Parlor 17 Federal #2H | E/2 E/2 | 17-22S-33E | 51687 |
| 30-025-43138 | Chili Parlor 17 Federal #3H | W/2 E/2 | 17-22S-33E | 51687 |

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

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

**APPLICATION FOR OFF-LEASE MEASUREMENT
SUBMITTED BY MARATHON OIL PERMIAN, LLC**

ORDER NO. OLM-255

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Marathon Oil Permian, LLC ("Applicant") submitted a complete application to off-lease measure the oil and gas production ("Application") from the wells, pool, and lease identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning a working interest in the oil and gas production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
2. The oil and gas production from the wells identified in Exhibit A shall be physically separated from the oil and gas production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.
3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.

4. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 4/05/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **OLM-255**

Operator: **Marathon Oil Permian, LLC (372098)**

Central Tank Battery: **Chili Parlor 17 Federal 2H Pad Tank Battery**

Central Tank Battery Location: **UL P, Section 8, Township 22 South, Range 33 East**

Gas Title Transfer Meter Location: **UL P, Section 8, Township 22 South, Range 33 East**

Pools

| Pool Name | Pool Code |
|------------------------------------|--------------|
| RED TANK; BONE SPRING, EAST | 51687 |

Leases as defined in 19.15.12.7(C) NMAC

| Lease | UL or Q/Q | S-T-R |
|--------------------|------------|-------------------|
| NMNM 114984 | E/2 | 17-22S-33E |

Wells

| Well API | Well Name | UL or Q/Q | S-T-R | Pool |
|---------------------|------------------------------------|----------------|-------------------|--------------|
| 30-025-43137 | Chili Parlor 17 Federal #2H | E/2 E/2 | 17-22S-33E | 51687 |
| 30-025-43138 | Chili Parlor 17 Federal #3H | W/2 E/2 | 17-22S-33E | 51687 |

District I

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Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 65282

CONDITIONS

| | |
|--|---|
| Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024 | OGRID: 372098 |
| | Action Number: 65282 |
| | Action Type: [C-107] Surface Commingle or Off-Lease (C-107B) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| dmcclure | Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me. | 4/5/2022 |